

Environment, Food and Rural Affairs Committee

Oral evidence: Labour Constraints, HC 776

Wednesday 28 March 2018

Ordered by the House of Commons to be published on 28 March 2018.

[Watch the meeting](#)

Members present: Neil Parish (Chair); Alan Brown; John Grogan; Dr Caroline Johnson; Sandy Martin; Kerry McCarthy; Mrs Sheryll Murray; David Simpson; Angela Smith.

Questions 114 - 237

Witnesses

I: Rt Hon Caroline Nokes MP, Minister for Immigration, Home Office; George Eustice MP, Minister for Agriculture, Fisheries and Food, Department for Environment, Food and Rural Affairs.

Written evidence from witnesses:

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

Examination of Witnesses

Witnesses: Rt Hon Caroline Nokes MP and George Eustice MP.

Q114 Chair: Welcome, Ministers. Thank you very much. It is good to see both Caroline Nokes and George Eustice here. You are no stranger, are you, George, to this Committee? It is good to see you. We are talking today, naturally, about labour constraints and what we can do about them. I will start off with the first question. Do the Government think there is a shortage of labour in agriculture and horticulture? George, you can start off, and I am sure, Caroline, you will have some comments to make.

George Eustice: The best evidence we can go on is the NFU's labour survey, which we have at the moment, which is obviously specific to agriculture. We have a seasonal agricultural workers working group, which Defra participates in and which basically took over from the transition group that had run after the SAWS scheme was closed in 2013. Last year, in the third quarter, sometimes described as "peak strawberry", when you get the biggest peak in demand for labour, it is fair to say that, anecdotally, there were some gaps. Some businesses were finding it harder to fill vacancies.

In terms of the key indicators used at that point, we know that the annual returnee rate was back down to 28.7%, compared to 41% in 2016. That is seen as an indicator of declining labour availability. The proportion of workers failing to arrive to take up a job offer doubled, from 4.6% to 8.5%. Thirdly, the so-called early leavers—that is, those who did not stay for the season—were 14.8%. That was also an increase. Those are not perfect, but they have been used for some time by the industry as a yardstick of the availability of labour. It is fair to say that, in the third quarter last year, there was some pressure.

Q115 Chair: The evidence we have taken from witnesses shows clearly that there is a real tightening of the labour situation. They make the point that they are having to make many more offers. They are working much harder to get the labour. What we are particularly concerned about is getting to a situation where we do not have enough labour. Then, literally, you would not have the crops picked, which also affects the processing industry. Can I ask you, before Caroline comes in, how you liaise with those in the Home Office, in order to make sure they listen to what you are saying?

George Eustice: We are big believers in joined-up government, Mr Parish, as you will know. We work very, very closely, both at official level and at ministerial level, on this. In the session you had last year, I appeared here alongside the then Immigration Minister, and I am doing the same this year. We work very, very closely on this. We commissioned a piece of work with ONS in February this year, to start to get better data and add additional survey working, in addition to what the NFU is doing, to get a better understanding of individual sectors that



HOUSE OF COMMONS

might have particular problems. We work very closely with the Home Office and other agencies, such as the ONS.

Q116 **Chair:** Are you encouraging them to come up with a scheme or have you not gone that far?

George Eustice: As the Secretary of State pointed out in his speech to the NFU, we recognise that the statistics that the industry provided us last year showed that there was pressure, particularly in the third quarter of last year, where you have your peak pressure. He made clear that they had made a strong case for us to look at a seasonal agricultural workers scheme, so we are doing just that.

Q117 **Chair:** The answer is yes. Is that right?

George Eustice: The answer is that there is a discussion going on, as Michael Gove explained earlier this year at the NFU conference in February. He explained that there was a discussion going on, and that discussion is still going on, yes.

Q118 **Chair:** Right then, Caroline, now is your great moment of glory. You are going to come in with a scheme and it is all going to be sorted. Is that right?

Caroline Nokes: Thank you, Chairman. That is very tempting of you, from the outset. Just to give some context, it is important that we reflect upon the fact that we are still members of the European Union. Free movement still prevails. In the withdrawal agreement that was set in December, we agreed that EU citizens who are living here and have been living here before the implementation date of 29 March would be entitled to stay and apply for settled status. The extension of that to those who come during the immediate two years after withdrawal, so up until December 2020, is good news and provides some certainty.

As you and many members of your Committee are aware, when the transitional arrangements on Bulgaria and Romania ended in 2013, we removed the previous seasonal agricultural workers scheme, with the view that the free movement of those workers would meet the needs of the agricultural industry.

I am not going to give you a glib answer that tells you we know that net EU migration is still positive. We know that there are 90,000 more EU workers here, on the latest ONS statistics, than there were a year previously. George sat with me for an enormous chunk of the debate on 1 March, when Back-Bench colleagues put forward their arguments in favour of a seasonal agricultural workers scheme. You will undoubtedly be aware that many colleagues are beating a path to my door to explain some of the challenges that there are in the agricultural sector. Yesterday afternoon, I was in front of the Scottish Affairs Committee, where the issue was repeatedly raised with me.



HOUSE OF COMMONS

I am very conscious that we commissioned the MAC in September of last year. It produced its interim report yesterday. It is about 80 pages. I am going to confess to not having read every single one in detail, but I am conscious that it has received evidence and representations from over 400 different organisations, including—and I am not going to reel them off to you—a wide range of farmers, the NFU, growers and growing associations from up and down the country. It is fair to say that I am listening to the representations that are being made to me.

Q119 Chair: I take that all on board, but the issue for us is that there is no doubt it is getting harder to get labour. It is harder to get people to return, and it is harder to actually get that labour from the EU, partly perhaps due to the concept of Brexit. Picking our vegetables, our fruits and processing our food is so important. Therefore, if we do not have the labour, we will not be able to run those industries. Some of it can be replaced, by machines and all sorts of things, but in the short term at least we need that availability of labour. You are looking at all this, but how quickly could you act, if you needed to?

Caroline Nokes: I am not going to contradict my not-immediate predecessor. I know Robert Goodwill said to you that a seasonal agricultural workers scheme could be ready within months. What is important is that we recognise that free movement still prevails, and we need to be in a position where we are considering all the options.

Q120 Chair: He said “months”. Do you agree with that?

Caroline Nokes: Yes. As I just said, I am not going to contradict him. Yes, it could be ready within months. The MAC is not going to come up with its full report until September of this year, and I want evidence with which to make policy.

Q121 Mrs Murray: I cannot emphasise this enough. My farmers are telling me, and I am sure it is the same nationwide, that it is really important that they have a date or at least a timescale they can look towards. Following on from what Mr Parish has said, can you give us an indication of when we will hear an announcement about the seasonal agricultural workers scheme? It is really important. They have to plan.

Caroline Nokes: I understand it is important. I also reflect upon some of the comments that were made in that debate on 1 March. Apologies, I cannot remember whether you were there or not, Sheryll. A number of Members suggested that, this summer, while we still have free movement, the industry would cope. I want to make sure that we listen to the evidence coming forward from the NFU and Defra. It is important that we work together on this to find a solution that works for all sectors of the industry. It is also important to reflect upon the fact that it is not only the agricultural industry that is telling me it needs seasonal workers. It is tourism, hospitality and catering. I have to take all those views into account.

Q122 Mrs Murray: Absolutely. You are saying “not in the near future”, then.



HOUSE OF COMMONS

Caroline Nokes: No, I am not going to give you a date.

Q123 **Chair:** Minister, we are not necessarily expecting you to give a date, but we want a little more reassurance that you not just fiddling while Rome burns.

Mrs Murray: You could indicate a time.

Chair: "Let us wait long enough until the industry really squeals, so it does not have enough labour to pick the vegetables and they all go to waste in a field". I am being slightly dramatic, but I do not feel enough concern here, really. It is very much a Civil Service-type approach: "Let us get all the figures together. Let us churn them out. Let us see what comes out of the sausage machine. Then, perhaps, 25 years later, we might take some sort of action". I do not see any sense of urgency, Minister. In fact, I see quite the reverse.

Mrs Murray: It is just to give them an indication.

Caroline Nokes: Thank you, Chairman. I am taking that criticism right on the chin.

Chair: That is my style, so you will get used to it.

Caroline Nokes: It is unfair to say that I am not concerned. Of course I am. Of course I am listening to the many voices from within the agricultural sector, from colleagues, from different Select Committees that are requesting I appear before them to talk on this issue. Of course I understand the level of concern. It is also fair to say that, across Government, we are working together to make sure we have solutions.

I am quite impressed that I am going to get this in first, but I can commend the Defra White Paper, *Health and Harmony: the Future for Food, Farming and the Environment in a Green Brexit*, a very long title, which I have memorised. It looks at some of the routes into the agricultural industry and what more can be done to make sure that our own young people are looking forward to careers in what I know can be a really rewarding, exciting and worthwhile industry.

Q124 **Julian Sturdy:** I just want to come back on something. Caroline, you touched on the fact that this affects not just agriculture; it affects the hospitality industry and a number of other areas, which I completely understand. I really want to emphasise that, when we are talking about the agricultural industry, it is making decisions now or has already made decisions over the last 12 months about how it is investing for the future. I will be careful; I do not want to stray on to another question. We are going to come on to this in a bit. The point here is that these decisions have been made or are being made now about future investment.

We are hearing evidence on the ground and as a Committee that growers and farmers are not investing for the future at the moment, as we sit in a period of uncertainty over whether they can get access to labour. The point is that these investments are over three to five years. If we are not



HOUSE OF COMMONS

investing now, it is going to hit us in three to five years. While this period of uncertainty lasts, we are going to see less and less investment going forward. I want to emphasise that as a point. That is where the agricultural industry is probably very different to the hospitality industry.

Caroline Nokes: I would like to take members back to the transition arrangements and the fact that citizens from the EU will be able to come, live and work here until December 2020, provided they register. Then they will be entitled to apply for leave to remain on a temporary basis, until such time as they have accrued the five years to apply for settled status. We know that EU citizens are still coming here. There is net positive migration from the EU.

But I am very conscious of the challenges that the sector faces. I am also conscious of its investment decisions. You cannot read some of the evidence you have received as a Committee, or that the MAC has received, about investment decisions in the industry and not be concerned.

George Eustice: The only other thing I would say is that, as you know, it will depend on the crop. Even if you look at the strawberry industry now, which is where we have our peak demand, it has tended to move away from the old system, where you would plant a crop, it would be a three to four-year crop and that was a commitment for the long-term. The modern approach of using hydroponic or growbag-type systems means that they literally plant a 60-day cold-store plant, crop it two months later, possibly take a crop off it the next year and that is it. It has gone from being a three-year crop to an annual crop. That is also the case for a lot of other crops. Spring onions is another big one in the summer. I take your point that, if it is apples, it is five or 10 years.

Q125 **Chair:** We had a massive asparagus grower in here. I just do not think there is enough seriousness being taken. Caroline, you talk about 2020 as though it is miles away. It is two years away. Do not forget that all these interim deals do not inspire those wanting to come here with great confidence, to be perfectly blunt with you. Why would they? We talk about all these deals, but as far as they can see we are leaving in 2020. There might be some sort of a deal, but they are looking elsewhere. The pound is lower, so therefore they are not getting as many euros or whatever for their time here. Everything is agin us, in many ways, in getting this labour here. Yes, we can get some more home-grown labour; I am all in favour of that, but you will not replace all of it straight away.

That is where I just do not see any sense of urgency at all. Are you going to come back next year and tell us, "We will get a deal in 2020", and then come back in 2020, by when a deal might or might not be done? What is the strategy?

George Eustice: You made an important point on exchange rates. They aggravated the situation last year; there is no doubt about that. I am in



touch a lot with the daffodil industry, for instance, and the cauliflower industry is in my constituency in west Cornwall. Anecdotally, I am being told that, this year, they are finding it slightly easier than last year. That is not a reason to be complacent. As I said, the biggest pressure is in the third quarter, and that is something we need to be mindful of. But it is the case that the exchange rate has recovered slightly, and those that are employing large numbers of people now, which will not include your asparagus grower but does include the daffodil industry in particular, report that it is slightly easier this year than it was last year.

Q126 Angela Smith: I feel as though we are getting very much the same range of answers as last year, and yet the evidence is clearly indicating that we need to do something about this. Caroline, the NFU tells us that the average workforce shortfall was 13% in 2017, and that it peaked in September—this is George’s point about the third quarter—at 29%. Those stats are backed up by the written evidence we have had from individual farmers. Is that what you call coping?

Caroline Nokes: I am very reluctant to keep going back to the fact that we still have free movement. We know that there are 79,000 more Bulgarians and Romanians here this year than there were last year. I am conscious that the voice of the industry is very loud on this. I am also conscious that we commissioned the MAC to look at the way EU labour has flowed through different sectors and indeed different regions of the country. I know that certain parts of the country are impacted, because of the types of crops or the prevalence of agriculture, more than other parts of the country. Of course, you expect that.

I would like to look at what the MAC comes out with, its final report, which is scheduled in September. I appreciate that that is not going to satisfy those growers who would like me to announce a seasonal agricultural workers scheme in time for this year, were there still enough time.

Q127 Chair: Therefore, you have ruled it out for this year, have you?

Caroline Nokes: I did not say I had ruled it out for this year.

Q128 Chair: It did not sound like you were very optimistic for this year, did it, Minister, if I could be so bold? We have to have some straighter answers here. You are being much too evasive, this morning—much too evasive. You can come in in a minute, Sheryll. I want to finish my question, thank you. Right, please give an answer.

Caroline Nokes: Right, Chairman. I believe in evidence-based policy-making. We commissioned the MAC for a good reason. We are looking very carefully at all sectors of the economy and all regions of the country. It is important, as I have said, that Defra and the Home Office, not to mention other parts of Government—I would point to DfE, for one—work together to find solutions for our own labour force first. It is part of the responsibility of the Immigration Minister to make sure that we have the skills in place and that the British labour force is finding



HOUSE OF COMMONS

employment. We have to look very closely at the fact, as I said, that there are 79,000 more Bulgarian and Romanians here.

I get the challenges. I get the fact that the pound has not helped, and that those who come and work here in any sector are finding they have less money to send back to their home country. But it is really important that we make sure we do this in a collective way, and that Defra and the Home Office, if we come forward with a seasonal scheme, have one that is appropriate.

Q129 **Mrs Murray:** There is one thing that I cannot understand. George, maybe you can explain, and then Caroline can respond. Michael Gove told the NFU conference, which took place quite recently, that an announcement would be made shortly. Where did he get that information from? What we are hearing today from you, Caroline, seems to say that you are not going to have an announcement shortly. There seems to be mixed messaging here somewhere.

George Eustice: I do not think there is. The NFU conference was not that long ago. It was only in February. He made clear that this issue was under consideration, and that we would expect to make—

Q130 **Mrs Murray:** He said an announcement would be made shortly.

George Eustice: We have all been in politics long enough to know that “shortly” is a flexible term.

Chair: Obviously some interpret “shortly” as a lot longer than others.

George Eustice: I was at the NFU conference. It does not seem long ago. It seems like just yesterday.

Q131 **Mrs Murray:** Could you both interpret the word “shortly”—first of all you, George, and then you, Caroline? There seems to be mixed messaging. Are you communicating interdepartmentally on this?

Caroline Nokes: Yes.

George Eustice: We are, regularly.

Q132 **Mrs Murray:** Obviously the Secretary of State at Defra thinks an announcement is going to be made shortly, and that is not what we are hearing from you today, Immigration Minister. Could you please clarify it for us?

George Eustice: It comes back to the point I made right at the beginning, which is that we are considering this. We are in discussion on it, just as Michael Gove said. The deliberations are still going on. The point Caroline is making is that we are not going to put a date on it. “Shortly” is what it is. There is a discussion going on.

Q133 **Mrs Murray:** Could you please define “shortly”?

Chair: Can I ask Caroline to identify what she thinks “shortly” means?



HOUSE OF COMMONS

Caroline Nokes: I am going to agree with George. I am not going to put a date on “shortly”. It is important that we continue to work together on what we are hearing, as I have said, from different Select Committees and from colleagues across the House. I get to listen to it on the Floor of the House. I appreciate how important this is to the agricultural sector.

Q134 **Chair:** You do not share the Secretary of State’s concerns, then, in the same way that he does. Naturally, when he says to the NFU conference “shortly”, he must have a real concern. I am sorry, but it is not coming over this morning that you have any concern whatsoever. It is all in the melting pot and we will think about it sometime never. That is what comes over very clearly this morning.

Caroline Nokes: It is very unfair, Chairman, to say that I will think about it “sometime never”. Far from that, we are thinking about this—

Mrs Murray: Shortly?

Chair: Shortly? When?

Caroline Nokes: —very closely and intensively.

Chair: Go on. Keep going, sorry.

Caroline Nokes: I think I have finished.

Q135 **Dr Johnson:** The announcement that you are going to make shortly is that you will think about it sometime in September, when you get the report from the MAC.

Caroline Nokes: We are looking at the interim evidence that the MAC has come forward with. It has been very clear, though, that it is not making recommendations in this interim report; this is just a reflection of the evidence that it has received, some of which, as I think I said earlier, is very compelling. Some of the voices I have heard, both in debates in this House and from different Select Committees, have been very compelling. I was about to say, “I am going to meet the NFU shortly”, but it will be very soon.

Q136 **Dr Johnson:** Is that sooner than “shortly”?

Caroline Nokes: That is sooner than “shortly”. It is important that we continue to look at this really closely. I am very conscious of how important this is to the industry. I am not immune to the voices, as you might expect, coming from a large rural constituency myself. I am not immune to these voices, although I absolutely understand from the evidence I have seen, both on the previous scheme and more recently from colleagues, that certain parts of the country are much more impacted than others. I know that Lincolnshire in particular is one of the areas with the highest proportion of migrant workers coming to work in the growing industry. Also, I was quite surprised when looking at the stats from the previous SAWS scheme that Herefordshire was right up there. I have heard some very strong voices from Scotland and from Kent.



HOUSE OF COMMONS

Q137 **Chair:** Therefore, you are ready to do it, are you not? You cannot just pick and choose. Either you have a problem or you do not. You have a report. For how long are you going to digest that? Are you going to digest it for weeks, months or what?

Caroline Nokes: I only received it yesterday.

Q138 **Chair:** I know, but for how long? We are not getting any answers, are we, this morning? We really are not. When? What is the point of having a report if all you are going to do is have a report for the sake of having a report? We can all call for reports. Reports report on something. Then Government take action on it. That is what I cannot see: any action.

Caroline Nokes: This is the interim report, which makes no recommendations. They will come in September.

Chair: Good Lord.

Q139 **Sandy Martin:** If “shortly” is not before the next NFU conference, how is Michael Gove going to explain to the NFU that, when he said “shortly” at this year’s NFU conference, it meant more than a year? That is going to be a very difficult explanation for him to make.

Mrs Murray: It seems as if one department is dragging its heels, in some respects.

Caroline Nokes: Can I respond to that? It is very important to reflect that successive general elections and manifestos have included commitments on immigration, which as the Immigration Minister it is my duty to uphold. We have a mandate from the British public to control immigration. We have a direction of travel that is downwards, which I welcome, but I have to consider all the issues and all sectors of the economy in the round.

Mrs Murray: We are talking about the agricultural sector here.

Q140 **Chair:** You mentioned controlled immigration. That is exactly what we are asking you for. We are asking you for a SAWS agreement, which in my view is controlled immigration. That is what people voted for. Therefore, it is right that we can run our industries with enough labour. That is what we are worried about: the fact that we will not be growing the vegetables, we will not have the farming in this country and we will export our industry, Minister. That is the seriousness of it. Control is what it is all about. From the last Home Office Minister, Robert Goodwill, we heard that it could be done. We were expecting you to come this morning and tell us a little more about when it might be done, not that it is going into long grass and we might find it in several years’ time. That really is how you are coming over this morning.

Caroline Nokes: I do not think that is what I have said.

Q141 **Chair:** When you were talking earlier, you really alluded to the fact that it was not going to be happening this year.



HOUSE OF COMMONS

Caroline Nokes: I have not said that I am kicking this into the long grass. I have said that we are looking at this really closely, which we are.

Q142 **Chair:** So it will happen this year.

Caroline Nokes: As I have said, I am not going to be drawn and pushed on a date.

Q143 **Angela Smith:** This one is for Caroline and George. First of all, will we get an announcement that will allow for a scheme to be introduced sometime next year? Is this what we are perhaps waiting to hear? In October or November, will we be told there will be a scheme next year? Is that the intention? George, and perhaps Caroline as well, how long does it take to develop a scheme and implement it? Would we get one in time for next year's season.

Caroline Nokes: I am not going to contradict Robert Goodwill. I think he was right when he said that a scheme could be implemented relatively quickly.

Chair: If there is a will.

Q144 **Angela Smith:** Relatively quickly?

Caroline Nokes: He said "within months". I do not disagree with him on that. It is fair to say that it would not be impossible to run a pilot, along the lines of the scheme that was closed in 2013, in very short order. The reality is, though, that we are not yet in a position to come forward with that scheme.

Q145 **Angela Smith:** So we will get one for next year. We can get one for next year, and you will make an announcement in November or December. We will have a scheme next year.

George Eustice: To try to reconcile this perception that there are differences in what people have said, what Michael Gove said was right. We recognise the arguments made by the industry. We think it has made a case. It is being considered at the moment in Government. We cannot give you a date. He said "shortly". If he meant by the end of February or the end of March, he would have said "by the end of February" or "the end of March", but he did not. He said "shortly" because he knew there was a live discussion.

Q146 **Angela Smith:** I am not talking about "shortly", George. I am talking about an announcement in November or December.

George Eustice: The answer is, yes, as Robert Goodwill said, within four or five months, you could stand up a SAWS scheme relatively straightforwardly.

Q147 **Angela Smith:** Is that the intention? We need to know what the intention is. Do you intend to make an announcement of a new scheme in October, November or December that can be up and running next



HOUSE OF COMMONS

year—yes or no?

George Eustice: The genuine answer is that we have not yet decided. It is still being considered and discussed across Government.

Q148 **Angela Smith:** It has not been decided.

George Eustice: We have been very honest about that.

Chair: We are just not getting any straight answers here this morning at all. Obviously you have come in with that intention.

Q149 **Dr Johnson:** Moving slightly aside, you have repeated several times, Caroline, that there are 79,000 more Romanians and Bulgarians than last year. We are here today to talk about the agricultural sector. Do you have any figures for how many of those 79,000 more people are working in agriculture, or indeed, if they are not, what sectors they are working in?

Caroline Nokes: The ONS stats on labour migration do not tell me what sectors they are working in. I know, from evidence we have previously taken, that migrant labour tends to be very mobile, and that 25% of those who come to work in one sector end up working in another. I welcome labour mobility. It is a really important part of our economy, so that people can go where they choose and work in which sectors they want. George will be able to provide you with more stats on which sectors of the economy or which parts of the agricultural sector migrant labourers are working in. We know that net migration is still positive. Despite Brexit and despite uncertainty, there are more EU workers coming here than are leaving.

George Eustice: If I can just give some figures, we know that, overall, there are around 400,000 EU nationals working in the whole food supply chain, from supermarkets right down to farms. That is a significant number. We also know from the data that the number of full-time workers on farms is around 29,000. That could be working on dairy farms in full-time positions. There can only really be estimates of seasonal labour, because it is not recorded in the same way, but the estimates of seasonal labour range from 60,000 to 80,000 in a given year. We know that, at the moment, the majority of those are from Romania and Bulgaria. I do not have a precise figure, but in the last five years or so most seasonal agricultural labourers have been coming from those two countries.

Q150 **Alan Brown:** I will go back to trying to flog the dead horse. September is when the report comes back. February to September is a seven-month period, so that is clearly not shortly. We move from September to a decision-making process. Caroline, you have said that, as part of that decision-making process, we are going to look at the merits of a scheme versus the Government's commitment to get immigration down to the tens of thousands. There is going to be a big internal debate about that. Presumably that takes us from September to, as Angela said, November or December. If it then takes four to five months to implement a



HOUSE OF COMMONS

scheme, even if we are positive about a scheme, it cannot come into force until roughly April or May next year, when you are already past the recruitment period. Would that be correct?

Angela Smith: We need some urgency on this.

Caroline Nokes: I am not sure that I can add any more than to say we are looking at this closely, but I am not going to put a timescale on it.

Angela Smith: There is no urgency.

George Eustice: We know that, with the transition agreement, there will be effectively free movement. Things will not change on this until December 2020, so they would be able to recruit in that timeframe. That is notwithstanding the fact that we are looking at the SAWS scheme, as we have made clear, and as Michael Gove has made clear.

Angela Smith: The evidence is there.

Q151 **Chair:** Minister, you talk about the net immigration figures. In this Committee, we are not interested in the net immigration figures. We are interested as to whether there will be enough people there for perishable vegetables, fruits and processed foods to have that labour. You just do not seem to be facing up to that. All you seem to have is the rhetoric that we have to get that down. Do we actually want business? Do we actually want farming? Do we actually want fruit and vegetables grown in this country? I am sure you agree we want it. Therefore, why are you not looking at the industry's needs? It is very clearly coming over this morning that you have a government position that you do not want any more labour coming into the country, so you are going to stop it. If that is the case, give us a straight answer, rather than saying you are going to look at it sometime in the long and distant future.

Caroline Nokes: That is absolutely not the case. We have been very clear that we want a Britain that is outward looking and open for business. Part of the motivation behind a significant transitional period is to enable the labour that we know we need in this country to continue to come from EU member states. That is an important step that we took, in extending the ability of people to continue to come here and work, albeit with a registration scheme, up until December 2020.

That is not about me wishing to see a door shut and people not come here; that is about reflecting on the needs of those in business, who are beating a path to my door and explaining, across a wide variety of sectors, how important it is to them that they still have a labour force that can come into the country. At the same time, I have to consider that we have a mandate as a Government, having fought successive elections on a manifesto that has included a commitment to reduce net migration, to keep a weather eye on making sure that the direction of travel in regard to that target is still the correct one.

Chair: We had better move on to question 2. We have 10 questions, and



we took half an hour on the first one. It may not quite add up.

- Q152 **Alan Brown:** George, I think you have already given figures, but can you reconfirm how many seasonal workers you think are required in the agricultural and horticultural sectors, on a year-on-year basis?

George Eustice: As I said, estimates range from 60,000 to 80,000 a year for seasonal agricultural workers.

- Q153 **Alan Brown:** Is there a reason the Government cannot get it more accurate? If it is 60,000 at the lower end, compared to 80,000, that is a 33% increase. It is a huge range. Is there a reason why they cannot put a more accurate figure on that?

George Eustice: It is predominantly because we rely on industry surveys. As I said, we asked the ONS just last month to do a piece of work, doing more methodical business surveys of a range of sectors, so we can get a better understanding of the actual gaps. The NFU labour market survey tends to look at the proxies of returnee rates from one year to the next, early leavers and people failing to show up. That is a yardstick that has been used for a number of years. Indeed, it was the main basis of the changes that used to be made to the quota allocated for seasonal workers under the old SAWS scheme. We think, to get the kind of figure you need, we probably need slightly different, more methodical questions. That is what the ONS is going to start doing for us.

- Q154 **Alan Brown:** For a Government that have been trying to control immigration since 2010, balancing that with a possible seasonal agricultural workers scheme, is it not a bit late in the day to be going to the ONS just now, to try to get more accurate figures.

George Eustice: No, I do not think so. We have had a working group anyway, which has continued to meet since the ending of SAWS in 2013. I attended it last September, to meet industry. The NFU has continued to do its own labour market survey, which we have been able to work with. The NFU has put together some estimates that there might have been a gap of around 14,000, right at the peak in July and August of last year. As I said, anecdotally, in the first quarter of this calendar year, there is some evidence that they are finding it much easier to recruit. Getting that data is going to be helpful and useful.

The point I would make about seasonal agricultural workers is that they are not migrants in the true sense of the word, in that they are temporary seasonal workers, who tend to come, work for a number of months and then return home, and sometimes come again the following year. They are not migrants in the sense of moving here permanently and settling.

- Q155 **Chair:** Minister, they would not necessarily be on the statistics either, would they?

Caroline Nokes: No, it is fair to comment that people who are here for less than 12 months do not appear on the immigration statistics.



HOUSE OF COMMONS

Q156 **Chair:** Therefore, you do not need to worry that the figures are not dropping if you increase the number of seasonal workers.

Caroline Nokes: Because people do not appear on the figures, it does not mean they do not have an impact on communities. Coming, as I do, from a village where there is a significant fruit farm, you know when the seasonal workers have arrived. There is pressure on local transport services to cope with the number of people wishing to go on the bus into Southampton. We have to bear in mind that there are some parts of the country where there is a significant influx of seasonal workers, who impact on communities and on people's perception of the levels of migration. But, no, it is fair to say that anybody who is here for 12 months or less does not appear on the net migration stats.

Q157 **Chair:** I accept it adds pressure but, if businesses in a certain area need labour, are you saying to those businesses in the future, "You cannot operate in that area because you will bring in too much labour"? We cannot have it both ways. We have to have enough labour in the country. We can try to have more home-grown labour, but it will not happen straight away. We are worried that we will get to a situation where there is just not enough labour. This is why I do not quite understand where you are coming from.

Caroline Nokes: No, of course we are not saying to anybody, "You cannot have the labour that you need because you are from a specific area". We want this to be a Britain that is able to attract people to come and work in the sectors where we need it. We are saying very clearly, as you will know as well as anyone, Chair, that in 2013 the seasonal agricultural workers scheme was stopped because of the removal of the transitional controls on Bulgaria and Romania. We know that, currently, employers in this country have the ability to attract people from a wide pool of labour in the European Union. That is going to end, and free movement will come to an end when we leave the EU, albeit with transitional controls up until December 2020.

It is important that we have plans, going forward, that enable all sectors of the economy to attract the talent and labour they need. It is also an absolute imperative that we work very hard to make sure that all sectors of the economy look first to a British pool of labour, particularly perhaps to young people, where we know the unemployment rates, albeit low, are higher than for those who are over 25. There are some massive pieces of work to do with the educational sector on apprenticeships, and potentially across the piece, to make sure that we are attracting young people, whether it be into fishing, farming or horticulture. That is really important.

Q158 **Alan Brown:** George, you were speaking anecdotally, and it is too early to say just now for this year, but do you envisage recruitment being more difficult in 2019? I know there will be transitional arrangements, but the message is clear: 2019 is when we leave the EU. Is recruitment going to be even more difficult then?



HOUSE OF COMMONS

George Eustice: As I said, it is only anecdotal but, in terms of the profile of labour demand, it starts literally in my constituency in Cornwall, because that is where all the country's daffodils, cauliflowers and suchlike are grown. It moves across the country in the summer months, when you are talking about strawberries in Kent, and salads in Cambridgeshire and other such places.

The anecdotal feedback I am getting at the moment is that it is slightly easier this year, and they put that predominantly down to the fact that there has been a recovery in the exchange rate, so the exchange rate differential is not as severe as it was last year. Obviously, exchange rates move, and go up and down, so it is too early to say whether that trend will continue through the year. More importantly, even if it were a trend, that is not a reason to be complacent, for the reasons I gave earlier. We know that the peak demand is in that third quarter, with strawberries, so we are very conscious of that. While I have been encouraged by some of the feedback I have had, it does not necessarily change the overall picture. I am not suggesting that it would.

Can I come back on the point about pressure on services and housing? I am not sure which other businesses you are seeking to have evidence from, but there are some quite interesting ideas from some of the progressive employers in this area, such as the G's salad group. John Shropshire has raised some interesting suggestions. In future, whatever type of seasonal agricultural workers scheme you might have, it could be linked to a requirement for farms to provide accommodation on farm, so that, for instance, you do not create pressure on local housing. He has also suggested that you could have schemes that are more focused on, say, students, who are less likely to drift into the wider economy and become permanent migrants, and are more likely to return to do their studies.

Indeed, the early SAWS scheme, until about 2000, used to have some of those features in it. Among some of those more progressive employers, people are thinking about these things and what the future might look like. There are some quite interesting ideas.

Q159 **Chair:** That could all be incorporated into a scheme, could it not? On that one, we are all on the same page, but are we getting to a stage where we can have one? That is the issue. Sheryll, come in before you burst a blood vessel.

Q160 **Mrs Murray:** I would like some clarification. When the Immigration Minister, Caroline, answered questions in the beginning, was she referring to seasonal workers or immigration? Clearly, George Eustice has said there is a difference. I wanted to be clear: were you referring to people who were immigrating to this country and choosing to come here to live permanently, or were you referring to temporary seasonal agricultural workers when you gave your answers, please?



HOUSE OF COMMONS

Caroline Nokes: Sheryll might have to take me back to the specific question, but I, as the Immigration Minister, have to look at immigration in the round. I am also very conscious that I am hearing a range of different voices about potential future seasonal agricultural workers schemes, which include a range of timescales. They have been as broad as from six months, which the previous scheme was, right up to two years. People who were here for two years would be included on the immigration numbers; people who were here for six months would not.

We have to reflect that there is immigration in its clearest terms, the cold, hard numbers that we see on page in the quarterly statistics, but there is also the perception of immigration and the impact that a significant influx of seasonal workers can have on communities. It would be wrong not to register that, in some parts of the country—and I might specifically point to Lincolnshire, where I know there is a strong seasonal demand—anecdotally, the message you get from communities is that they notice it.

Q161 **Mrs Murray:** That has been happening for a number of years, so the communities have adapted already.

Caroline Nokes: Well, they may have adapted already but, equally, that does not mean that people there might not hold a strong view on it. I am very conscious that, as the Immigration Minister, one of my responsibilities is to make sure that the net figure continues on a downward trajectory. I am listening to the voices on potential future seasonal schemes and the wide variety of arguments that have been put forward. I have heard from some colleagues, although not on this Committee, that a six-month scheme would not be long enough. I recognise that people coming to this country could move across different sectors, and could pick strawberries through the summer, then move on to vegetable crops later in the year.

As somebody who was for a long time married to a farmer, I recognise that there is a pressure in the autumn around planting. The season can be stretched. I have heard a figure of 10 months. I have heard it put forward that, if people come here from overseas, they might want to stay for a significant period of time, stay on a farm for a couple of seasons and then go again. There is a whole range of potential aspects to consider. It is really important that we do that in the round.

George Eustice: To pick up on this very point, the truth is that there is an overlap between the two. A lot of agricultural employers will say that they do the recruitment and bring people here, and when they have those early leavers they are not going back to the country they came from; they are often leeching into other sectors.

Mrs Murray: I appreciate that, but a lot do go back to their own country.

Q162 **Alan Brown:** We have heard about the exchange rate as one possible factor in it being more difficult to attract workers for the coming year on



HOUSE OF COMMONS

a seasonal basis. We have also heard, when we have taken evidence, that there is a feeling that Brexit means there is an underlying message of: "You are not welcome here". That came from people giving evidence. What would the Government make of that, and what are they doing to counter that: "You are not welcome"? Are there any other reasons that the Government think it is becoming difficult to attract foreign labour?

George Eustice: I have to be honest. My personal view is that that element, which has been talked about in the media, particularly in the immediate aftermath of the referendum, is largely exaggerated. The exchange rate was a real factor.

Q163 **Alan Brown:** To be clear, we have had people who deal in recruitment, and that is what they said.

George Eustice: If they have read it in a newspaper, they will echo some of that thinking.

Q164 **Chair:** We have had witnesses come here who are in a much tighter situation, and they say that is the information they are getting from the people who are coming. It is not just what they read in a newspaper. It is too easy, Minister, to dismiss all this as rhetoric, just because you do not agree with it. We have to have labour. That is the issue. They were telling us this themselves. I do not think they read it in a newspaper; I think they got it from people who were trying to get here to work.

George Eustice: All I can say is that there were some instances, immediately after the referendum, when feelings were high, and this was reported as a factor that people were not welcome here. My own view is that that is not the case. If it exists, it is a sentiment, rather than a reality, obviously.

Q165 **Alan Brown:** Are there any other reasons for the difficulties in recruiting foreign labour? Can the Government identify any other reasons why the agricultural and horticultural sectors are finding it difficult to attract foreign labour?

George Eustice: There are two factors. First, the MAC report in 2013 said that, on a normal trend, you might expect by 2017-18 for there to be a need to look at things again, because you get a tightening. Agriculture is the first industry that people go to from Romania and Bulgaria. As time moves on, they are more likely to go into other sectors. We have a favourable position in this country, in that we have the lowest unemployment pretty much in all our lifetimes, since the early 1970s. Historically, it is very low unemployment.

Q166 **Chair:** That is why we need labour, Minister.

George Eustice: That is why, in many sectors, there is a tight labour market, so that is a factor. As I said, the third factor is the exchange rate changes in the aftermath of the referendum, which meant it was less attractive to come to the UK to work than before. Those are the primary ones. I do not doubt that your witnesses will bolt on anecdotal



comments that people have made, but that is a sentiment rather than a real driver of things. It explains the fact that, anecdotally, we are seeing more people—

Q167 Chair: With respect, Minister, you are not the person trying to recruit this labour. We get the people in here who are recruiting the labour, day in, day out. They are giving us real evidence on this. You just dismiss it. That is the trouble. You are both dismissing it all this morning, because it does not suit you to have a scheme. Therefore, you rubbish the idea of it.

Caroline Nokes: That is really unfair, Chairman. Neither of us has rubbished it. We have said that we are listening to the sector, to Select Committees and to colleagues. There is another aspect to why people are finding it harder to recruit labour from central and eastern Europe. Look at the recovery of the economies in those countries. It is not just central and eastern Europe, is it? It is western Europe. Consider what the youth unemployment rates used to be in Spain and Portugal, pushing 50%. As those economies have done better, there is less incentive particularly for young people to wish to travel.

Chair: There is a need for a scheme, then, Minister, is there not? The whole thing is tightening.

Q168 Dr Johnson: I understand that you have a tension between the desire to reduce immigration numbers and the people who would like to see an increase in the number and availability of seasonal workers. You said that they do not appear in your figures, so to some extent they do not apply the pressure in the way that permanent members of staff might do. Is it because you feel that you cannot manage the final part of the SAWS scheme, which is people returning home? When people come here for six months, 10 months or however long it is decided that it should be, if you introduce one, are you concerned that, once they have arrived for their seasonal work, they will not go home and it will contribute to your figures? Do you have mechanisms in place to ensure that those people who have come for a short period do go home to where they are from?

Caroline Nokes: It is fair to reflect on how to ensure that those who are only here, for example, on a six-month scheme do return home, and some resource would have go into making sure they did. We have a whole suite of compliant environment policies, for example the right to rent, the right to have a bank account with driving licences, the right to find legal employment elsewhere in the economy, which are all designed to make sure that we do not make it easy for people who are not here with any right to be here—I think there might have been too many negatives there—or who are here without a right to be here do not find it an easy place to be. It is absolutely right that we have those policies. Yes, of course, some additional resource would be required to check and make sure that people who were here on a very short-term working arrangement did indeed return home.



Chair: David, you have been very patient, as always.

Q169 **David Simpson:** The urgency of workers, I believe, cannot be overemphasised. As Angela said, it was 13% down last year. The Chairman has asked whether we are getting to the stage when we reach crisis point. I think we are at crisis point. When you have an industry, whether it be horticulture or food and meat processing, we are from 30% to 60% dependent on the overseas workforce to make sure that the food is processed for the supermarkets right across the United Kingdom. We are in a very serious situation. Caroline, you touched on it, and you answered my question in a way. The economies of the other countries, such as Romania and Bulgaria, are strengthening every year. The people from those countries do not need to come to Britain to work, to try to earn a living.

We have the difficulties with currency; of course we have. That has always been the case, this past 40 years, with the euro and sterling. It has always been a problem. We talk about apprenticeships; we talk about our own young British people. The bottom line is this: from the evidence we have received, our young people do not want to work in the industry, end of story. Every move has been tried; they do not want to work in the conditions. It is too cold, or sometimes it is too hot. They do not want to do it. That is why we depend on people coming from other countries. That is the bottom line.

I do not know what scheme the Government can come up with. I mentioned this yesterday morning at the FSB breakfast. I asked what they were doing to try to encourage young people into the industry and to encourage apprenticeships. I got a few blank faces and some people looked at their shoes. There was not an awful lot of initiative and encouragement there. The bottom line is this: we need a scheme. This is not trying to bring doom and gloom. Even if the Government decide in October to put a scheme in place for next year, I am not sure it will solve the problem. We have got to the stage now that we cannot get workers.

George, you will know this. In Northern Ireland, Dunbia, Moy Park and others, who are depending on 60% of people coming from other countries to work, cannot get the people. Last year, when I spoke to those in the industry right across the United Kingdom, they were notifying the supermarkets, to tell them, "We are not sure we can deliver the orders to you this year, simply because we do not have the workforce". It is not about money; they just cannot get people to work in the industry. When these economies strengthen, which they are doing, what are we going to do?

A number of years ago, the crops rotted in the fields in Romania, because there was no initiative to take them out of the fields, no prices to return them and they could not get the workforce. Hopefully we will not get to that stage, but the Chairman is right: this is a matter of urgency. I have to say that I am not getting that message this morning. It is not often that I say that to the witnesses who come, but I am not getting that



HOUSE OF COMMONS

urgency this morning. I am somewhat disappointed.

This is the industry I represent. I will declare an interest: I have been in the industry 40 years, and I have never, never seen a time such as we are facing today when we cannot get workforce. It is impossible to get the workforce. If we do not get people coming from other countries, this industry will die and we will be dependent on imports coming into this country.

George Eustice: If I might start on that, we have to make a differentiation. We can discuss a seasonal agricultural workers scheme, where generally people are coming for a short period of time—six months or less—and returning home. We had a SAWS scheme from 1945 onwards, and around the world there is a longstanding tradition—“tradition” is not the right word, but we find that countries need to have similar such schemes to get agricultural products picked.

What you have described, David, is a slightly different challenge, which is about the reliance of the food processing industry on more permanent staff. It varies from sector to sector. If you were to go to Bournville, to the Cadbury factory, you would find that it was predominantly local labour and apprentices who grew up in the area. If you go to a fish processor, an abattoir or a meat processor, for the reasons you have described—it is perhaps less attractive work—you will find a very different picture, where there has been more reliance on European labour. The difference is that in agriculture we have always had that dependence, in one way or another, since the war. The development of that dependence on east European labour is a relatively recent phenomenon. It only really started when Poland and that first wave of east European countries joined, around 12 to 15 years ago. It is interesting that this has become a phenomenon that has developed. It is a more recent change.

In terms of the solution to that, as with a number of things related to our approach to Brexit, that is why we have agreed a transition period until the end of 2020. It means that businesses in those sectors can know that nothing is going to change, in terms of their availability of labour or indeed their market access, until the end of December 2020. As Caroline said earlier, the Migration Advisory Committee ran a consultation, which closed last autumn, and it is now working on all of that evidence. It will report later this year. Government will then be in a position, shortly thereafter, to set out what approach we will take after the end of that transition period.

Chair: It is “shortly” again.

George Eustice: The best thing we can do for business is to give them clarity and certainty that nothing is going to change, in terms of their ability to access the labour they have now, until the end of 2020. We will also guarantee the rights—

Q170 **Chair:** I am sorry to interrupt you, Minister, but you say “the end of 2020” as though it is years away. We have the end of 2018, the end of



HOUSE OF COMMONS

2019 and then the end of 2020. There you are. It is two and a half years and you are there. It is just not good enough. Surely the whole idea of an interim deal is to get yourselves into a position so that when the deal is done you actually have a way of moving forward. Therefore, all of these things, such as getting our workers in when we are outside of the EU, are important not only now but then. All it seems to be from you this morning is, "It has bought us a bit of time, and we will fall off the bloody cliff—excuse my language; I apologise for that—when we get to 2020. It is just complacency. David made the point really well about the meat processing industry.

George Eustice: I do understand and I think I have addressed the distinction. We do not fall off a cliff. We have clarity already in terms of the transition period until the end of December 2020. I am saying that well in advance of that there will also be absolute clarity about the migration arrangements thereafter.

Q171 **Chair:** We have to bring Caroline in on this. What is your view, in the Home Office, of the industry? It affects farming if what we produce cannot then be processed. Therefore, the whole industry—and I am not exaggerating—will be exported if you are not careful. If you cannot import labour, you have not got the labour and you will not produce the food. Is that government policy?

Caroline Nokes: Of course that is not government policy.

Q172 **Chair:** Good. That is something that we can put down on record. It is not government policy; it is government policy to produce food in this country. Is it government policy to have it processed in this country? Can you say "yes" to that?

Caroline Nokes: I think I can say "yes" to that. Of course it is.

Q173 **Chair:** Good. We are getting somewhere. How are we going to make sure that we have enough people to process that food?

Caroline Nokes: You will be as aware as anyone, Chair, that the immigration Bill will come forward. I have been very clear in the House that I am going to wait for the expert advice from the MAC before the immigration Bill comes forward.

Q174 **Chair:** When is that likely to be?

Caroline Nokes: As I have said, it is going to be after the MAC.

Q175 **Chair:** After May?

Caroline Nokes: No, the MAC is in September. What the immigration Bill will have to do is turn off free movement.

Q176 **Chair:** We expect it in the autumn, do we?

Caroline Nokes: We expect it in due course.

Q177 **Chair:** Right, keep going. There is not such a thing as a straight answer



HOUSE OF COMMONS

this morning, is there?

Caroline Nokes: Through the immigration rules, we will be able to implement new policies and make sure that we have the supply of labour that we need going forward.

I am going to go slightly off the topic of seasonal agricultural workers at this point. It is really important to reflect that we have an immigration system that is currently made up of a number of tiers. We have the exceptional talent tier, which is tier 1, general immigration in tier 2, tier 3, which is currently dormant, tier 4, which is students—you will all know that there is no limit to the number of students that can come to the UK—and tier 5, which is youth mobility. There are a range of mechanisms that I have to consider for our future immigration policy post free movement. I am very conscious that we have had, over the course of the last 12 to 14 years, since the accession countries came in, a large pool of labour, which all sectors of the economy have been able to draw upon, whether it is food, farming, hospitality or catering; you name it.

Chair: The health service.

Caroline Nokes: The health service, absolutely. It is going to be absolutely imperative going forward that we have an immigration system that can make sure that business has the skills that it needs, that the health sector has the people that it needs, both in medical roles—doctors and nurses—but also—

Chair: We had better not go too much on to the health service this morning, because we are not inquiring into that.

Caroline Nokes: I am not delving off into that, but it is really important that we have rounded immigration policies, and I am very conscious that the EFRA Select Committee, when I have been in the job for three months, is perhaps not the place for me to sit and design a whole new immigration policy.

Q178 **David Simpson:** Very briefly, I can understand the Government's policy in trying to reduce the whole issue around immigration. I stand to be corrected, but I think the Brexit Minister said some time ago that the whole issue around immigration and the workforce will take years and years to resolve, if it ever is. There is an urgency here. We have to get this sorted. I cannot emphasise strongly enough that every single week I am talking to the industry it is the same message: "We cannot get the workforce". Whether it is seasonal jobs or permanent workers, they cannot get them. I honestly believe that in the next five years, when the economies of these other countries' strengthen, we are going to have a serious problem in this country with producing. We are sitting at 60% production at the moment. The evidence we have taken from other industries is that they would like to increase, but I doubt very much that they will be able to do that. We will rely on imports coming in. That is the way it is going to be if we do not address this issue; it has to be addressed.



HOUSE OF COMMONS

Chair: Caroline, can you answer that? It goes back to the question I also posed you. We need an industry that is successful and that is growing. In order to do that, we have to have labour. Otherwise, we will see it shrink. This is why we are so passionate about this. There is no timescale on any of this.

Caroline Nokes: I do not think anybody has disagreed on the need for there to be continued labour flows into all sectors of the economy, particularly the agricultural sector this morning. I do not disagree with what Mr Simpson said. He put a five-year timescale on this. I am very conscious that in December 2020 there will no longer be the same level of movement of workers into this country as there has been while we are a member of the European Union. It is really important to reflect upon that, which is why we commissioned the MAC last July; it will report this September. That is why we are asking for evidence from a range of economists, experts in labour flows and experts in the labour market, because we want to have a sector-by-sector and region-by-region view of what our future immigration needs will be post Brexit, so that we understand what the numbers should look like.

Q179 **Chair:** It is laudable that you have all these reports. It is absolutely laudable, but the other part of Government is that you get a report, you read the report and you take some action. All I hear from you this morning is, "We have had this marvellous report; we have had this next one. They are great reports, are they not?" They are not worth the paper they are written on until you take some action.

Caroline Nokes: Chairman, I want to put it on the record right now that the report that we received from the MAC yesterday was a précis of the evidence it has received. Its recommendations will come forward in September. I am not going to make up my mind on a report I have not yet received.

Q180 **Chair:** Why talk about a report that you were supposed to receive if you are not going to take any action until September? You cannot have it both ways, Minister. You cannot say you have had these reports and you are going to take action, and then you say that the report is further down the road and it is not until September. What was the point of telling us that you received it yesterday?

Caroline Nokes: To reflect that massive chunks of the agricultural sector have been so good as to provide us with evidence, for which I am very grateful.

Q181 **Sandy Martin:** Both of you have mentioned the December 2020 date over and over again. Clearly, you are not willing to provide us with a detailed timetable of exactly what is going to happen when right now. However, do you not accept that if there is not a seasonal agricultural workers scheme in place by December 2020 there will be a basic inability to run most or a very large amount of agriculture in the United Kingdom? Not only that, but if you do not make an absolute guarantee now that



HOUSE OF COMMONS

there will be a seasonal agricultural workers scheme in place by December 2020, an awful lot of people will be disinvesting from the agricultural industry from now until December 2020. You have to give people a guarantee that they will have a workforce after December 2020; otherwise, they will not be interested in investing in agriculture, will they?

Caroline Nokes: I would like to pick up on the references I made earlier to future immigration policy, which we have to have in place by December 2020. A seasonal agricultural workers scheme could play a part in that. However, we might be looking at agriculture as a whole sector as part of that immigration policy. I am not in a position to announce future immigration policy in this Committee. It is really important. December 2020 is a very hard deadline for me; we have to have a future immigration policy in place by then.

Chair: Perhaps a little more speed and urgency might be helpful.

Q182 **Angela Smith:** At the heart of the responses we have had this morning there has been a real contradiction. On the one hand, we have continually heard that you are considering the scheme, and you have conceded that there is evidence. You both say that at the moment you are not sure about the degree of the evidence and you have to get the final report, but Michael Gove made it clear at the NFU that he thought that the case for the scheme had been made. On the other hand, we are hearing that, as I have said, you have not quite got there and you have to wait until September to get the report.

I am also bothered that we have heard a series of explanations as to why the labour shortage is materialising, which is effectively conceding that there is a shortage. To be honest, I am not sure that I am really bothered about why it is materialising. It just seems like an attempt to say that it is not Brexit. I do not really care. The shortage has materialised and it needs dealing with. We do not need to wait until December 2020. Caroline, you mentioned earlier the potential for a pilot, which was what the NFU asked for initially. How long will it take you—and I go back to the point—to get a pilot up and running?

Caroline Nokes: I am not going to contradict Robert Goodwill, who said that could be done in a matter of months.

Q183 **Angela Smith:** How many months?

George Eustice: I think Robert Goodwill said four or five months.

Angela Smith: He said six; now it is four or five. We can get something in four or five.

Q184 **Chair:** Can Caroline answer that? Do you think it can be done in four or five months?

Caroline Nokes: Yes.

Q185 **Angela Smith:** We could get something in place for the beginning of the season next year.



HOUSE OF COMMONS

Caroline Nokes: Yes, we could.

Chair: If there is a will do it, Angela, they can.

Angela Smith: If there is a will to do it.

George Eustice: I do not accept that there have been mixed messages. The issue that Michael Gove was addressing at the NFU conference—

Angela Smith: I was there. I heard it.

George Eustice: Yes, I have a transcript of exactly what he said. The issue he was addressing was a specific issue. He was recognising that, even before we leave the EU, there was a case for a seasonal agricultural workers scheme, and that we were considering that and would say something on that shortly. That remains the case. The issue that Caroline has been addressing is a linked but different one, which is that she is going to receive the MAC report in the autumn, and the evidence of that report will form the basis of a post-Brexit immigration policy in the round.

Q186 **Angela Smith:** We are talking about the seasonal agricultural workers scheme, George.

George Eustice: We are actually not. This is the point. We are talking about both, and people are conflating the two.

Angela Smith: You are talking about both. We are talking about the seasonal agricultural workers scheme.

Q187 **Chair:** Michael Gove, the Secretary of State, was talking about a seasonal agricultural workers scheme. You are talking about it in Defra and the Secretary of State is talking about it, but Caroline is not giving us any hint that the Home Office is actually going to do anything about it, because it is always down the road, reports, thinking about it but no real action. This is what is getting everybody so frustrated this morning.

George Eustice: Just to be clear—

Chair: George, I do not want to hear from you. I want to hear from Caroline. I want to hear when it is going to happen, when we are going to have this pilot and when you are going to take it seriously.

Caroline Nokes: I have said previously, Chairman, that I am not going to sit here and announce a seasonal agricultural workers scheme today. I am not going to do that. I am not going to put a deadline on it. I think it is really important to re-emphasise all of the comments that I have made. I know that Sheryll says that I am confused, but I am not confused.

Q188 **Mrs Murray:** Have there been discussions between you and the Secretary of State, or your predecessor?

Caroline Nokes: Yes.



HOUSE OF COMMONS

Q189 **Mrs Murray:** Because Michael Gove clearly must have got that word, “shortly”, from somewhere.

Caroline Nokes: There have been discussions between the Home Office and Defra, regularly and routinely, on this issue, because we are listening to the voices of the sector, of Select Committees and of colleagues.

Q190 **Chair:** And to the Secretary of State. Are you listening to him?

Caroline Nokes: Yes, I am listening to him. We are very clear on this. There are joined issues. There is the need for seasonal labour during the harvesting and the planting season. There is also an ongoing labour shortage in the agricultural sector; we need to be honest about that. The challenges the sector faces will not be resolved simply by a seasonal scheme.

Q191 **Angela Smith:** Will the Government respond to their transition working group’s suggestion that “pick your own” might be a way forward?

Caroline Nokes: I am sure we will respond to all suggestions—

Q192 **Angela Smith:** Where did this idea, which was dismissed the other week by witnesses to the Committee, of “pick your own” and working holidays as one of the solutions—

George Eustice: I have not seen that.

Q193 **Angela Smith:** Who is on the working group?

George Eustice: The transition working group is an industry group.

Q194 **Angela Smith:** It is an industry group but it accounts to Ministers.

George Eustice: No, it is an industry group that Defra attends, but it is an industry group.

Q195 **Angela Smith:** What is your response to that, George? Do you think that “pick your own” and working holidays is a potential solution?

George Eustice: Probably not. My own family run a “pick your own” business, but it has a very different nature as an enterprise to a commercial farm producing spring onions, for instance, for a supermarket.

Q196 **Angela Smith:** The Government are on the group. It is not an industry group.

George Eustice: Are we talking about the SAWS transition group?

Angela Smith: Yes, the SAWS transition working group.

George Eustice: The SAWS transition group is an industry group that Defra attends. That is not a recommendation that has come from Defra. It might have been something that somebody on the group floated—I do not know—but we cannot take responsibility for that.



HOUSE OF COMMONS

Q197 **Angela Smith:** Are they reporting their recommendations to yourself directly, as Minister, George?

George Eustice: Yes. I met them in September. I attended their meeting. When I do not, officials from my department do. They meet several times a year. It is predominantly to discuss the data that I mentioned earlier, particularly the NFU labour market survey data, looking at those issues such as returnee rates, early leavers and other such information, to try to gauge the state of the seasonal agricultural labour market. I have never heard people say, for instance, "How about 'pick your own'?" It is very much focused on getting a handle on the best evidence that we have.

Q198 **Angela Smith:** You have detailed data on labour.

George Eustice: As I mentioned at the very beginning, we have the data from the labour market survey that the NFU currently does, and, as I said, last month we commissioned the ONS to start to do additional survey data to try to get more accurate figures.

Chair: The ONS?

George Eustice: The Office for National Statistics.

Q199 **Angela Smith:** Have you said to the industry—and the industry is represented on this group—that "pick your own" and working holidays is not a recommended way forward? Has that idea been dismissed now?

George Eustice: To be honest, the group is not a group that comes up with policy recommendations. We have the MAC to do that and analyse the evidence. The group is very much about getting all sectors of the agriculture industry together to discuss the availability of labour.

Q200 **John Grogan:** I want to return to Mr Simpson's line of questioning, particularly on the meat processing industry. We have clearly established that you are thinking about a seasonal workers scheme for those parts of the industry that would benefit from that. As regards meat processing, we had some pretty compelling evidence of shortages there for semi-skilled work, with people coming from East Timor and places on EU passports. Are you considering any specific scheme for those sectors, or are you thinking of dealing with that in the more general immigration proposals that will come forward?

Caroline Nokes: Whilst not being an expert on meat processing—

John Grogan: No, but it is not just meat processing; I am just giving you an illustration.

Caroline Nokes: Food processing is not as seasonal as the needs of the agricultural sector, where you obviously need people at certain times of the year. Therefore, it would be completely inappropriate to suggest a seasonal scheme for those parts of the industry.

John Grogan: I am not suggesting a seasonal scheme.



HOUSE OF COMMONS

Caroline Nokes: Of course, what we are going to have to do post Brexit is have an immigration system that enables us to have the range of skills and labour force that we need in the round. It is really important to reflect on that, because I am very conscious that our immigration system at the moment is designed specifically to attract the brightest and the best. Tier 1 is for exceptional talent and tier 2 is graduate-level jobs. I am conscious that we need Britain to be an outward-looking, trading nation that has the workforce that we need across a whole range of industries.

Q201 **John Grogan:** I am glad to hear you say that, Minister, because there is a big feeling in the food processing sector that, whereas there may be provision made for seasonal workers and so on, as you say, that does not really affect them, and then they see a lot of debate about highly skilled migrants and how, quite rightly, Britain needs highly skilled migrants in a whole range of sectors. They feel they may be missed out in the middle somewhere. They are looking at the figures and wondering, if the EU labour that they use at the moment for those semi-skilled jobs was to be completely cut off, where they would possibly get that labour force from. They have even estimated that they would need something like 10% of all school-leavers. You do recognise that there is perhaps going to have to be something in the new immigration policy to deal with that sort of issue of semi-skilled workers.

Caroline Nokes: I absolutely am listening at the moment to the voices of business, the healthcare sector and the education sector. When I say academia are beating a path to my door, people say that university professors can come in under tier 2, but the reality is that many of our academic institutions bring in a wide pool of labour, a significant part of which is drawn from the EU at the moment and that would not necessarily fit in our current categories, so I am very conscious of it.

It is incumbent upon me in this role to use my first few months to talk to as many people as possible and listen to a wide variety of voices. I am reluctant to come back to it, but that is why we commissioned the MAC, so that they could look at where we are drawing our labour from and understand, going forward, what levels, what skills, which areas and which regions of the country we need to identify to make sure that we have the skills and the sheer labour force that we need.

Q202 **Alan Brown:** Just for absolute clarity, will the report that you have commissioned, which reports back in September, contain the detailed methodological analysis that has been requested from the ONS? George, you said that to understand how many seasonal agricultural workers are needed on a year-on-year basis, you need this information from the ONS. I just wanted to make sure that that is going to be concluded either at the same time or prior to this report in September.

George Eustice: They will be developing in parallel. As Caroline said earlier, the MAC has already given us a synopsis of the evidence it has received. It is now working on further analysis of that. What we have



HOUSE OF COMMONS

started with the ONS is something slightly different. It is effectively around adding survey data on a range of businesses representative of different sectors. We are conscious that we do not want to duplicate the work that the NFU labour market survey currently does; we want to add to it and give us more granular and more definitive data. Our officials are in discussion with the NFU at the moment about what those survey questions might look like and how we might gather that survey evidence. It will be a project that is run over two years, but it will be reporting before that. It is a project that has started.

Q203 Alan Brown: That detailed analysis is going to run over two years, so that does not give hope that you will have the concrete evidence you need to implement a SAWS scheme, surely.

George Eustice: We will not wait. We do not need to wait until the end of the two years before deciding what we are going to do on SAWS, and we will not.

Q204 Alan Brown: If you do not need the data to implement the scheme, why—

George Eustice: It is a two-year project but it will be reporting data as it is received through surveys, so we will have early indications of that as they roll the survey out during the course of this year.

Q205 Chair: We seem to have a Government that is very strong on report and very slow on action, do we not? There is any number of reports, but we are not doing anything about it.

George Eustice: It is evidence-based policy.

Q206 Angela Smith: Last year, Caroline's predecessor, Robert Goodwill, talked about long-term solutions to labour constraints. One of the points he made, which we all accepted—George was there—was that greater automation and mechanisation of the sector would allow more regular growing patterns and less need for a flexible workforce and, obviously, seasonal supply. The risk, of course, with where we are now is that, rather than getting more investment in the sector, we will get less, which is what helps with automation; we all know that. Rather than getting the investment we need, we will get less investment than we already are seeing in the sector, because of the impression given by labour shortages and so on. I just want to ask George whether Defra has estimated the amount of investment in the UK farming sector that is not happening because of concerns over labour shortages. In other words, are we going backwards? Have you measured it?

George Eustice: I am not quite sure how you are going to, because obviously it is lots and lots of businesses making individual choices. I can say that we have not seen any evidence of that happening, of people not investing. The point I would make on the role that technology can have is that there is a danger of people just thinking of robots and mechanisation. It is not always about that. If you look at the soft fruit industry, the big change over the last 25 years has been moving under



HOUSE OF COMMONS

protection into so-called tabletop systems, where picking costs are reduced significantly. You are seeing at the moment in the soft fruit industry the development of new varieties, where you get a greater consistency in fruit size. The problem in the strawberry industry—

Q207 **Angela Smith:** It all needs investment though, George. It all needs investment.

George Eustice: Yes, and they are investing in this. The truth is that if you are a soft fruit enterprise, whether or not you can get availability of labour is one thing, but your labour costs are a massive proportion of your total costs. If you want to improve your profitability you would be investing in these anyway, and the advent of the national living wage meant that they were putting a lot of research and development into breeding more consistent, larger strawberries.

Q208 **Angela Smith:** Given that you are obviously really up to date and well informed about some of the investment that is going in, clearly—you have given me one example, and I am sure you could pull out any other number of other examples—why are you not measuring? Surely that is the basic job of Government: to measure this kind of impact.

George Eustice: Every sector is very different. You would be measuring different things. In some sectors it might be trying to develop machinery. We have had the agri-tech fund to support—

Q209 **Angela Smith:** Yes, so why are you not measuring it?

George Eustice: We can measure how much money we dole out in grants for certain things, but I do not think the answer is to measure. The answer is to look at individual instances. I have given you one in soft fruit because I happen to—

Chair: There are no confidence surveys in the industry, and in investment.

Angela Smith: Exactly; there are no surveys.

George Eustice: There is the Farm Business Survey, which is published every year. That is not showing any kind of lack of confidence or issue there.

Q210 **Angela Smith:** Lack of confidence is one thing. Is that survey showing a decrease in investment?

George Eustice: Not that I am aware of but I can write to the Committee. I can say that, in general, in the last 12 months, confidence in farming has been the highest that it has been for a number of years, because the Brexit dividend was that sterling went down in value, and, if you are a farmer, you do not want sterling to be too strong.

Q211 **Chair:** You are right, Minister. Sterling fell, and so we can produce food more cheaply in this country, because it is cost-effective because importing is dearer. I am sorry to be repetitive, but in order to grow that



HOUSE OF COMMONS

food, we actually have to have the labour to do it. We have witnesses in here who are saying that they are getting to the situation where, if they cannot actually see themselves having that labour available, they are not going to plant the crop. For some crops, such as asparagus and others, you really cannot have machines doing it. Therefore, as I said, it is those sorts of areas where it is absolutely essential. The point that Angela is making is that it would be nice if we were confident that Defra had these sorts of figures, then they can supply them to the Home Office and then we can get action.

George Eustice: The Farm Business Survey data that we have—and we work with a consortium of academic institutions—is published. I cannot recall at the moment whether that survey includes a specific question on the size or extent of management and investment income or investment, but I will check that and write to the Committee.

Chair: Can you give us written evidence? If it is not in there, perhaps you could consider putting it in there, because I really do think that if you are gaining data, which you are very good at, in the long term that should be added to the list.

Q212 **Angela Smith:** Absolutely. Can we also have in written evidence any statistics from the survey that illustrate whether or not output is decreasing?

George Eustice: We can do that. I suspect that output will have responded to the more bullish prices that most sectors have seen in the last year, but we can certainly do that, yes.

Q213 **Chair:** You do accept that if we grow more crop, we could do with more labour to pick it.

George Eustice: Yes. That is a statement of fact. I cannot disagree with that. We can agree on something.

Chair: We agree on something this morning.

Q214 **Julian Sturdy:** I wanted to come back to George, if I can, on this investment thing, because this is really important, in terms of the lack of investment going forward and how we measure that. Is it Defra's view at the moment that mechanisation or investment in mechanisation—"productivity" is another term that is being bandied around a lot, so investment in productivity—is going to solve the labour issue going forward? We have had evidence in certain sectors that that is not the case, but I just wanted to clarify that.

George Eustice: No, it will not solve the problem going forward. It could mitigate it, and it will depend on the sector. If I could finish on the soft fruit industry, because I understand that sector, the issue you have with soft fruit is that as you move down the truss the size of the fruit gets smaller and the cost of picking goes up quite dramatically. That is a challenge that the industry has always had, and they have been making some strides to have more trusses but fewer flowers per truss, and that



HOUSE OF COMMONS

gives you greater consistency in fruit size and reduces your cost. That has been a step forward.

There are some sectors, including things like spring onions, where it might be possible to get more mechanised solutions, but it is difficult on soft fruit because the fruit bruises very easily. There is a difference with the processing sector. If you are harvesting raspberries or blackcurrants to go into food processing, you do not need to worry about bruising them, so there are machines that will harvest raspberries, for instance, in that way.

There is another sector, which is flowers. At the end of the day, you have to pick those flowers manually; you cannot get away from that. There are things that could be done ergonomically to reduce the labour cost. You need a flower-picker to pick the flowers. Does that picker then need to carry the tray all the way to the end of the row and stack it on a trailer? There could possibly be conveyer systems and handling systems to reduce some of those costs. It varies from sector to sector. There is a role for technology and mechanisation but it will not be the solution, and it will be more of a solution in some sectors than in others.

Q215 Julian Sturdy: With that in mind, going back to Angela's point, is Defra looking at all the individual sectors to see where the labour constraints are going to hit hardest? The evidence we have had, going back to the asparagus and the blueberry argument, was that they are not investing now and they are not planting the crop now. The asparagus crop will come to harvest in three to five years' time. If it is planted this season, it will be three to five years when you will be getting the most productivity out of that crop. They are not planting it now because they do not see a solution in three to five years on how they are going to pick it. They said that this harvest, for the first time, they had crop left in the ground that they could not pick because they could not get labour.

What I am trying to get at here is whether you are going through the individual sectors within the agriculture industry to see where there the key areas are where labour is going to really impact on that investment. I am concerned that certain sectors are not now investing for the future.

George Eustice: Yes. The ONS is going to take a more sectoral view of the data. At the moment the NFU data is quite aggregated among everybody who has access to seasonal labour, and that is what we have been working with to date through the SAWS transition group, now called the working group. The ONS data is going to look at individual sectors and look at particular pressures and needs that they have.

Q216 Julian Sturdy: When will we get that information?

George Eustice: As I said, we are in discussion at the moment at official level with the NFU to try to work out what the questions should be. I would expect that survey data to commence during the course of this year. I do not have a time yet. It is a two-year project to get a handle on the data, but it would start and give us early indications before that.



HOUSE OF COMMONS

Q217 **Chair:** I am sorry to keep on about this, Minister, but when you collect this data, do you just put it on a shelf, in a drawer or something? All you do is collect data and you do not take action. The data and the evidence that comes here clearly shows us that there is a problem now, but again you are talking about gathering it this year, going into next year, so obviously there is nothing in the offing.

George Eustice: As I said, and as Michael Gove made clear at the NFU—

Chair: Do not worry. We will have Michael Gove in in a month's time and we will work out entirely what he means by "shortly", as well as his communication with the Home Office. Do not worry; we will have chapter and verse from him.

George Eustice: Of course, but I am saying that we are considering it now. We are in discussion across Government. We have not made a decision yet, but we are in discussion across Government about the possibility of a SAWS scheme. He made that clear at the NFU conference. That is the case and it is still the case today. As for the ONS data that is collected, as with all of ONS data that will be published, and I have every expectation that your Committee will crawl through that data.

Chair: You are probably right in your expectation, Minister.

Q218 **Kerry McCarthy:** Can I ask whether there is any strategic view on trying to promote sectors that could rely more on automation rather than labour? It is fairly intractable with this problem about labour. For example, Bristol has been hosting the British Dal Festival, which is an amazing event. On Sunday, I was with the British Edible Pulses Association, which represents an awful lot of farmers, particularly across East Anglia. That is a sector that does not get any government attention whatsoever. It is actually one of our real strengths, in that we are one of the only countries in Europe that produce it and there are all sorts of carbon benefits, et cetera. One of the main advantages is that it is almost totally automated. I learnt a lot about lentil-picking at the weekend, a lot more than I ever thought I would need to know.

I know the Minister popped into an event I hosted here a couple of years ago, but they say that they cannot get an answer from Mr Gove to any of their letters about any issues affecting the sector. It just seems to me that we ought to be being slightly strategic. I do not want to be working on the basis that we are accepting that fruit-growers are all going to go abroad because they cannot pick them, or the asparagus-growers are all going to go abroad. At the same time, with that in the back of our mind, should we not have a strategy of particularly promoting those sectors where automation works, rather than holding out these slightly random hopes that a machine is going to be invented one day that can pick a raspberry without squashing it?

George Eustice: I would take issue with the idea that we do not take the pulse industry seriously. I think I have written and replied to them just in the last week or so.



HOUSE OF COMMONS

Q219 **Kerry McCarthy:** Was that about peas and disease? I have a letter about peas and disease I need to chase you about.

George Eustice: It was about the potential for pulses and leguminous crops in future agriculture policy. I have responded to them, I have met them previously, and indeed I sponsored their bid to make 2015 the international year of the pulse; I gave my backing to that. We support the pulse industry, we have a successful sector in this space and indeed we export pulses to countries such as Egypt.

Kerry McCarthy: They feel neglected.

George Eustice: They are not neglected.

Chair: You can reassure them, can you, George?

George Eustice: I can.

Kerry McCarthy: You might try a bit harder to woo them.

George Eustice: On your point on the leguminous sector, we have some really successful innovative businesses. If you look at the pea industry, it is one of our great success stories in this country, with a huge amount invested in R&D and in technical advancement. It is a highly mechanised sector.

Kerry McCarthy: They have lasers that sort out whether any peas have dents in them and that sort of thing.

George Eustice: Yes, the pea industry is one of our most technically advanced sectors, probably. As to whether we should be saying that is the way that everybody should go, I am not sure that is the role of Government. Different businesses are serving a market, and other sectors have seen great innovation as well. The soft fruit industry, which is very reliant on seasonal labour, is also probably one of our most innovative sectors and has seen big technological steps forward over the last 20 years in production techniques. That is a great success story. We have now predominantly displaced Dutch fruit and Spanish fruit. During the English season, those fruit are pretty much excluded from the UK market.

We should be trying to support all sectors to serve a market where British producers have that market advantage.

Chair: Is there any last comment you want to make, Sheryll?

Mrs Murray: I do not think there is. Let us just have "shortly" being sooner rather than later.

Chair: We will get what is meant by "shortly" from the horse's mouth, so to speak, in a month or so's time.

Q220 **Kerry McCarthy:** We have discussed in the past the impact that shortages of vets could have. A very significant number of vets in the UK are EU nationals from elsewhere in the EU. There is a particular issue,



HOUSE OF COMMONS

which is that, once we leave the EU, export health certificates will have to be issued by vets on products going out of this country and coming in. Have you made an assessment of what impact the shortage of vets could have on trade, given that there might be delays in issuing the certificates and we do not have enough vets to do it?

George Eustice: There are two separate questions. First of all, you are right. Particularly the FSA, in our slaughterhouses, has quite a high dependence on EU vets, predominantly from Spain. In the case of official veterinarians in slaughterhouses, in the region of 80% to 85% are Spanish. Across the Defra group, which includes APHA, that figure is much lower but it is still a significant proportion. We have a project at the moment that is looking at veterinary capacity and capability, and they are having recruitment campaigns to try to get people from British veterinary colleges joining our state veterinary service, and they are also assessing what our veterinary needs will be when we leave the EU. That is one area that we are considering.

Q221 **Kerry McCarthy:** Do we know why the proportion of vets working in slaughterhouses is low? Why is it full of Spanish vets? Is it because it is not a very nice job?

Chair: Are you going to give a straight and honest answer, Minister, because I will take you up on it if you do not.

George Eustice: I will try to give the straightest answer I can. Probably it stems from the fact that the law was changed something like 25 years ago. Traditionally the OV—official veterinarian—was a part-time role. Quite often, local veterinary practices would, as part of their work, send somebody in and inspect a slaughterhouse, say, once a week and just check that everything was okay; they would not have a permanent presence.

When the law was changed to require a permanent veterinary presence all the time that the plant is working, day in, day out, you obviously change the nature of the job. It is not your local vet who does farm animals and pet cats and dogs, and then does their turn in the abattoir once a week. The truth is there are not many people who join the veterinary profession to go to watch chickens being slaughtered from one end of the day to the next. That is the reality. I also understand that in Spain, in particular, there is a veterinary college that has a specific module on slaughterhouse animal welfare, so, with this becoming a more specialist role, it is the case that Spain provides that.

Q222 **Chair:** Why can we not have that, then?

George Eustice: We could, but I suspect the truth is that veterinary colleges probably do not think that there is a lot of demand for it. As I said, people who choose veterinary practice would tend not to choose that.

Q223 **Chair:** Is there not another issue, Minister, where previous Governments and ours have put out these very large contracts and they have been



HOUSE OF COMMONS

taken up by very competitive bids? I think you will find that a lot of it is about the fact they have been able to get veterinary labour from Spain that is less expensive, and they have been able to undercut out veterinary practices; a lot of them will tell you that. If you are mindful of the amount of labour coming in, we have to change what we do at our veterinary colleges in order to get more of our home-grown vets in there, because at the moment I think you will find that the price that we pay is so competitive for the contracts that I do not think you will get our own vets to do it.

George Eustice: A lot of these are directly employed. While I have some role in the FSA, it is predominantly a Department of Health responsibility, but I think the official veterinarians work directly for the FSA and are contractually employed.

Q224 **Chair:** But they are massive contracts, are they not? I do not know if it is one contract for the whole country, but they are massive contracts now, are they not?

George Eustice: I can double-check and write to you. That is probably the easy answer. There is a veterinary framework contract, but that is all around TB testing and disease surveillance, which is a slightly different thing from the OV's in abattoirs. My understanding is that those are employed directly by the FSA.

Q225 **Chair:** It is an interesting point. I have asked questions in the Health Committee on the Food Standards Agency and veterinary inspection. When I asked a question in the Health Committee, they looked at me as though I was coming from a foreign land. It is one of these interesting things that the FSA is responsible for health and also for slaughter, except that most of the slaughterhouses and most of that going through the slaughterhouses comes from farming from Defra. It is an interesting one. I am just interested in how much sight you have of it, in terms of the FSA's inspection in slaughterhouses and the vets involved. How do you feed into Health? It is one of those things that falls between the two, is it not?

George Eustice: There is a clear distinction. Responsibility for animal welfare policy sits with Defra, and we therefore have a direct relationship with the FSA on issues of welfare. When we have terrible incidents of abuse in slaughterhouses, as we do sadly have—there have been cases recently—Defra leads on that in ensuring that the FSA carries out that enforcement effectively. We have a role on that. Food safety and the food standard element of the FSA's work in slaughterhouses is a Department of Health lead.

Caroline Nokes: Can I just add, Chair, that at the Home Office we recognise that there is a shortage of vets, and they appear on the tier 2 shortage occupation list? That is probably one of the reasons why the British Veterinary Association is one of the many bodies beating a path to



HOUSE OF COMMONS

my door. In the very near future I am seeing them for them to explain some of that to me.

Q226 Kerry McCarthy: I tabled some written questions a while ago; I do not have them to hand. Of the non-British EU vets in this country, a vast proportion of them have been here less than five years, so they would not automatically qualify to stay under those rules for EU nationals. Would they then have to apply for tier 2 visas to continue to be here, or would they be allowed to stay?

Caroline Nokes: No. EU nationals who are here now, and indeed EU nationals who arrive here up until December 2020, will be able to stay and accrue the five years to then apply for settled status. To give an anecdotal observation, it is not just in slaughterhouses. I cannot remember the last time I saw a large-animal vet that was British.

Chair: There are still a few left, but they are an endangered species.

Q227 Kerry McCarthy: What about on the export certificates?

George Eustice: There is a separate piece of work going on, which is both considering what software we may need to replace, for instance, the TRACES system, which manages those export health certificates now, and also what additional resources we might need. We have a team at Carlisle. Some of those would have veterinary qualifications; not all of them would. There is a team of people, based in Carlisle, who deal currently with all of that export certification work. They are doing a piece of work on what additional export certification might be required and what additional resources we might require. They are also doing so in conjunction with the Marine Management Organisation, which is doing a similar exercise on catch certificates for fish.

Q228 Kerry McCarthy: So at some point there will be some figures. Obviously it will depend on what the post-Brexit arrangements are.

George Eustice: It depends on the post-Brexit arrangements but there is work going on.

Q229 Kerry McCarthy: You would be looking at the number of exports and the number of certificates that would be required, and the number of vets that would be required to give those certificates. That is one of the hypothetical situations that you have to prepare for.

George Eustice: Yes, literally a time-and-motion study about the number of headcount you would need and what software would be required for us to do that, possibly not being part of TRACES after we leave. That is all taking place.

Kerry McCarthy: Another computer program. We have the Rural Payments Agency this afternoon.

Chair: I look forward to that even more

Q230 David Simpson: From a good news point of view, the Coleraine



HOUSE OF COMMONS

university in Northern Ireland are looking at opening a new centre for training veterinarians. We have a visit on 9 April. I am not sure if it is starting then, or it is the process, but that is good news from Northern Ireland's point of view, because there is a scarcity of veterinary officers right across the whole of the United Kingdom.

One other point I would like to ask George's opinion on—he may not be willing to give his opinion on it—is there is an issue at the moment within the slaughtering plants, from the veterinary point of view, on the CCTV. They have to be monitored and they have to be inspected if there is an issue. The industry is strongly of the opinion that those that should inspect the screening or the issue should be trained veterinary officers. Would that be something that the department, from your point of view, would be in favour of: having people who are qualified, rather than laypeople, looking at it? The slaughtering of animals is controversial, and it is important that it is done correctly, so therefore trained veterinary officers should be the ones who look at those screens to make sure, if there is an issue, that it is done correctly.

George Eustice: We are obviously bringing in compulsory CCTV into slaughterhouses. That is important because, frankly, we have had too many cases where, sadly, it has required organisations like Animal Aid to go in and do this work surreptitiously, and that is clearly wrong. What we should have is the ability to enforce this ourselves, and that is why we have gone to mandatory CCTV. The Farm Animal Welfare Committee did a comprehensive piece of work on this, and the way you use CCTV in slaughterhouses is important. You should use it as a management tool to improve things. You need to get the culture around it right, so that it is not just a blame culture all the time. Sometimes things do go wrong, and it can be used as a training tool to improve the quality of your staff.

We have to differentiate between that and very malicious, terrible cruelty, which we sadly have examples of as well, where we have brought prosecutions. My understanding is that it would be the OV who would lead in assessing that and, in particular, if there were to be any action flowing from it—an enforcement notice—that would definitely be a decision that only an OV could take, and they would clearly see the footage.

Q231 **Chair:** There is also an issue, which I am sure you are aware of, about the lairage and how you handle those animals as they come in to slaughter as well, as they are unloaded and all of that into the slaughterhouse in the first place. I am sure you are aware of that, and that needs to be monitored. Is that going to be the case?

George Eustice: Yes. The regulations are being brought forward shortly, but the consultation did provide for all of that, including CCTV in lairage areas.

Q232 **Julian Sturdy:** George, you have slightly answered my question in a way. You talked about the study to look at extra resources, and I wanted



HOUSE OF COMMONS

to ask whether you had any figure or percentage in mind, through Defra, in terms of the percentage of extra vets that you might need going forward, but I think you said that there are too many variables to look at that. I want to ask whether there is a recognition in Defra now that, whatever the deal turns out to be, we are going to have to have more vets.

George Eustice: It is still very dependent on the nature of the agreement and the extent to which you would require export certificates for selling products into the EU. It will be predominantly dependent on that. If you assume that you would potentially need more such documentation then, yes, you would need more resources in that particular department.

Q233 **Chair:** You are confident you are going to be ready. That is the other issue. We have not covered ourselves in glory in Defra in getting things right in the first instance, hence the Rural Payments Agency this afternoon.

George Eustice: I take issue. Defra has more EU regulation than perhaps any other department; the Home Office has done very well on this as well, I am sure. 80% of all the rules that affect us are from the EU. We have two huge policies, CFP and CAP. We have been working very hard, ever since the day of the referendum two years ago, to make sure that we seize the opportunities and to make sure that we are ready for a smooth transition under any scenario. That has included, over the last 12 months, thinking and working to ascertain even what we would do if we came out without an agreement at the end of March 2019. That work has been going on as a contingency. It is obviously not the Government's preferred approach and we have now secured the transition period, but there is a lot of hard work that has been going on to ensure all of that.

Q234 **Chair:** We have your assurance that work is going on and, in your view, we should be ready for any eventuality.

George Eustice: Yes. We have a weekly meeting, which I have later today, called "domestic readiness", and it is all about checking that on every single front Defra is ready.

Q235 **Angela Smith:** The BVA has developed a number of proposals. One of them is that vets should be added to the shortage occupation list. Can I ask both Ministers for their views on that? Do you propose to adopt that as policy?

Caroline Nokes: I checked the shortage occupation list this morning and veterinary surgeons are on it.

Angela Smith: Vets are on the list.

Caroline Nokes: Yes.¹

¹ Veterinary surgeons are not on the Tier 2 Shortage Occupation List. The Minister of



HOUSE OF COMMONS

Q236 **Angela Smith:** What other measures do you plan to take to increase the supply of vets?

George Eustice: We have our veterinary capacity project that is being run by Defra, which is all around trying to recruit new people into the state veterinary service. There is work going on on that front.

Caroline Nokes: I do not know that I necessarily want to add to that. I am very conscious, across a range of occupations, professions and skills areas, that there is clearly work to be done with the DfE to make sure that we have a UK labour force that can step up to the requirements that we have.

Q237 **Angela Smith:** When were the vets added to the list?

Caroline Nokes: I cannot answer that. As I said, I checked this morning to see whether vets were on it, because I thought that was an issue that would be raised, and I am conscious that the BVA has asked to see me and I have agreed to that. We can write to you with the information of when that happened.

Chair: Thank you, Ministers, very much for this morning. I think it would be safe to say that we feel that there is a great deal more urgency for a seasonal workers system than perhaps necessarily you recognise. We will carry on the pressure. The industry—farmers and others—will be disappointed with this morning's evidence session, because we have not got the answers we wanted. We would be really grateful to receive anything that you do and can give us in writing when you are considering that issue and when you may be moving it to a state where it is not just a report and it is actioned. We will carry on and we will have more sessions on this, because we are absolutely determined that we are not going to export the British agriculture and food industry because there is not enough labour to run it in this country. We will make sure we keep up the pressure.

Finally, as I have said before, we will make sure that when the Secretary of State for Defra comes in in May, we will work out from him what he means by "shortly" and what his connection is in the Cabinet between Defra and the Home Office, so that we can have this position taken seriously. Thank you, Ministers, very much.