

Labour shortages and the role of turkey imports in Christmas production

Evidence written by the British Poultry Council

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Background: UK turkey production

- The British Poultry Council is the voice of the British poultry meat sector and the trade association for producers of poultry meat from chickens, turkeys, ducks, and geese.
- We are an unsubsidised sector that directly employs over 40,000 people in the UK, contributes £5.4bn GVA to the UK economy, and generates £1.2bn in tax revenue to the exchequer.
- We require a **seasonal visa scheme for poultry meat producers** to support recruitment at Christmas and a **Veterinary Agreement** under the Trade and Co-operation Agreement (TCA) to tackle the short-term crisis we face with burdensome trade with the EU. These two items will work hand-in-hand to support British poultry producers in bolstering British business after a tumultuous period and put British food on the road to recovery.

UK turkey production

- 15 million turkeys are reared in the UK each year. British Poultry Council members rear and slaughter 12.5 million turkeys annually; the other 3 million are by seasonal farmers falling outside our membership.
- 9 million of the 15 million turkeys reared every year are eaten at Christmas.
- The role of imports at Christmas is to support domestic production: 90% of turkeys eaten during the Christmas period are British.
- The British turkey industry relies on fresh seasonal supply for profit: 70% is fresh, the rest is frozen.

Displacing UK production & the success of the poultry visa scheme

- Before industry had sight of a temporary visa scheme to assist the sector in recruiting this Christmas, BPC members had to try and make alternative plans - including carefully managing levels of production.
- We had predicted turkey production could be cut by 20% (2 million birds) due to a 16.7% vacancy rate across the sector. Frozen turkey could have been imported as early as summer for the Christmas market as part of this careful management of production.
- ONS reported an 18% shortage in frozen turkeys in the week leading up to Christmas, indicating a change in buying habits. Due to reports of concern over supply across the food and drink sector as a result of labour shortages, it is likely that more people than usual opted to purchase a frozen turkey earlier in the season than waiting for their fresh one to avoid potential disappointment.
- Seasonal producers have also expressed the surge in orders ahead of the Christmas season, due to a lack of certainty, indicating great demand for world class British turkey.
- The promise of people via the scheme, despite the short window of time granted to prepare for it, gave our member businesses access to the number of trained and skilled individuals necessary to avoid a compromise to the level of production needed to meet peak seasonal demand. Thanks to the success of the visa scheme, there *“was a turkey for everyone who wanted one.”*
- Going forward, we would welcome a similar scheme for non-UK labour to enter the country to process fresh birds in order to support the food and farming sector in periods of seasonal demand.

2020 vs 2021 comparison

- The following is a snapshot of data for the period October-December leading up to Christmas 2020 and 2021.
- It is not possible to say what is specifically designated for the ‘Christmas’ market but given the time of year it is likely that a significant proportion will fall into that category.

- It is also important to add that HMRC data does not break down imports by ‘what went where’ – i.e retail or wholesale/manufacturing. Given hospitality was open for Christmas 2021 unlike the year previous, it will be very difficult to estimate just how much of the fresh imports were for Christmas only in this arena.
- Retail figures, and the country of origin thereof, would have to be sought from retailers themselves.
- Should we receive any more data in the next few months to further inform this piece of work we will pass it on to the Committee.

Period	Total turkey imports
October – December 2020	13,051 tonnes
October – December 2021	14,063 tonnes

Period	Total turkey imports (Poland) <i>Poland is the largest exporter of turkey to the UK and for the same period it supplied...</i>
October – December 2020	4,097 tonnes
October – December 2021	5,706 tonnes

Losing control of how we feed ourselves is penalising British producers

- If we are to talk about imports in the context of crucial seasonal production, we have to address the reality that importing food is the outcome of being forced to export good business – a problem that can be addressed by an EU-UK Veterinary Agreement.
- Britain’s poultry producers continue to act with agility and perseverance in the face of challenges, due to increased demand for quality, affordable British food, but it is our mindset that there will be little lessening of the current intensity of pressures we face. Covid, labour, and inflationary pressures will substantively hinder the implementation of our strategic planning going forward to put food on every table.
- Businesses have gone to extraordinary, often costly, lengths to adjust to life as a third country, whilst tapping into Government’s ambitions to ‘level up’ with plans to upskill and invest in their homegrown workforce. The sector is making its professions attractive, but the fact is that the natural pool of UK labour is limited, automation is complex, and training requirements for highly-skilled roles take time to implement.
- It is worth noting that at the same time, imports have been able to come into the UK from the EU with no restrictions since 1st January 2021. Exports into the EU from the UK, on the other hand, require certification costing exporters £60 million. Unreciprocated UK competition. EU exporters have faced near-frictionless trade coming into the UK for over a year and can expect to until July 2022, undermining world class food system British producers have worked tirelessly to build.
- Specifically outlining a mutual understanding that both the EU and UK are operating to good, recognisable standards in a Veterinary Agreement means that there can be a reduction or elimination of barriers to ensure fair and competitive trade with the EU. This will also bring mutual benefit in July 2022 when import checks begin for product coming into the country from the EU and these daily problems intensify.
- In a similar vein, immigration must be designed to support the needs of the economy. The success of the visa scheme highlights the importance of Government continuing to positively engage with industry to build a system that works for food production, not against it, to ensure productivity does not drop whilst producers ‘level up’ and enact investments to meet Government’s high skilled, high-tech ambitions. Productivity is underpinned by a secure workforce.
- This should be a time for taking matters of food security into our own hands, with fair and competitive trade that bolsters domestic production and an immigration policy designed around the needs of the economy. Instead, trade is burdensome, unbalanced, and costly in the shorter-term, and the underpinning labour shortage intensifies the issues we face by increasing production costs with a risk of a drop in productivity. British producers are being penalised for issues beyond their control; it is not a sustainable way to continue feeding the nation.

New ways of managing the system are necessary

- One of the biggest knock-on impacts of the combination of unbalanced trade with the EU and a costly labour shortage will be on food security. Without enough people to maintain the levels of productivity our consumers expect of us combined with the ease through which EU imports can enter the country, businesses will be forced to cut back on production. This will leave our country in an inherently vulnerable position - forced to export good business, rely on imported food produced to lower standards and face a real risk of irrecoverable shortages and price inflation.
- This will create a two-tier food system where only the affluent can afford to eat British, at a time when both demand for British food is at an all-time high and whilst the Government is determined to level up.
- British food producers have worked tirelessly to build a system that operates to world class standards but a failure to implement full UK border controls in the short term and design an immigration policy based on the longer-term needs of the economy is biting into the viability of UK producers. The current system is posing a risk to food supply, creating financial burdens, jeopardising business viability, and reducing our productivity. New, tailor-made ways of managing the system have to be arranged urgently.
- We believe there was a noticeable change in buying habits (more people opting for frozen) due to reports of ongoing concern over shortages across the wider food and drink sector.
- We also believe that the role of the visa scheme was paramount in ensuring enough fresh birds were processed, with reports from our membership indicate that there was a fresh turkey for *“everyone who wanted one.”*
- Imports should support domestic production, especially whilst demand for British food is higher than ever. The success of the visa scheme is proof that when the Government prioritises food production by engaging with industry to protect the integrity of supply chains, the right outcomes are achieved: quality British food for all.
- Simultaneously, if trade with the EU continues to be as large of a burden as it is currently, intensified by a decline in labour, then we can expect our productivity to drop, with a very real risk of exporting good business.
- We maintain the importance of negotiating a form of mutual veterinary agreement with the EU to ease current issues with trade and the challenges we will face when import controls take effect. Equivalence of standards is essential to time-sensitive, agile trade; the current system is eroding British business viability and will severely impact our ability to feed the nation in times of peak seasonal demand.