

Labour shortages in the British poultry meat sector

January 2022

Written evidence submitted by the British Poultry Council (LS0085)

Background

- 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.
- A billion birds are reared every year by people who use their skills to provide half the meat the country eats.

An immediate solution to the problem of labour

- We are asking for a **seasonal visa scheme for poultry meat producers** to support recruitment within Christmas and BBQ peak seasons and a **Veterinary Agreement** under the Trade and Co-operation Agreement (TCA). These two items will work hand-in-hand to support British poultry producers in the short term, giving industry the space and time to transition to a highly skilled UK workforce as part of the Government's levelling up agenda.
- Prior to Britain's departure from the EU, 60% of the British poultry industry workforce were EU nationals. As of January 2022, businesses are reporting an average vacancy rate of 16% their total workforce.
- On top of this figure, Covid absences continue to place additional pressure on businesses. This varies between 10% - 20% on a site-by-site basis, on top of the 16% vacancy rate.
- Immigration must be designed around the needs of the economy. The past two years have seen unprecedented challenges from Covid, Avian Influenza, and Brexit, demonstrating the need for additional resource in industry and government areas whilst we follow Government in transitioning from the EU.

A successful seasonal visa scheme for poultry

- Labour is required year-round but is most pressing an issue in peak periods like Christmas and BBQ season. Other sectors that have seasonality like fruit and vegetable picking are taking from the same limited pool, compounding the availability problem. Therefore, the success of the 2021 temporary visa scheme designed specifically for poultry cannot be undermined.
- In converse to Mr Foster's comments that the results of the temporary visa scheme *were "mixed and variable,"* industry maintains that intervention from Government to 'save Christmas' via the scheme for poultry workers provided much-needed support to businesses. Safe, affordable, and nutritious protein was readily available for consumers across the country for Christmas.
- Given that our member businesses had to try to make alternative plans, including carefully managing levels of production, the visa scheme proved an *"effective way of recruiting"*, to use Mr Foster's terms. Having enough people to process birds ensured industry could be its most productive version of itself and deliver an excellent Christmas for all this year.
- In response to Secretary of State Mr Eustice's comments, we agree that the scheme was not *'too little too late,'* but we must be mindful that its late announcement did risk undermining its effectiveness. Nevertheless, British poultry meat businesses got the people they required to support Christmas production in 2021 via the visa scheme.
- Productivity is underpinned by a secure workforce. The success of the visa scheme is proof that when Government prioritises food production by engaging with industry to protect the integrity of supply chains, the right outcomes are achieved: quality food for all.

- One of the biggest knock-on impacts of the current labour crisis will be on food security. Without enough people, businesses will be forced to cut back on production, leaving Britain 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.
- To put British food back on the road to recovery after this tumultuous period, poultry meat producers are focusing on longer term solutions that promote resilience and are investing in their workforce. However, to avoid compromise to supply or quality in the shorter-term, the British poultry meat industry would welcome a similar scheme for non-UK labour to enter the country in times of emergency or seasonal demand to work across food and farming. This measure would ensure productivity does not drop in the short term whilst industry channels their energy into the longer term 'levelling up' agenda, giving us space and time to upskill our British workforce and action investment plans in automation and technology.

British producers are adjusting to life as a third country

- From Covid to Bird Flu, the challenges faced by British poultry meat businesses since 2020 have been many and, at times, extreme. Britain's food heroes have demonstrated huge resilience and determination in the face of issues and have continued to deliver a secure, world-class standard of protein to the population.
- British poultry meat 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 invest and upskill. The sector is making its professions attractive for the pool of unemployed, but the fact is that the natural pool of UK labour is limited, automation is complex and training requirements for highly-skilled jobs take time to implement.
- As labour declines, it intensifies the issues British poultry meat producers are facing as a third country trading with the EU. Pressures across the year from Brexit, Bird Flu and Covid – all underpinned by a shortage of labour – have resulted in delays to the implementation of plans intended to meet the 'levelling-up' agenda for skills, employment, technology, and automation.
- The British poultry meat industry requires breathing space to enact these plans. A crucial factor in this will be access to vital resources, including non-UK labour, to maintain our productivity in this period of unpredictable change whilst the industry transitions into a higher skilled workforce.
- Technology, investment in skills development and a non-UK workforce can co-exist temporarily for these investments to be actualised. In particular, Christmas 2021 has demonstrated the potential in a limited seasonal scheme in allowing domestic production to flourish.

Animal Health Regulations

Detail

- From 15 January 2022, new Export Health Certificates (EHCs) are required for exports to the EU and to NI where one is necessary. Controls do not come into play until July 2022, and whilst there is some flexibility for producers with old certificates allowed to be used until April, industry still faces a commercial disadvantage.
- Checks must be fair and balanced. British businesses were criticised by their own Government for *"a lack of preparedness"* for a deal they had just seven days to implement in the midst of the greatest health crisis of our lifetime. EU exporters have faced near-frictionless trade coming into the UK for over a year and can expect the same luxury well into 2022. Failure to implement full UK border controls is helping UK competition.
- The completion of an EHC takes time; every certificate is unique to a consignment and the Official Veterinarian (OV) must get each part right. Government must be aware of the resources necessary to deliver this requirement – yet there is a bespoke OV shortage in this country, with 95% of FSA vets non-UK citizens.
- Industry needs confidence that Government is putting the necessary resources and processes in place to deal with what will become a large task when imports face the same checks come July 2022.
- Our member businesses need to see Government ensuring border arrangements for product coming into this country are well planned and executed to minimise supply chain disruption. If not, come July 2022, we will find that we have just deferred rather than confronted the consequences of the TCA.

Solution

- Though Mr Eustice argues that the decision to delay import checks was to avoid *"an additional potential stressor on the system...given the stresses we were seeing on supply chains more generally,"* industry maintains that continuing to delay checks, with a shortage of OVs, is causing commercial stress on exporting businesses, chewing into the viability of British businesses.

- A bespoke UK-EU veterinary agreement is the necessary solution to address the structural issues British poultry meat businesses are up against in the immediate. These range from trading food and feed between GB, EU, and NI to chronic OV shortages that are intensifying the problem with checks at the moment.
- Equivalence of standards is essential to time-sensitive trade. New ways of managing the system must be arranged to secure the fairness and competitiveness of trading with the EU, particularly when import controls take effect in July 2022. We need to face these issues sooner rather than later. If this period of time isn't used efficiently pre-July, Government risks finding out it hasn't dodged the disruption it aimed to avoid after all.

Bird Flu

Detail

- Avian Influenza is a unique challenge the poultry industry faces and is arguably the largest threat to the sector's existence. We currently find ourselves in the midst of the worst bird flu crisis we have ever seen.
- The real-world impact of Brexit means bird flu comes at far greater a commercial impact than ever. A lack of resource combined with controls British producers is jeopardising our ability to keep the flow of food moving.
- When bird flu is found the area is put into a 90-day control zone. Third country controls dictate no birds or meat from birds within these zones – and as of 15th January 2022 meat having '*passed through*' them – cannot be exported into the EU during that 90-day period. In large rural areas like Yorkshire and Leicestershire where disease is in high concentration these zones end up overlapping. The consequence is producers end up trapped in restrictions despite potentially having no cases of flu onsite, meaning they cannot transport birds to slaughter or meat for export.
- With restrictions layering up and controls articulating those birds with no flu might not be able to be transported through a zone that covers main roads and motorways, there seems to be no end in sight for producers facing controls - controls that do not exist for EU members.

Solution

- The UK workforce currently lacks the necessary skills and numbers to manage this outbreak as efficiently as we would like. We are most specifically short of poultry catchers to aid in stamping out disease. An ongoing controlled visa scheme would bring enormous benefit in balancing our workforce in times of emergency whilst poultry producers channel their energies into levelling up of the industry.
- Food must get to where it needs to be, and the real-world impact of Brexit whilst dealing with Bird Flu is jeopardising that. Negotiating a form of mutual UK-EU veterinary agreement will ease the problems we currently face with the EU under Bird Flu, not to mention when import controls take effect later this year.

Immigration must focus on the changing needs of the economy

- As year-round labour declines, imbalances in the form of a labour shortage intensifies the issues British poultry meat producers face, some of which are outlined above. It is posing a risk to food supply, creating financial stress, jeopardising business viability, and reducing our productivity. This will go on to lead to more challenges at a time when we should be proactively focused on creating a high skilled, high-tech industry and feeding the nation both to the standards expected of us and the standards we expect of ourselves.
- There are always going to be issues that are beyond our control; labour does not need to be one of them.
- To echo Mr Eustice's comments, "*healthy, profitable domestic food production is necessary for food security.*" We believe that the UK depends on the poultry industry's efficiency and productivity for both food security and to set a global example of leading standards in sustainable meat production.
- It is our view 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. Therefore, targeted support – giving flexibility and consistency in our workforce – is required to ensure we can 'level up' to meet Government's stated ambitions.
- Immigration must support domestic production and the needs of the country in that given period. Whilst we fully transition out of the European Union and level up, playing our vital part in the nation's recovery from the pandemic, we have to ensure the resilience of our supply chains to avoid compromising their robustness. That means that we require certainty in our workforce.

Final thoughts and asks

- The issue of labour in food production was first raised by the Food Resilience Industry Forum in March 2020. Since then, following Britain's departure from the European Union and the onset of Covid-19, ability to recruit has deteriorated a great deal in a very short period of time. Unprecedented challenges have demonstrated the need for additional resource in industry and government areas whilst we follow Government in transitioning from the European Union into a levelling up agenda.

- Labour is a year-round problem that becomes most prevalent in seasonal periods or in times of emergency. When capacity issues are combined with wider, ongoing challenges such as Bird Flu and trade, problems are intensified. Britain's poultry producers will control what they can control, but if problems jeopardise "*healthy, profitable domestic food production* [which is] *is necessary for food security*," then targeted Government support is necessary.
- The labour crisis is solvable. If immigration is designed to support the needs of the economy, it will give industry the breathing space to 'level up' and enact investments to meet Government's high skilled, high-tech ambitions. To get there, a non-UK workforce, technology and a skills focus can all coexist temporarily to put British food back on the road to recovery.
- Government must continue to positively engage with industry to build a system that works for food production, not against it, to maintain the robustness of supply chains. If we can collaborate as successfully as we did with seasonal production in 2021, we have the means to transform the year-round labour challenge into an opportunity for UK food security, that creates good jobs, allows viable businesses to flourish and create a greener food sector.
- The first step is prioritising labour in food production by designing a similar scheme for poultry workers (or for poultry workers to be included in the Seasonal Agricultural Workers Scheme) to 'top-up' our skilled workforce at times of high demand or national emergency, such as BBQ season and Christmas. The scheme must be announced early enough in the year to maximise its effectiveness and attractiveness to employers and employees.
- We also maintain the importance of negotiating a form of mutual veterinary agreement with the EU to ease current issues with trade and Bird Flu and the challenges we will face when import controls take effect. Equivalence of standards is essential to time-sensitive, agile trade and the current system is eroding British business viability. Without Government support in investing in sufficient resources and systems, including OVs, we expect a detrimental effect on the sustainability of British poultry meat businesses, and severely impact our ability to carry on feeding the nation.