

Written evidence submitted by West Sussex Growers' Association (WSGA) (LS0089)

EFRA Committee – Updated Evidence – 21st January 2022

1. Background

West Sussex Growers' Association (WSGA) represents business members of the Commercial Horticultural Industry in West Sussex; predominantly in the districts of Arun and Chichester.

The Horticultural Industry, located in the West Sussex Coastal Plain, has developed here due to its all-year-round mild climate and unique high light levels.

Fresh produce sales from these businesses exceeds **£1billion per annum with over 10,000 employed**. Most crops grown are all-year-round or long season crops in high-tech greenhouses.

WSGA horticultural businesses include food producers and ornamental plant growers; supplying fresh produce and plants direct to supermarkets, retailers, garden centres and the food service industry, 365 days per year.

2. Shortage of Labour

Since the advent of Brexit, leading to restrictions with access to workers from the EU, problems with labour shortages have become much worse. WSGA surveys carried out regularly throughout the summer of 2021 showed an average weekly shortfall of between 10% to 12.5% of the required workforce; at peak, equating to a shortage of over 1,000 workers per week.

WSGA members have engaged with Job Centre Plus representatives from Bognor Regis and Chichester to further explore ways and means of attracting more job seekers into the local Horticultural Industry. This has had very limited success. We understand that local unemployment remains relatively low.

Horticultural businesses also advertise continuously in an attempt to attract local people to take up employment with them; but again, with little success.

The majority of agricultural and horticultural businesses in West Sussex have also invested heavily in automation and additional training, and although this is having an effect, it will be many years before sufficient levels of automation, and eventually robotics, can significantly reduce the need for hands on workers.

WSGA and the National Farmers' Union (NFU) continue to press Government to increase the Seasonal Agricultural Workers Scheme (SAWS) numbers from the current 30,000 to 70,000. The recent announcement from Government that the 30,000 figure will temporarily be increased to 40,000 is welcome; however, it is patently obvious that this number will not be sufficient to go any where near to meeting the needs of our Industry.

Competition for the very limited numbers of workers amongst other sectors has intensified; with some businesses offering large signing on fees and other incentives to recruit staff.

A points-based Skilled Worker route was introduced on 1st January 2021 as part of the new immigration system. This route will include an element of tradeable points, where any occupation on the Shortage Occupation List (SOL) will be allocated 20 tradeable points; this effectively reduces the relevant salary thresholds by 20%; however, the minimum salary for "starter" positions should be reduced from £25,600 to £21,000 to meet the immediate needs of the agriculture, horticulture and food and drink industries.

3. Consequences

Throughout 2021, most horticultural businesses in West Sussex have struggled to recruit sufficient numbers of workers to carry out full time and seasonal operations. **It should be stressed that this concerns full time as well as seasonal positions; and also, all skills levels; including: operational picking and packing jobs, team leaders and supervisors, drivers, machine operators and technicians.**

Basic wage rates and bonus systems have increased dramatically throughout 2021 as businesses attempt to attract the limited number of employees available.

Due to Brexit issues; many European workers, who traditionally returned year after year to the same employers, have not returned.

In addition to the problem of labour shortages; supply chain issues are causing further problems with disruption to incoming and outgoing deliveries. The shortage of HGV drivers is causing serious disruption to the distribution system.

4. Business Case Examples – West Sussex

Throughout 2021; WSGA business members have reported weekly shortages of labour averaging between 10% and 12.5% of the workforce; equating to peak weekly shortages of over 1,000 people. This has led to:

- Perishable crops not being harvested
- Perishable crops not being processed, packed and distributed
- Inability to fill orders to supermarkets, retailers and food service customers

- Crop work and harvesting intervals having to be lengthened, causing a loss in quality and yield
- Serious financial losses causing businesses development plans being shelved or abandoned
- Production plans for this year have already been cut back as it is believed by most businesses owners that there will be a similar shortage of labour in 2022
- **There's a real fear amongst growers that the loss of so much UK fresh produce production will lead to even more food being imported; the exact opposite of what the Government intends**

WSGA has many business case examples of the points raised in this paper and would be pleased to host a visit from members of the EFRA Committee to discuss this in more detail with business owners. Here are just a few examples:

Grower A – Abandoned over 60tonnes (£250,000) of strawberries due to be supplied to a leading supermarket. Multi-million pounds expansion plans shelved.

Grower B – Major grower and supplier to UK supermarkets has had to pick fruit less often leading to lost yield and quality. Multi-million pounds expansion plans shelved.

Grower C – Courgettes left unharvested in the field.

Grower D – Insufficient staff in the packhouse to fill customers orders. Supermarket deliveries missed. Supply chain disrupted due to shortage of HGV drivers.

5. Other Facts

The latest information from National Farmers' Union surveys shows that:

- The average shortage of workers to the end of September 2021 was 18.8% and crop wastage to that point was £61.6m.
- The 'returnee' rate for EU (settled/pre-settled) workers in 2021 is 35.9% and the proportion of domestic workers employed in 2021 is 5%.
- Average hourly wage for a seasonal worker is £10.22.
- Cucumber growers (mainly in Yorkshire and Lee Valley areas) say plantings will be down 30% in 2022 because of labour shortages and high gas prices.
- Growers in the Lincolnshire area indicate an average reduction of vegetable area of 25% in 2022.
- The British Growers Association estimates an average reduction of area by 9.2% across 11 crop groups.
- With a total requirement of 70,000 seasonal workers, and an expected 'returnee rate' from EU nationals with settled/pre-settled status being no more than 40%, it is estimated there will be a workforce shortage of 25,000 in 2022.
- 52% of growers said worker shortages stop plans to deliver future business projects.

6. Conclusion and Recommendations

- Most WSGA horticultural businesses have invested heavily in automated systems and are trialling robots and robotic systems with universities and engineering development companies; however, effective robotic systems are still a long way off.

In the meantime, access to labour remains the number one priority. **It is essential that the Government returns to a position where, with minimal rules and regulations, UK agricultural and horticultural businesses can employ non-UK citizens to fill seasonal and non-seasonal positions.**

- The “pilot project” for SAWS needs to be increased further to a minimum of 70,000.
- The minimum salary to allow workers into the UK should be reduced from £25,600 to £21,000.

John Hall – 21st January 2022