

Labour availability in the UK food and drink sector

Summary

Businesses across the food and drink sector are experiencing significant, serious, critical labour shortages that, if not urgently addressed, risk impacting the UK's ability to produce, process and supply food. The NFU is united, alongside several other organisations, in our asks to government – the most immediate being the introduction of a 12-month Covid Recovery Visa. This visa would ensure the supply chain can continue to function in the short term and deal with the immediate challenges, while the industry at the same time works to grow the domestic workforce through supporting training and skills development.

In addition to this ask, there are other interventions and asks of government to enable the sector to transition to a more stable long-term footing and facilitate the recovery from Covid-19.

The full report 'Establishing the labour availability issues of the UK Food and Drink Sector', supported by these organisations is available [here](#).

Background

The food and drink sector is critical to the UK economy. We feed the nation, and from farm-to-fork, the industry contributes over £120bn to the economy and is a larger manufacturing industry than automotive and aerospace combined. However, as a result of the end of free movement of people, coupled with the Covid-19 pandemic, there are severe labour shortages across the whole supply chain. In order to ensure that the food and drink sector can continue to thrive and provide for the UK economy, urgent action is required to address these labour supply issues.

Organisations across the food and drink sector have come together to set out the scale and nature of the challenges that are contributing to the labour shortages. They are:

- Agricultural Industries Confederation Limited
- British Frozen Food Federation
- British Meat Processors Association
- British Poultry Council Limited
- Dairy UK Limited
- Federation of Wholesale Distributers.
- Food and Drink Federation
- National Farmers Union
- National Pig Association
- Road Haulage Association Limited
- The Cold Chain Federation
- UK Hospitality

Summary of the current issues covered in the report

From the extensive evidence collected, this report suggests that there are in excess of 500,000 vacancies across the food and drink sector. This shortage of workers is driven by a combination

The voice of British farming

Although every effort has been made to ensure accuracy, neither the NFU nor the author can accept liability for errors and or omissions. © NFU

NFU supported by



of factors, many of which have been exacerbated by Covid-19 but have all coalesced to create a sector wide crisis.

The most prominent of these factors for farmers are:

- **Reliance on migrant labour** – many European workers have returned home given the uncertainty around their rights to live and work in the UK and the new points-based immigration system has locked out low skilled workers.
- **The geographical spread of the sector and rurality** – in quite rural areas, attracting and retaining the best can be difficult. For example, low unemployment rates in rural areas, a lack of access to public transport routes and a lack of available housing, particularly quality housing, was commonly cited as limiting the available labour pool.
- **Negative perceptions of the sector** – while the reliance on UK workforce for seasonal roles increased to 9% last year, the nature of the work as well as the hours required, and rural locations (that most likely require a car to reach) often make these roles unattractive.
- **Skills shortages** – the sector is facing challenges recruiting low skilled, mid skilled and high skilled roles. Farming is often wrongly perceived as a low skill sector, but the reality is that it needs highly skilled people from vets, to drivers, farm managers and pickers that attract good rates of pay.
- **The age profile of employees in the sector** – the strenuous and physical nature of much of the work in farming means that older people typically leave the sector earlier. Estimates suggest that almost a third of the workforce is set to reach retirement age by 2033–35.

Industry action

Domestic recruitment is often cited as a route out of these labour challenges and despite considerable investment and effort in recruiting domestic candidates, businesses have continued to struggle.

Actions taken particularly by NFU members include:

- **Wage increases** – Wage inflation is already high across this sector. For example, wages for seasonal workers in the horticultural sector rose by 34% in the five year period to 2020 and Covid-19 impacts added a further 6-15% labour related costs. Wage rate inflation is resulting in a 'price war' to keep and obtain staff, particularly in rural areas and this is having a negative repercussion for businesses as costs inevitably rise.
- **Enhanced recruitment and retention methods** – particularly focusing on domestic recruitment by engaging with local job centres, schools and colleges, running campaigns on social media and referral schemes. The NFU has been working with the DWP to minimise recruitment challenges too.
- **Increased investment in automation** – there is a clear appetite to continue to invest in automation to help mitigate labour shortages. However, there was also recognition that in certain sections of the industry, such as meat production and many fresh produce

harvesting operations, automation is not currently a viable replacement for the flexibility, dexterity and judgement that a human would provide.

Asks of government

The NFU and other organisations involved across the food and drink supply chain want to work with government and MPs to tackle these challenges. We have therefore identified and are united in our support for the actions that the government needs to address as a matter of urgency, as well as longer term asks too.

Immediate actions

- **Introduction of a 12-month Covid-19 Recovery Visa to enable the supply chain to recruit critical roles now, while at the same time working to support training and skills development to grow domestic recruitment.**
- Commit to a permanent Seasonal Workers Scheme for UK horticulture that includes non-edible horticulture (ornamentals) and create a seasonal scheme for the poultry sector.
- Commission the Migration Advisory Committee (MAC) to undertake a detailed review of the sector as it has done for the social care sector, and identify areas of shortage where short term immigration solutions can be implemented and/or what roles should be added to Shortage Occupation List.

Longer term actions

- Promote the sector as a career choice – working with industry leaders to deliver robust government-led campaigns could help to reverse the negative perception of the sector and incentivise more UK workers to fill these roles.
- Coordinated approach to training to ensure that regional industry supply and need is matched with training provision.
- Review and expand the Kickstart scheme to make it accessible to a wider pool of under 25's with less criteria and restrictions.
- Addition of relevant Food and Drink courses to the list of Level 3 adult courses eligible for the £95m Lifetime Skills Guarantee which will help to bridge the widening skills gap with overseas workers while working to attract and train home-grown workers.
- Extend the youth mobility scheme to cover European and other relevant countries such as the Ukraine which would enable some flexibility in the labour market to meet demand for roles that do not meet the criteria of the Skilled Worker visa while also providing opportunities to UK citizens.
- Greater flexibility in how the apprenticeship levy can be utilised enabling businesses to train and upskill more staff to fit the evolving needs of businesses.

- Consider changes to immigration policy such as creating a smoother and quicker visa process e.g a 2-3 week streamlined processing time for visas, reducing the cost of visas and following through on independent advice provided by the MAC review.

Conclusion

The labour challenges are forcing many growers and producers to scale back and reduce production. We know that this is not what MPs want to see and we therefore urge you to support the broad spectrum of businesses in the food and drink sector with our collective immediate and longer term asks to government.

For more information contact:

- Liv Phoenix – NFU External Affairs Manager – 07867 452525 – liv.phoenix@nfu.org.uk