

NOVEMBER 2022

UK FOOD SUPPLY CHAIN SURVEY RESULTS

“If the government wants to reduce food imports and strengthen the resilience of home-produced produce, then it will have to change policy and allow producers access to sufficient labour to get the job done. The present crisis in production is entirely due to government policy and if left unchanged will lead to very large increases in imports and an equal reduction in home produced food. It is a simple choice.”



ALP

Association of Labour Providers

INTRODUCTION

The [Association of Labour Providers](https://www.labourproviders.org.uk) (ALP) has conducted labour market surveys of labour providers, food growers and manufacturers since 2017 to provide data and trends to inform access to labour policy and priorities for the UK food supply chain.

This survey ran between 2nd and 22nd November 2022. The Labour Provider Survey had 87 responses and the UK Food Supply Chain had 79 responses.

HEADLINES

- Two years post-Brexit, the food industry continues to suffer severe labour shortages. Three quarters of food businesses cannot recruit the workforce that they need.
- Shortages of lower skilled workers, the bedrock of the food industry, are the most extreme – 40% of food businesses are experiencing a chronic shortage of pickers, packers and processors.
- There is no end in sight - 8 out of 10 labour providers expect to short supply their clients this Christmas and over 60% of food growers and manufacturers do not expect to have enough workers in 2023.
- The highest reported impact of labour shortages is an increase in recruitment and employment costs - 7 out of 10 food growers and manufacturers have seen their labour costs increase. Whilst positively raising wages this has a consequent impact on fuelling food price inflation.
- Government support to recruit UK based workers remains ineffective. Only one in five labour providers find that their local Jobcentre provides useful support and less than one in ten find government return to work and employment support schemes helpful.
- The post-Brexit immigration system is not working for the UK food industry. Two thirds of food businesses believe that immigration visa routes should be extended to other essential lower skilled roles.
- There remains scope for food growers and manufacturers to increase recruitment of overseas workers via the Skilled Worker Visa Route.

RESPONDENT COMMENTS

LABOUR PROVIDERS:

"...we are supporting clients in making the changes, they can make, ensuring they are a contract of choice..."

"...Although the local Jobcentre's are supportive, the candidates we meet have little to no interest in joining the industry or company...."

"...People don't want to work; in most cases they are better off claiming benefits and scared to change..."

"...Holiday pay needs a complete overhaul. I think paying holiday pay is good, but it could be significantly simplified!..."

FOOD GROWERS AND MANUFACTURERS:

"...We struggle to produce enough every week to cover fixed and variable overheads for the business..."

"...Out of 30 persons starting work over the last 3 months only 3 are still here. There is something inherently wrong with the unemployment benefits and the government approach to employment when 90% of start-up employees do not care to make an effort and a significant % do not even work the first full day..."

"...By not having the correct manning we have created poor customer service levels, and this has reduced profit and affected our reputation. Due to labour shortages combined with inflation our employees are demanding higher wages and this has increased business costs..."

LABOUR PROVIDER SURVEY SUMMARY

2022 EXPERIENCE SO FAR

- The last six months have continued to be extremely challenging for labour supply. 83% of labour providers were unable to meet all their clients' labour requirements. 69% said they had short supplied up to 30% and 7% said they had short supplied over 50% - up from 4% in the May survey.
- The top three impacts of the labour shortages were:
 - 68% - Recruitment costs have increased
 - 48% - Supplying fewer workers
 - 47% - Working more closely with clients
- The top four most successful methods to source workers were:
 - 80% - Encouraged more word of mouth amongst existing workers
 - 59% - Increased advertising on job boards
 - 56% - Increased general advertising including social media channels
 - 55% - Increased client wage rates to attract workers
- 54% have been able to pass on the increased costs of recruiting and supplying labour to their clients, down from 63% in the last survey, but only 22% said the increase had covered most of their increased costs
- The top four things clients need to do to attract workers are:
 - 87% - Improve pay and other terms and conditions
 - 61% - Offer more regular hours
 - 56% - Be a welcoming, friendly, nice place to work
 - 55% - Supervisory staff to treat workers with more respect

2022 CHRISTMAS EXPECTATIONS

- 80% do not expect to meet client demands for the 2022 Christmas peak
- 6% expect to short supply their customers by over 50%, up from 3%

IMMIGRATION SYSTEM

- 69% want the immigration visa routes extended to other lower skilled roles
- Only 7% have established a service to recruit workers for the Skilled Worker Visa route

GOVERNMENT SUPPORT

- 21% of labour providers found the Jobcentre helpful in finding workers, up from 10%
- Only 7% of labour providers find government employment support schemes helpful in supporting workers into work whilst 26% find them of limited use and 30% find them of no use

FUTURE LEGISLATION

- Most labour providers do not think that changes to EU retained legislation would improve their business environment

FOOD GROWERS AND MANUFACTURERS SURVEY SUMMARY

2022 EXPERIENCE

- 70% of businesses have seen labour costs increase in 2022
- 57% of businesses are working more closely with labour providers/external recruiters
- Around 42% of businesses had experienced chronic shortages of lower and unskilled workers. Chronic shortages were three times as high in lower and unskilled roles as they were in higher skilled roles
- Intermittent shortages in skilled, lower and unskilled roles have increased significantly
- The top 4 changes with a positive impact on addressing labour shortages remained unchanged:
 - Increased wage rates, bonuses, and incentives (66%)
 - Focus on being a better place to work (54%)
 - Working more closely with labour providers (51%)
 - Improved labour planning (45%)
- The biggest impact of labour shortages has been increased labour costs (70%), and has led to 53% using more agency labour, 44% rationalising/reducing output and 27% automating to reduce reliance on skills and labour

REST OF 2022 AND INTO 2023 EXPECTATIONS

- 94% said there would be an impact on their business as result of labour shortages
- 80% expect labour costs to rise
- Around 52% expect to struggle to recruit their own lower skilled and unskilled temporary workers
- 10% of businesses said that they are concerned that they will become unviable due to labour shortages – the same as the last survey
- The most common HR and recruitment changes businesses are planning to address labour shortages remain unchanged:
 - Working more closely with labour provider (57%)
 - Improved labour planning and ordering (48%)
 - Increase wage rates, bonuses and incentives (42%)
 - Implement a great place to work strategy (38%)
- Around 31% of businesses don't know what HR and recruitment changes they can make to address skills and labour shortages

IMMIGRATION SYSTEM

- 29% use the Seasonal Worker Scheme route and want the numbers increased
- 20% are Skilled Worker visa route sponsors, but only 7% have recruited via this route

GOVERNMENT SUPPORT

- 68% want immigration visa routes extended to other lower skilled roles
- 65% want to work with sector bodies on a campaign to attract resident workers to the food supply chain
- 61% want UK residents claiming Universal Credit to be incentivised to work
- 51% want labour providers to be allowed to supply workers under the Skilled Worker Visa route
- 51% want the benefits system to be truly flexible and to reward working

LABOUR PROVIDERS SURVEY RESULTS

A total of 87 labour providers completed this survey. 38% supply workers to horticulture & agriculture, 85% to food processing & packing and 61% to food distribution & logistics.

Labour Providers: During the last 6 months, did you meet your clients demands for workers?	May 2021	Oct 2021	May 2022	Nov 2022
We have met all our clients demand	21%	1%	11%	17%
We have short supplied our clients by 0-10% of their demand	15%	1%	46%	40%
We have short supplied our clients by 10-20% of their demand	21%	9%		21%
We have short supplied our clients by 20-30% of their demand	20%	20%	24%	8%
We have short supplied our clients by 30-40% of their demand	7%	25%	8%	6%
We have short supplied our clients by 40-50% of their demand	4%	13%	7%	1%
We have short supplied our clients by over 50% of their demand	12%	31%	4%	7%

Labour Providers: Has the quality of labour (English language, productivity, reliability etc) been:	May 2021	Oct 2021	May 2022	Nov 2022
Better than this time last year	1%	3%	7%	9%
About the same	29%	16%	41%	46%
Down on this time last year	70%	81%	52%	45%

How have labour shortages impacted your business? (tick all that apply)	Nov 2022
Recruitment costs have increased	68%
We are supplying fewer workers	48%
We are working more closely with clients	47%
We can charge more for workers	34%
We have become more choosy as to which clients we accept	34%
Finding new clients is easier	33%
We have lost clients	32%
Margins have improved	32%
We are struggling to recruit and keep good managers and co-ordinators	25%
We are working with other labour providers more on joint or secondary supply	21%
We are supplying more workers	14%
Labour shortages have not impacted our business	8%
We are working with other recruitment intermediaries such as umbrellas or sourcing agents	2%

In the last 6 months which have been the top 5 most successful methods in helping you to source additional workers (choose 5)	May 2022	Nov 2022
Encouraging word of mouth amongst existing workers	71%	80%
Increased advertising on job boards	48%	59%
Increased general local advertising including social media channels	53%	56%
Increased client wage rates to attract workers	75%	55%
Contacted former workers to attract them back to work	43%	49%
Targeted social media adverts	42%	47%
Offered more flexible working hours and shifts	32%	30%
Advertising in local communities such as signs outside sites/flyers in community organisations		28%
Rewarding introductions through refer-a-friend schemes	32%	23%
Closer collaboration with clients such as using their name/website/reception/social media to advertise		16%
Offered opportunity to work additional hours		16%
Offered guaranteed hours	30%	14%
Targeted workers with EUSS status living overseas		13%
Targeted new sources of workers such as young people or the economically inactive		9%
Introduced sign on bonuses	15%	5%
Other (please specify)		
<ul style="list-style-type: none"> ■ Seasonal Workers Scheme ■ Nothing else relevant or effective ■ Supporting clients in making the changes, they can make, ensuring they are a contract of choice. ■ Organised the largest farm to fork job fair in our sector in the UK and will continue the footprint to other areas, Work very close with DWP in their local areas for introductory meeting. Advertising good news story about the Company in the NFU magazine. 		

Labour Providers: Have you passed on the increased recruitment costs due to labour shortages and inflation to your clients?	Oct 2021	May 2022	Nov 2022
Yes, most of our clients have accepted a rate increase but does not cover our increased costs			32%
	37%*	63%*	
Yes, most of our clients have accepted a rate increase which mostly covers our increased costs			22%
We tried, but most clients have not covered our increased costs	27%	22%	16%
We have not attempted to pass cost increases on to our clients	18%	13%	16%
We have not had any increased costs	3%	1%	8%
No, and clients have generally demanded rate reductions to support their own cost increases	15%	1%	6%

(* Previous surveys did not ask if rate increase covered the increased costs)

Labour Providers: For Christmas 2022, how much do you expect to short supply your clients?	Nov 2022
We do not expect to short supply	20%
We expect to short supply our clients by 0-10%	39%
We expect to short supply our clients by 10-25%	25%
We expect to short supply our clients by 25-50%	10%
We expect to short supply our clients by 50-75%	5%
We expect to short supply our clients by over 75%	1%

Labour Providers: What are the top 5 things your clients need to do to attract workers to their site (choose 5)	May 2022	Nov 2022
Improve pay and other terms and conditions	91%	87%
Offer more regular hours	50%	61%
Be a welcoming, friendly, nice place to work	39%	56%
Supervisory staff to treat workers with more respect	41%	55%
Improve the working environment	38%	45%
Offer more flexible hours and shifts	26%	43%
Pay for/subsidise daily travel to work	36%	37%
Offer more overtime		25%
Increase lead times for order	21%	17%
Pay a higher margin	23%	16%
Minimise short/early finishes	11%	16%
Offer opportunities for progression	11%	15%
Offer a fixed term contract		9%
Pay for/subsidise worker accommodation	7%	8%
Pay for/subsidise travel to the UK	5%	6%
Other (please specify):	1%	3%
<ul style="list-style-type: none"> ■ UK is still viewed as the no.1 destination for overseas candidates - clients need to embrace migrant workers no need to change any of the above ■ Nothing really makes a difference now ■ Not applicable for my business 		

Labour Providers: Have you established a service with overseas businesses to supply workers to food sector clients under the Skilled Worker Visa Route?	May 2022	Nov 2022
No	89%	93%
Yes, we have established this service, but as yet have not supplied any workers	3%	1%
Yes, we have established this service and have supplied some workers, but we only see this as a small part of our business	2%	2%
Yes, we have established this service and we have supplied workers, and we see this as a growing area of our business	5%	3%

Labour Providers: How would you rate your local Jobcentre in the last 12 months?	Oct 2021	May 2022	Nov 2022
We have not approached our local Jobcentre		35%	30%
We tried to work with our local Jobcentre, but they were of no help	68%	55%	49%
We work with our local Jobcentre, and they provide useful support	11%	10%	21%

Please provide further details:

- Job Centre candidates didn't want our jobs
- Although the local Jobcentre's are supportive, the candidates we meet have little to no interest in joining the industry or company
- They always try their very best...
- Same as usual. No improvements.
- It has taken many years of pushing to improve
- Really wonderful staff, but they habitually are not able to provide reliable workers.
- We had previous experience, but the staff did not turn up for work
- Whilst clicking the middle answer - they are of little help, but not none at all.
- Generally low uptake. Applicants were unsuitable (and rare!)
- Some job centres more than others
- I gave a presentation in person to about 20 job seekers at the job centre. Only one started and he turned out to be useless!
- They are helpful. The people they provide do not tend to work out, but they always try to help
- We are fully supportive of our local job centre and job centres county wide. We have set a model that has been proven to work that is being copied nationally. We work hard with mentoring, employing the so-called unemployable gaining access to local resources. The NFU have taken a very close interest in our recruitment strategies, and we are always prepared to advise other employers should they have difficulty in employing the local domestic workers
- We've been invited to their job fairs and been offered desk space for registrations, we don't get many people though from this route

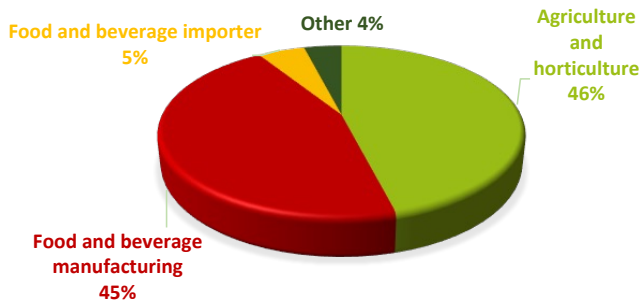
Labour Providers: What has been your experience of government return to work and employment support schemes in the last twelve months?	May 2022	Nov 2022
We have not looked at them	34%	37%
We have looked at them but could not see that they were relevant	22%	30%
We have tried them but found them of no or limited use in supporting workers into work	35%	26%
We work closely with government employment support schemes and find them helpful	10%	7%

Labour Providers: Do you think significant changes to the following pieces of legislation would improve your business environment? (Yes/No) - Responded "Yes"	Nov 2022
Agency Workers Regulations	42%
The Working Time Regulations limits on working hours	38%
The Working Time Regulations requirements for holiday pay	38%
TUPE Regulations	16%
Other (please specify)	
<ul style="list-style-type: none"> ■ ETI Base Code allowing for the Horticulture industry to utilise over 60 hours - the majority of our staff want to work over 60, but we have to force them not to due to our clients/customers and the ETI Base Code. ■ None of the above ■ IR35 needs to go now ■ Much employment legislation is broken or not fit for purpose, as topical recently in the HvB case. It doesn't end there. The IR35 situation is a debacle ■ Holiday pay needs a complete overhaul. I think paying holiday pay is good, but it could be significantly simplified! 	

Labour Providers: What actions do you think the government should take to address labour shortages in the food supply chain (choose all that apply)	Nov 2022
Extend immigration visa routes to other lower skilled roles	69%
Allow asylum seekers the right to work whilst their application is processed	64%
Work with sector bodies on a campaign to attract UK resident workers to the food supply chain	62%
Incentivise UK residents claiming Universal Credit to take up jobs and work more hours	61%
Make the benefits system truly support and reward flexible working	61%
Allow labour providers to supply workers through the Skilled Worker visa route	43%
Allow undocumented workers (those present in UK, but without the legal right to work) to work in essential industries	33%
Allow apprenticeship levy funds to be used for more flexible types of training across the sector	29%
Work with sector bodies on a campaign to attract harder to reach communities such as disabled and older workers	21%
Other (please specify)	9%
<ul style="list-style-type: none"> ■ Extend the Seasonal Workers Scheme as our industry would fall without it ■ People don't want to work; in most cases they are better off claiming benefits and scared to change ■ Nothing no surprise 	

UK FOOD SUPPLY CHAIN SUMMARY OF MAY 2022 RESULTS

A total of 79 companies completed this survey.



79% - Medium or large companies

87% - companies based in England

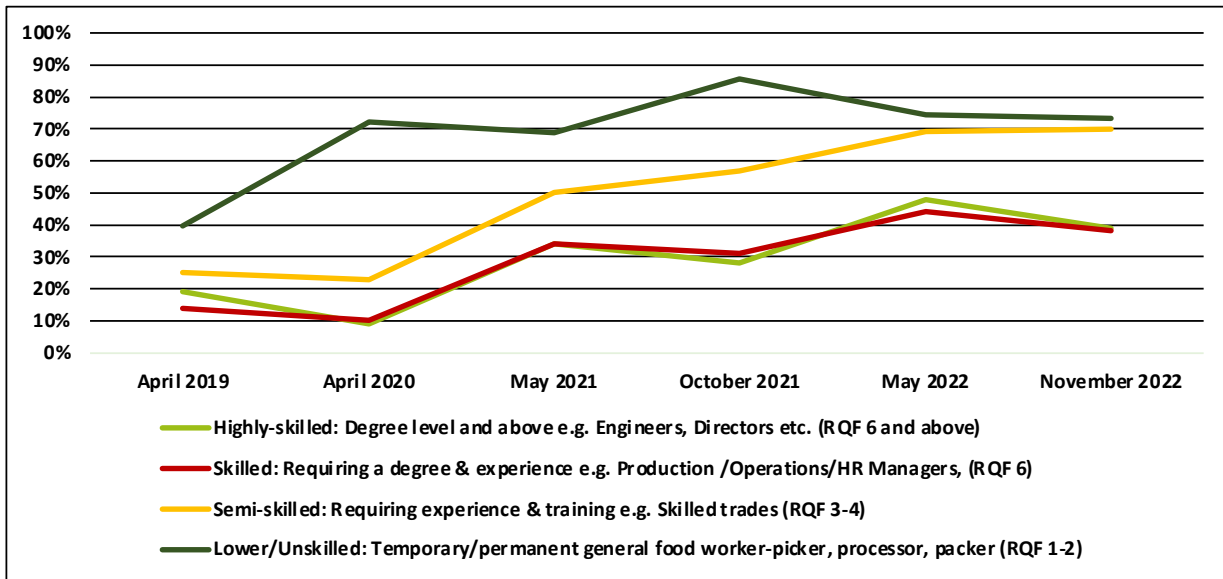
Food Growers and Manufacturers: Which recruitment channels do you use to source your temporary/ seasonal workers? Tick all that apply.	May 2021	Oct 2021	May 2022	Nov 2022
Labour provider – temporary agency worker supply model	69%	68%	52%	67%
Direct recruitment	59%	77%	73%	61%
Labour provider – recruitment only/direct employment model	51%	56%	52%	34%
SWS Operator – seasonal workers only				33%*
Do not use temporary/seasonal workers	19%	24%	25%	19%

*Those using SWS Operators would have been included in the two Labour Provider models in previous years

Food Growers and Manufacturers: Throughout the last 6 months, how was your site with regards to availability of labour of the following types of labour/skill level?	Fine, No problems	Just Ok	Intermittent Shortages	Chronic Shortages
Highly-skilled: Degree level and above e.g. Engineers, Directors etc. (RQF 6 and above)	28%	33%	28%	11%
Skilled: Requiring a degree & experience e.g. Production /Operations/HR Managers, (RQF 6)	20%	41%	32%	7%
Semi-skilled: Requiring experience & training e.g. Skilled trades (RQF 3-4)	17%	13%	47%	23%
Lower-skilled Permanent: Requiring some training/ experience e.g. Process operative, skilled field worker (RQF 2)	8%	15%	35%	42%
Lower skilled temporary / agency / seasonal	9%	19%	30%	42%
Unskilled: Requiring minimal training / experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	12%	17%	28%	43%
Unskilled temporary/agency/seasonal	10%	19%	31%	40%
Got Significantly Worse*	Got Worse	Stayed the Same	Got Better	

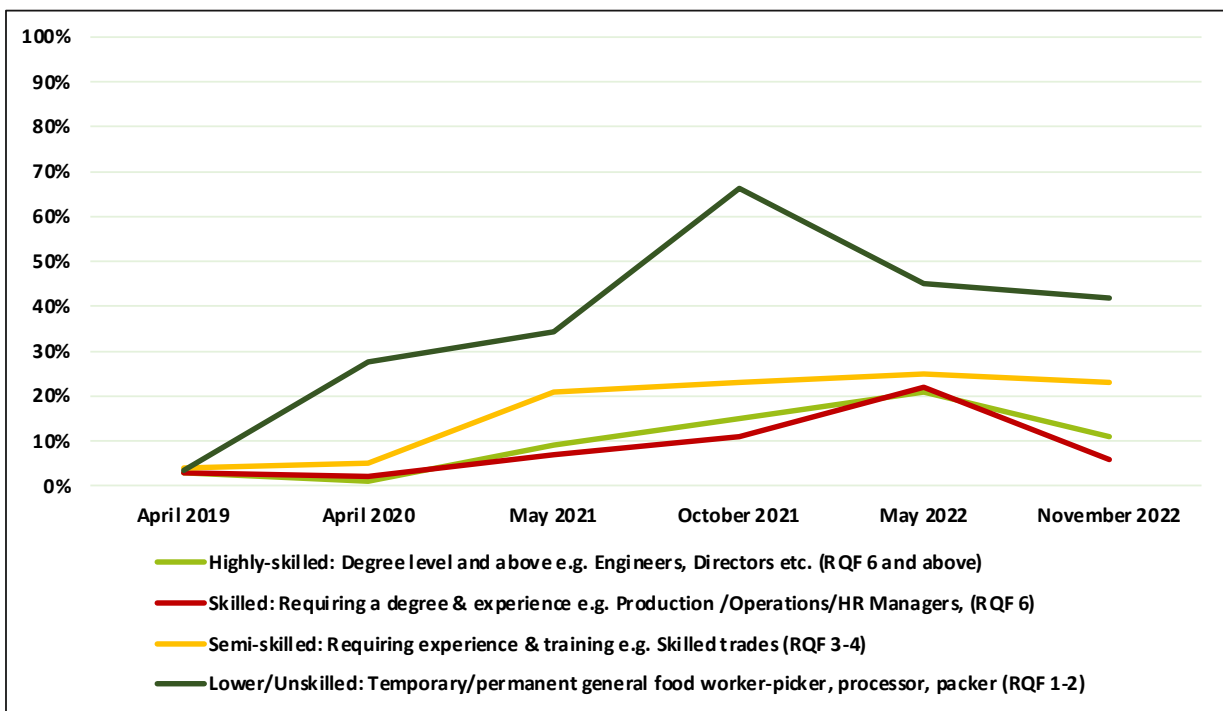
(*Large increase)

Food Growers and Manufacturers: % with intermittent and chronic labour shortages by skill level



- Three quarters of food businesses are experiencing labour shortages, double the pre-Brexit figure
- Labour shortages in unskilled, lower and semi-skilled roles remain significantly higher than those in skilled roles

Food Growers and Manufacturers: % with chronic labour shortages by skill level



- Businesses expressing chronic labour shortages were almost non-existent pre-Brexit.
- Having peaked in October 2021, 42% of food businesses are still suffering from a chronic shortage of lower/unskilled workers
- Businesses report that this reduction reflects them adjusting to ongoing labour shortages and scaling back rather than through vacancies having been filled

Food Growers/Manufacturers: Which changes have you made over the last 6 months that have had a positive impact on addressing labour shortages in your business? (Select all that apply)	May 2022	Nov 2022
Increased wage rates, bonuses and incentives	75%	66%
Focus on being a better place to work	51%	54%
Working more closely with labour provider	47%	51%
Improved labour planning	47%	45%
Improve worker sourcing methods	36%	41%
Improved worker retention activities	37%	35%
Increased hours and overtime of current workers	38%	21%
Focus on UK recruitment	25%	18%
Nothing has had a positive impact	18%	18%
Using the Skilled Worker visa route to recruit from overseas	16%	18%
Focus on EU recruitment		5%
Other (please specify)		
<ul style="list-style-type: none"> ■ More timely interview process, including factory tour and discussions ■ Started an apprenticeship scheme. No other changes in last 6 months ■ No changes. No issues with recruitment. Low staff turnover. 12 - 14 people in the business ■ Out of 30 persons starting work over the last 3 months only 3 are still here. There is something inherently wrong with the unemployment benefits and the government approach to employment when 90% of start-up employees do not care to make an effort and a significant % do not even work the first full day ■ Transferred workers from a related fruit farm to work in packhouse in import season 		

Food Growers/Manufacturers: What impact have labour shortages had on your business since January 2022? (Choose all that apply)	May 2022	Nov 2022
Increased labour costs		70%
Use more agency labour to meet the shortfall	46%	53%
Rationalise/reduce our output	49%	44%
Automate to reduce reliance on skills and labour	30%	27%
Increase proportion of permanent workforce and use less agency labour	24%	24%
Move part of our growing/production overseas	3%	4%
Our business became unviable		3%
Move all of our growing/production overseas	0%	0%

Food Growers and Manufacturers: Over the next 6 months, how do you foresee the position of your site with regards to recruiting the following types of lower skilled labour / skill level

	We will be fine	We should be just Ok	We will struggle	It will be a crisis
Lower-skilled permanent: Requiring some training/experience e.g. Process operative, skilled field worker (RQF 2)	8%	30%	57%	5%
Lower skilled temporary/agency/seasonal	9%	29%	55%	7%
Unskilled: Requiring minimal training/experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	11%	26%	56%	7%
Unskilled temporary/agency/seasonal	12%	33%	44%	11%
Got Significantly Worse*	Got Worse	Stayed the Same	Got Better	

Food Growers and Manufacturers: Over the next 6 months, which recruitment changes are you planning to address skills and labour shortages (tick all that apply):

	May 2022	Nov 2022
Work more closely with labour provider/external recruiters	59%	57%
Improve labour planning and ordering	45%	48%
Don't know what other recruitment changes we can make		33%
Use additional labour providers to supply workers	39%	29%
Focus on recruiting EU pre/settled status workers from Europe	41%	28%
Improve UK resident worker sourcing methods	22%	24%
Increase internal recruitment resource and budget	25%	22%
Increase recruitment of young people in the local labour market	33%	18%
Increase recruitment of older people in the local labour market		14%
Start or increase use the Skilled Worker visa route to recruit from overseas	22%	13%
No specific recruitment actions needed – do not expect shortages	3%	9%
Consolidate current labour providers	9%	9%
Increase recruitment of people with disabilities in the local labour market	9%	8%

Other (please specify)

- Working with prisons to employ offenders close to release, sign armed forces covenant, working with charity to get young people into work
- There is no interest from UK workers to work in agriculture despite the higher hourly rate worked
- Plan to drop a shift in one production area to ensure we can fully support two full shifts with skilled workers
- Advertising in local newsletter
- Increase recruitment of local people. We are in a remote location, so travelling to and from work is an issue

Food Growers and Manufacturers: Over the next 6 months, which HR changes are you planning to address skills and labour shortages (tick all that apply):	May 2022	Nov 2022
Increase wage rates, benefits, bonuses and incentives	54%	42%
Implement a great place to work strategy	44%	38%
Don't know what other HR changes we can make		28%
Introduce a labour turnover reduction strategy	16%	27%
Increase hours and overtime of current workers	21%	20%
Introduce or increase worker accommodation	22%	14%
Provide financial wellbeing support		13%
No action – do not expect shortages	3%	8%
Introduce guaranteed hours for agency workers	11%	6%
Introduce paid for/subsidised daily travel to work	13%	5%
Introduce paid for/subsidised travel to UK	5%	3%
Other (please specify)	13%	5%
<ul style="list-style-type: none"> ■ Employing prisoners close to release, looking at employing ex forces and sign armed forces covenant, working with local charity to get young people on benefits into work ■ If we do much more to attract and keep labour, we will not be in business! ■ Work already ongoing for Great Place to Work accreditation ■ Improve worker retention activities/engagement activities 		

Food Growers and Manufacturers: What impact do you expect workforce shortages to have on your business for the rest of 2022 and into 2023 (tick all that apply)	May 2022	Nov 2022
Increased labour costs	83%	80%
Use more agency labour to meet shortfall	34%	43%
Rationalise/reduce our output	32%	42%
Automate to reduce reliance on skills and labour	31%	24%
Increase proportion of permanent workforce and use less agency labour	24%	19%
Our business is likely to become unviable	10%	10%
No impact expected	2%	6%
Move part of our growing/production overseas	6%	4%

Food Growers and Manufacturers: What actions do you think the government should take to address labour shortages in the food supply chain (tick all that apply)?	May 2022	Nov 2022
Extend immigration visa routes to other lower skilled roles		68%
Work with sector bodies on a campaign to attract UK resident workers to the food supply chain		65%
Incentivise UK residents claiming Universal Credit to take up jobs and work more hours		61%
Allow labour providers to supply workers through the Skilled Worker visa route	39%	51%
Make the benefits system truly flexible to reward working	64%	51%
Allow asylum seekers the right to work whilst their application is processed	56%	49%
Allow apprenticeship levy funds to be used for more flexible types of training across the sector	36%	44%
Allow undocumented workers (those present in UK, but without the legal right to work) to work with limited rights in essential industries	37%	35%
Work with sector bodies on a campaign to attract harder to reach communities such as disabled and older workers		25%
Other (please specify)	11%	5%
<ul style="list-style-type: none"> ■ Let farmers to become sponsors for their workers for visa. The have just 5 or so agencies to provide seasonal workers is not right. Farmers should be able to apply for their workers' visa themselves and not to pay any agencies. ■ Re-join EU ■ The most concerning issue for us is the Nationality and Borders act being enforced with regard to fishing crew. From March 2023, if there is no change in enforcement or requirements around the written English language test, we envisage a catastrophic reduction in supply from Northern Ireland and the West Coast of Scotland. We must see the removal of the requirement for CELT language test from the skilled occupation list for fishing crew, or preferably fishing crew makes it onto the shortage occupation list. ■ Make the settled status process easier for accessing work over here 		

Labour Providers: What actions do you think the government should take to address labour shortages in the food supply chain (choose all that apply)	Nov 2022
We do not use Seasonal Worker visa route	66%
We use the Seasonal Worker route for poultry workers and think 2000 visas is enough	0%
We use the Seasonal Worker route for horticultural workers and think 38,000 visas is enough	3%
We use the Seasonal Worker route for poultry workers and think the number of visas should be increased	0%
We use the Seasonal Worker route for horticultural workers and think the number of visas should be increased	29%
If you think the number of visas should be increased, to how many and why	
<ul style="list-style-type: none"> ■ We think that farmers should be able to sponsor and hire workers directly. ■ Minimum of 50,000 - overseas workers desperately needed as UK residents do not want to work in the horticultural industry as don't want to work long hours and, in all weathers ■ Simply in horticulture there are not enough workers ■ Longer period for Seasonal Workers for UK season (ie 8 months). Significantly increased. ■ We do not have access to this in the ornamentals sector ■ Because there is a chronic shortage of seasonal workers ■ 80,000 as per the NFU figures ■ Depends on the agency numbers 	



Food Growers and Manufacturers: Are you a Sponsor under the points-based system and have you recruited workers through Skilled Worker Visa Route?	May 2022	Nov 2022
No, we are not a sponsor	82%	80%
Yes, we are a sponsor but have not recruited any skilled workers yet	13%	13%
Yes, we are a sponsor and have recruited skilled workers from overseas directly ourselves.	5%	3%
Yes, we are a sponsor and have recruited skilled workers with an overseas based recruiter.	0%	1%
Yes, we are a sponsor and have recruited skilled workers, using a UK based labour provider to manage the process	1%	4%

If yes, and you have recruited skilled workers, please say how many and from which countries

- We are awaiting confirmation of our sponsorship licence
- In the past we have recruited from Spain, however, have no-one in position via this route currently
- 40 from Nepal 2 from Columbia 4 from India
- 25 from Brazil, Philippines, Kenya, South Africa, Zimbabwe Planning on recruiting 15 more

Food Growers and Manufacturers: How have labour shortages increased the cost of running your business?	Nov 2022
Agency Labour	
<ul style="list-style-type: none"> ■ Increased costs by using agency workers ■ Increased usage of agency labour which has increased wages costs ■ Increased agency labour costings ■ Increased labour costs incurred by using agency workers. Staff already doing more overtime to meet business needs, orders not being met due to staffing shortages ■ Reliance on agency - strained team - Higher absence - lower retention ■ More agency workers ■ Increased agency labour premium, increased rates due to overtime premium payments, increase in stand up pay when current employees complete higher positions to cover gaps ■ More overtime and more agency workers at a higher cost ■ Impact on production output at times and increase in agency labour costs 	
Seasonal Workers	
<ul style="list-style-type: none"> ■ Increased cost from recruitment, both from SWP costs and the quality of staff increasing pick costs. Reduced returnee numbers as other countries have become more attractive. During peak volumes choices made to leave fruit on plants rather than add additional overtime costs ■ We have not picked some of the harvest because of lack of staff. We have to give more overtime ■ Have had to employ more staff on the visa route and the Home Office had the 'bright'? idea of putting their wage level the same as skilled workers. This meant that workers who came on the right to work status had to be paid the same rate to keep things fair. This created an even bigger increase to the business ■ Used more seasonal workers through tier 5 ■ We cover labour shortages with seasonal workers, who are expensive to recruit. 	

Increased Labour Costs

- More overtime. We had to down scale the business
- Labour costs have increase 16% Year on Year
- Increased overtime
- Had to increase wages, costs associated with worker incentives and retention schemes
- Having to pay more to attract applicants, increased overtime
- Are having to increase base level wages to try and attract applicants
- Labour shortage have driven wage inflation and reduced reliability, this has a knock on to costs of operation
- Increasing hourly rate rapidly to compete with local competitors in an area where unemployment is low, but vacancies are high. Increased reliance on agency as unable to attract and retain staff. Investing in employee engagement activities such as free food Fridays to support employees. Money spent on investment and robotics to automate manual roles
- Increased wage rates to try to attract more staff
- Increased wages, increased transport costs as making to order rather than for stock
- Compared to three years ago our labour cost have increased by 16%
- Paying higher rates to permanent staff / higher rates to agency workers
- We are spending more on recruitment routes to market than we have ever done with an ever-decreasing return on this spend. We have around 20% of our permanent workforce in on overtime premium (+50% on rate) each week. We have increased rates for night workers and skilled roles to aid recruitment and retention and this cost an additional £1.5M
- Increase in pay rates to attract and retrain workers, increase in overtime from week to week due to staff shortages
- Increased rates of pay, extra shift incentives, additional agencies & cost of management
- Paying above NMW to attract and retain
- Increases in overtime at premium rates
- Higher pay rates, more recruitment and marketing costs, attraction bonuses, retention bonuses, introduce a friend scheme increase of amount, failure to run lines in peak times, delisting of products
- Increased rates of pay - staff coming to UK on Visa having to be paid a higher wage than those on pre-settled status, which means that all staff have to be paid the increased amount
- Labour bill up minimum 15. Existing workforce under stress

Increased Business Costs

- Increased reliance on specialist legal advisors Salary increases. Settlement support for skilled workers
- Had to accept inefficient staff, therefore increased cost and less production
- We have cut back on crops, and what we grow costs more
- We have moved production from one factory to another based upon labour availability and lost efficiency by doing so
- Competitive market forcing cost of EVP upwards. Increased turnover, increased recruitment and onboarding costs
- By not having the correct manning we have created poor Customer Service Levels, and this has reduced profit and affected our reputation. Due to labour shortages combined with inflation our employees are demanding higher wages and this has increased Business costs
- Extra overtime, reduced throughput, extra training costs, reduced productivity, extra supervision costs, reduced product quality and therefore revenue, increased customer complaints, extra costs in transporting and accommodating staff
- We struggle to produce enough every week to cover fixed and variable overheads for the business
- Increased cost for recruitment and training
- Increased costs, loss of revenue due to shortages, impact on cashflow

Food Growers and Manufacturers: Are there any other comments that you would like to add:

Nov 2022

- In the last few years what we have found that it is not the number of people that is the problem. We have not had a problem finding enough staff. It is generally the quality of them. The general incentive to work seems to have got less and less, and the more the minimum wage goes up, this is causing us big problems. We are finding we need more people than before to do exactly the same jobs
- UK staff have not wanted to work on farm despite attempts to recruit, we cannot offer permanent work and with shortfalls in other industries such as hospitality, horticulture is less attractive. Whilst the post Brexit policies have restricted access to our returnees as other EC countries become more appealing with lack of red tape. Now being restricted to using the SWP scheme we are unable to go out to recruit ourselves and face a limited number of providers with their varying levels of service whilst paying much higher costs than when we did this ourselves. As an industry we are highly regulated and the constant revision of expectations and requirements adding layers to our costs whilst sales prices to consumers and supermarkets fail to keep pace places UK grown fruit at risk of collapse
- Since Brexit things have gone horribly wrong. We used to have an 80% returnee rate year on year, and we did not have to keep training pickers. We need SAWS workers as we have had no success with UK workers despite ads in the Job Centre and online
- If the labour issue is not solved, we will stop the salad cropping and just grow cereals with family labour, we can't continue like this. If you want to grow for retailers, lose money and become depressed, this is the industry for you
- The most concerning issue for us is the Nationality and Borders act being enforced with regard to fishing crew. From March 2023, if there is no change in enforcement or requirements around the written English language test, we envisage a catastrophic reduction in supply from Northern Ireland and the West Coast of Scotland. We must see the removal of the requirement for CELT language test from the skilled occupation list for fishing crew, or preferably fishing crew makes it onto the shortage occupation list

- Increased rates have had a huge impact in our mainly target rate production having to pay top-ups to seasonal workers who are putting very little or no effort in meeting production targets. SAWS workers arriving and absconding have caused an issue too leaving the workforce short and allowing agencies staff to charge for replacement staff. Fair Pay for Fair Play should mean this through-out the supply chain Farmers/Growers are facing the penalty every time. There must be something done to help the Farmer/Grower
- The current climate is difficult for everyone not just businesses. Employees are heavily focused on pay levels due to the cost-of-living crisis which can make it extremely difficult to retain these employees. There needs to be a greater focus on upskilling employees and being able to attract a different demographic who might be reliant on benefits.
- Difficult to pass all costs on to the retail multiples, although we have increased MSPs
- We have reduced production over the last three years to cope with the shortages
- The stress the labour shortages are having on managers in this industry is unprecedented. These businesses are not struggling to make profit but are going to stop growing but they cannot carry on with the status quo of constant daily shortfalls
- The Settlement scheme has made it more challenging for EU workers to come to the UK and if there are mass shortages, how people can obtain this may need to be looked at. The UK universal credit and benefits system can always be looked at, especially to help fulfil gaps in peaks. There does seem to be more labour available, however the quality of the labour is poor, there is a real shortage of skills i.e., FLT drivers / Warehouse pickers / Supervisors / Machine operatives, this is due to the longer hours and manual handling. Also, there will be a price war with labour post-Christmas, workers will migrate to where the wage is higher with bigger clients who can afford to pay a lot more than the minimum wage
- We need an environment that encourages growth and investment rather than the current environment where business are not in control of their operations and therefore look to other countries to produce
- We actively work with the local Jobcentre and advertise on government websites and recruitment portals. Very few people from the UK have shown an interest, and a few candidates have started work but it has only lasted a few days or a week at most. We do not know why British workers don't want to work on farms as they can earn good money, however, this has been the case for decades. The UK government expects us to employ the unemployed, however, the British unemployed are very reluctant to give up benefits for a short time do take on a seasonal job that is outdoors in all weather conditions. We have very little unemployment in our local area; therefore, we would never fill a quarter of the seasonal jobs in our local area. We are constantly told to pay higher wages, however, many of our workers earn way above the minimum wage due to bonuses for overachieving targets. This is hard manual work often back bending in strawberry fields which the Brits do not see as attractive. We also have an issue with public transport for locals taking on work with us as we start picking at 4am in the morning, there is not a public transport service available to these potential British workers

- We recruit at the very grass roots of our society and what we have found is that the unemployment benefits and universal credits have created an underclass who are not interested in work and who are happy where they are as long as the country pays for their essentials. Until the powers that be wake up to this debilitating culture the small companies which are the backbone of this country are going to collapse. Automation is all very well but that requires many small companies of a particular manufacturing skill being swallowed up by a large company that can afford to invest in multimillion pound automation which then requires the throughput to have the ability to repay the investment in automation
- We have been impacted slightly in terms of labour shortages at our head office, but we are an agent for our supplier partners into UK retailers. Their on-site challenges far out way our own; they are dealing with labour shortages for low skilled workers including loss of labour to competitors and lack of returning seasonal workers, increase in working hours resulting in social compliance non compliances, unable to offer development and progression to existing workers due to additional demands on time/shifts etc
- Migrant workers come to UK to work which means they positively contribute to the economy. We need to let them do so. Issue of control could be dealt with by id cards. Need to get UK workers attracted to the sector. Cut over from benefits to wages needs to allow benefit claimants to start working and become better off
- We apparently do not qualify for SAWS, need to make the system fairer with permits for seasonal work for employees
- Brexit has had a massive impact on the availability of skilled / lower skilled labour supply. Government need to stop making this a political issue and understand the reality. Simply saying business need to “automate” and come off the drug of “cheap labour” is crass, ignorant and shows no understanding of the issues the food manufacturing sector is facing.

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