

Labour shortages in the food and farming sector

15th October 2021

Background

1. 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.
2. Around one billion birds are reared for meat every year in the UK. Poultry is half the meat this country eats 20 million birds are processed weekly by skilled people.
3. The British poultry sector is an unsubsidised sector that directly employs approximately 40,000 people in the UK. We contribute £5.4 billion GVA to the UK economy and generate £1.2 billion in tax revenue to the exchequer.
4. Labour shortages, driven by the effects of Brexit and compounded by other factors such as the pandemic, have demonstrated the need to and importance of adopting realistic policies that enable British business to drive productivity, create good jobs and keep food moving to strengthen food security in a thriving country post-Brexit.
5. The British poultry industry has concrete plans to invest in the resilience of our supply chain, however we must have time and space to ensure investment in technology and people can be realised. Government must continue to work with and engage with the British poultry meat industry to build a system that works for everyone. We need a system that works proactively in food production, actioning realistic measures to support supply chain in the longer term.

The labour crisis

6. The British poultry meat industry faces significant shortages across farming and processing. Prior to the beginning of 2021, 60% of our workforce were EU nationals. As of August 2021, businesses are reporting an average vacancy rate of 16% of their total workforce, as noted in the report by Grant Thornton commissioned by multiple food and farming sectors. Vacancies in processing and operations account for over 90% of these shortages – roles that are classified as 'low skilled' in Home Office immigration terms but are necessary to keep food moving.
7. The ongoing labour crisis has been significantly driven by Brexit. Policies which have limited access to non-UK labour supply, whilst simultaneously deeming British food heroes 'low skilled,' have challenged the viability of food businesses. The result of a slower and less flexible supply chain has jeopardised food supply and increased the cost of production and is driving food inflation.
8. British poultry meat businesses are doing everything they can to avoid a worst-case scenario of empty supermarket shelves. However, the impact of labour shortages is beginning to show on production lines in the short term. We are seeing a reduction in the volume variety of products available, with other industries as well as ours struggling to get fresh produce to supermarket shelves.

9. Our ask is clear and simple, focusing on longer term solutions that promote resilience. Poultry meat producers must have space and time to invest in new technologies and their workforce to put British food back on the road to recovery.

Short-term support to stimulate the UK's food future

10. We welcome the Government's announcement that 5,500 temporary work visas will be given to the British poultry industry to support seasonal supply following our calls to extend the Seasonal Agricultural Workers' Scheme to our sector.
11. At the time of writing the scheme has not yet opened, however we remain optimistic that it will provide much-needed support to meet seasonal demand. We are encouraged that intervention from Government to 'save Christmas' will allow poultry meat businesses to produce safe, affordable and nutritious protein for consumers across the country this winter.
12. The need for visas has undoubtedly illustrated the effect of labour shortages on producers, however the issue we are facing with short-term seasonal turkey production is equally reflective of longer-term year-round production. Without people the industry has a significant problem. Our member businesses are looking for opportunities to invest in a whole swathe of solutions both technologically and in upskilling.
13. The British poultry meat industry would welcome a similar scheme designed for non-UK labour to enter the country to work across farming and processing over a period of two years to keep food moving. This temporary measure would ensure industry has space and time to upskill their British workforce and put into action their investment plans in automation and technology.
14. Over the next five years, we expect many millions of pounds' worth of investment in technology to support robust supply chains, invest in new technology, automation, and people. The British poultry meat industry would welcome financial support in the form of Government-backed loans to help businesses accelerate plans to automate and upskill, ensuring that the productivity is there to make long-term meaningful change.

Christmas is only the first step

15. If we are to ensure the robustness of our supply chains going forward, we must have resilience built into its core. That resilience will translate as certainty in our workforce and allow realistic policies securing enough people to feed the nation. British food producers keep this country running and access to skills and talent is vital to ensure food for all. We have asked Government to ensure food production is included in skills and education programmes such as the Lifetime Skills Guarantee and Apprenticeship Levy to improve the appeal of the sector to build up a UK workforce.
16. A response from the Home Office to the British Poultry Council's highly publicised letter stated that the subject areas on the Lifetime Skills Guarantee "*align most strongly with strategic skills priorities and meet labour market needs.*" Despite there being a national shortage of labour across vital food production, penalising British businesses and risking national food security, it has been made clear that food production is not one of these '*priorities*', but should be.
17. British poultry meat businesses have engaged in using the DWP-Job Centre scheme to recruit more UK workers with limited success. Despite an industry-wide understanding that this intervention would not be the silver bullet to solve the labour crisis, businesses willingly got involved. Some Job Centres remain closed on account of the pandemic; others that remain open do not allow representative presence in their buildings. Further 'solutions' as

part of the scheme, such as putting up a recruitment stand in the Job Centre, have already been enacted by poultry meat businesses previously, with no success.

18. Tailored and specific measures with a focus on skills development and further education are required if British food producers are to recruit a UK workforce. Poultry is half the meat the country eats, and our sector has grown significantly beyond the labour availability in the areas we operate, where unemployment rates are low. There is also very little appetite for individuals to move to the areas in which we are located to take up work. 60% of our workforce – 22,800 people – are EU nationals who keep this country fed.
19. We want to continue to invest in our facilities, automation, and UK workforce to create a modern, future-proof supply chain that puts nutritious and affordable food on every table, but this is difficult whilst Government remains determined to level down food production. Proper investment in the Apprenticeship Levy and putting food production at the core of skills programmes like the Lifetime Skills Guarantee will help bridge the gap between industry and education systems, so that food production is marketed as an appealing, skills-driven industry with good opportunities for everyone at all levels.
20. To create good jobs that attract UK labour and roll out the necessary technological advancements our member businesses want to invest in, the British poultry meat industry needs time to adjust from decades of collaboration with the EU and transition to a different way of working. We are determined to make the best possible use of the temporary workers visa and help deliver Christmas, but this is just the first step. The labour shortage is in permanent year-round roles. Should we see success with the seasonal visa scheme, a similar framework should be put in place for a two-year period to give industry the space and time to upskill their British workforce and enact their investment plans in automation and technology.
21. It is essential that the Government continues to introduce routes for non-UK workers until the right technology and education programmes are in place to build up a UK workforce. Technology, education, and a non-UK workforce can co-exist on a temporary basis to avoid detrimental impacts to the sustainability of British poultry supply chains.

Other factors

22. Whilst the 'pingdemic' has exacerbated the issue, it is not the root cause behind labour shortages in food production. British poultry meat businesses face a lack of people in general – 'pinging' the staff who remain is additional pressure. Brexit policies on immigration are the main catalyst which we are struggling to solve. New, pragmatic, and realistic ways of managing the system must be arranged to preserve the integrity of British supply chains.
23. The recent CO2 crisis has put even more pressure on British food producers. CO2 is vital for important sectors such as food production. With no people and no CO2, the British poultry meat industry quickly faced a compromise to performance, a threat to the balance of robust supply chains and a risk to national food security. Already facing pressure from labour shortages, the last thing British poultry producers need is more pressure from supply chain issues beyond their control – especially in the lead up to Christmas.

Final thoughts and asks

24. We welcome the Government's announcement that 5,500 temporary work visas will be given to the British poultry industry and are optimistic that intervention from Government will 'save Christmas.' However, the issue we face with short-term seasonal turkey production is reflective of longer-term year-round production and a more permanent solution is necessary.

25. There can be no meaningful change without productivity. Government must continue engaging with industry to build a system that works for food production, not against it, to maintain the robustness of supply chains in the long-term. If we are to ensure the robustness of our supply chains going forward, we must build resilience into their core. That resilience translates certainty in our workforce and realistic policies securing enough people to feed the nation.
26. Our member businesses are looking for opportunities to invest in the resilience of their supply chains, on both a technological and upskilling level. Industry would like to see a similar scheme designed for non-UK labour to enter the UK over a period of two years to ensure industry has the space and time to upskill a British workforce and invest in new technologies. We can expect many millions of pounds' worth of investment in automation to support supply chains. Industry would welcome financial support from Government-backed loans to help businesses accelerate investment plans to automate and upskill the British poultry meat industry as quickly as possible.
27. It must be made clear that contingency plans cannot be made for every eventuality, seen clearly with the most recent CO2 crisis, we cannot have a reserve team waiting in the wings. Instead, investment in the future of the industry will allow for a more robust supply chain meaning contingency plans are less necessary. Our industry cannot make contingency plans for other industries.
28. In the long term, vital food production must be kept at the heart of skills and education programmes such as the Lifetime Skills Guarantee to support meaningful change that will maximise the productivity of a future-proof sector. Proper investment in the Apprenticeship Levy will support in levelling up the appeal of the sector to build a skilled UK workforce.
29. The British poultry industry understands that this is a process that will take time and are asking for space and support to ensure that the right technology is rolled out, the right skills programmes are in place and the right investments are made to maintain the integrity of supply chains. Technology, a focus on skills and education and a non-UK workforce can coexist temporarily to avoid jeopardising our ability to feed the nation. The necessary support will enable us to maintain and grow our productivity through this period of unpredictable change, and we need Government to make labour and skills in food production a priority to improve UK food security, eliminate hunger, build skills, allow viable businesses to flourish, and create a greener home-grown food sector.

