

Food Industry Labour Sourcing Fears deepen - July ALP Labour Survey Results – 2nd August 2017

Further falls in EU labour supply and deepening concerns for the immediate future are the main findings of the July ALP survey of labour provider businesses which supply the workforce to the agriculture and food sectors.

Headlines

- 30% of labour providers do not expect to be able to source and supply sufficient workers for the remainder of the Summer 2017 peak (N.B. This is up from 21% who said in February that they did not expect to be able to meet Summer 2017 needs)
- 45% of labour providers do not expect to be able to source and supply sufficient workers for the 2017 Christmas peak
- 48% of labour providers report labour supply down compared to the same time in 2016, compared to 22% that report an increase
- Over 40% of labour providers report that their client businesses have had to increase wage rates to attract workers
- 50% of labour providers believe that the quality of workers is worse than 12 months ago as opposed to less than 1 in 10 who say that it is better
- 2 out of 3 labour providers have had to invest more money and resources into sourcing workers thereby further increasing the cost of labour supply

These latest results reinforce the findings of the April 2017 Environment Food and Rural Affairs Committee Report “Feeding the nation: labour constraints” that “evidence submitted to this inquiry suggests the current problem is in danger of becoming a crisis if urgent measures are not taken to fill the gaps in labour supply” and the conclusion that “It is vital that the labour supply available to the agriculture and horticulture sectors does not suddenly dry up as a result of any uncertainty caused by the new immigration arrangements instituted following the UK’s exit from the EU. We note the promise made to us that this will not happen, and we are confident that our successor Committee will wish to scrutinise this area of Government activity closely throughout the next Parliament.”

ALP Chief Executive, David Camp said, “The UK Government should not wait for labour supply to the horticultural and food manufacturing sectors to fail with the devastating impact this will have on UK businesses. We are reassured that Defra is now convening a multi-stakeholder group to look at designing a model Seasonal Agricultural Workers’ Permit Based Quota Scheme fit for the foreseeable future. We call upon Defra to ensure the validity of official data on which employment and immigration policies will be based before and after the UK leaves the EU and to be a leader and a champion for the whole UK food supply chain in terms of ensuring adequate labour supply”.

About the Association of Labour Providers (ALP)

ALP (www.labourproviders.org.uk) is a trade association promoting responsible recruitment and good practice for organisations that supply the workforce to the consumer goods supply chain across the food processing, horticultural and wider manufacturing, industrial, warehousing and distribution sectors.

ALP member organisations supply approximately 70% of the temporary contingent workforce into the food growing and manufacturing supply chain. Many of these workers progress to form the permanent workforce for UK industry. All organisations that supply labour into these sectors are required to be licensed by the Gangmasters and Labour Abuse Authority (GLAA).

ALP’s members predominantly provide unskilled workers and semi-skilled workers. Market pressures mean that unskilled work is either at, or very close to, national minimum wage (NMW). For many years these irregular low-paid jobs have been largely filled by migrant workers, able to earn more than they can in their home country. Depending on region EU workers make up between 70 and 100% of workers supplied by labour providers, the remainder being British nationals and those migrants from non-EU countries that have been given right of residence in the UK.

The survey was conducted between 17th and 28th July 2017 and there were 106 responses from 298 ALP member labour providers surveyed.