

**MAY 2021**

# ALP FOOD SUPPLY CHAIN LABOUR SURVEY RESULTS

“Labour market is in crisis. Wage inflation already biting... no supply and increased demand. The model isn't sustainable and automation is too far away”



# ALP

Association of Labour Providers

## INTRODUCTION

The [Association of Labour Providers](#) (ALP) has conducted separate surveys of labour providers and food growers & manufacturers since 2016 to provide data and trends to inform access to labour policy and priorities for the UK food supply chain.

Both surveys ran between 17th and 28th May 2021. The Labour Provider survey had 118 responses and the UK Food Supply Chain had 99 responses.

These are the first surveys run since the UK left the EU on 31st December 2020 and the new UK immigration system came into effect. The responses reflect the challenges this and the continuing coronavirus pandemic has created, and the impact on the economy and the labour market.

## HEADLINES

- Significant expectation of chronic labour shortages in 2021
- Food growers and manufacturers report the need to make substantial changes as a consequence of labour shortages
- Majority of labour providers have seen a significant increase in cost of doing business and continue to find it hard to achieve a commercially sustainable margin
- A significant number of EU workers have yet to apply to the EU Settlement Scheme
- Clarity on re-checking right to work checks is a key concern

## RESPONDENT COMMENTS



### LABOUR PROVIDERS:

*...“consumer pressure passed through retail is making it ever more challenging to sustain or increase operating margin.....still too many recruitment suppliers using umbrella schemes to subsidise poor rates and inability to negotiate a fair charge rate”*

*...“continue to highlight the labour shortages and need to have a straight forward immigration policy.... recognising that even with increased unemployment in the UK, filling jobs within the food supply chain may not be easily covered by loss of jobs in other very varied market sectors”*

### FOOD GROWERS AND MANUFACTURERS:

*...“Over the last 12 months, we have seen an increase in applications from UK residents/nationals of which a high proportion of these are new to the sector. Due to the nature of the work being unskilled, we offer the opportunity of permanent work however >80% of those new to the sector do not stay”*

*...“Labour market is in crisis. Wage inflation already biting....no supply and increased demand. The model isn't sustainable and automation is too far away”*

*...“Not enough UK resident workers are applying for roles in the food manufacturing industry. Brexit has had a massive impact on ability to source unskilled labour. This will only result in cost of finished product increasing”*

## LABOUR PROVIDER SURVEY SUMMARY

### 2020 EXPERIENCE

- 2020 was a uniquely difficult year for labour supply. 79% were unable to meet all their client's requirements during the autumn and Christmas 2020 peaks.
- 70% said that the quality of labour (English language, productivity, reliability etc) was down on last year
- 90% have had to invest more money and resources into sourcing workers with 73% saying clients have had to increase wage rates
- 69% said they have not been able to pass on the increased costs of recruiting and supplying labour
- 94% said achieving a commercially sustainable charge rate is hard or becoming harder

### IMMIGRATION SYSTEM

- 75% believe the impact of having no lower skilled worker route will be that there will not be enough workers to fill the requirements for lower skilled workers
- 44% said more than 20% of their EU workers have yet to apply to the EU Settlement Scheme, with 20% that did not know
- 47% plan to re-check the right to work of all their workers and 25% plan only to re-check EU workers
- 56% have recruited new EU workers with EU pre/settled status and/or the potential to obtain EU pre/settled status, and 9% have only recruited those with EU pre/settled status
- 35% have continued their previous right to work checks and have not checked EU pre/settled status

### 2021 EXPECTATIONS

- 78% do not expect to meet client demands for the 2021 summer peak
- 88% believe there will be an increase in demand for temporary labour moving out of the coronavirus pandemic, with 8% saying orders will stay the same, and only 4% see demand decreasing

## FOOD GROWERS AND MANUFACTURERS SURVEY SUMMARY

### 2020 EXPERIENCE

- Around 70% of businesses experienced shortages of lower skilled workers
- Around 35% of businesses stated they had been in crisis because of labour shortages of lower or unskilled workers
- The shortages increased in all skill levels and in unskilled roles they were twice as high as that of higher skilled roles

### IMMIGRATION SYSTEM

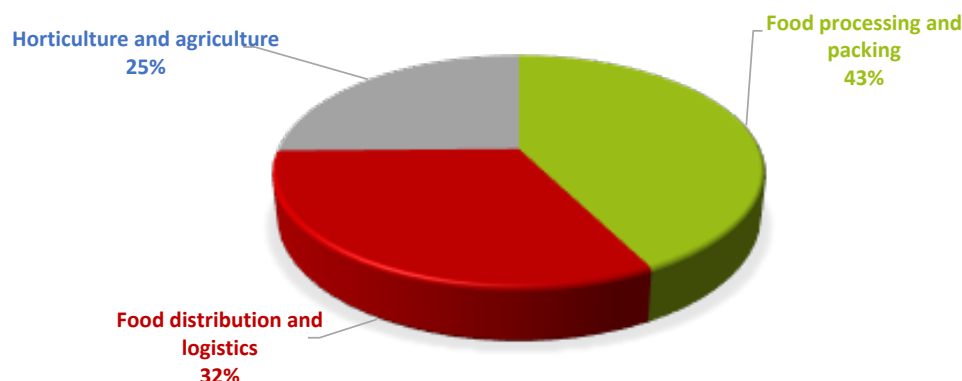
- 87% said that they will not be applying to be a Tier 2 Skilled Workers Sponsor
- 28% said more than 20% of their EU workers have yet to apply to the EU Settlement Scheme, with 28% that did not know
- 40% plan to re-check the right to work of all their workers and 29% have no plans to re-check right to work status of any workers
- 51% have recruited new EU workers with EU pre/settled status and or the potential to obtain EU pre/settled status, and 22% have only recruited those with EU pre/settled status
- 27% have continued their previous right to work checks and have not checked EU pre/settled status

### 2021 EXPECTATIONS

- Over 90% said that the types of workers applying for jobs are the same or similar to before
- Around 34% believe that there will be sufficient UK resident and EU pre/settled status workers to meet the food supply chain's needs
- Around 66% expect their own business to struggle or be in crisis recruiting for lower skilled permanent and temporary workers
- 4% of businesses said that they are concerned that they will become unviable due to labour shortages
- Nearly 90% said that the food supply chain will need to make changes to their business in order to address the forecasted labour shortages
- Most common actions businesses will take in response to the forecasted labour shortages:
  - Automate to reduce the reliance on skills and labour (51%)
  - Use more agency labour (40%)
  - Rationalise/reduce our output (26%)
- Most common HR and recruitment changes expected to be made to address forecasted labour shortages:
  - Automation to reduce reliance on skills and labour (45%)
  - Use more agency labour (44%)
  - Rationalise/reduce output (26%)
- Most common HR and recruitment changes expected to be made to address forecasted labour shortages:
  - Working more closely with labour provider (66%)
  - Focus on being a better place to work (58%)
  - Improved labour planning (56%)
  - Improved workers retention activities (52%)

## LABOUR PROVIDERS MAY 2021 SURVEY RESULTS

A total of 118 labour providers completed this survey, slightly more than the November 2020 survey, and a similar split across horticulture/agriculture, food processing and packing, and food distribution and logistics:



Labour Providers: During the 2020 peak, did you meet your clients demands for workers?	Nov 2020	May 2021
We have met all our clients demand	23%	21%
We have short supplied our clients by 0-10% of their demand	11%	15%
We have short supplied our clients by 10-20% of their demand	22%	21%
We have short supplied our clients by 20-30% of their demand	22%	20%
We have short supplied our clients by 30-40% of their demand	9%	7%
We have short supplied our clients by 40-50% of their demand	3%	4%
We have short supplied our clients by over 50% of their demand	10%	12%

Labour Providers: Has the quality of labour (English language, productivity, reliability etc) been:	Nov 2020	May 2021
Better than this time last year	7%	1%
About the same	45%	29%
Down on this time last year	48%	70%

Labour Providers: To source sufficient workers over the last 6 months:	Nov 2020	May 2021
We have not had to do anything differently	12%	3%
We have had to invest more money and resources into sourcing workers	77%	90%
Clients have had to increase wage rates to attract workers	45%	73%
Existing workers have had to work extra hours and overtime	54%	61%

Labour Providers: What impact do you think moving out of Coronavirus restrictions will have on temporary labour demand for your business:	Nov 2020	May 2021
Increased temporary labour demand by over 50%	5%	53%
Increased temporary labour demand from 40% to 49%	2%	9%
Increased temporary labour demand by 20% to 39%	24%	20%
Increased temporary labour demand by 1% to 19%	22%	6%
Orders have stayed the same	10%	8%
Decreased temporary labour demand by 1% to 19%	10%	2%
Decreased temporary labour demand by 20% to 39%	12%	0%
Decreased temporary labour demand by 40% to 49%	4%	0%
Decreased temporary labour demand by over 50%	10%	2%

Labour Providers: Have you passed on the increased costs of recruiting and labour supply during the coronavirus to your clients?:	May 2021
We have not had any increased costs	5%
We have not attempted to pass cost increases on to our clients	20%
We tried, but most clients have not covered our increased costs	31%
No, and clients have generally demanded rate reductions to support their own cost increases	17%
Yes, most of our clients have accepted a rate increase	26%

Is achieving a commercially sustainable charge rate with your client:	Nov 2020	May 2021
Becoming harder	59%	69%
Same as it ever was	38%	25%
Becoming easier	3%	7%

#### Becoming harder:

- "There are still many labour providers avoiding tax, NI, pension contributions etc and as a result can operate cheaper"
- "As business have struggled to survive during the COVID-19 pandemic, it has had a severe impact on our ability to negotiate with our clients for fair rates."
- "Perceived increase in availability of workers; 'added value' elements seen as a given which take resource and time to implement and manage but not seen as core deliverables for cost base"
- "Clients seem oblivious to the ever decreasing level of available workers and are generally unwilling to support us in attracting new workers"

- "Costs continue to increase and the cost of attracting and retaining labour is higher. Margins are not increasing and there is always someone in the Industry offering it cheaper. As an Industry we have and continue to devalue our service"
- "The Gov vote against umbrella's still leaves an uneven playing field!! (OK, GLAA Contracts can't be put through a payroll Co. but it off-sets costs and increases margins in other areas of the business!!)"
- "Increasingly difficult labour market requires more investment into resourcing staff, whilst the clients are not willing to take part in conversations around sustainable and ethical rates"
- "Neutral vendors seem to be causing a large reduction in charge rates"
- "Customers are themselves squeezed on costs..."
- "Bigger national agencies driving their charge rates down to win high volume business in the local area making it difficult for smaller independent agencies to run a commercially viable outfit"
- "They don't seem to appreciate things such as the increased SSP burden"
- "Our clients are having their own cost issues and therefore the majority of them have not accepted an increase in rate"
- "Brexit. Covid. Compliance & H&S requirements are increasing meaning we have more work to do and need more people to work on each contract. The extra resources required to attract candidates"
- "Pressure on supply chain costs. Labour is hard to find, so time and cost to recruit increases"
- "Consumer pressure passed through retail is making it ever more challenging to sustain or increase operating margin. There are still too many recruitment suppliers using umbrella schemes to subsidise their poor rates and their inability to negotiate a fair charge rate"
- "Attraction costs have increased significantly to try and meet demand, along with this we are recruiting further out of area and have transport costs associated"

#### Same as it ever was:

- It's difficult to give a uniform answer to this, as each client case is different. But to date I don't think Brexit or Coronavirus have had a direct bearing on agreeing client charge rates. Some agencies have slashed their rates in a bid to buy turnover/revenue, this is the bigger issue"
- "There is a difference between those clients who have traded throughout lockdown and those who didn't in terms of understanding of current candidate shortages, reflected in their responses/negotiations re supply charges"
- "We work in partnership with our clients and have not had any pressure apart from occasional competitor price pressure"
- "Pilot scheme means that supply is possible and demand is very high"
- "Sadly our market has seen its margins eroded by people cutting corners I'm now sticking to my guns and refusing to deal with low margin business"
- "With the increase of National Living Wage it has afforded us a natural wage increase for the lower earners. With regards to Chefs and Catering staff we are having to look at increase pay rates to attract staff"

**Becoming easier**

- “Growers are having to increase pay rates to retain staff”
- “Clients realise there is a labour shortage and understand it’s a candidate led market”
- “Clients are accepting that the market has changed and that costs have risen. Many clients are finding that our competitors are unable to source candidates either so are accepting higher pay rates, and also that we need to pass on increased sourcing costs”
- “The biggest impact is the restrictions on EU workers coming to the UK which means clients struggle to find labour and are turning to agencies for help”

Labour Providers: For the Summer peak in labour demand:	Mar 2020	Nov 2020	May 2021
We are confident we will have enough high quality workers	10%	14%	3%
We expect to have just enough workers but the quality will not be so high	56%	47%	19%
We do not expect to be able to source and supply sufficient workers	29%	39%	78%

Labour Providers: What do you think will be the impact on the food supply chain of having no ongoing immigration route for lower-skilled workers?	May 2021
No real impact as there will be enough workers to meet the food supply chain’s needs due to high unemployment levels and EU pre/settled status workers	4%
The food supply chain will need to improve pay and other terms and conditions to attract enough workers	54%
The food supply chain will need to improve its sourcing and retention strategies, be more open to attracting a wider range of workers and invest in training staff to attract and retain enough workers	56%
The food supply chain will not have enough workers who want to fill these types of jobs and will contract, close or (where feasible) relocate overseas	75%
<b>Other – please describe</b>	
<ul style="list-style-type: none"> <li>■ Fast track robotics, automation and reduced demand for labour</li> <li>■ Seasonal Workers Scheme is costly, visa appointments and processing is slow and main season has been missed</li> <li>■ Sensible businesses are planning for a future with less labour, running less and more profitable lines and prices for labour will need to increase</li> <li>■ The organisations will have to start looking into relocating overseas where possible.</li> <li>■ Rates of pay will need to increase to maintain a pool of labour</li> <li>■ Young people not training to be HGV drivers</li> <li>■ EU workers are going back to their home country which is making the labour shortage worse</li> </ul>	



- Going to be massive shortages of labour
- With foreign workers returning home, there will be less supply of willing workers
- Impact of Brexit and the PBS Immigration system is that there is a massive labour shortage
- Government has to force the unemployed back to work

Labour Providers: During the grace period, when recruiting EU workers	May 2021
We have only recruited new EU workers with EU pre/settled status	9%
We have recruited new EU workers with EU pre/settled status and those who were in the UK prior to 31 December 2020 and so have the potential to obtain EU pre/settled status	56%
We have continued with our previous right to work checks and have not checked whether new EU workers have or have the right to obtain EU pre/settled status	35%

Labour Providers: What proportion of your EU Workers do you estimate have yet to apply to the EU Settlement Scheme?	May 2021
Less than 20%	36%
20-30%	20%
30-40%	16%
Above 40%	8%
Don't know	20%

**What reasons do EU workers give for not applying to the EU Settlement Scheme?**

- Not planning to stay in the UK long term
- Don't understand the process and not had time
- Returning home at the end of June
- Apathy
- Not sure they want to stay in an increasingly hostile environment
- UK is no longer an attractive place to live and work
- Don't have in-date documentation due to not being able to get appointments during coronavirus which makes it harder to apply
- Complicated, many don't have the technology to apply and are not willing to send away their ID/passport
- Lack of awareness and understanding of the consequences of not applying
- Not having a NI number, sending their national ID card away and not receiving it back quickly
- They see no benefit in staying any longer
- Ignorance and difficulty, plus 6 month rule, lack of evidence
- Confusion and uncertainty over post Brexit rules
- Not aware of the scheme or do not know how to apply

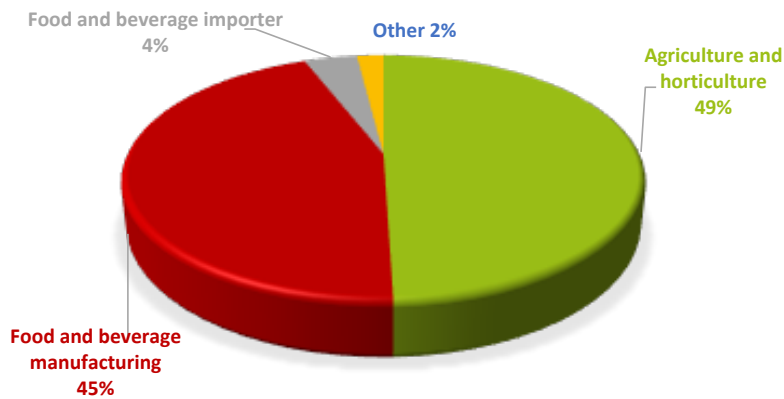
Labour Providers: At the end of the grace period:	May 2021
We have no plans to re-check right to work status for any of our workers	22%
We will re-check right to work status of EU workers only, and will allow EU workers without EU pre/settled status or other legal right to work to continue working	6%
We will re-check right to work status for all EU workers only and will terminate the contracts of those who do not have EU pre/settled status or other legal right to work	25%
We will re-check right to work status for all workers and terminate the contracts of all workers who cannot demonstrate they have the legal right to work	47%

Labour Providers: Are there any other comments that you would like to add:	May 2021
<ul style="list-style-type: none"> <li>■ "Convince government to create a temporary immigration route for low skilled workers. Convince Mr Sunak to end furlough. Businesses need more hands to work"</li> <li>■ "Make it easier for EU staff to come and work as at the moment they feel they are being discriminated against by the UK"</li> <li>■ "Continue to highlight the labour shortages and need to have a straight forward immigration policy. Recognising that even with increased unemployment in the UK, filling jobs within the food supply chain may not be easily covered by loss of jobs in other very varied market sectors"</li> <li>■ "Fight the SAWS exclusivity Ask for an "amnesty" for workers remaining after the 'Grace Period'. Ask to extend the Youth Mobility Programme to more countries"</li> <li>■ "Lobbying the Government to be more flexible around EU supply or being firmer with those in the UK welfare system and the need to fill the many vacancies in the UK job market"</li> <li>■ "All they can to publicise the looming labour shortage crisis"</li> <li>■ "Lobby for the reduction in the min wage for EU Settlement or working criteria"</li> <li>■ "Lobby the government to make sure poultry catching is on the seasonal labour list. Lobby to reduce restrictions and make the settled status easier. Lobby to make European labour easy to recruit, more free movement of labour. We will see a crisis in the UK service industry in a matter of months if we don't allow free movement of labour."</li> <li>■ "We need definitive advice on what we need to do once the 30th June occurs, who can we use and what are the penalties given that we may have workers who have worked for use for some time but do not have settled or pre-settled status."</li> <li>■ "ALP keeps us updated of any changes to help support the business."</li> <li>■ "Rights to work - as we are all faced with short falls in the labour to provide our customers, this is not just subjected to small to medium business, it is affecting the big players too. I have never seen people placing adverts on Facebook requesting labour as they have been let down by Labour Providers"</li> <li>■ "We need EU workers to be able to come across otherwise we will not be able to supply the levels of staff required"</li> <li>■ "Lobby to have HGV drivers added to the job shortage list"</li> <li>■ "Find a way to get us more people? Any ideas?"</li> <li>■ "Flag the situation to policy makers"</li> </ul>	

- "Convince the government to rethink immigration policy and also force all job seekers to take other jobs, subsidising pay if needs be.....a government top up for working people would still be cheaper than paying people to remain unemployed and would also generate revenue via NI/tax"
- "The UK needs to realise that low skilled economic migrants are essential to ensure certain sectors in our economy survive and thrive - without them the impacts will be hugely negative and many production and manufacturing businesses are already experience serious pain - as demand for labour is high"
- "Clarification on RTW checks"
- "More support with companies who drive unsustainable margins"
- "Lobby Parliament on the movement of migrant workers otherwise the UK will not be able to produce their goods and services"
- "The Extra Workers portal has given us a new contract but seems not to be getting any more clients, be good to push this out to market more"
- "Lobby the government to lower the earnings threshold to £20k"
- "Lobby the government around access to migrant labour. I believe there is a huge crisis upon us not just our industry but the labour market and ability of employers to source the labour they need"
- "As the online process has now been extended to 21 June, ALP need to push for on-line interviews to continue and become one of the interview options. With so few quality candidates they need to be given to option to be interviewed remotely by video rather than having to come into the office. It has now become the normal to do video interviews and with the 'amended' right to work process it works very well as an alternative to face to face office interviews"
- "Work with the media to call out illegal, immoral, and unethical practices throughout the labour market and name and shame those agencies and end users who break the rules. Tax avoidance through aggressive umbrella companies is still far too common place. Also expose those who rely on a low paid contract manager working many hours above contracted hours to get the job done which will often push them below minimum wage regulations"
- "I do feel that when the DWP start to 'sanction' unemployed workers we may see a positive increase in job applicants"
- "Lobby parliament to allow relaxing of immigration where candidates can seek work with no access to benefits unless they are working"
- "Keep doing what you are. You put the other trade bodies to shame. If there was more leverage on Fair's Fair pricing and force the agenda through the BRC and other relevant groups - it would heighten awareness of the issues of supply and demand, which I can't see improving any time soon"
- "The more facts and figures that support what we are telling customers about a very tight market the better to support the conversation"
- "Due to the government sending all my workers back due to paperwork reasons I have had no workers since summer 2020. This was with NO HELP. UK applicants were not suitable for the roles and also did not want to work the hours/ days required and also not prepared to work outside in the rain etc. As farmers want experienced workers and there are no training facilities available to us gang masters in order to train a work force. Again NO HELP. There has been no support from the government as I was a new business that started at beginning of March 2020 which meant I was not eligible for any loans or government help and even with the fact that workers are needed to pick food only to feed our nation was not even a thought of the government, so sadly I doubt there is anything for you to do either! All this is has resulted in is me losing my livelihood and affected my mental health"

## UK FOOD SUPPLY CHAIN SUMMARY OF MAY 2021 RESULTS

A total of 99 companies completed this survey



73% - Medium or large companies

83% - companies based in England

Food Growers and Manufacturers: What size (at peak) is the site you are answering these questions about?	Nov 2020	May 2021
Micro business (0-9 full time equivalent FTE employees)	3%	2%
Small business (10 – 49 FTE employees)	15%	15%
Medium business (50-249 FTE employees)	45%	44%
Large business (250 + FTE employees)	36%	39%

Food Growers and Manufacturers: Where is the site?	Nov 2020	May 2021
North West	10%	6%
North East	1%	1%
Yorkshire and Humberside	7%	10%
East Midlands	11%	12%
West Midlands	14%	9%
East of England	16%	16%
South West	5%	6%
South East	17%	20%
London	3%	2%
Northern Ireland	1%	3%
Scotland	12%	11%
Wales	1%	3%

Food Growers and Manufacturers: Which recruitment methods do you use to source your temporary and/or seasonal workers (tick all that apply)?	Nov 2020	May 2021
Labour provider – temporary agency worker supply model	62%	69%
Direct recruitment	64%	59%
Labour provider – recruitment only/direct employment model	50%	51%
No need	2%	19%

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)	49%	17%	25%	9%			
Skilled: Requiring a degree & experience e.g. Production /Operations/HR Managers, (RQF 6)	39%	26%	27%	7%			
Semi-skilled: Requiring experience & training e.g. Skilled trades (RQF 3-4)	28%	23%	29%	21%			
Lower-skilled Permanent: Requiring some training/ experience e.g. Process operative, skilled field worker (RQF 2)	14%	16%	43%	27%			
Lower skilled temporary / agency / seasonal	13%	19%	34%	34%			
Unskilled: Requiring minimal training /experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	13%	18%	31%	38%			
Unskilled temporary/agency/seasonal	13%	19%	30%	38%			
<table border="0" style="width:100%; text-align:center;"> <tr> <td style="width:33%; background-color:#f4a460;">Got Worse</td> <td style="width:33%; background-color:#fff9c4;">Stayed the Same</td> <td style="width:33%; background-color:#a5d6a7;">Got Better</td> </tr> </table>					Got Worse	Stayed the Same	Got Better
Got Worse	Stayed the Same	Got Better					

Food Growers and Manufacturers: What proportion of your EU Workers do you estimate will not apply to the EU Settlement Scheme?	May 2021
Less than 20%	43%
20-30%	13%
30-40%	6%
Above 40%	9%
Don't know	28%

What reasons do EU workers give for not applying to the EU Settlement Scheme?

- They will work in Europe where they do not need to go through the process
- Find it difficult to understand
- Brexit – less bureaucratic to work in EU
- Returning home once enough funds have been saved to buy property
- Lack of awareness of the scheme
- Difficulty in understanding the application process, very complicated
- Planning to return home
- Family reasons
- Expired passport / no passport
- Fear if the unknown
- Prefer to stay in home country
- Not been in the UK before 31st December 2020 and will return home by end of June 2021
- Too much hassle – easier options elsewhere

Food Growers and Manufacturers: Are you, or will you apply to be a Tier 2 Skilled Worker Sponsor?	May 2021
Yes	13%
No	87%

Reasons for your decision:

Yes:

- They will work in Europe where they do not need to go through the process

No:

- Small business
- 3-4 month requirement
- Small business
- 3-4 month requirement

- Burdensome, too complex and expensive
- Too much bureaucracy
- No need
- Cannot be competitive with minimum salary requirements for non-skilled labour
- Cost of employment and licence
- Not applicable to our business
- Need more information – not sure how it works
- Workers required to pick fruit – they don't have the right qualifications to apply
- Do not anticipate the need – will use agency workers

**Food Growers and Manufacturers: Throughout 2021, without access to a migrant route, 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)	16%	22%	48%	14%
Lower skilled temporary/agency/seasonal	12%	22%	44%	22%
Unskilled: Requiring minimal training/experience, e.g. Elementary roles, picking, packing etc. (below RQF 2)	11%	22%	44%	24%
Unskilled temporary/agency/seasonal	12%	20%	43%	25%
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 25%; background-color: #f08080; text-align: center; padding: 5px;">Got Worse</div> <div style="width: 35%; background-color: #fff9c4; text-align: center; padding: 5px;">Stayed the Same</div> <div style="width: 40%; background-color: #c8e6c9; text-align: center; padding: 5px;">Got Better</div> </div>				

Food Growers and Manufacturers: In 2021, which HR and recruitment changes do you expect to make to address forecasted labour shortages	Nov 2020	May 2021
Working more closely with labour provider	61%	66%
Focus on being a better place to work	45%	58%
Improve labour planning	58%	56%
Improved worker retention activities	50%	52%
Improve worker sourcing methods	49%	49%
Increased wage rates, bonuses and incentives	34%	44%
Access harder to reach groups in the local labour market	29%	36%
Improved benefits	22%	24%
Improved accommodation	19%	21%
Increased hours and overtime of current workers	29%	18%
Introduced guaranteed hours for agency workers	14%	17%
Paid for/subsidised daily travel to work	6%	11%
No action – do not expect shortages	7%	10%

## Other:

- Use specific apprenticeships
- Work together with other farms to share labour
- Look at more flexible working patterns

Food Growers and Manufacturers: In 2021, how is your business planning to respond to forecasted labour shortages (choose all that apply)	Nov 2020	May 2021
We will automate to reduce reliance on skills and labour	45%	51%
Use more agency labour	44%	40%
We will rationalise/reduce our output	26%	26%
Use less agency labour	15%	19%
No impact expected	13%	13%
Our business is likely to become unviable	15%	4%
We will move part of our growing/production overseas	9%	4%
We will move all of our growing/production overseas	0%	0%



Food Growers and Manufacturers: During the grace period, when recruiting EU workers:	May 2021
We have only recruited new EU workers with EU pre/settled status	22%
We have recruited new EU workers with EU pre/settled status and those who were in the UK prior to 31 December 2020 and so have the potential to obtain EU pre/settled status	51%
We have continued with our previous right to work checks and have not checked whether new EU workers have or have the right to obtain EU pre/settled status	27%

Food Growers and Manufacturers: At the end of the grace period:	May 2021
We have no plans to re-check right to work status for any of our workers	29%
We will re-check right to work status of EU workers only, and will allow EU workers without EU pre/settled status or other legal right to work to continue working	16%
We will re-check right to work status for all EU workers only and will terminate the contracts of those who do not have EU pre/settled status or other legal right to work	15%
We will re-check right to work status for all workers and terminate the contracts of all workers who cannot demonstrate they have the legal right to work	40%

Food Growers and Manufacturers: Are you seeing change in the types of workers applying for jobs?	May 2021
No change – same as before, mostly EU workers	52%
Some changes – similar but with a few more UK resident workers	39%
Very different – a lot more UK resident workers many new to the sector, few EU workers coming in from outside the UK	9%

**Food Growers and Manufacturers: Are there any other comments that you would like to add:**
**May 2021**

- "Not only EU workers are at our work place but also workers from outside EU on work visas. This is the best system, they only can work on our farm and don't move from one place to other. EU workers seems to move around a lot from work places"
- "It has become more difficult to attract permanent staff - the job market for NLW roles are difficult to fulfil with people moving from agency to agency and walking off the job. it has become a very challenging situation this year"
- "There are people looking for employment but the skill level and general approach to work is very uninspiring"
- "As a small business we have lost a lot of skill as EU workers have returned home and it is almost impossible to get reliable staff from the reduced pool of people"
- "Over the last 12 months, we have seen an increase in applications from UK residents/nationals of which a high proportion of these are new to the sector. Due to the nature of the work being unskilled, we offer the opportunity of permanent work however >80% of those new to sector do not stay"
- "SAWS can work but not using the visa system which is far too expensive for employer and employee - a simple work card costing £30 was used in the old scheme, and this could be a multi season work-card going forward, allowing the worker to work on any farm. This would save cost and bureaucracy, and would also help a worker to avoid potential exploitation by allowing them to move if they are not happy"
- "We recruited a significant number of British pickers last summer and despite a lot of input from us (training, retraining, support, bonuses etc) their productivity was significantly lower than EU workers. Many were students and living at home with their parents, so their work ethic just wasn't the same as an EU worker saving for their future or supporting a family, and unfortunately the margins aren't there to make this type of worker financially viable. They were also prone to leaving suddenly with no notice"
- "Brexit Disaster. Business depends on EU-workers returning. Returnees will bring some friends (new EU workers) who depending on their skills can be trained in the hope they will return next year. This cycle is now broken. Resulting in trained skilled workers who have settled / pre-settled status wanting to return but do not return because their friends cannot work here. As a business we heavily depend on the returnees of skilled workers to stay viable."
- "The future proposals are totally unviable. We are fine short term but will never be able to afford the salary for non-skilled which is a large proportion of our workers"
- "Labour market is in crisis Wage inflation already biting No supply and increased demand The model isn't sustainable and automation is too far away"
- "We have a small workforce but we find it difficult to access good quality people at busy times when we sometimes need agency help. Previously many agency staff were conscientious EU workers who worked hard and were good at their job. We now find that the quality of agency staff is not so good and it is relatively expensive to hire staff which do not perform well. This is a very rural area with a small population so there is a limited number of good employees available who wish to work permanently in the agriculture sector. Young members of staff have a tendency to move on once they have picked up some experience"
- "Lots of issues re labour supply, simply not getting people applying for the jobs"
- "Not enough UK resident workers are applying for roles in the food manufacturing industry. Brexit has had a massive impact on ability to source unskilled labour. This will only result in cost of finished product increasing"