

Seasonal Migrant Workers in Scottish Agriculture: an update



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Summary

Revisiting some of the businesses contacted in 2017 for the “Farm Workers in Scottish Agriculture: Studies in the International Seasonal Migrant Labour Market” project, this short report provides an update on seasonal migrant issues in Scottish agriculture.

- **Seasonal migrant workers are critical** to the success of Scotland’s horticulture and potato sectors.
- There is **no effective seasonal local labour pool** to draw upon as local workers appear unwilling to do the same level of work as migrants. Without access to seasonal migrant workers many business models are untenable.
- Many current and potential seasonal migrant workers **have rejected, or are rejecting, Scotland / UK as a work destination**. 2019 saw **fewer returnees** and **increased ‘no-shows’** for many farms, making workforce matters more challenging.
- **Recruiting seasonal labour now requires greater effort for a poorer return** – both in terms of the number of available workers but also importantly in the age and quality.
- The **EU Settlement Scheme is considered a deterrent** for many EU workers, particularly when there was a historic ‘casual’ relationship with temporary EU workers.
- Concerns were raised that a **future Seasonal Agricultural Worker Scheme would lead to increased recruitment and training costs**, with fewer returnees and lower quality staff.
- The **uncertainty** over future access to an effective EU workforce is leading to **stress and anxiety** and would become **‘business critical’** for some if workers chose not to return.

Introduction

In 2018 SRUC led research was published into the extent and nature of seasonal migrant worker use in Scottish agriculture. The research project “Farm Workers in Scottish Agriculture: Studies in the International Seasonal Migrant Labour Market” was commissioned by the Scottish Government¹ and it estimated that about 9,200 seasonal workers, mostly originating from the EU, were used on Scottish farms in 2017. The vast majority of this seasonal workforce are utilised in the fruit, vegetable and potato sectors.²

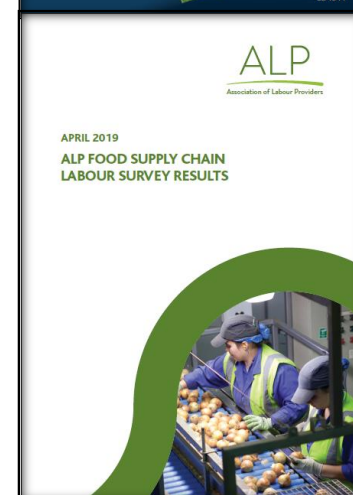
In September 2018 the UK Government issued details of the “Seasonal Agricultural Workers Scheme” (SAWS) two-year pilot that has been operating since April 2019. SAWS provides work permits for 2,500 non-EU seasonal workers for the UK farming sector for a period of up-to 6 months work. The SAWS pilot has been widely criticised by industry, stakeholder groups and the Scottish Government for not being far reaching enough and not bringing enough workers to the UK for essential farm work. Reports in the press regularly highlight industry concerns over the future availability of seasonal workers from the EU, particularly due to Brexit uncertainty.

The 2019 Association of Labour Providers Food Supply Chain Labour Survey Results³ from across the UK highlighted that:

- 2018 was an extremely difficult year for labour supply and 80% of labour providers considered that 2019 would be as difficult or worse.
- 83% of labour providers were unable to meet their clients’ requirements for workers over the summer of 2018.
- 63% of labour providers could not meet client demands in the ‘quiet’ period of February to April 2019 - up from 55% on the same period in 2018.

Key challenges identified in the ALP report include:

- The quality of workers continues to fall.
- Labour sourcing and supply costs continue to rise.
- The great majority of food growers and manufacturers have already increased wages of lower skilled workers and are deploying numerous labour attraction and retention strategies.



¹ <https://www.gov.scot/publications/farm-workers-scottish-agriculture-case-studies-international-seasonal-migrant-labour/pages/5/>

² <https://www.sruc.ac.uk/seasonalworkers>

³ <https://labourproviders.org.uk/wp-content/uploads/2019/07/ALP-UK-Food-Supply-Chain-Labour-Survey-Results-April-2019.pdf>

- A significant proportion of EU nationals are expected to leave the UK permanently in 2019.
- About one third of businesses are actively automating to counter labour shortages.
- Around one in five businesses are planning to reduce UK output due to labour shortages.

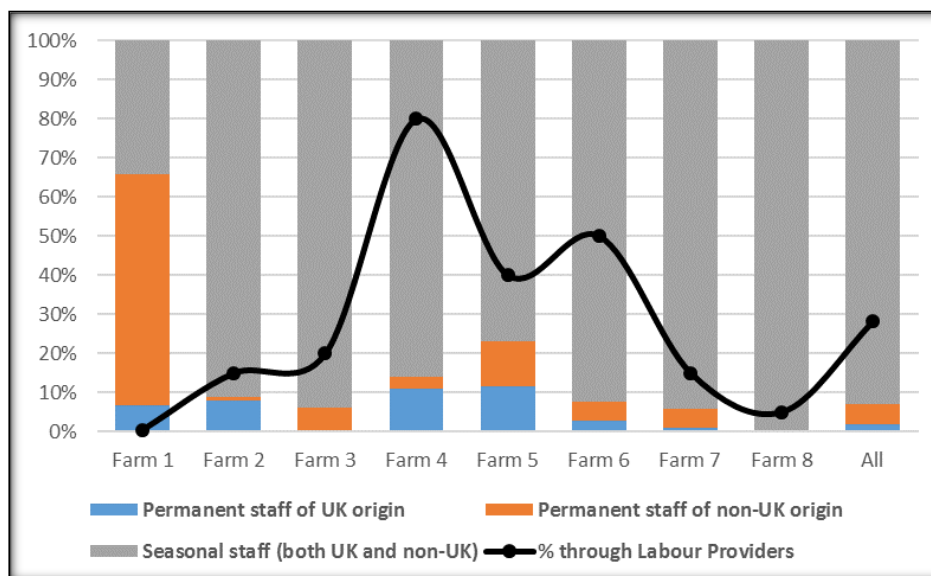
2019 Update

Scottish Government data⁴ illustrates that the horticulture sector contributed 10% of Scottish agriculture's gross output between 2016-2018 (vegetables 4.5%; fruit 4.6%; flowers and nurseries 1%). These sectors are extremely reliant on a seasonal workforce, and the 2018 research report reiterated how reliant this output was on EU workers. The potato sector is also a heavy user of seasonal labour (to a much lesser extent than fruit) and it contributed a further 6.8% of gross agricultural output in 2016-2018.

During the summer of 2019 SRUC re-contacted a small number of the horticulture farms and labour providers that we had engaged with during the 2017/2018 research to assess how changes since the research was undertaken were affecting businesses.

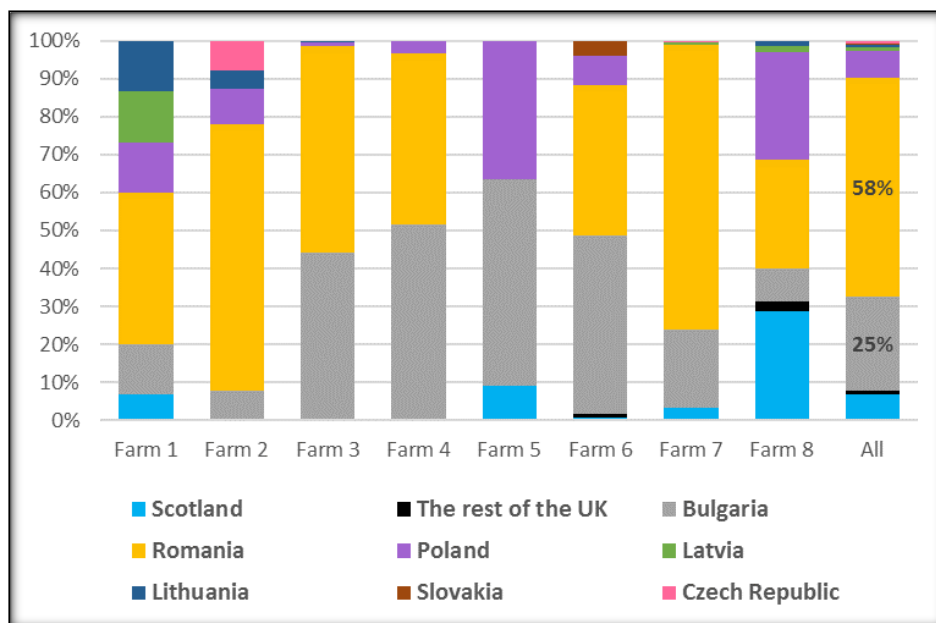
Business profile

Those we spoke to accounted for 1,995 seasonal migrant workers, 37 permanent staff of UK origin and 101 permanent staff of non-UK origin. These farms ranged in size from 26 workers to 890 workers (with seasonal workers accounting for 77% and 94% of the total workforce headcount respectively). There is various reliance on labour providers as the source of their seasonal workforce, with around 30% of the 2019 workforce sourced through labour providers on these surveyed farms overall.

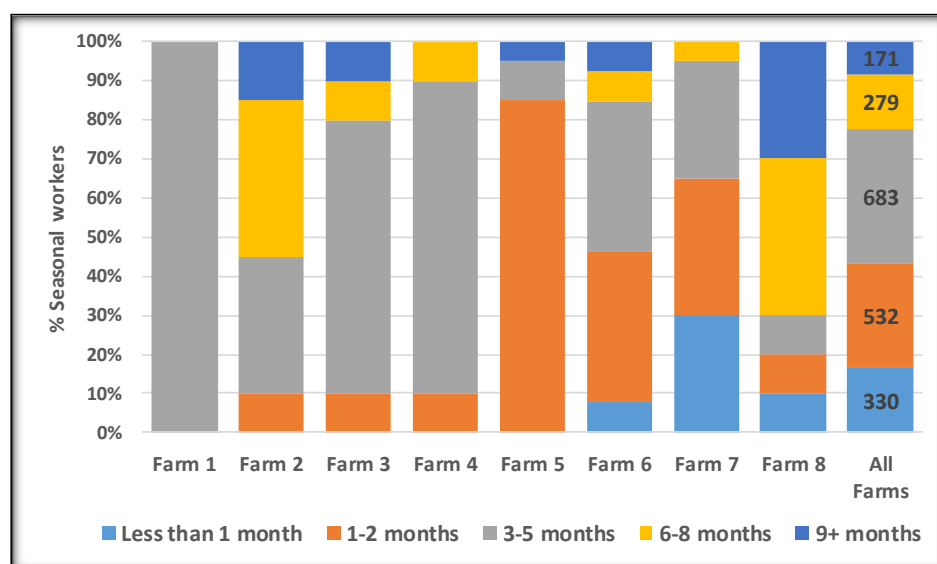


⁴ <https://www.gov.scot/publications/total-income-farming-estimates-scotland-2016-18/>

As with the findings from our 2017 survey, the majority of the seasonal migrant labour pool used on the farms surveyed come from Romania (58%) and Bulgaria (25%), with each business having its own unique blends of workforce origin.



Each of the farms had different lengths of working seasons in 2019, and each farm's profile is highlighted below. For example, all of seasonal workers on farm 1 were here for 3-5 months, whilst farm 8 had a need for longer term workers with 70% being utilised for over 6 months. Overall, 17% of the 1,995 seasonal workforce on the surveyed farms were employed for less than a month, with 27% working for 1-2 months, 34% for 3-5 months, 14% for 6-8 months and 9% for 9 months and over.



Local V Migrant Workforce

Brexit has brought unprecedented uncertainty to many fruit and vegetable producers, not because of market uncertainties, rather due to ongoing and longer-term concerns over access to a suitable workforce. This was summed up well by one pragmatic farmer who stated: *“agriculture will not be alone in this predicament, but why would a business plan to supply a market with a high labour input product when it is unclear as to the availability of said labour in the medium to long term.”*

Time and again it was reported that there is no effective local labour pool to draw on as local workers appear unwilling to do the same level of work as migrants, and are generally unreliable (i.e. they stop returning to work after a few days).

- *“We are reliant on a large squad of labour for a very short period. **Historically we could rely on locals, however those people don’t exist anymore.** We have tried recruiting local, but from advertising online, in papers and in shops, there is minimum interest”*
- *“No UK residents wish to take up our type of work”*
- *“**Availability of seasonal workers from UK is close to zero**, with high local employment levels. **Migrant workers are the only other available source, and are critical to the industry.** Long term answers such as robotics or year round indoor farming are years away.”*
- *“It is **uneconomical for us to have a large in-house squad of labourers.** We therefore rely on casual workers. In the days of cash in hand working, there was plenty of local Scottish labour, be it from the local towns or the travelling community. Since **tax going online** this labour pool has gone, as the workers would get penalised for working whilst also claiming benefits. Regardless of the rights and wrongs of the **cash in hand workings**, I feel this is the sole reason behind the demise of local native seasonal workers. There is no significant upward price negotiations with processors and ultimately supermarkets, so **to maintain production for the same unit cost of labour, we have to look to people who are willing to work for the available rates.** Hence the prevalence of Eastern Europeans.”*







Many stressed that without access to seasonal migrant workers their business models become untenable.

- *“Without seasonal migrant workers **we would not have a business.** We rely so heavily on workers being able to migrate for work to allow us to fulfil short term seasonal jobs. We have **struggled for the last couple of years to recruit enough people** especially in the autumnal period.”*
- *“To remove the migrant labour from the equation will **make us seriously question the viability of continuing to supply some markets.** I refer again to the seed potato exports, if the labour is not available the work cannot be done.”*
- *“From our personal point of view, if the migrant labour is unavailable, there is not enough home grown labour willing to do the work, so **we shall cease to grow labour intensive crops.** If we cease to grow labour intensive crops then **our permanent staffing levels will be cut by at least half too.**”*

- “Our soft fruit enterprise is **completely reliant on access to seasonal migrant labour**. Quite simply, **if we do not have access, we will stop growing soft fruit.**”
- “[Our] floreted broccoli is all hand planted and harvested. **We would not grow any if we had no access to migrant labour.**”
- “If we can’t access seasonal migrant labour **we will have huge problems supplying our farm business customers with the labour they require.**”

Competition from other regions

Minimum monthly wages 2019

	€1,656	Republic of Ireland +9%
	€1,557	Germany +2%
	€1,524	United Kingdom
	€1,050	Spain -31%
	€446	Romania -70%
	€286	Bulgaria -81%

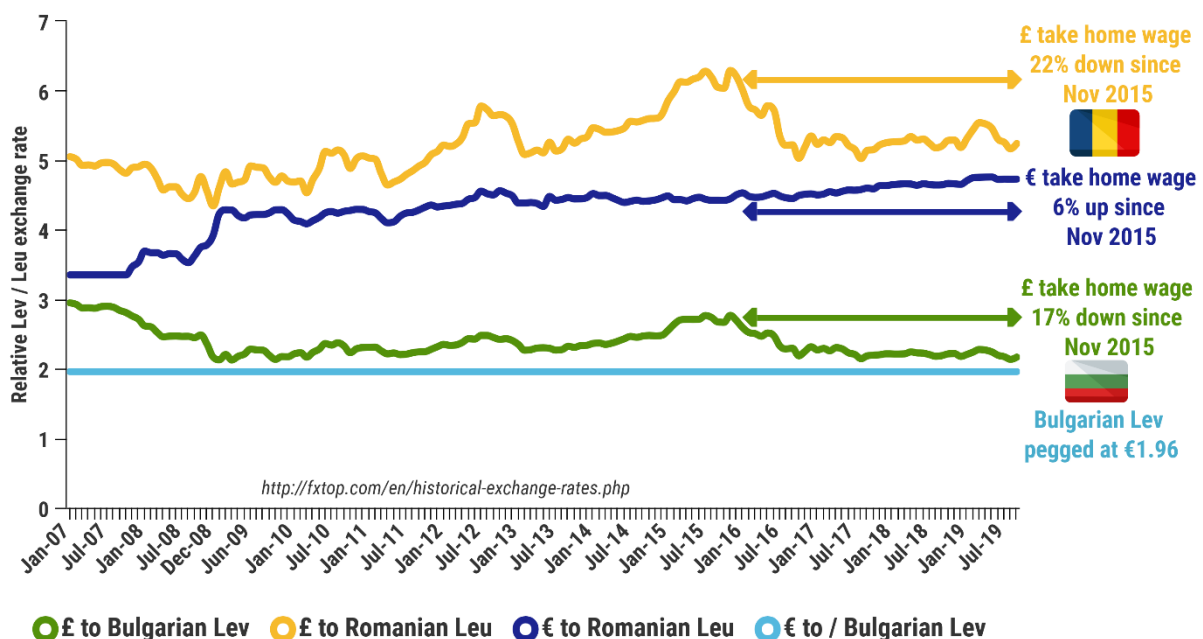
Source: Eurostat https://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum_wage_statistics

Scotland (and the rest of the UK) remains an attractive place to work when comparing minimum wages here with those in Romania and Bulgaria. Minimum wages in the UK are 9% lower than in the Republic of Ireland and are very similar to those Germany and are 31% higher than in Spain (a major horticultural producer and therefore competitor for seasonal workers). It is worth noting that in 2017 we often found workers were earning more than the minimum wage and farmers and labour providers often put this down

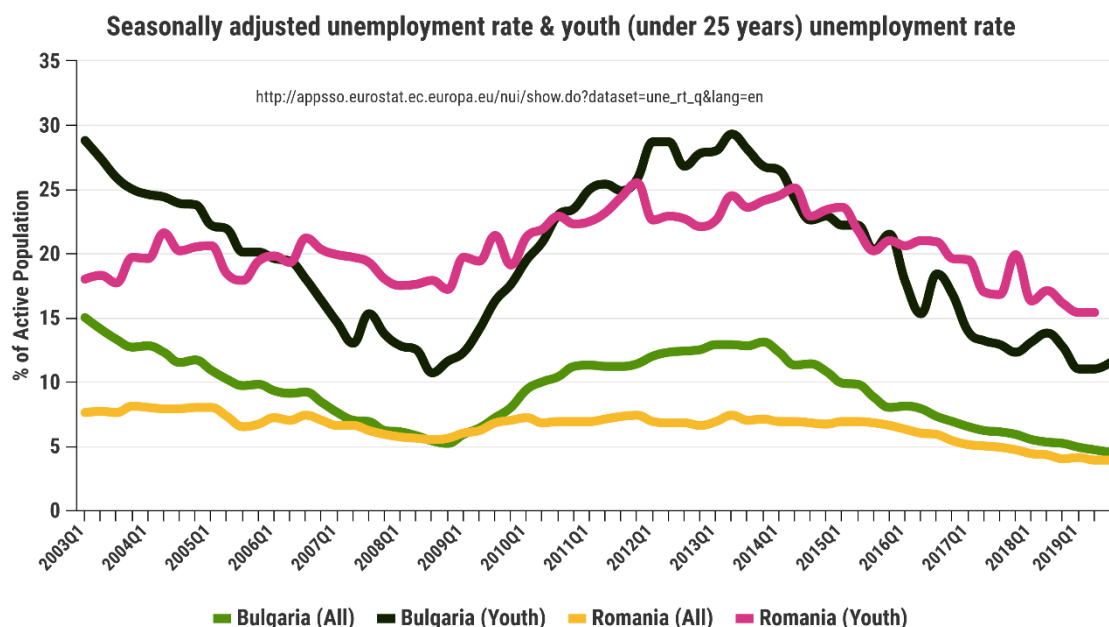
to attitude: “Migrant labour is more willing to work weekends, and will put the effort in required to earn a good piece work wage, not just bump along on the basic hourly rate.”

The devaluation of Sterling against the Euro since the vote to leave the EU in 2016 has also had a negative impact on the take-home pay of Romanian and Bulgarian seasonal migrant workers. Whilst these exchange rates are currently on a par with 2013, more recent migrant workers felt the impact of exchange rates in reduced earnings available to spend in their home countries. For example between 2015 and 2019 Romanian workers in the UK are effectively 22% worse off, whilst those that earned in Euros are 6% better off during this period – purely as a result of exchange rates.

Sterling & Euro exchange rates with Bulgarian Lev and Romanian Leu



Further there is less need for workers to migrate to the UK as unemployment rates continue to decline in the countries where seasonal agricultural workers are currently sourced (possibly as a result of outward migration). Bulgarian and Romanian unemployment levels are currently below 5% and unemployment levels in under 25 year olds has fallen from 25% in both countries in 2014 to 11% in Bulgaria and 15% in Romania.



These macro-economic factors – exchange rates, minimum wages and unemployment rates, are all contributing factors to the current workforce concerns of Scotland’s horticulture sector. Undoubtedly Brexit uncertainty has had a considerable impact on the existing and potential labour pool these farms and labour providers draw on.

What the farmers and labour providers said

It was reported by some that **recruitment now requires greater effort for a poorer return** – both in terms of the number of available workers but also importantly in the age and quality. One Labour Provider explained that they have had to increase their labour charges to farmers to reflect the **increased recruitment and retention costs** they are faced with: *“If they [farmers] asked me now for 12 people to grade tatties for 6mths I would give them a keen price, but if you need 6 guys for 5 days to pick stones no one wants that work and it is very difficult finding the labour to supply for that sort of work.”* Others noted (as was the trend in 2017) that the available labour pool from the EU is generally getting older, which can affect performance in what is a physical job, and has led to increased language problems:

- *“The **average worker age** is reported to have generally increased and this generally has led to a decline in English **language skills**”*
- *“I had one **73 year old man coming to me for work**, but how can he be expected to keep up with a team?”*

Migrant workers have more options now available to them and as the EU workforce availability tightens agriculture is increasingly competing with other sectors, such as

construction (better paid) or factory based labour (indoors) that may be thought of as more attractive to workers. There was a widespread belief that **workers now perceive other countries as more attractive** now relative to the UK.

Smaller Labour Pool

Some farms and labour providers observed that **many current and potential seasonal migrant workers have rejected, or are rejecting, Scotland / UK as a work destination** due to their perceptions of a hostile press and xenophobia and persistent feelings of being unwanted / unwelcome by wider (non-farming) society. It was noted that workers can relocate more readily within Europe to areas like Germany and Holland which are closer to their home countries, meaning they are less isolated and are more able to visit their families and homes.

- *“**Migrant workers are not so keen to come to the UK** as there are better pay rates in Germany, etc. and it is easier and cheaper to travel back and forward from home country”*
- *“Since the Brexit [vote], there isn’t the pool of available migrant labour”*

This sentiment was, however, not universal – with some we spoke to having had limited challenges in filling seasonal positions, often driven by higher relative wages in Scotland:

- *“Availability in 2019 is as good as 2018, but we still have not had Brexit, or an indication of rules after Brexit. **Workers will still want to come if we provide good employment and bureaucracy does not get in the way.**”*

Fewer Returnees

There were fewer returnees for many farms, making workforce matters more challenging:

- *“We are **reliant on the current workforce returning the following season** and word of mouth helping to recruit others to our farm. If organised far enough in advance we can still source enough workers, **the issue is trying to source at short notice and at certain times of the season.**”*
- *“60% of seasonal employees in 2018 were returnees from 2017 which made recruitment a lot easier. **We used an agency for the first time to find 15 employees** for us to start a relationship with a recruitment company in case we ran short later in the season.”*

No Shows

There appears to be some growing issues over workers that were expected to arrive for work in Scotland simply not turning up, nor informing the business that they had changed their plans and were no longer coming:

- *“**No shows are becoming a much bigger issue**- people book their place on the farm, however due to the tightening of the labour market here and abroad and other opportunities, our prospective employees find a job elsewhere and then do not update us that they are no longer coming.”*

- *“For the 2019 season we are finding we are having more issues with Bulgarian and Romanians **cancelling at the last moment**, which could potentially have massive implications. Fortunately we have 20% of our requirements with the new trial migrant scheme [SAWS] which will protect us somewhat from this issue.”*

One labour provider told us that there were an increasing number of **last minute labour requests** in 2019: *“I have had some requests from machinery rings this year, they needed five workers for 3 weeks on a harvester - but they asked the day before! So why is that? Is it because they were let down or just couldn’t find it anywhere else? Because that is really difficult even though you want to help people, to try to address that sort of request.”* This labour provider turned down more requests for workers in 2019 than he had in the previous 5 years.

Settled Status Scheme

There were some comments that the Settled Status Scheme⁵ is unlikely to be conducive to seasonal workers from the EU that are regularly coming (freely) to work in Scotland continuing to do so on a casual basis:

- *“One farmer I know well (tattie grower) recently said he normally has a Polish couple for 5 weeks every spring coming in for casual labour and supporting him during that busy period and that is very regular. But the new settled status scheme will not suit them as they will not be here for 6 months. These **casual arrangements are threatened and the proposed schemes may not account for those types of arrangements which can be very important for some farmers.**”*

Seasonal Agricultural Workers Scheme

There were mixed feelings about the pilot SAWS, with the position taken largely dependent upon whether the farm / labour provider had recruited workers through the scheme. There was a general feeling that the 6 month period for SAWS workers was not suited to many farms as they need labour at multiple times of the year for short periods of time, particularly as accessing EU labour post-Brexit remains uncertain. There were further concerns that SAWS-type schemes lead to additional business costs in terms of recruitment and training compared to the recent position where a high proportion of jobs are filled by returnees.

- *“So far there isn’t a lot of clarity around the schemes and **they don’t really look sufficient to really allow sufficient access to labour pools.**”*
- *“It will become **increasingly hard to recruit** going forward and in my opinion a **SAWS scheme is essential** to safeguarding the access to the numbers we require.”*
- *“**We are in total limbo** generally on the labour supply and that has gone on now a long time. There is no guidance or any real lead taken on the schemes. Apparently a 12 month scheme for unskilled labour but then they go away for 12 months - **but 12 months is barely enough because you may train them and then get a whole new group that you need to train up.**”*

⁵ <https://www.gov.uk/settled-status-eu-citizens-families/applying-for-settled-status>

Business Critical

For some businesses if the situation arose that they could not recruit adequate EU workers for 2020 it would likely jeopardise their business. Uncertainty around returnees is causing many farmers and labour providers considerable stress and anxiety, particularly as their production systems, and supply contracts, are not easily turned off and on again.

- ***“Currently the situation is becoming business critical. The numbers we are recruiting is well down and because of this the quality of the labour we are accepting is diminishing. The costs to our business is significant and if things don’t change then we will need a whole business review.”***
- ***“We cannot plan for 2020 and beyond.”***

Final Thoughts

It is critical that labour providers that supply the farm sector and the horticulture and potato farmers, who contribute between and 10% and 17% of Gross Scottish agricultural output urgently receive some certainty over future access to seasonal labour pools – in particular the impending 2020 season. The potential disruption to ‘business as usual’ is clear to see if there is a restricted workforce in the future that could have long term business and local economy impacts. As there is no short-term local labour supply willing to fill any voids that Brexit-disruption to EU seasonal workers brings, it means that any future SAWS scheme will need in-built flexibility to deal with the range of demands for seasonal workers, and should look at ways of facilitating and rewarding returnees within the scheme in order to minimise longer term business disruptions.

Acknowledgements

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