

Briefing

Why would anyone want to pick our crops?

Securing decent pay and conditions for agriculture workers in England



Summary

More than 40% of the agricultural workforce in the UK is employees, rather than farmers or family labour. Farm employees play a crucial role in the farm system – from seasonal picking and processing of fresh produce, to year-round farm work including operating machinery such as combines, or 24/7 work with livestock. This hard, physical work is often undertaken for long hours in challenging and potentially dangerous conditions, and in relative isolation – many full-time workers may be the only employee on their farm.

Many farm workers do not enjoy the paid holiday, sick pay, pension contributions, wage progression and other benefits that workers in other industries take for granted. A low-paid workforce has in turn an impact on the rural economy, making communities poorer and more vulnerable to decline.

Immigration policy is due to change as a result of Brexit and the abandonment of freedom of movement, but the referendum vote has already made it more difficult for farmers to recruit and retain farm workers because of the fall in value of sterling and a more hostile climate for migrant workers. Some farmers report wasted crops; others plan to move their businesses abroad or have done so already. Agriculture policy needs to do much more to make farm jobs better and more attractive.

“I am a farmer with three employees. The annual AWB wage award has been an invaluable tool...”

– farmer, Somerset

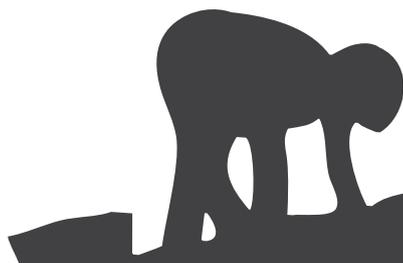
Yet unlike those in Scotland, Wales and Northern Ireland, farm workers in England have no statutory protection for their pay and conditions since the abolition of the Agricultural Wages Board (AWB) in 2013. This leaves them more vulnerable to unfavourable wages and conditions in a system where markets do not value agricultural workers as vital contributors to our food chain. The loss of seasonal workers post-Brexit reveals how unsustainable the current system is for workers and adds further stress to the food chain. Many farmers and landowners opposed the abolition of the AWB as it provided a valuable management tool and took on the burden of negotiations:

“I am a farmer with three employees. The annual AWB wage award has been an invaluable tool...” (farmer, Somerset); *“The withdrawal of the AWB will leave us farmers in a total vacuum and create more discussion, negotiation and bureaucracy”* (estate office, Norfolk); *“For very many years we have found the annual publication of the agricultural wages a considerable help...”* (watercress grower).

Valuing farm workers is vital for our sustainable farming future. We need:

- a new collective bargaining body to protect existing workers in England and enhance the status of farm work to attract recruits into the industry. To uphold statutory rights and cuts in enforcement agencies that protect all workers from abuse need to be reversed.
- markets to be regulated to ensure farmers can earn sufficient income from trading to meet the costs and working environment that result from decent pay and conditions. Behaviour and pricing in the food supply chain needs to be regulated to ensure fair incomes for suppliers, including farmers and growers, and therefore those working for them.
- new farm support and policies to be designed to encourage a vibrant rural economy by fostering growth and jobs in rural areas and encouraging generational renewal.
- further action on measuring accurately: the size of the workforce; slavery in our global supply chains; and health and safety in farming and food.

Making this happen should be part of the new UK Agriculture Bill and associated policies – ensuring strong wages and worker protection, which will mean value in the food chain goes to where it is needed, the work becomes attractive and rural poverty is reduced.



The current state of agriculture employment

Although there are questions of accuracy of the data, surveys suggest there are around 302,000 people engaged in the English agriculture sector (2016)¹ and of these 43% are paid employees – the rest are farmers, partners, director and spouses. In terms of numbers of people employed, the agricultural sector in the UK has experienced a very long-term and persistent decline.

Horticulture is the most labour-intensive sub-sector with an average of 8.7 people per holding compared to 2.3 for grazing livestock, cereals, mixed and general cropping. Pigs and poultry also have high per hectare labour requirements. Smaller farms tend to use more labour per hectare.² Grazing livestock employed the largest number of workers in English agriculture. The farm workforce is aging with just 3% of farm holders aged 35 or less.

The nature of paid farm work has changed considerably over the past decade and has become increasingly casual and seasonal. The biggest decrease had been for regular farm workers – a fall of 17% between 2000 and 2014. The annual agricultural census from June 2016 to June 2017 shows that the number of casual farm workers rose by 10.3% to 48,000. Regular full time workers fell by 3.7% to 45,000 employees. There has been some increase in the numbers of workers engaged in higher skilled contract work given the increasingly technological nature of much farming. However, the overall picture is of an

“ever lower wages, reduced employment rights, falling health and safety standards, increased job and housing insecurity”

– tractor driver

industry that is continuing its trend towards increasing casualisation of labour and precarious jobs in agriculture.

When asked how they viewed their future in the industry, agricultural workers spoke of increased uncertainty and a bleak future: *“ever lower wages, reduced employment rights, falling health and safety standards, increased job and housing insecurity”* was how one tractor driver summed it up.³

Across Europe, though member states vary considerably in terms of level of farm employment and farm losses, it is clear that rural employment is a major preoccupation but the problem of attracting workers and paying decent wages is also a growing issue.⁴ The Common Agriculture Policy had an objective of *“the creation and maintenance of employment”* but has not been able to stem job and business losses as farms amalgamate and machinery substitutes labour.

Sustain’s 2016 report *Agriculture Labour in the UK*, co-written with the Food Research Collaboration at City University London, highlighted the need to invest in better food production and marketing which creates rewarding employment, rather than simply promoting agri-technology and encouraging trade patterns that tend to import high-labour products and export low-labour products.

The recent report of the Gangmasters and Labour Abuse Authority (GLAA) on *The Nature and Scale of*

Labour Exploitation suggests poor employment relationships, changes in how food is supplied, and the lack of enforcement of regulations are clearly leading to exploitation.⁵ Agriculture workers are getting sporadic pay and at different rates, and there is too much evidence of criminality and slavery in food processing.

Though agriculture, food processing and shellfish processing are licensed sectors – where providers of labour must have a GLAA licence to operate – the report contains evidence of a wide spectrum of labour abuses in these sectors, ranging from non-compliance with pay legislation, to the involvement of organised crime and modern slavery offences. In agriculture, some workers - mainly from Romania and Bulgaria - are putting in 15 hour days at less than minimum wage and living in “horrific” conditions.⁶

Overall, agriculture continues to be a poorly-paid industry for its employees, and their contribution is poorly valued. This makes an unattractive job prospect coupled with other issues facing rural workers more generally, such as isolation, lack of affordable housing and the higher rural premium, for example with transport costs. Changes in the climate for migrant workers, coupled with future changes in immigration policy post-Brexit are also reportedly taking their toll. The loss of the Agriculture Wages Board for England in 2013 was a major backward step.

1 The future farming and environment evidence compendium Defra 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/683972/future-farming-environment-evidence.pdfH&H

2 for instance see Winter, M. and Lobley M. 2016 Is there a future for the small family farm in the UK? University of Exeter www.princescountrysidefund.org.uk/downloads/research/is-there-a-future-for-the-small-family-farm-in-the-uk-report.pdf and Laughton, R, A Matter of Scale – a study of the productivity, financial viability and multifunctional benefits of small farms (20 ha and less), 2017. Landworkers’ Alliance and Centre for Agroecology, Coventry University

3 Unite survey of agricultural membership, spring 2014

4 Agricultural employment (including forestry and fishing) in the EU-27 (excluding Croatia for which data for the earliest years are not available) has steadily fallen from 16.0 million in 2000 to 9.8 million in 2015.

5 Gangmasters and Labour Abuse Authority, *The Nature and Scale of Labour Exploitation across all Sectors within the United Kingdom*, May 2018.

6 GLAA, 2018 *The Nature and Scale of Labour Exploitation* Crown Copyright 2018 <http://www.gla.gov.uk/media/3537/external-nature-and-scale-of-labour-exploitation-report-final-version-may-2018.pdf>

The loss of the Agricultural Wages Board

When the Government removed the Agriculture Wages Board (AWB) in England and Wales in 2013 they removed a fair and effective means by which employers represented by the NFU could negotiate annual wages increases with workers, represented by Unite the Union, with grades and additional issues such as overtime, housing and sick pay. Northern Ireland and Scotland still have Agricultural Wages Boards; after abolition of the AWB Wales established its own agricultural advisory panel. Whilst not perfect, they at least provide a means by which agriculture workers through their trade union can collectively negotiate for decent wages and conditions.

The AWB for England and Wales undertook wage negotiation via a national collective bargaining structure. This allowed farmers to concentrate on other work, and freed them from the need to negotiate face to face with employees with whom they work day to day. Since this body was abolished in England, farmers have had to shoulder the responsibility of negotiating pay individually with their employers; many have not done so.

The uneven employment relationship is worsened by isolation. In the consultation to abolish the AWB, 63% of the responses did not support the abolition and this included farmers, landowners, many experts and including those working in rural communities. Comments from those responding to Defra's consultation in favour of keeping the AWB included many arguments highlighting its continuing utility.

"If Defra go ahead to disband the AWB, we farmers will become even more isolated in the rural economy than we already are..." – estate office, East of England.

"The estate relies heavily on the AWB information and would be disappointed not to see its continued provision in the future" – managing agent for West Country estate.

"I object strongly to the abolition of the Wages Board. We employ two farm staff and it gives me the tools I need to pay them a fair wage."

– farming partner, West Country.

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"I disagree strongly with the abolition of the Agricultural Wages Order...the last thing I want to do with my limited management time is to negotiate wages with my six full-time and up to 30 part-time workers, some of whom have worked for me for 30 to 40 years and have a strong personal relationship with me. I do not want to damage this by having to negotiate wages with them." – farmer, East of England.⁷

As noted, Scotland, Northern Ireland and Wales have forms of agriculture worker sector bargaining bodies which negotiate the minimum gross wages payable to agricultural workers and to set conditions including holiday and sick pay entitlement.⁸

It is not easy to assess the impact on worker pay and conditions since the loss of the AWB in England. The only research undertaken has been by Unite the union which conducted a survey of all its rural and agricultural members in England in 2014 to find out what was happening to pay immediately after the abolition of the AWB in England. Respondents included workers in agriculture; horticulture; poultry processing; food processing; private estates; mushroom industry; equestrian industry.

Whilst only a snapshot and undertaken soon after the loss of the AWB in England, just 56% of these workers had had a pay rise since the abolition took effect. All would have had a pay rise on 1 October 2013 if the AWB had not been abolished. The average pay rise was lower than whole economy average which was 2.4% to end April 14. All but one of the pay rises reported by members was between 1 and 3.5%, and the average of these was 2.2%. More than a third received 2%. Members also reported changes to their terms and conditions: "no sick pay, working 40 hours instead of 39 before overtime", "working more hours for no more money".⁹

Farmers now have no supporting in setting up reward structures other than industry advice and the statutory bodies implementing the national minimum wage. For instance the farm management advisory group Strutt and Parker provide a recommended average agricultural wages rise and in 2017/8 they recommended a 1.4% increase for farmworkers' wages.¹⁰

- **The industry needs to be open to proposals for a new wages body for collective bargaining, willing to accept better regulation and to ensure more of the food pound can be spent on good pay and conditions right down the food chain.**

7 Defra consultation on abolition of the AWB, responses, Nov-Dec 2012.

8 <http://www.brodies.com/blog/rural-law/rates-pay-agricultural-workers-entitled/>

9 Unite survey of agricultural membership, spring 2014

10 www.struttandparker.com/knowledge-and-research/agricultural-wage-rate-reviews-for-201718

What a new body would look like

The name of the new agriculture and land-based 'sector collective bargaining body' would reflect the need for a new forward looking body. In Scotland and Northern Ireland the sector collective bargaining body is called the Agricultural Wages Board; in the construction sector a similar body is the Industry Joint Council.

This will be a statutory body setting rates of pay, other remuneration, and conditions including 'tied' and other accommodation for workers in the land-based industries. In scope would be included agriculture workers and on-farm or near-farm packing and processing workers within the farm business, amongst others. In parallel with other sectors this would provide a sector bargaining body and not an advisory or consultative body.

- **This body must be anticipated in a new purpose in the UK Agriculture Bill.**¹¹

“no sick pay, working 40 hours instead of 39 before overtime”

– worker after abolition of the AWB

What this all means

- **for farmers** – when the original proposal to abolish the AWB in England was announced, many farmers and farming bodies opposed the idea. They see value and efficiency in not having to do their own negotiation and in having a level playing field in terms of pay and conditions across the sector. They also value the careful work in negotiating what is mutually needed for workers and their development.
- **for workers** – having to negotiate with your employer when you may be the only worker is difficult, and it may not even be possible. Since the AWB was abolished, many agricultural workers have found themselves on the national minimum wage or national living wage only, without any of the other terms and conditions they would have received under the former AWB, such as overtime rates, holiday pay, and sick pay. Collective bargaining for the sector would boost overall pay and conditions for workers. It often does not happen, and as a result workers remain on the minimum national wage. All workers, including migrant workers, would see better wages and conditions.
- **for the wider community** – well-paid agricultural workers in secure employment and decent housing ensure the future of rural communities, living locally, using facilities, schools and services and spending money year-round in the local economy. The new body should form part of a coherent strategy that ensures the rights of all workers and fights back against criminal and abusive employment practices that put pressure on workers and the communities they live in.
- **for consumers** – there is unlikely to be a major impact on prices overall. Provided the supply chain is moderated to ensure more of the food pound reaches farmers and land managers, there would be no major impact on prices for consumers from the introduction of a new body on pay and conditions for England; Scotland, Northern Ireland and Wales all have negotiating bodies and there is no evidence of an impact on consumer prices. Labour costs in horticulture are higher given the nature of the work. But government action to tackle unfair trading practices in the supply chain and to subsidise healthy fruit and vegetable production can offset the higher labour costs.



¹¹ The Government has signalled that a new UK Agriculture Bill will be presented to Parliament following the Agriculture Policy Command Paper, for which a public consultation closed on 8 May 2018, see policy information at: www.parliament.uk/documents/commons-library/Brexit-UK-agriculture-policy-CBP-8218.pdf

Other policies are also needed to ensure good agriculture and food work

In addition to the new body, action is also needed the following areas of policy to ensure a better, fairer functioning food system now and when we leave the European Union:

Ensuring supply chain fairness

Markets must be regulated to ensure farmers can meet the costs and conditions needed for workers. New farm support and policies should be designed to encourage a vibrant rural economy by fostering growth and good jobs in rural areas and encouraging retention and renewal of the workforce.

During 2017, the negative response from UK government departments BEIS and Defra to the widespread calls for an extension of the Groceries Code Adjudicator was a major missed opportunity to begin to eliminate unfair trading practices in the whole supply chain. Such an extension would have helped eliminate unfair dealing in the supply chain, thus helping farmers and growers to better manage their businesses and provide decent conditions for workers.

An integrated policy goal should be to deliver a real Living Wage or above to all working in the food system and better regulation is needed to end abuse and to deliver that goal. The Welsh Government has the Real Living Wage, as set by the Living Wage Foundation, as part of its Code of Practice on Ethical Employment Practices in the Supply Chain.

Key structural issues in the industry also need to be addressed – such as 24/7 delivery times and the ‘just in time’ approach - which make demands that are hard for UK workers to deliver whilst wanting to have a decent home life and manage childcare.

“The pressure on large producers to cut costs – one of the key drivers of labour exploitation – is often blamed on supermarkets squeezing their margins.... while World Trade Organisation rules prescribe global hygiene standards in minute detail, they are largely silent on the social and labour conditions in which the goods are produced.”

– Felicity Lawrence
‘The Gangmasters on England’s Doorstep’
Guardian Long Read, May 2016

Workers voice and gains from new farm policy

The opportunities presented by new sustainable farming systems (driven by a ‘public money for public goods’ policy) could and should create new jobs in farming, delivering new skills in agri-environment and conservation on and around farms; organic farming; sustainable and health-promoting horticulture; marketing opportunities and growth in SME food manufacturing for local and regional markets; as well as opportunities for new-entrant farmers. The new scheme and system of support, advice and regulation should ensure that workers benefit alongside their employers from the outcomes of this policy and they should have a voice in its design.

Measuring the sector

It is worrying that we do not precisely know how many people work in agri-food in the UK. In the agricultural sector, according to Defra’s 2015 figures, there are 476,000 people employed on agricultural holdings across the UK. Of these, they estimate 67,000 are seasonal. The NFU believe the data provided by Defra may be a significant underestimate. The safety of the food chain and its workers is under increasing pressure, especially given the lack of accurate data on workforce numbers, the involvement of organised crime in the food and farming sector, and the lack of capacity of enforcement bodies charged with upholding the laws on worker rights, health and safety, environmental protection, and food standards. Seasonal farm workers also need to benefit from fair conditions, and more effective enforcement of the regulation of gang-masters.

Ending modern slavery

We need better measurement and far more resources to enforce labour standards to eliminate slavery and end worker abuse in the UK food system and in the UK global supply chain.¹² A further consideration should be the numbers working overseas to provide food for the UK. Recent analyses suggest we need far stronger modern slavery rules on action and reporting by companies - to ensure the UK is not using or importing food produced involving abused or slave labour. In addition, we need to promote fair trade, particularly in public sector food procurement such as schools, hospitals and the armed forces.

Improving the poor health and safety record

The poor health and safety record for agriculture is unacceptable; the rate of fatalities and serious injuries that make the industry the most unsafe in the UK can do nothing to attract and retain workers. This should be addressed through specific powers in the UK Agriculture Bill and in related policy including increasing resources for enforcement of safety standards. There needs to be a target for a significant reduction in health and safety failures in the farming industry.

Wider food chain action

Further along the food chain, sectoral bargaining bodies, based on trade union representation, would help drive up wages and standards, and hence make jobs more attractive and tenable to workers from a range of backgrounds. The drive for 'just in time', 24/7 picking and deliveries also needs to be addressed, as the demands now required of labour are incompatible with family life for the UK workers who historically used to undertake much of this work. Many migrant workers will have had to temporarily leave families behind in their home countries to work in low-paid, long hours jobs such as horticulture. The new Food and Drink Sector Council needs to address this as an urgent issue as this is a global issues and the availability of seasonal workers willing to work in such conditions is likely to shrink everywhere.

July 2018



¹² HMG United Kingdom Labour Market Enforcement Strategy 2018/19, Director of Labour Market Enforcement David Metcalf, May 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705495/labour-market-enforcement-strategy-2018-2019-executive-summary.pdf

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Sustain: The alliance for better food and farming, advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the living and working environment, enrich society and culture, and promote equity. It represents around 100 national public interest organisations working at international, national, regional and local level.

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