

BMPA Response to Migration Advisory Committee Consultation on EEA Workers in British Industry

Key Statistics

Meat processing employs c.85, 000 people

c.69% of those people are EU27 nationals, though many plants rely on 70-80%

Turnover is c.20%

Many EU27 nationals in a meat processing job stay for two or more years.

Since the referendum companies are struggling to recruit the staff they need from the EU27 countries – often those that come do not have the necessary attitude or standards.

Annex B gives examples of efforts companies make to recruit local staff.

Introduction

We welcome the Committee's Inquiry into EEA workers in the UK labour market, a vital issue for the British meat processing sector. We look forward to working with the Committee during the consultation. Do please contact us any more information, expansion or clarification of anything on this subject.

About Us

The British Meat Processors Association (BMPA) is the leading trade association in the British red meat industry, representing abattoirs slaughtering cattle, sheep and pigs, meat processors and meat manufacturers across the UK. Our membership ranges from small, regional and local family businesses to large international multi-site businesses, from specialist businesses to companies covering a wide range of activities and products. Our members supply branded and retailer own-label meat and meat products across a range of different meat species and foods. This diversity serves to enrich our organisation and allows us to be truly representative of our industry.

The British red meat processing industry is worth over £8.2 billion a year to the British economy. It ranges from small owner run abattoirs and cutting plants to large multi-site organisations that have abattoirs, cutting plants and packaging plants and also the secondary processing companies who make meat products such as hams, sausages and bacon. The total workforce is around 85,000.

Of that workforce around 69% of the staff on the plant floor are from the EU27 countries (mainly, but not exclusively, central and eastern Europe), though this figure masks the many plants with as many as 70% or even 80% of the workforce coming from the EU. The meat processing sector is not particularly seasonal, so these staff are in the workforce all year round, in directly employed or agency roles. As the industry has been heavily reliant on this source of labour for about 15 years now, a good number of supervisory and junior management roles in plants are also filled by workers from the EU.

Appendix A gives a detailed breakdown of the staff by origin in a cross-section of the BMPA's members.

In this paper, unless clearly stated otherwise, all detail refers to staff working on the plant floor, not in back offices, as they are 90% of staff. Staff in support functions, such as HR, sales, finance, tend not to be migrant workers.

How Industry Has Changed Since the 1990s

In 1990 51% of beef, 54% of lamb and 48% of pork was sold through non-supermarket shops, there were over 15,000 butcher shops in the UK and more than 800 abattoirs. There were a few big cutting plants, but they were doing mainly primal cutting. Today there are fewer than 5,000 butcher shops. By 1999 as supermarkets grew and improved their packaged meat options, the share of meat sold through non-supermarket shops had dropped significantly to 26% of beef, 34% of lamb and 24% of pork. As supermarkets expanded their fresh meat offering they pushed the cutting and packing that had been done in each supermarket back down the supply chain and the big meat processors opened bigger plants just as a group of geographically available labour (from the EU) became available. As butcher shops in town centres closed, skilled labour was available, but not in the same locations as the new, big meat plants.

In the 2006 new EU based food production hygiene legislation made food, particularly meat, more expensive to produce and led to the closure of more small abattoirs and cutting plants as the large plants grew more industrial and more specialised. Again, that experienced labour available from those smaller plants was not necessarily in the same location as the big plants or able or willing to work in an industrial environment.

These structural changes in industry were possible because of EU labour availability. Alongside that, the overall number of workers in the red meat industry in 1990 was 114,900, by 2008 that had reduced to 99,000. But, as said above, that did not mean more jobs were taken by UK nationals due to the concentrated number of plants in varied, often rural, locations.

Increased Reliance on Non-UK Nationals

The proportion of non-UK nationals working in the meat industry has continued to rise significantly in the past fifteen years as the number of people employed in the big industrial plants, rather than in individual butcher shops, has also risen.

This reflects the increase in demand for much more boneless fresh meat rather than just carcasses, as can be seen clearly in the chart below. Producing those boneless cuts takes more labour, and more skilled labour at that. It has not been possible to recruit those additional people from the UK. As the

need for additional labour has risen substantially, the pool of ready labour has not been available other than in the EU27.

The ability to attract EU27 staff has driven the growth of the sector, allowing the industry to become more efficient, more flexible and develop export markets. The ability to balance the carcass – ie. utilise as much of it as possible – is crucial to the profitability of meat processing. Meeting the requirements of the export markets goes a long way to doing this.

Exports

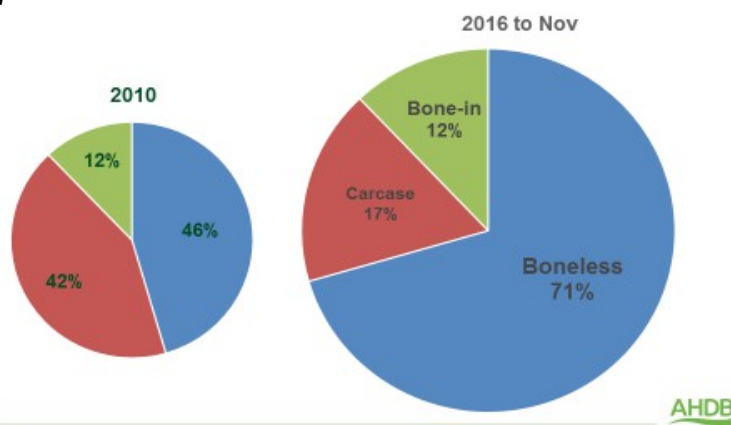


Chart: UK beef and veal exports – Fresh/chilled
Source: GTIS



Many industry members do attempt to recruit locally, but without success. As one member said: "The pure driver for the recruitment of workers from outside of Britain is the lack of availability of applicants from the British workforce – all roles are advertised in the UK and the level of applicants from British applicants would fill less than 10% of new start vacancies. Sourcing existing pre-skilled employees (e.g. butchery) from British or EU nationals is successful only from EU nationals and these now represent around 50% of our new start skilled employees, with the balance being made up again by EU Nationals (very low applicants from British nationals) with an investment being made through training to teach the skills of butchery progressing from trainee through to semi-skilled through to skilled butcher."

Another commented: "The substantial majority of EU staff are recruited due to a lack of a local workforce capable (in the case of butchers) or prepared (in the case of packers) to take these positions."

Many meat processors undertake recruitment drives at local job centres or via school career programmes, but with very little success. Of people who say they are interested in working in a plant, few will turn up as agreed, very few will agree to start work and UK nationals failing to complete even a week's work are depressingly familiar. Unfortunately, despite most people being keen to eat meat, few UK nationals are prepared to be involved in its production. The work does not have high social cachet – for reasons of food safety the sites are kept cold, workers wear a significant amount of food and personal safety equipment, the work is physical and it is shift work. So, when there is availability in the local workforce we tend to lose out to other industries.

Many meat processing plants operate in areas of low unemployment where there simply isn't the labour resource available. A big multi-site BMPA member needs 1,500 agency workers a day yet many of its plants are in areas where local unemployment is less than 2%. In many areas there is simply not the workforce available to fill the requirements of meat processors.

Companies are already seeing a shortage of staff as EU nationals respond to the drop in the value of sterling and the uncertainty about their long-term future in the UK.

Since the EU referendum, the availability of labour has diminished significantly with those leaving our business citing in exit interview specifically that:

- they are taking up work in another European Country (predominantly Germany and Sweden where there is more certainty on their future and post Brexit European pay rates have improved by a 10% margin (exchange rate changes) or
- they will remain in the UK in an office/manufacturing/delivery driver type role because in a labour market of diminishing availability they are being attracted into work in sectors which would not previously have been open to them. With record employment in the UK combined with migrant workers returning to mainland Europe, other employers are adjusting their recruitment standards and finding success recruiting from the 'less attractive' food manufacturing/meat processing sector."

While as in any unskilled workforce there is a degree of turnover in staff, many migrant workers come for a substantial period. Over 75% of workers stay in post for over a year, and turnover is about 20% generally. Increasingly migrant workers are being promoted into supervisory and key worker positions in meat plants and as a result they stay longer than operative level staff.

Most sites use some agency staff, though the proportion varies from site to site, as a means of keeping flexibility in their staffing patterns to allow them to respond to retailer demand, promotion production, etc.

Impact on UK Food Prices

Our access to a thriving food market, providing a choice of high quality food, with guaranteed supply at affordable prices, is something we have long taken for granted. The Government must ensure we maintain our domestic agri-food capabilities and a sensible import balance to protect our long-term food security.

Skilled and Unskilled

Good knife and butchery skills are not an academic subject, but they are nevertheless a skill. About 40% of workers need some level of knife skills. It is important that industry has access to skilled labour and we regret that the current Government view seems to be that 'skilled workers' means only those with high level academic qualifications. We would like to see the definition of 'skilled' to mean an ability that has to be learnt through study and/or practice, something that someone could not walk in off the street and more or less immediately do to the necessary level.

The test for whether someone is permitted entry to a job should be whether that job exists and is not readily being filled by a UK national.

It takes six weeks to train someone up from no knife skills to a level of skill in one cut, but to train someone to full skills where they can work anywhere on the line, which is essential to avoid RSI injuries and to accommodate shift patterns, takes a couple of years, and therefore a degree of commitment from the individual themselves.

Mechanisation

The UK retail market is, almost uniquely, led by the big supermarkets, who define the product much more than happens in other European markets, where the processor has a larger role in defining products. Meat processors in the UK need to be able to adapt quickly and economically to retailers' frequent changing specifications, such as new/different pack sizes, cuts, formats. Add in short promotions of one-off products, frequent new product launches and the cost and investment of mechanisation is quickly too risky or has too long a return on investment. Some tasks are simply still beyond the wit of a machine – wrapping small, wet cocktail sausages in slippery, wet bacon to make pigs in blankets is an obvious one.

The slaughter line is not prone to automation because the machines are not dextrous enough to adapt quickly and efficiently to the different shapes and sizes of the animals, particularly in lamb and cattle abattoirs. For example, a trained human eye can understand immediately where to start and stop the cut to eviscerate a cow according to the animal's physique. A machine is not so adaptable, and any mistakes could lead to the whole carcass being condemned if the stomach is pierced and the contents spill out. That is an expensive loss to the abattoir and the farmer.

Using people instead of machines in meat processing plants allows the plants to stay flexible, adaptive and profitable.

How to improve attractiveness to UK workers

Both the red and white meat processing industries are developing trailblazer apprenticeship schemes. It is hoped this will convince more people to make a career out of meat processing.

In such a tight trading environment and following the natural rules of the supply chain, there is no room for processors to absorb an increase in pay levels. Any increase would go up the supply chain and result in more expensive food for the UK consumer and less competitive exports and/or back down the food chain in the form of lower farmgate prices for livestock.

The difference in attitude between UK nationals and workers from eastern and central European countries towards the industry is marked. As noted above, in the UK work in a meat plant has low social cachet, but workers from less developed, less affluent economies do not regard it in the same way, recruiting from there does not have the same problems as trying to find staff in the UK.

Some meat plants have been affected by Amazon warehouses opening up in their vicinity. In the three months before Christmas Amazon were offering unskilled, no standard English-requirement staff £10 an hour. The economics of the supply chain mean meat plants simply cannot compete with this. In jobs markets like that, migrant labour who view jobs in the UK as better paid than their local jobs will work in meat plants, local UK nationals will not.

Annex B gives examples of the efforts made by companies to recruit locally and details how difficult it is, including filling apprenticeships. A point to note is that a 'willingness' to work has to be there, a local employee who leaves after 4 weeks of training is no use to any company – recruitment is an expensive, time consuming business.

Where and how to find staff post-Brexit

The need is for additional staff, not EU27 staff per se. And as meat processing is not overly seasonal, that need for workers is year-round. The ability to respond quickly to market demands (e.g. a sudden hot spell) or because staff are generally on short notice periods mean that operators need to be able to respond quickly to fill vacancies, if staff are not available locally then any government scheme that permits entry of other nationals must be flexible, quick, simple and cheap for employers to use.

In the immediate term we need assurance from Government that EU27 nationals already here and in employment can stay. Since the referendum churn has risen a small amount (it is around 20%), but the difficulty has been in recruiting staff to fill vacancies. For example, Eville and Jones, which provides most of the official vets in abattoirs, have had to advertise for the first time ever (over 90% of the official vets in the UK are from the EU27 countries, mainly Spain and Poland). Since the referendum, plants are struggling to find workers in the usual EU countries with the necessary skills and attitude

Government should not get too caught up in how skilled entrants are, if jobs need filling then that should be the principal criteria in permitting it to be filled by a non-UK national if there clearly are no local workers willing or able.

Recommendations

Short term:

- We are concerned that any restriction on the movement of people into the UK preventing access to the necessary labour required will negatively impact the industry as the employment of suitable staff is one of the primary issues experienced by most meat processors.

- We would suggest that as a relatively easy option, Tier 3 of the 5 tier points based system for immigration on non-EU nationals is reinstated. This would allow low skilled workers filling specific temporary labour shortages to come in as a short-term solution. It was suspended because of the strong supply of labour coming from the European Economic Area members which didn't require visas to work in the UK.

- Any future scheme set up to ensure the future supply of migrant labour must encourage full-time workers to come and live in the UK, which is what industry requires, rather than focus purely on short-term seasonal work, as previous schemes have.

- We need reassurance from government that EU workers already in employment can remain in the UK and that they can leave and return as they wish.

- Government needs to ensure that non-UK nationals wanting to work in the UK are not prevented from doing so due to complicated application processes or delays to visa processing, and that 'unskilled workers' i.e. not educated to degree level, on which the meat industry (producers and processors) are dependent are also prioritised.

Medium/Long term:

- Government should commit to holding further discussions on both permanent and seasonal labour for the medium to long term.
- Industry will commit to working with government to source more domestic labour as a potential solution if help can be provided to facilitate access to EU labour in the short term. Willingness and availability of domestic labour is a key issue.
- More should be done to encourage economically inactive and unemployed UK people to work with a fundamental review of the current benefits system to ensure it makes financial sense for people to work than to remain on benefits.
- Worst case scenario is that we produce less meat and import more, with the negative impact on both the processing industry and also on the UK farming industry.
- For many years, the government has pushed the onus onto the employer to take school leavers and turn them into employable people. However, we would recommend that the government also seeks to increase the employability of students leaving schools, particularly by instilling and assessing certain behaviour such as work ethic, team working, responsibility etc. The Government may well see the need for an industrial strategy, but any such strategy should start at school, not in the workplace.
- But with close to full employment in the UK, there is not sufficient labour supply from domestic workers. Government needs to ensure that companies can recruit painlessly and speedily from overseas, with no delays caused by complicated application processes or visa approvals.
- Government must not inappropriately define 'skilled workers' or unnecessarily prioritise or permit entry to only skilled workers. Industry does not generally have jobs in place that are superfluous and all jobs and all workers contribute to the success of the UK economy. Short-sightedness now could have significant impact in both the short and the long term.

Annex A

British Meat Processors Association – Cross-Section of EU Staff Numbers

Company	Region	UK Origin Workers	EU Origin Workers	Rest of World Workers	Percentage of Staff from EU
Company A	North East	1,787	4,283	41	70%
	East Anglia	456	1,467	0	76%
	North West	126	426	20	74%
	South East	183	527	23	72%
Company B	Scotland	100	27	1	21%
	Northern Ireland	400	743	20	64%
	North West	254	1,040	12	80%
	Wales	169	415	1	71%
Company C	East Midlands	97	70	11	39%
Company D	South East				80%
Company E	North West	395	219	7	35%
	East Midlands	296	402	51	54%
	East Anglia	579	1,556	25	72%
	South West	617	883	29	58%
Company F	Nationwide				54%
Company G	West Midlands				55%
Company H	North East	388	835	0	68%
	West Midlands	218	1,238	11	84%
	South East	125	553	38	77%
	South West	306	376	0	55%
	Northern Ireland	291	320	3	52%
	Scotland	70	196	2	72%
All the above companies	Nationwide	6,857	15,576	295	69%
	Overall				
	Scotland				47%
	Northern Ireland				58%
	Wales				71%
	North West				78%
	North East				69%
	East Anglia				76%
	South East				76%

Recruitment a at Local Level

The meat industry has and does make regular efforts to recruit locally, but almost always without success, either because people do not even start jobs or because they leave them quickly.

Examples of work done by BMPA member companies to recruit locally are below:

Company 1: Worked with a job centre area manager who assured them that there were lots of unemployed in the surrounding area, but despite job specifications being sent in and job centre staff being aware of the vacancies, not a single application was received. They also advertised in local press and on online sites, but again, no applications were received. They have 30 apprenticeships being advertised, 28 in butchery, slaughtering, 2 for engineers, paying £6-7 an hour (over £2 an hour above the national minimum wage for 16-17-year olds), but are struggling to fill them. The company paid £2,500 for a stall at a regional agricultural fair and at other shows, to try and get their name known and an interest in the apprenticeships. The local unemployment rate is 4% and since the referendum last June, there are noticeably more adverts locally looking for staff in shops, restaurants, factories, etc.

Company 2: Worked with the local authority to employ 20-year olds who had been unemployed since leaving full time education. About 10 applicants were brought into the factory and given a week's training in each of 4 areas: health and safety; meat production; commerce and despatch to give them a taste of the jobs available. All were offered a job and accepted, but some simply never turned up, others decided they did not like it, only 1 lasted more than a fortnight and he had left within the year. This was in Grantown and Spey – an area of low unemployment.

Company 3: Uses a recruitment agency for all their recruitment needs. They asked them why so few staff came from the local area. The agency's view is below:

“On the subject of recruiting locally, I could understand a degree of scepticism from authorities if our attempts were sporadic and abandoned the moment they appeared to be ineffectual. However, the opposite is true and our attempts at employing local people are persistent, verging on relentless as we do all the following persistently to try and recruit local people:

- *Outside Mobile Recruiting, i.e. taking the recruitment out to the local people rather than waiting for them to come to us*
- *Advertising in local colleges and further education establishments*
- *Holding recruitment fairs*
- *Job centres*
- *Targeted social media advertising*
- *Regular leaflet drops*
- *Digital Advertising including local jobsites*

All the above is in addition to having high street offices open from 9am – 6pm every day and some open on Saturdays with constant advertising of positions and assignments waiting to be filled.

Quite frankly, if this amount of coercion has now become necessary to get local people to work, then it begs a valid question of how much purpose they may serve our client when they actually get there.

Furthermore, it suggests a differentiation towards non-locals giving the appearance that locals may have an easier route through the interview and selection process which would be outside our standards of best working practice.

Clearly the individual whose attitude, aptitude and skill set are the most suited should get the job regardless of locality, nationality etc. and the issue is that local candidates are not the most common applicants for production jobs on NLW. Where they do present themselves we invariably assign them without delay.

We do all of the above and constantly have vast numbers of vacancies waiting to be fulfilled, therefore the dependency on a migrant workforce is clearly evident.”

Company 4: Has participated many times in the Movement to Work scheme. In 2016, they ran the scheme twice (in May and October) and across the two sessions 36 people, all locals, attended the introductory day and then started the course. However, only 25 finished the course, of whom 15 took a permanent job. And now, in mid-2017 only 3 of those initial 36 starters have stayed and are working there still. In 2016 at one site they had 87 new local starters (not via the Movement to Work scheme), only 20 of whom remain, and of those 67 who left, 30 had to be dismissed or failed probation.

The Association of Independent Meat Suppliers, which represents many of the smaller abattoirs, gave the following account of their members' attempts to recruit locally:

“1. A small minority of abattoirs have been able to secure local staff and train them up and retain. This is location based and tends to be in areas of higher unemployment, which with current employment at a low level, is not the norm.

2. The vast majority have been unable to source local workers even when they have invested significant sums and efforts into the subject up to and including apprenticeship schemes and working through local colleges. The reason given is the locals will not go into what they consider an unattractive job, whatever the pay.

3. In cutting and catering butcher plants, the picture is somewhat mixed with availability of butchers and boners again dependant on location. Some areas have a decent availability of local workers and some have none. So, for example, in Teesside local staff for cutting or boning are available in some numbers, but not exclusively, whereas 25 miles away in Catterick a boning operation is 100% dependant on foreign workers. It a bit farther out from a large population, which may be the cause. I know this is not conclusive as it is a very mixed picture but as a generality availability of locals to employ/train as slaughtermen is very poor even when real efforts have been made by the plant. Cutters and boners again are mixed in availability, from OK-ish in some industrial areas to zero in others.”