

# UK Labour Shortage

The causes and effects of the current labour shortage and what we are doing to mitigate it.

**The UK foodservice sector is experiencing a widespread labour shortage. This is impacting the entire supply chain and is affecting growers, producers, manufacturers, logistics and hospitality operators. Here are the details and effects about the labour shortage and what we are doing to mitigate the effects on your business.**



## Sharp rise in labour costs across industry

With recent media coverage reporting a 60% increase in pickers and packers pay with some being offered up to £20 per hour, costs are expected to be passed down the supply chain.



## Impact to future crop availability and costs

The current labour shortage in UK farms is expected to impact the planting of crops this Autumn. This will in turn effect next seasons yields which could be lower, and could lead to future price increases.



## Supplier labour shortage

With 1.3m foreign workers returning home during the pandemic and many unable to acquire return visas, there has been a 90% drop in foreign workers applications to work on UK farms and in pack-houses. This has created an estimated demand for over 500,000 drivers, pickers, packers & processors significantly impacting manually harvested product. This is having a significant impact on manually harvested product.



## Lack of skilled drivers in all sectors

With no newly trained HGV drivers for a year due to lockdown and with overseas workers returning home due to Brexit or the pandemic, the Recruitment and Employment Confederation (REC) figures suggest shortfall of 30,000 drivers in the UK.



## Hospitality skill shortage

Many working in the hospitality sector have left and found alternative employment during the pandemic and are reluctant to return. UK Hospitality figures also suggest 1.3 million foreign workers left the UK during the pandemic and are unlikely to return under the Government 25k pa skilled workers Visa scheme.

What we are doing to keep your supply secure and to ensure service levels.

**We understand how the current labour shortages are affecting your business and we are constantly looking at ways to help you solve the problems you may be experiencing . Here are a few of the things we are doing.**

- ✓ Investing in increased stock availability to ensure product supply
- ✓ Increasing wages to retain our operations, transport, warehouse, logistics and supply chain colleagues and maintain customer service levels
- ✓ Working closely with our partnership suppliers to maintain availability and mitigate inflationary charges wherever possible
- ✓ Exploring alternative supply routes to maintain our service levels
- ✓ Continue to dual source where appropriate to reduce risk to supply shortages
- ✓ Suggesting substitute products where available
- ✓ Nationwide driver recruitment campaign
- ✓ Employing professional customs agents to ensure smooth import of goods into the UK
- ✓ Proactive supply chain planning as market re opens to deliver expected service levels for our customers
- ✓ Regular customer communication about the situation and what we are doing to minimise its effects

If you have any questions about the current labour shortage or how we can help you and your business, get in touch with your usual sales contact.

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