



**UK TRADE & BUSINESS  
COMMISSION**



# **UKTBC POST-SESSION REPORT: AGRICULTURE AND FISHING**

**MARCH 2023**



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## 1. INTRODUCTION

The UK Trade and Business Commission brings together ten MPs from all nine Westminster parties and all four nations of the UK, along with business leaders and expert economists to provide independent scrutiny of the UK's trade deals and provide recommendations to the UK Government.

The Commission met to hear from six industry experts the challenges the agricultural and fishing sectors are facing following the UK's exit from the European Union.

From workforce shortages to administrative challenges, many farmers and fishers are facing ongoing financial and trading difficulties due to a range of logistical and regulatory obstacles.

Our witnesses outlined that both sectors are intrinsically important to the UK's economy and culture, but it is essential that the UK Government supports agriculture and fishing in order to safeguard national food security and reach net zero targets.

## 2. SESSION WITNESSES

### PANEL 1: AGRICULTURE

🗣️ **RICHARD GRIFFITHS**, Chief Executive, British Poultry Council

🗣️ **NICK VON WESTENHOLZ**, Director of Trade and Business Strategy, National Farmers' Union

🗣️ **ORLA DELARGY**, Head of Public Affairs, Sustain

### PANEL 2: FISHING

🗣️ **ELSPETH MACDONALD**, Chief Executive, Scottish Fishermen's Federation

🗣️ **BRYCE STEWART**, Senior Lecturer, University of York

🗣️ **CHRIS WILLIAMS**, UK Fisheries Expert, International Transport Workers' Federation

🗣️ **PHIL HASLAM**, Managing Director, North Atlantic Fishing Company

### 3. KEY FINDINGS

**3.1 The agriculture and fishing sectors are facing significant export and regulatory challenges.**

**3.2 Industries across both sectors are dealing with significant labour shortages as access to the EU workforce has reduced.**

**3.3 Agriculture and fishing are important to the UK culturally, economically, and environmentally, and are essential to the UK's national food security and reach net zero ambitions.**

#### 3.1 POST-BREXIT ISSUES

Witnesses highlighted the dramatic increase in non-tariff barriers with Europe and serious staffing shortages as a result of the UK's departure from the EU.

*"Agriculture, and fisheries as well, are two of the most obviously impacted sectors by Brexit. We as the NFU set out very early on after the EU Referendum vote those kind of areas where we would expect pretty seismic change over the next few years and that has been borne out."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"The sad truth of the matter is that the Government hugely let down the fishing industry, they over-promised and under-delivered,"* - **CHRIS WILLIAMS, UK FISHERIES EXPERT, INTERNATIONAL TRANSPORT WORKERS' FEDERATION**

Leaving the European Union has increased the administration required to export goods to Europe. The witnesses highlighted that exports in agriculture and fishing have dropped. This has created an imbalance that is damaging UK businesses ability to remain competitive. There are also serious concerns about the impact new trade deals will have on domestic production of food.

*"If we look at 2019 pre-pandemic, pre-Ukraine war, our exports in terms of volume on agrifood with the EU has dropped about 25% so that is significant."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"For our relationships and for the poultry meat sector, 75% of our trade remains with the EU, inwards and outwards. One of the really damaging factors within that is the imbalance, so the cost of administration, the cost of exporting is not reflected in the cost of importing, so it puts our businesses at significant disadvantage. Something we've always known, and it's always fed into the system is that the return, the value of our trade, particularly our export trade, and certainly for our sector, has a direct relationship with the cost of food in the UK."* - **RICHARD GRIFFITHS, CHIEF EXECUTIVE, BRITISH POULTRY COUNCIL**

*"The relationship with the EU where we've seen trade barriers erected and that has had an impact on trade in agrifood, particularly our exports into the EU but also the establishment of new trading relationships, most notably obviously with Australia and New Zealand where we have new FTAs due to come online very soon and that will change the profile I think of UK agriculture and food businesses making it more difficult to trade with our nearest market in the EU and putting more competition in our domestic market from liberalising imports from elsewhere overseas."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"I think the other thing that you know Brexit effect has been is the sort of introduction of non-tariff barriers, so business models that export [...] the ramping up of the bureaucracy and the friction, the operational friction of trying to export has introduced risk and cost there."* - **PHIL HASLAM, MANAGING DIRECTOR, NORTH ATLANTIC FISHING COMPANY**

*“There have been considerable changes in the rules and regulations around exporting seafood to the EU which is more than half of where our seafood goes, so it’s our closest and most important market. And so these are things like extra paperwork, extra processes, there’s a flow diagram that you can get from DEFRA that I think has nearly 30 different steps on it, whereas before it was literally like fill in one form, put your seafood on the lorry and it will be in Paris by lunchtime in somebody’s restaurant. And that’s added costs and well as time and procedures, so firms have had to employ extra staff, they’ve had to clearly spend more of their budget on this. That has seen some firms go bust, I think the bigger exporting firms have been able to incorporate it to some extent but definitely some of the other ones have really struggled.”* - **BRYCE STEWART, SENIOR LECTURER, UNIVERSITY OF YORK**

*“I had a truck yesterday with 1,000 boxes of fish on it that was entirely unloaded by the French because they weren’t confident in the paperwork, it was all right and then they loaded it all back on again, but that’s just the operational friction that you can go through.”* - **PHIL HASLAM, MANAGING DIRECTOR, NORTH ATLANTIC FISHING COMPANY**

The witnesses agreed that Brexit had caused ongoing regulatory uncertainty. Standards and protections in agriculture and fishing are particularly important for public health, animal welfare, and environmental responsibility, but trade deals that do not uphold them undermine the standards of domestic production.

*“That is unfair competition because the Australian producers can produce their food to lower standard and it’s cheaper. And UK farmers, what we can’t do is ask them to reach higher standards and then have them undercut by lower standard produce from the other side of the world, that just doesn’t make any sense and it totally undermines the UK’s plans to transition to more nature-friendly farming.”* - **ORLA DELARGY, HEAD OF PUBLIC AFFAIRS, SUSTAIN**

*“The last thing we possibly want is to take any steps backwards in standards. The UK is, was, still is in a good place generally for standards, there are always going to be improvements and developments in the science, so following the science is important. What we can’t do and what will fundamentally undermine domestic production is differences in standards, lowering the standards, opening the door to different standards, lower standard imports. And I think that gets lost in the Government’s enthusiasm for trade deals.”* - **RICHARD GRIFFITHS, CHIEF EXECUTIVE, BRITISH POULTRY COUNCIL**

*“There’s lot of things that farmers are doing here in the UK that may be going over and above the regulatory framework in the UK and that their actions shouldn’t be undermined by future trade agreements.”* - **ORLA DELARGY, HEAD OF PUBLIC AFFAIRS, SUSTAIN**

It was made clear that the Retained EU Law Bill would be detrimental to the operations of the UK agriculture and fishing sectors.

*“This retained EU law bill which is in Parliament at the moment and which has the potential to make some pretty substantial changes to the regulations that govern farming, DEFRA is the department which has the most retained EU law, and obviously there’s a risk that some of that might just disappear at the end of the year, but I think there is equally a risk that some of that retained EU law will be amended without proper Parliamentary oversight.”* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS’ UNION**

### 3.2 LABOUR SHORTAGES

Post-Brexit, workers mobility between the EU and UK has become significantly harder. Our witnesses highlighted that this continues to have implications on all levels of the supply chain.

Both sectors rely heavily on seasonal workers. This has left farming and fishing industries particularly vulnerable to the impact of Brexit on workforce mobility.

*“The ending of free movement of labour was always going to have a big impact and has done, particularly the provision of seasonal labour where workers from the EU were able to obviously move freely and come and take up those jobs, non-permanent jobs in areas most notably like horticulture.”*  
**- NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*“So often actually being within freedom of movement, being within the Single Market and access to freedom of movement worked very well and often you would find these workers actually were permanent seasonal workers as it were, they would move around different markets across Europe and therefore freedom of movement very much leant itself to filling those roles here and ending that and having a very different approach to immigration has created problems with those types of roles.”*  
**- NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*“I see is the labour shortage that has been exacerbated greatly by Brexit because in seafood processing and in the catching sector lots of the deckhand positions were actually citizens from Eastern Europe who were working in the UK fishing industry on a share of the catch, like nationals would be as self-employed deckhands.”*  
**- CHRIS WILLIAMS, UK FISHERIES EXPERT, INTERNATIONAL TRANSPORT WORKERS' FEDERATION**

*“So the ending of free movement and the pivoting of our immigration system to what they call higher skilled, I think I always make the point that many of these jobs are very skilled, but has meant that there are real struggles in getting sufficient workers in some sectors and that extends to other parts of the food supply chain.”*  
*- Nick Von Westenholz, Director of Trade and Business Strategy, National Farmers' Union*

*“The shortage that we suffered of labour through Brexit, through sort of across the period of the pandemic, one of the biggest challenges for us was the turnover of staff, so the difficulties in replacing staff [...] The cost of labour increased significantly and we all remember the specific jobs around say lorry drivers, the availability of lorry drivers for example. And there were other specific examples within our supply chain where if you lose certain roles that's the supply chain compromised. So we've seen the sort of value of labour go up and that's part of the need to increase pay, to recruit people.”*  
**- RICHARD GRIFFITHS, CHIEF EXECUTIVE, BRITISH POULTRY COUNCIL**

*“I've always been a little bit confused and surprised by the Government's desire to have what they see as a sort of high-skilled, high-paid immigration system that to me therefore means that certain jobs are for domestic workers only and we know that often those jobs are the ones that domestic workers don't want to do. So there's a natural tension there and I hope that maybe the Government and future governments look at this in a more pragmatic way and decide actually what are the needs of different sectors across the economy in terms of labour force.”*  
**- NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

Workforce shortages have led to concerns around labour practices in both sectors.

*“The impact on the sector of having low paid workers and the conditions that they're working in, you know some people think that the ultimate goal is to have cheap food, but cheap food costs somewhere along the line and some of the lower paid workers, some of whom are coming from different countries who are losing out in terms of their quality of life and the conditions that they're working under. But also UK farmers then are struggling to run businesses because there has been a drop in labour. There has been some exploitation reported of workers being sent into debt as a result of the seasonal agricultural workers scheme and the way that's been run and the tight timeframe hasn't suited actually the nature of harvest.”*  
*- Orla Delargy, Head of Public Affairs, Sustain*

*“The ITF has a real concern that the labour shortage is being used as an excuse for labour exploitation and under-payment of migrant workers.”*  
**- CHRIS WILLIAMS, UK FISHERIES EXPERT, INTERNATIONAL TRANSPORT WORKERS' FEDERATION**

In response to these concerns, our witnesses agreed that there was more the UK Government could do to support labour mobility and skills creation.

*"I think there's a better job of work to do to focus on the skills and long-term skills and development that are actually needed, lifelong learning for example has been an area that we've always been keen to develop but government projects and programmes have always focused on younger people."*  
- **RICHARD GRIFFITHS, CHIEF EXECUTIVE, BRITISH POULTRY COUNCIL**

*"I think that whilst the short-term may require visas to bring in the sufficient labour to support business models, I think the longer term has got to be grow our own. I mean it's fallen off the radar as a career path, I think we should try to put it back on,"* - **PHIL HASLAM, MANAGING DIRECTOR, NORTH ATLANTIC FISHING COMPANY**

*"I think one of the things that the industry really values is that fishing crew are recognised as skilled workers through the work done by the Migration Advisory Committee and therefore it is possible for fishing crews to be able to come into the UK from other countries through the skilled worker visa route,"*  
- **ELSPETH MACDONALD, CHIEF EXECUTIVE, SCOTTISH FISHERMEN'S FEDERATION**

### 3.3 THE CONTRIBUTION OF FISHING AND FARMING

Both the farming and fishing sectors make significant contributions to the UK economy and national identity, meaning that it is important to protect and support agriculture and fishing through future UK trade deals.

*"Farming in itself in a narrow definition contributes about half a percent to national GDP, so in that sense it's quite small comparatively, but you know we often point out the fact that actually it underpins a wider food sector which is an extremely important part of the British economy. It employs around four million people, is worth somewhere between £110-115 billion so about ten times as big as the agriculture sector itself, but agriculture provides the raw materials for a large proportion of that sector."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"Obviously within rural communities it is particularly important, at a time when we're talking about levelling up or rebalancing the economy or however you want to put it, actually the role of agriculture and supporting industries and sectors both for the pre and post farm gate is particularly important in those areas, so that's something that we shouldn't lose sight of when we just take a very broad national picture."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"In terms of what the industry contributes, essentially in 2021 which is the last year for which full figures are available, the UK fishing fleet landed fish with a value of just under a billion pounds and that was an increase on the previous year of about 5% in terms of landings and 11% in terms of value, although important to remember that the comparator year 2020 was the Covid year. The industry employs around 11,000 fishers across the whole of the UK, in Scotland we have about 4,200 of those and there are obviously very many shore side jobs also, whether that's in processing, in engineering and in all the necessary support services that the fishing industry requires."* - **ELSPETH MACDONALD, CHIEF EXECUTIVE, SCOTTISH FISHERMEN'S FEDERATION**

*"Aside from all the sort of monetary values and things, fishing and seafood has actually a less tangible but very important connection to UK society, you know we have a situation where fish and chips is the national dish, the country has a very long maritime history, very culturally connected to fishing and fishing ports etc, and you can't easily put a value on that but clearly that's part of who the British are."*  
- **BRYCE STEWART, SENIOR LECTURER, UNIVERSITY OF YORK**

Our witnesses highlighted that agriculture and fishing have a critical role to play in the UK's future. To achieve sustainable food security and reach Net-Zero, it is necessary to grow and support domestic agricultural and fishing industries.

*"The other important point of course is that over 70% of the UK land mass is farmed environment and so having farmers in those areas in that massive proportion of the UK is really important for managing and looking after that environment as well."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"We import a lot of our fresh fruit and vegetables from countries that are already experiencing climate and water stress, so actually we can't keep doing what we're doing and expect the same results, we do have to look at how we produce food and do that in a way within the UK that actually balances the needs for people and nature and food production and we would argue that you can do a lot of that by farming in a more agri-ecological manner."* - **ORLA DELARGY, HEAD OF PUBLIC AFFAIRS, SUSTAIN**

*"I think that the point that I would make is that domestic production is a critical aspect of food security, it's not the only aspect of food security but it is a critical one and when you see some of the issues we're now having in terms of availability it reminds you that actually having sufficient or a significant aspect of food supply provided by domestic producers and domestic firms actually puts in quite a decent amount of resilience into the system which is crucial."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"The environmental land management is very important and domestic food supply,"* - **ORLA DELARGY, HEAD OF PUBLIC AFFAIRS, SUSTAIN**

*"UK Government to really engage internationally on this is the need to set out a clear trade strategy here in the UK which demonstrates how their trade policy matches up with some of their other policy goals and objectives including on climate change, because at the moment that just seems absent, you know they are pursuing trade policies and trade deals in a very old-fashioned sort of way just an economic liberalisation agenda without seeing how that might impact more broadly on climate change. So a kind of strategic approach to this would be key."* - **NICK VON WESTENHOLZ, DIRECTOR OF TRADE AND BUSINESS STRATEGY, NATIONAL FARMERS' UNION**

*"Fishing actually can make a really important environmental contribution in terms of how we can feed people through these sustainable renewable resources, well-managed, well-resourced investment into proper signs will be a big part of that. [...] I think there is a great deal of opportunity here to look at how fishing contributes to achieving environmental goals and that we don't only see it in the context of something to be managed to achieve environmental goals."* - **ELSPETH MACDONALD, CHIEF EXECUTIVE, SCOTTISH FISHERMEN'S FEDERATION**

*"[Fishing] is essentially contributing healthy food from sustainable resources with a very low carbon footprint and with lower emissions than many other forms of food and certainly many other forms of animal protein. So it contributes a great deal both in terms of the economy particularly to coastal communities, but also to society in terms of providing healthy, renewable foodstuffs."* - **ELSPETH MACDONALD, CHIEF EXECUTIVE, SCOTTISH FISHERMEN'S FEDERATION**

*"I think that within the UK and within trade deals if we can become more food first sustainability focused, feeding people, feeding people well, productively, building in the direction towards net zero into that, I think we as a nation will do ourselves massive favours."* - **RICHARD GRIFFITHS, CHIEF EXECUTIVE, BRITISH POULTRY COUNCIL**

*"We really need [a trade strategy] to marry up domestic policy with the UK's trade ambitions, it's very hard to assess how they're doing without a strategy. How can you tell if they're meeting their objectives if you don't know what they are is the first thing?"* - **ORLA DELARGY, HEAD OF PUBLIC AFFAIRS, SUSTAIN**



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