

The Rt Hon James Cleverly MP  
Home Secretary  
2 Marsham Street  
London  
SW1P 4DF

6 February 2024

Dear Mr Cleverly,

### **Proposed UK Immigration Rule Changes – A Rethink Needed**

Scotland Food & Drink and the undersigned industry partners are deeply concerned about your proposals to reduce net migration in the UK by increasing salary thresholds for skilled workers, alongside other planned measures.

We think this is the wrong approach and ignores the essential role that overseas workers play in our industry, and our society. It is of course important to manage immigration effectively, and to ensure that communities continue to have the infrastructure and public services they need. It is equally vital to protect our economy and businesses, which already lack a sufficient pool of labour, to ensure communities across the UK have access to affordable, high-quality food and drink and to protect an industry that employs hundreds of thousands of people and generates £15 billion a year in Scotland alone.

We need to secure a resilient, productive food supply chain operating across the UK. This requires a large, diverse workforce. Raising the minimum salary threshold for skilled workers from overseas at a time of existing labour shortages will increase the threat to the stability of the whole supply chain, from primary production through to manufacturers, retail, and hospitality providers.

Our red meat sector has described the impact of your planned changes as “the most significant threat we face in 2024” due to an ongoing shortage of butchers. They are not alone. Scotland Food & Drink conducted an industry survey into labour shortages in 2023. **92%** of respondents across a wide range of sectors told us that they are *currently* unable to find or attract enough suitable employees to meet their operational needs. Many began to explore recruiting skilled workers from overseas, even as costs rose. These additional changes will act as a deterrent, which may be the intended outcomes, but appears sadly shortsighted. We were particularly disappointed to see the Minister for Legal Migration and the Border refer to “employers trying to recruit cheap labour from overseas at the expense of the British worker.” This is not a fair reflection of the situation.

The UK Government commissioned John Shropshire to conduct an extensive independent review into Labour Shortages in the Food Supply Chain, which was [published](#) in June 2023. It found that the food and drink supply chain faces unprecedented challenges, including recruiting talent. One stark conclusion from the review was that “the domestic workforce is not large enough and does not have the required skills to make the English food supply chain self-sufficient in terms of labour supply.” The same situation applies in Scotland. We have not seen

a UK Government response to this review, but the actions and statements made about immigration suggest it has been ignored.

The Office for National Statistics (ONS) has [recently projected](#) that the UK's population will rise by 9.9% by 2036. Last year, the ONS projected the likely population change in other OECD countries which included: Spain (8%), Sweden (10%), U.S (13%) and Australia (32%). Population growth of 9.9% is not exceptionally high from a global perspective. The alternative, population decline, as is expected in Italy, Poland, and Japan, will have potentially far more negative consequences.

The International Monetary Fund has [written](#) of the benefits of a positive approach to immigration:

“From a demographic point of view ... an increase in immigration flows, especially of young people, to advanced economies in the North seems desirable. It would reduce population decline, keep the size of the labour force from shrinking, improve age dependency ratios, and produce positive fiscal gains. From a policy standpoint, this means increasing the number of immigrants allowed, reducing other constraints on immigration, and planning for future inflows.”

A second, more recent [piece of research](#) by the IMF concluded that: “In OECD, large immigration waves raise domestic output and productivity in both the short and the medium term, pointing to significant dynamic gains for the host economy. We find no evidence of negative effects on aggregate employment of the native-born population.”

Put simply, the UK requires a sustained high level of annual net migration to maintain the size of the UK's workforce in the context of our ageing population. Businesses who cannot recruit people into key positions will ultimately fail, and that has a knock-on effect across the supply chain and the wider economy.

We do of course also need a comprehensive food and drink workforce strategy for Scotland, and across the UK. We are exploring ways to recruit domestic workers, and this will encompass education, training, skills development, automation and recruitment and retention policies. But this will take time to develop, and we need a *more* flexible immigration system to address workforce gaps in the meantime.

High quality food and drink is produced across Scotland by all types and sizes of business. They provide a huge variety of ingredients and products, including world class beef, lamb, pork, game, vegetables, grains, fish, seafood, dairy, whisky, smoked salmon, cheese, baked goods and all manner of sweet and savoury products which people enjoy across Scotland, the UK and the world.

Our industry's reach from farm to fork, and the accompanying requirement for labour, is vast. We recruit and value thousands of skilled workers from overseas to help to maintain the quality and availability of our ingredients and products.

Frankly, we could not do what we do without our overseas workers, and messages about wanting to reduce legal migration will have a negative impact on talented people living here already or living overseas looking for meaningful work. We are proud to be a major employer, a major contributor to exports, and, in many ways, *the* engine for economic growth in Scotland, as well as a major

contributor to Scottish tourism, with food and drink among the top reasons for visitors coming here.

Raising the skilled worker salary threshold to £38,700 will make the new minimum level higher than many of the vacant roles across the industry. This and the other changes planned will make it harder for businesses to recruit from overseas *and* for workers who might have considered applying. The impact will be worsened labour shortages, reduced profitability, higher prices and disruptions along the supply chain.

Labour shortages are *already* reducing productivity and driving up operational costs, which increases food prices for consumers. At a time when the country is still grappling with a challenging economic climate, including stubbornly high inflation, this could exacerbate the cost-of-living crisis.

We urge the UK Government to reconsider these proposals. A positive approach to immigration is needed. One that recognises the essential role of overseas workers to fill labour shortages in our food and drink industry. We must ensure that immigration policies support the needs of businesses and the wider economy.

If we look to what other countries, such as Germany, are doing, we see recognition of labour shortages, a drive to simplify the processes for businesses, reducing costs, lowering the threshold for salaries to below the median, and removing language and qualification requirements. That is in a country which currently benefits from an accessible labour pool across the European Union.

It is imperative that we work together to find solutions that support a productive and profitable food supply chain, without compromising our environmental and social goals. Scotland Food & Drink and our partners remain committed to engaging with policymakers, industry partners, and other stakeholders across Scotland and the UK to advocate for a fair and sustainable immigration system that supports the needs of our sector and does not risk its long-term future.

We look forward to hearing from you and would welcome a meeting to discuss this further.

Yours sincerely,



Iain Baxter, Chief Executive, Scotland Food & Drink

**Also signed on behalf of:**

John Davidson, Chief Executive, National Farmers Union of Scotland

Sarah Millar, Chief Executive, Quality Meat Scotland

Tavish Scott, Chief Executive, Salmon Scotland

Donna Fordyce, Chief Executive, Seafood Scotland

Tim Bailey, Chief Executive, Scottish Agricultural Organisation Society