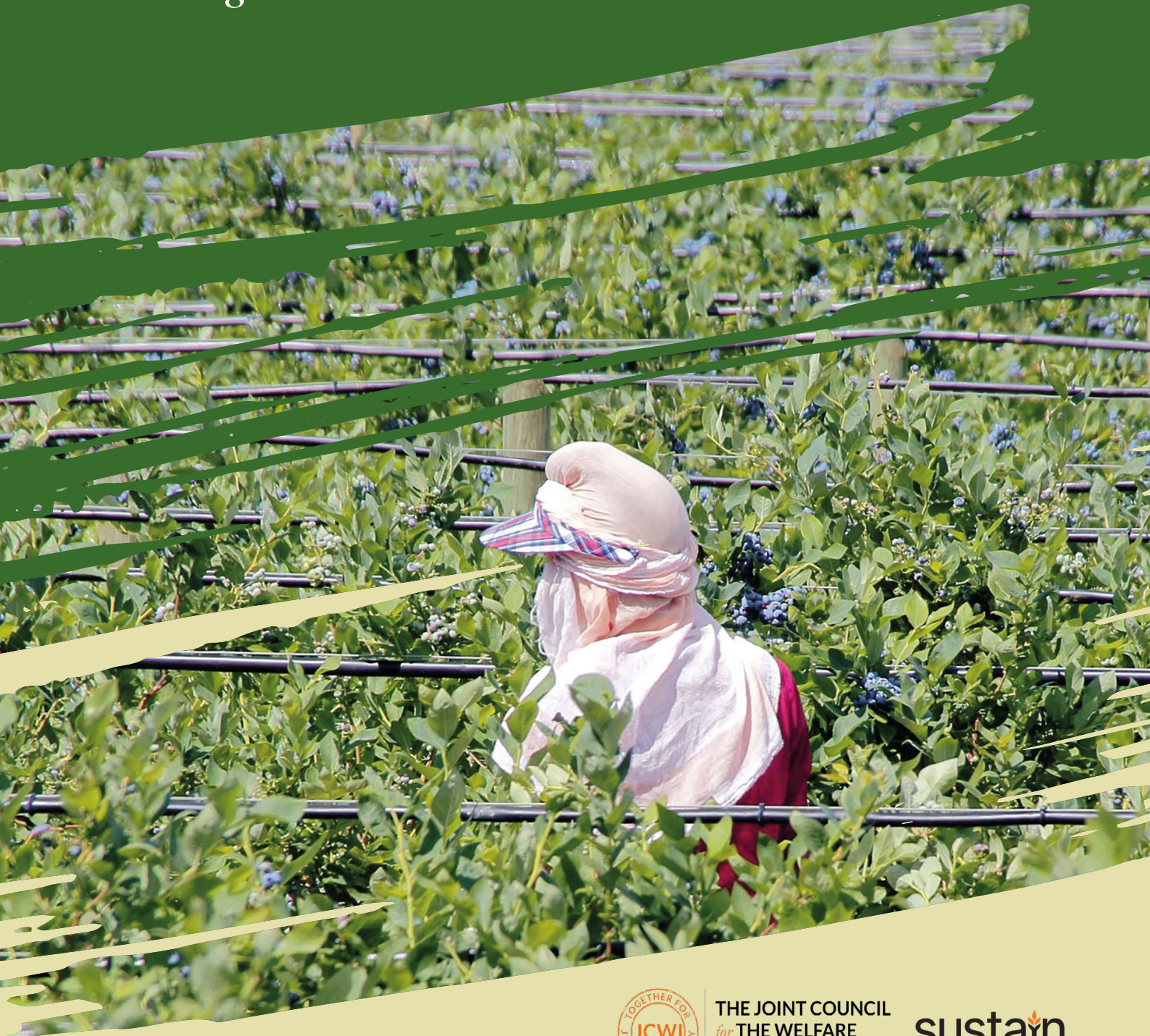


Debt, Migration, and Exploitation:

The Seasonal Worker Visa and the Degradation
of Working Conditions in UK Horticulture



THE JOINT COUNCIL
for THE WELFARE
OF IMMIGRANTS

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Executive
Summary

**FOCUS ON
LABOUR
EXPLOITATION**
Working to end labour exploitation

NEW
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Executive Summary

This report is produced by a collaboration led by the Landworkers' Alliance involving the New Economics Foundation (NEF), Focus on Labour Exploitation (FLEX), Sustain, and the Joint Council for the Welfare of Immigrants (JCWI), and a group of farmworkers speaking in their own right. The Landworkers' Alliance, NEF, FLEX, Sustain, and the farmworkers are report authors, with JCWI acting in a consultative capacity.

This report aims to shed light on the systemic drivers of poor working conditions in the UK's farming sector, both in supply chain process and immigration and visa systems. It also hopes to provide farmworkers themselves with a platform to recount their experiences and develop their own solutions to the crisis in working conditions in agriculture.



Chapter Summaries

1. Risks faced by workers on the Seasonal Worker Visa route

Oliver Fisher – *Focus on Labour Exploitation*

The SWV route has undergone rapid expansion in recent years, rising from 2,500 visas in 2019 up to 57,000 in 2023. At the same time, there have been widespread and severe reported concerns around worker welfare. This chapter explores the different risks of exploitation that are present in the SWV route, many of which are the result of how the route has been designed.

Workers are required to cover the majority of the costs for moving to the UK and in some instances have been subject to illegal recruitment fees by third-party agencies. When combined with the short-term nature of the route, which offers no option of extension, and there being no minimum period of guaranteed income, this has resulted in some workers having to take on high levels of debt, putting them at high risk of debt bondage.

Further, a widespread lack of labour rights enforcement has created barriers to justice and safety for workers, and in the absence of safe reporting mechanisms, migrant workers are particularly at risk of abuse and exploitation, unable to leave exploitative conditions due to fear of Immigration Enforcement action.

2. A Workers' Inquiry into Seasonal Agricultural Labour in the UK

This chapter is a first hand account of life on a fruit farm from the perspective of a former farmworker and researcher. This account demonstrates how the structural issues in the SWV translate into exploitation on the farm.

This chapter highlights how workers on the farm became ensnared in debt through the recruitment process. On top of costs built into the SWV process, many workers paid very high fees to third party brokers in their countries of origin. The result is a workforce forced to spend the entirety of their time in the UK working off debt, essentially receiving less than nothing for their work.

The inquiry documents severe breaches of workers' rights on the farm. The workday on the farm was extended to extraordinary lengths of up to 14 hours a day on one hand, with the use of disciplinary unpaid time off against workers who do not meet picking targets on the other. The control that visa sponsors exercised over transfer processes enabled the movement of workers to be moved between farms against their will during busy periods, and trapped paying for the privilege of unemployment during lulls. At the same time, the chapter details systematic wage theft by employers, with workers lacking means of redress.

This chapter also details moments of worker resistance against exploitation in the form of attempted strikes and collective action, as well discussions between farmworkers and trade unionists. It concludes with a path forwards for organising workers in this sector.

3. A Workers' Reflections on the UK Seasonal Worker Visa: Debt and Recruitment

This section builds on the discussion of debt and recruitment, providing an extended interview with a Nepalese worker recruited to the Seasonal Workers Scheme.

The worker became indebted to a third party broker during the process of recruitment, who claimed to have connections to the official recruitment agency, and applied to the SWV on behalf of the worker by using a fake email account. The broker took possession of the worker's passport during the process. In total, the worker paid £4,358 to the broker. It was impossible for the worker to earn enough money to pay off their debt during their visa period.

Drawing from the worker's own experiences in Nepal's recruitment sector and comparisons with the approaches of other countries, the interviewee advocates for the establishment of a government-to-government migration route and an information centre to assist workers in applying to the scheme. The interview is both a case study of a worker's experience of the recruitment process, and highlights the role worker knowledge can play in generating solutions to structural problems.

4. An analysis of financial value in a seasonal worker supply chain

Christian Jaccarini
– *New Economics Foundation*

This section explores how the exploitation detailed in previous chapters translates into monetary benefits for actors along the supply chain. To demonstrate this, the New Economics Foundation examined the public accounts and production figures of a fruit farm based in Kent.

The farm employs 1,200 seasonal workers and supplies a range of supermarkets with 24,000,000 punnets of fruit each season. This fruit retails for an estimated £50.7m.

Workers keep little of this value

NEF's research demonstrates that supermarkets receive 54.7% of the value of the farm's produce, with the farm receiving 26.2%. A packing and distribution company receives 4.2%. The owner-directors of the farm each received an average of £201,000 in pay, dividends and profit per annum. From this produce, supermarkets generate an estimated annual profit of £3.0m.

Workers receive 14.7% of the final value as gross pay, but after the costs associated with travel, visa application, and living on the farm, the average seasonal farm worker kept just 7.6% of this – equivalent to £3,200 per worker across the entire season (17.3 weeks).

For a punnet of strawberries from this farm retailing for £2.30, we estimate that the seasonal workers retain just 18p on average. Meanwhile, the producer, packer and retailer receive the remaining £2.12 and generate profits of 19p between them.



In addition, we estimate the impact of overpaid income tax, broker fees and early contract termination. This reduces the residual kept by workers even more. Our modelling suggests that workers facing high fees (£5,000) lose money on balance, and even those facing lower broker fees (£1,700) lose money if their contract is terminated early.

This translates into poverty wages

The typical worker (that retains 7.6% of the retail price) earns an average income of **£236 per week** after accommodation, national insurance (NI), visa & travel costs, and unclaimed income tax. This falls to **£122 per week** for those facing broker fees of £1,700 and unclaimed income tax rebates.

This is well below the median UK income after housing of £470 per week. Significantly, both these pay rates are below the absolute and relative poverty thresholds, of £282 and £259 respectively (2021). So, our analysis suggests that **the average experience of migrant agricultural workers in the UK is absolute poverty**. This is a damning indictment of the seasonal workers visa, as currently designed, and the structure of the UK's agricultural system.

5. An Examination of the Worker led Social Responsibility Approach in Florida

Catherine McAndrew, *Landworkers' Alliance*

In response to issues raised in previous chapters relating to the supply chain, workers' rights violations, and lack of redress, this final section explores alternative approaches to labour rights, based on worker-led social responsibility (WSR), using the experience of the Coalition of Immokalee Workers (CIW) and Fair Food Program (FFP) in Florida as a case study.

This chapter explores how the CIW campaigned for fast food companies and supermarkets to fund wage increases and work with farmworkers to improve conditions. This led to 14 leading buyers and 90% of tomato growers in Florida signing up to the CIW's Fair Food Program. The program leverages the power of buyers to improve standards.

During their campaign, tomato pickers developed their own code of conduct for working conditions on farms. Under the Fair Food Program, workers are trained by the CIW on their rights through education sessions run by former farmworkers. This education allows workers to alert auditors to issues on farms for redress.

The Fair Food Program mandates that participating buyers cannot source from growers if they violate the Code of Conduct until issues have been rectified. The program also mandates that buyers pay a premium of 1-4 cents per pound of tomatoes to fund bonuses for workers. The premium has resulted in 25 to 50% wage increase for workers, market based sanctions have helped eliminate wage theft practices. The use of worker knowledge has also helped tackle broker fees experienced by H2-A visa guest workers by establishing the Mexican government's SNE as a clean channel for recruitment.

Recommendations

Restricted Visas

There is clear evidence that risks of exploitation are inherent in restrictive, temporary and sector-specific visas. To protect workers' safety and rights, we call on the government to move away from this approach. All UK work visas should include option for renewal, the ability to change jobs easily without losing the right to stay in the UK, pathways to permanent settlement and access to public funds. However, while the Seasonal Worker Visa remains in place, we recommend the following reforms to reduce the risks of poor and exploitative working conditions. It is crucial that existing risks in the Seasonal Worker Visa are addressed before any further expansions of the scheme are introduced.

- All SWV holders should be able to switch to jobs on the shortage occupation list including outside of the agricultural sector.
- Scheme operators should ensure workers can move to other farms, and ensure this process is straightforward and accessible.
- Workers should not be made to leave the UK earlier than planned or to stop working if a scheme operator loses their licence or cannot provide them with a minimum of 32 hours per week. A mechanism should be established for workers to change their visa sponsors.

Debt and Broker Fees

Workers shoulder visa and travel costs associated with the SWV, and often enter into debt to pay these. In some instances, workers are being charged thousands of pounds to participate in the SWV, leaving them burdened with high amounts of debts and a loss of money overall. Debt increases the risk of labour exploitation as workers may be unable to leave exploitative conditions due to needing to pay off their debt. This is intensified when scheme operators are recruiting in new countries and may lack the knowledge necessary to vet local practices.

- The UK government should develop new approaches to seasonal work migration in consultation with current and former SWV holders, which centre workers' rights and safety e.g. consider working with sourcing countries to establish state-led institutions as the main point of recruitment.
- Charges for visa applications should be abolished and holders should not face any up-front costs for their journey.
- Funds accrued to the UK government via the farm recruitment fee should be dedicated to a worker support fund for compensation in cases of illegal broker fees and destitution support.

Rights Enforcement and Worker Led Social Responsibility (WSR)

Existing labour market enforcement practices have been ineffective in responding to the sheer volume and nature of workers' rights violations in the sector.

- The government must adequately fund and resource labour market enforcement, to ensure regular inspections of SWV workplaces, focusing on compliance with UK laws rather than solely on modern slavery cases.
- It is essential this comes alongside a clear separation of immigration enforcement from labour market enforcement at the national and local level, so that all workers can safely report abuse or exploitation regardless of their immigration status.
- Labour market enforcement should be backed up by legally binding codes of practice and a new supply chain enforcer.
- The UK government should work with labour market enforcement agencies in sourcing countries to research and develop a coordinated strategy for monitoring recruitment processes, workers'

welfare and conditions on farms in the UK.

- The UK government should ensure that terms and conditions of employment contracts (e.g. employers' details, working hours, remuneration, accommodation costs and other deductions) are shared with SWV workers in their country of origin, translated into workers' primary languages, and signed by employers and workers before travel.

This report further recommends the adoption of a worker-led rights protection system which empowers workers and workers' organisations to enforce standards for working conditions. This system should be backed up by market sanctions against farms which violate standards.

- Education sessions on workers' rights and means of redress should be held at a neutral venue before workers start on the farm. These sessions should be independent from scheme operators, employers, and the state, and should be developed by workers with experience on the SWV route.
- An independently run audit body and safe, confidential hotline should be established which is closely embedded with farmworkers and informed by their perspectives.
- Standards should be enforced by a legally binding agreement that supermarkets will not source from farms that violate rights until action is taken to rectify this.

Supermarket Dominance and Low Farmworker Pay

Supermarkets capture the lion's share of the value produced by UK horticulture. Given their dominant position in the market for produce, supermarkets should pay extra for produce to fund wage increases.

- This can take the form of a "penny per punnet" premium, where supermarkets pay a small charge per item of produce sourced from a farm to fund

wage increases, and payment of compensation for cases of illegal broker fees and cases of destitution.

- More effective competition regulation should be introduced to tackle concentrations of market powers, including stronger fair dealings rules and the levying of fines by the Grocery Code Adjudicator to deter abuse
- Public investment, support and development should be oriented towards creating new values-led to market to provide farmers with alternatives to corporate structures.

Establishing a Farmworkers' Organisation

Farmworkers need their own organisation which campaigns and advocates for their rights:

- Barriers in the immigration system which prevent the formation of farmworker organisations should be removed. This includes the requirement to have worked for 3 months before joining a union. Threatening the loss of visa sponsorship for taking strike action or for complaining about conditions must be explicitly banned.
- Trade unions should develop strategies in collaboration with workers, to provide support to disputes on farms. A farmworkers' bulletin should be established to provide workers with a means of communicating with each other about their situations.
- Farmworkers' campaigns should place pressure on leading supermarkets to improve pay and conditions in their supplier farms.
- Review the impact of the absence of an Agricultural Wages Board in England and the redistribution of resources and responsibility over worker welfare across all actors in the food supply chain



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