Coronavirus: Impact on Farm Labour and Supply Chains

Savills Rural Research ran a snapshot online survey from 6 – 7 April 2020 to understand practice and sentiment in farm businesses as a result of coronavirus. 77 submissions were received from across England and Scotland. The survey covered three key areas: staff availability, impact on routes to market, and sentiment. Key findings were that 29% of farms have had disruption to staffing and 43% have had disruption in routes to market as a result of coronavirus. Positive sentiment is down at the moment compared to the start of the year (18% net positive then to 10% net positive now), but an overwhelming majority consider that coronavirus will change UK agriculture for the better.

Staffing
29% of respondents reported that there had been issues securing labour on farms since the outbreak began. Across all respondents, a varied response to recruitment on farms is evident. 20% of respondents have recruited additional staff and only 14% have laid off staff including on furlough. 16% reported that they had recruited staff from new or alternative locations. One respondent had even paid travelling expenses for workers from the EU.

<table>
<thead>
<tr>
<th>Recruited additional staff</th>
<th>20%</th>
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<tbody>
<tr>
<td>Laid staff off including on furlough</td>
<td>14%</td>
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<tr>
<td>Recruited seasonal/temporary staff from new locations</td>
<td>16%</td>
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In a further series of questions, farm businesses were asked how they were recruiting. A quarter of recruiting farms said they had used traditional agency recruitment, and just 10% were using print advertising. A much higher proportion reported using word of mouth (53%) and many said that family members had also taken on roles on farms (38%). This is consistent with family members returning to rural locations to work remotely or on furlough.

<table>
<thead>
<tr>
<th>Agency</th>
<th>25%</th>
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<tbody>
<tr>
<td>Social media</td>
<td>25%</td>
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<tr>
<td>Print advertising</td>
<td>9%</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>53%</td>
</tr>
<tr>
<td>Employed a family member</td>
<td>38%</td>
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We also asked how they were adapting their staffing practices to take account of social distancing. Nearly 50% reported that they had modified access to welfare facilities including farm offices and 26% said that they had improved their staff welfare facilities. One third have split shifts in order to limit employees coming into contact with each other and almost 30% said they had extended operating hours for the same reason. Several arable farms reported that they were sanitising tractor cabs and allocating one driver or operator to each machine to limit the possibility for cross-contamination.

Routes to market
43% of our respondents said that their routes to market had been disrupted by coronavirus, but despite the positive stories of farms selling produce directly to consumers or working with home delivery systems, around 80% of those affected said that the disruption had been negative. This is consistent with certain sectors exposed to the catering trade experiencing major disruption, especially red meat, dairy and potatoes, whereas arable, fresh produce and pig and poultry sectors have been able to adjust supply chains more easily.

In addition, over half (53%) of respondents reported that they had struggled to source supplies including spare parts and consumables for the farm as a result of coronavirus. We expect this may increase the longer the global virus lockdown continues and key manufacturing sectors are impacted by trade disruption and higher rates of staff absence.
Farming Optimism
In the final questions, respondents were asked whether they were optimistic about farming at the start of the year, and how they were feeling now. Despite the tough autumn, 18% reported that they were feeling very optimistic or optimistic at the start of the year. The number of overall positive thinkers has now declined by 8%, but with a greater number of people saying they now feel neutral rather than pessimistic. This is perhaps indicative of the period of uncertainty that we are in. The net balance of positive thinkers declined from 18% at Christmas 2019 to just 10% today. In comparison, the overwhelming majority of respondents (59%) said that they think that long term coronavirus will change agriculture for the better. Only 5% thought it would change it for the worse.

Conclusion
Our results give a fascinating glimpse into how practice and sentiment is changing across the industry as a result of coronavirus. There is evident and widespread disruption to staffing, farm practices and supply chains, with farm businesses having to innovate to secure and protect employees. At this time of nearing peak crisis, it is of course to be expected that there is a great deal of uncertainty about the industry, but this story of concern is outweighed by the dominant positive sentiment that was prevailing and has prevailed since the winter.

Given the previous environmental bias in agricultural policy evolution, having the weaknesses of the UK’s approach to food security laid bare by the pandemic could serve to reaffirm the purpose that many farmers have been searching for in this new post CAP era. This perhaps suggests why so many consider that on balance coronavirus will change UK agriculture for the better. It remains to be seen whether post-pandemic agricultural policy will be adapted to take this into account.

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