

THE IMPLICATIONS OF INCREASES TO SEASONAL WORKER RATES OF PAY IN 2020

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Soft Fruit Production – the Importance of the Cost of Labour

For soft fruit production – principally strawberries, raspberries, blackberries and blueberries – labour is the most significant cost, typically representing 40-60% of all expenditure.

Labour is required not only for harvesting, but also for planting, growing and packing crops. Because of the volume, range and complexity of tasks, mechanization is significantly less developed for soft fruit crops than for broadacre crops, such as wheat and potatoes. By way of illustration, the labour cost for wheat production is typically in the range £80-150 per hectare; the range for strawberry production is typically £40,000-70,000 per hectare (and even higher for some crops – e.g. glasshouse).

Changes in Wage Rates

The National Minimum Wage (NMW) was introduced in the UK on 1st April 1999 at £3.60 per hour.

From 1st April 2016 the NMW was replaced by the National Living Wage (NLW).

Over the last 3 years the NLW rate, and its increase on the preceding year, are as follows:

Year	NLW £ per Hour *	Increase on Previous Year £	Increase on Previous Year %
2018	7.83	0.33	3.0
2019	8.21	0.38	4.9
2020	8.72	0.51	6.2

* Rate for age over 24 years

The Requirement for Labour

There is a wide range in the labour requirement between different soft fruit crops. There is also a range within crop types, depending on variety, site and growing system.

However, it is possible (based on extensive actual data) to derive what are typical “median” labour requirements for different crops, as set out in the following table (note that these figures include no allowance for increases in 2020 as a result of labour availability and Covid-19):

Crop	“Median” Labour Requirement Hours per Tonne
Strawberry	140
Raspberry	350
Blackberry	400
Blueberry	500

How the 2020 NLW Increase has added to the Cost of Production

The following table identifies the additional labour costs per tonne, using the above hourly labour requirement per crop. The table also includes an estimate of the total additional cost to UK Soft Fruit Production (based on British Summer Fruits 2019 actual total production figures):

Crop	Hours per Tonne	2020 Cost Increase £ per Tonne	BSF 2019 Production Tonnes	Total Cost Increase 2020 £ Million
Strawberry	140	71	85,307	6.1
Raspberry	350	179	14,725	2.6
Blackberry	400	204	2,457	0.5
Blueberry	500	255	4,747	1.2
Total			107,236	10.4