



House of Commons  
London SW1A 0AA

**DAIRY ALL-PARTY PARLIAMENTARY GROUP**

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**Inquiry on skills and labour in the dairy industry**

**Written evidence submitted to the APPG**

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- Arla Foods
- Cotteswold Dairy
- Dairy Pro
- Society of Dairy Technology
- Barbara Hughes, dairy farmer
- National Farmers Union
- Royal Association of British Dairy Farmers
- Guild of Cheese Graders
- Dairy Industry Skills Partnership (National Skills Academy for Food & Drink)

## **ARLA FOODS**

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Arla Foods UK, the UK's largest dairy company and farmer-owned cooperative, operates a number of schemes aimed at promoting the dairy industry as a career choice, and providing those who wish to enter into the industry with important dairy processing and technology skills. Arla Foods UK invests nearly £2m annually in its apprenticeship schemes.

Arla Foods UK urges the Government to foster a positive legislative environment for the dairy industry in order for it to continue to be an attractive career prospect, despite recent and well-publicised issues in the industry.

The forthcoming Brexit negotiations present an opportunity for the Government to do so. Any restrictions on access to goods, services and labour would have a significant impact on the UK dairy industry and have a detrimental impact on its ability to attract talent into the industry at home and from overseas.

### **Introduction**

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The following document outlines the viewpoint of Arla Foods UK, the farmer-owned cooperative and largest dairy company in the UK, on skills and labour in the dairy industry.

This document addresses the issues pertinent to this inquiry that are specifically applicable to Arla Foods UK, and therefore does not address each point on the call for evidence issued by the Dairy APPG.

### **Background to Arla**

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Arla Foods UK is the UK business group of Arla Foods, a global dairy company and cooperative owned by 12,700 dairy farmers, circa 2,700 of whom are British.

As well as being a leading supplier of fresh milk, Arla Foods UK is the number one in butter, spreads and cream, and also the UK's largest cheese manufacturer.

Arla's UK business has a team of approximately 3,000 colleagues located at its 15 sites around the UK. That figure does not include the number of people employed on-farm across the country, by Arla's network of farmer owners.

### **Skills in the dairy industry**

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Arla Foods UK believes that promoting dairy careers, and the skills necessary for them, is a key way to develop a sustainable future for the dairy industry. It does this through its position as chair of the Dairy Industry Skills Committee, and has previously worked with government in the first round of development and implementation of the food and drink manufacturing Trailblazers programme.

Arla Foods UK has also produced a bespoke training programme called Project Eden to encourage skills development in the dairy industry. It invests nearly £2m in apprenticeships and Project Eden each year, and in addition supports the IGD's food science summer school programme, which aims to inspire talented scientists to join the food industry.

Eden participants can study for either a Foundation Degree in Dairy Technology, or a Level 3 Apprenticeship in Dairy Engineering (introduced in 2012). Training is provided part on-site and part in college at the state-of-the-art, £2.7m Reaseheath College. Reaseheath was jointly funded by the National Skills Academy for Food and Drink and the dairy industry.

Arla Foods UK currently offers a variety of apprenticeships across its sites; 35 on the Eden Dairy Engineering course; 11 on Eden Advanced Dairy Technology; 16 on Dairy Industry Skills level 2; 10 on the AGV apprenticeship, and 10 on the Dairy Food Manufacturing excellence apprenticeships.

Arla Foods UK also employs 22 Eden Dairy technology students on its programmes, and has plans to launch a Level 3 Diploma in Team Leading apprenticeship scheme in 2017.

In addition, Arla Foods UK offers a training programme for existing employees called Project Metis, which addresses the need to support the level of understanding of dairy technology among existing staff. Arla Foods UK currently has over 200 employees taking part in the scheme at its Stourton, Taw Valley, Ostwestry and Westbury sites.

### **Government role**

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Arla Foods UK believes that the UK Government has a key role to play in supporting education and skills development in the dairy industry; both through direct legislation encouraging the take-up of apprenticeships and through promoting the dairy industry as a long-term career option through fostering a favourable legislative environment in which the industry can thrive.

### **Brexit: Challenges and opportunities**

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Britain's exit from the European Union could have a significant impact on the UK agriculture industry, as The Great Repeal Bill will give the UK the opportunity to overhaul current EU funding mechanisms as it sees fit. Arla Foods UK has been encouraged by the Government's recent decision to guarantee funding to British farmers under the current mechanism until 2020, and urges it to seek the views of the industry as it develops its plan for the future of UK agriculture.

In December 2016, Arla Foods UK Managing Director, Tomas Pietrangeli, co-signed a letter from the UK's food and farming industries to the Prime Minister, highlighting the importance to the industry of access to EU and non-EU seasonal and permanent labour. Arla Foods UK believes that such access to labour is essential for the continued development of the dairy farming and processing industries.

As a pan-European cooperative, Arla's business model is built on a number of principles including one milk pool and one supply chain. These principles unite the company and access to a capable and affordable work force with the right competencies is critical to Arla and its UK farmers. Any limits imposed on the ability of Arla Foods UK to bring the right people into the UK and vice versa would limit the competitiveness of UK farmers and their companies.

Arla is currently consulting its farmer owners on the impact of Brexit, and will be able to respond more fully on the challenges and opportunities from their farmer owners' perspectives early in 2017.

## COTTESWOLD DAIRY

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We currently employ 360 staff, 60 of which are Europeans (17%). We have two managers (Technical & Laboratory) whom are not British. 60% of our European employees work within the dairy production facility and indications would be that we expect this level to grow in the coming years. Some of the roles within the dairy industry are very manual and hard work and these areas often suffer from retention issues. This causes many challenges with staff turnover as much time is invested in inductions and training. This, to some extent is a challenge with many young people, whom are looking for more sedate roles.

We regularly face many challenges due to the labour markets becoming quite constrained, this would be relevant to the business as a whole and not directly focused on food safety or science roles specific. The industry is rapidly growing, but the level of academic food specific qualifications are limited and I feel (my view) this area is not getting the focus and attention during secondary and further higher education. If indeed it is, there seems to be little uptake given the recruitment CV's I have witnessed in the last 24 months. To try and combat this, we have registered the company as a training centre through the CIEH and delivered their training packages internally. We have developed their general packages to meet our specific needs in order for employees to relate certain general terms and methods and apply them to what our industry is applying.

Business succession planning is critical and something that I'm keen to secure for our company in order to deliver long term sector security and maintain a market leading outlook. Training and personal development has a huge impact role to the business culture and this reflects directly on the quality and service we provide our customers. We work in quite a niche area and training providers are quite limited. This is also further challenged with the release of key employees for significant periods of time, therefore training needs to be short and frequent rather than lengthy periods away from the company.

Our migrant workforce are clearly concerned with anything which might results from the Brexit fall out. As a company we will support these employees in any way we can. Hopefully the government can deploy suitable provisions to allow future European fair trade based on current equivalence models and future access to work forces will not be limited.

## **DAIRY PRO – AHDB DAIRY**

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In December 2014 David Cotton, Chairman of Dairy Pro, professional development scheme, was invited to give evidence on training and skills in the dairy industry to the Dairy APPG that was, at that time, focused on sustainable competitiveness of the dairy industry in the UK.

The evidence within this document provides an overview and update on the Dairy Pro scheme, now fully administered and managed by the Agricultural and Horticultural Development Board (AHDB). An overview of the skills opportunities and programmes AHDB run and are involved with and our work to promote the dairy industry as a career path.

The development of the Dairy Pro registration scheme comes off the back of a feasibility study initially undertaken in early 2011. This was driven by the Agriskills report 'Towards a new Professionalism' published in 2010 and later a request from NFU for DairyCo (now AHDB Dairy) to lead on this project. DairyCo proposed the development and implementation of a formal continuing professional development (CPD) programme for British dairy farmers, dairy farm workers and industry associates which was launched at the Livestock Event 2012.

The scheme enables members to have their own profile to register all events and training attended and skills obtained.

Each event registered with the scheme, be they meetings, conferences, workshops, on-line learning, publication subscription etc. are allocated points based on factors such as their content level (i.e. advanced technical, management and advanced management), duration and participative nature. Member's profiles also show the learning pillars (nutrition, business management, environment, health and welfare, livestock production systems, legislation, grassland management, personal development) each event involves, showing members which topic areas they have addressed during the year and which they have not.

Industry Training Partners register events/training to Dairy Pro via its website. All events registered with the scheme are able to be advertised on the events calendar. The calendar provides a dedicated hub for the dairy industry (farmers and training organisers) to view upcoming open events.

### **What does Dairy Pro offer its members?**

- A formal record of training that is often already being undertaken
- Proof of competence and expertise within the farm business
- Matching of training opportunities to needs
- Proof of farm business' commitment to learning and professionalism to potential new employees
- Evidence to banks, assurance schemes, customers or landlords of professional competence within the farm business
- Proof of skills and abilities to potential employers, especially with 'Dairy Pro Endorsed' status

Since its development Dairy Pro's focus has been on the individual member, for 2017 developments to the scheme will focus on the development of a 'business layer' to the scheme. This will provide further business benefits to the scheme which we hope will include a heightened awareness to Red Tractor and other assurance schemes as well as earned recognition.

### **Dairy Pro Endorsed – the next level**

Once a member achieves 20 points or more within the annual cycle of membership, the member will receive notification that Dairy Pro Endorsed status has been achieved for that year. Each member will need to maintain this level of engagement to retain endorsement status the following year.

As a farmer or manager, Dairy Pro Endorsed tells banks, assurances schemes, customers or landlords that you have a commitment to learning and professionalism within your business. An increasing number of [organisations](#) are now recognising - through earned recognition or other benefits - the advantages of doing business with Dairy Pro Endorsed farmers, managers and workers.

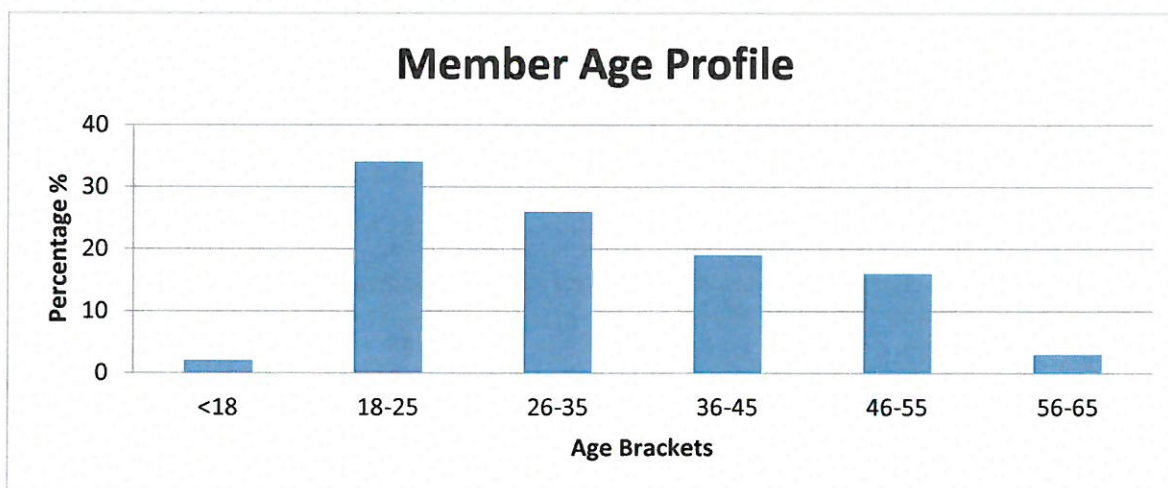
With the schemes membership now exceeding 1400 members and with over 110 training partners UK wide Dairy Pro as a brand is becoming ever more recognisable as a quality standard, to industry companies and farm workers

Red Tractor maintains its recognition of the scheme via the training recommendation in the RT dairy standards.

- **SC.c.1 Recommendation**
- *It is recommended that at least one staff member per site is a member of a scheme that records skills/ development/ training (New)*
- *Active membership to schemes including Dairy Pro, IntSCA or equivalent*

Dairy Pro appears to be one of the few programmes that bucks the farming trend in terms of age demographic with membership profiles showing a reverse of current farmer age trends, indicating that the scheme is attractive to new entrants to the industry.

However, while the trends remain the same the percentage of members in the last 3 categories has increased over the last year.



The number of events registered with Dairy Pro is growing year on year (details below) now with over 110 organisations, companies and training providers registered with the scheme to register events.

Events registered in 2015 - 821

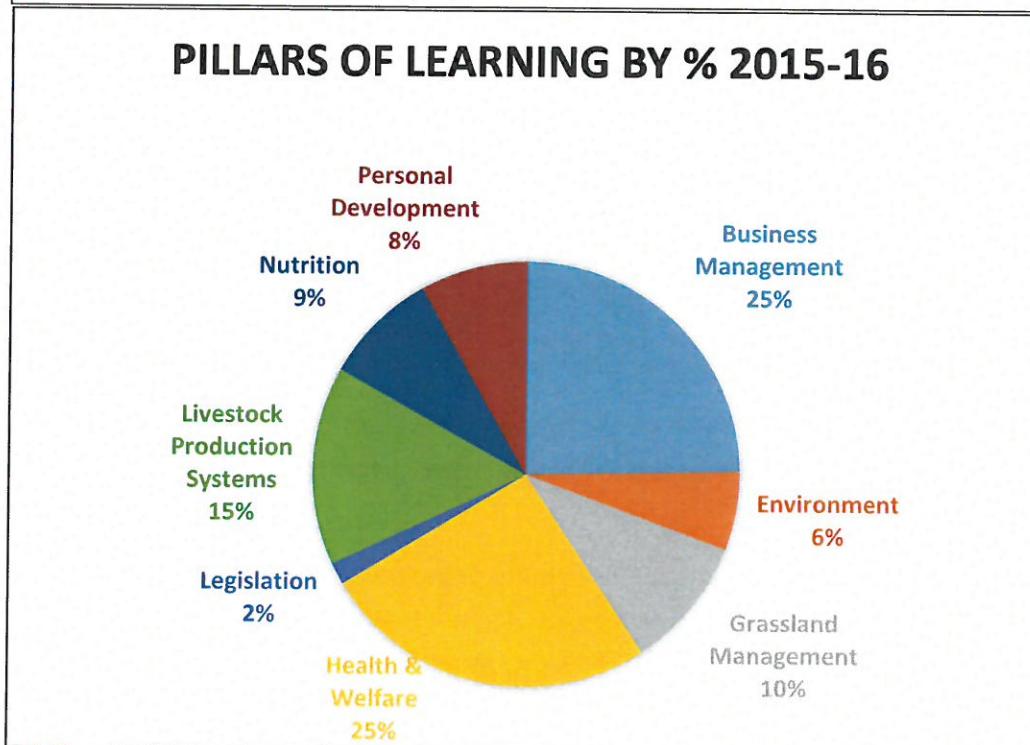
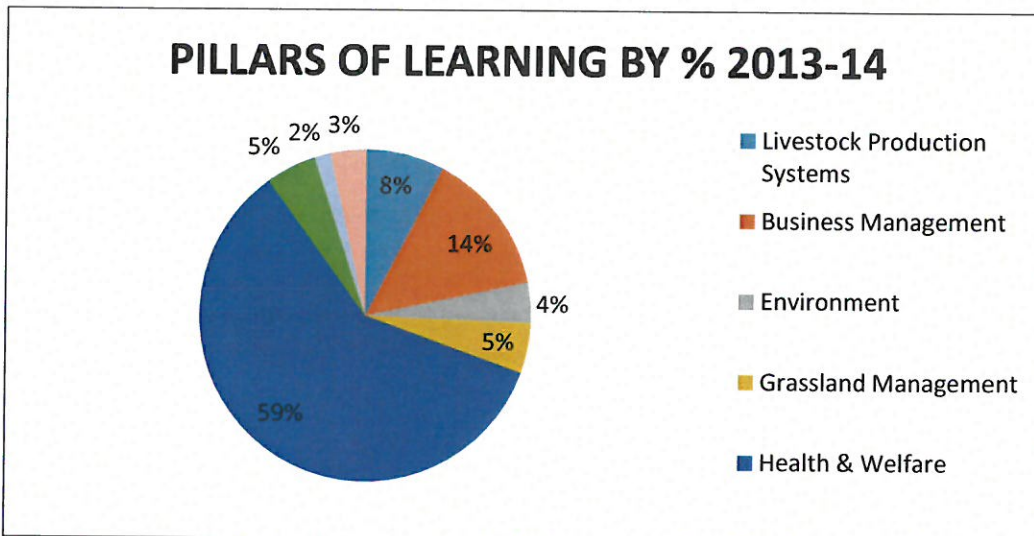
Events registered in 2016 - 1097 (to date 20/12/2016)

The 2 graphs below depict how the Dairy Pro pillars of learning have been allocated to events registered with the scheme between 2013/14 and 2015/16 (to date 20/12/2016), and illustrates nicely how in 2013/14 over 50% of events were linked (wholly or in part) to the health and welfare pillar. In 2015/16 events linked to the health and welfare pillar are now 25% of events registered with Dairy

Pro and this is mainly due to an increase of events now linked to all other learning pillars, with the exception of legislation which remains at 2%.

It should be noted that RDPE funding during 2013/14 had a high focus on health and welfare and this could have played a part in the high percentage of events linked to the health and welfare pillar during this period.

It is also important to note that the number of events linked to health and welfare have not decreased significantly in 2015/16 but events linked to the other learning pillars have increased significantly by number during this time.



#### AHDB Dairy delivery

While knowledge and skills development occurs across all of AHDB Dairy's teams (R&D, MarComms and Extension), knowledge transfer is focused through the Knowledge Extension team

A variety of 'face to face' approaches are used to deliver technical and business improvement messages to GB dairy farmers

The structure used reflects the feedback from levy payers via the farmer intention survey and feedback from industry partners.

Effective delivery of extension services requires cross team, cross sector and cross industry working.

- **Discussion groups** - primary delivery mechanism, founded on skilled facilitation enabling the sharing and development of best practice across the farmers in the group. Key activity/topics determined by farmer members, input from all attendees is key with the host farmer providing a more detailed discussion on the meeting focus
- **Open/ Impact meetings** - a pre-determined individual or series of meetings with a technical approach and input from a recognised technical expert sharing best practice and latest research on the topic in question.
- **Third party sponsored events** – AHDB Dairy's involvement can vary from providing technical resource/speaker input to facilitation of the event.
- **First time farmer interactions** - dairy farmers that have not attended an AHDB Dairy event in the previous three years

Meetings utilise the skills and expertise of technical experts from within AHDB Dairy and the wider research partnership, complimented by bought in expertise from commercial consultants and other organisation.

All meetings and farmer contact encourages the uptake of technical and business resources.

With well-established international links performance benchmarking is available to compare delivery methods to organisations such as Teagasc (NI), Dairy Australia and Dairy NZ.

### **Research backup**

Using 119 dairy farmers engaged with discussion groups and 75 other Milkbench+ (AHDB dairy farmer benchmarking service) farmers who are not members or engaged with a discussion group.

In the data collected for 2012/2013 discussion group members saw a 4-5% decrease in the average total cost of production (p/l) in comparison to individual users.

The discussion group members were also 10x better off when we looked at average net margin compared to individual users.

At the beginning of this year AHDB launched its Skills Strategy which outlines its focus in the skills area for five years. Year one has focused on:

- Identifying the key labour market KPIs to monitor progress
- Determining demand
- Address specialist skills shortages
- Support external groups to improve their delivery
- Development of the trailblazer apprenticeship standards
- Breaking down the barriers and myths around skills investment i.e. run a professional manager development scheme
- Identify/ Influence funding programmes



Along with these key areas has been the development and delivery of the Professional Management Development Scheme (PMDS), now in its second year as a cross sector offering. PMDS recruits 12 people from across 5 sectors via a thorough application process, the training programme is delivered over 15 months with each delegate committing to 22 days out of business + 2 days/ month coursework.

PMDS has resulted in thousands of pounds worth of improvements to businesses and a network of farmers/growers with close links to AHDB and skills development.

### **Continuing Education**

AHDB are working to improve the image of dairy farming generally with the general public. This in turn can help to engage 'new entrants' into the industry. This is done by:

- Targeted communication campaigns
- Continuous research
- Educating
- Influencing the influencers e.g.: teacher training
- Working in partnership across the industry

#DiscoverDairy is our consumer facing campaign to help engage, interest and educate about modern dairy farming

#DiscoverDairy Includes case study examples of dairy farming jobs, a careers section with links to other useful organisations e.g.: Lantra, Bright Crop and a working in dairy farming section which highlights some of the many roles we have across the industry.

Our education programme covers ages 5 -19yrs, using cross curricular materials that can be used to deliver core subjects such as maths, English and science ensuring regular use, promoted via 3<sup>rd</sup> party network groups e.g.; FACE, Food a Fact of Life, LEAF etc.

In partnership with FACE, we run a number of teacher training courses helping to educate newly qualified teachers that will also have a responsibility to provide careers advice in the future

Our research shows that dairy farmers are one of the most trusted sources to find out more about dairy farming therefore AHDB Dairy helps to build farmer confidence by providing relevant tools and advice as to how to engage and communicate with consumers of all ages

By getting clear messages across to young people about what our industry offers in a fun and informative way we have every opportunity to enthuse them and have dairy farming as a potential career option from a young age.

An example of this is BNF's food –a fact of life education website, an independent, trusted and recognised route and teacher focused DVD's highlighting the benefits and value of taking children onto dairy farms to learn outside the classroom.

AHDB remains committed to promoting the dairy industry as an attractive career pathway via both college specific and industry run career fairs and events. With its own dedicated industry skills team AHDB has increased its ability to develop further skills programmes, lead in areas as necessary and compliment industry when required.

## SOCIETY OF DAIRY TECHNOLOGY

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The UK Dairy Industry offers a vast array of jobs, careers and fantastic products within a quality arena second to none in the World. Our reputation is excellent. We produce some fantastic, innovative and value for money products from a dairy farming base of 1.8 million dairy cows supplying 400 processors and a plethora of first class retailers. Of the 400 processors, just 8 process 69% of the UK's 13.5bn litres of raw milk. The UK dairy industry must be considered as one supply chain from grassland management and animal husbandry and the milking process all the way through to retail sale. It makes little or no sense to break the links between this often-short time supply chain. Milk once collected must be processed in good order by a fully articulate and competent team within the supply chain. Competence is defined by the mnemonic, TEAK; Training, Experience, Ability and Knowledge.

All parts of the Dairy supply chain must have appropriate skills development which leads to competency and adds to the competitive 'edge' of good quality products which can satisfy national and international standards and sales requirements. This paper concentrates on the dairy processing section of the supply chain.

### Background to Skills

Up until the mid-nineteenth century the interests of farms and dairy processing units were primarily 'local'. Each village/town would largely produce its own products for local consumption. The industrial revolution saw an increase in urban populations. Milk and dairy products would now need to 'survive' a journey, often on railways to begin with but then increasingly by road. We saw the demise of smaller dairies and the formation of the Milk Marketing Boards in the 1930s. Local agricultural colleges would have developed young people into the dairy industry with several qualifications but would have been relatively 'local'. These colleges have all but disappeared as the industry moved to a generalised view of 'Food Technology'. With automation and mechanisation there was a thought, which led to practice, that specialist food sector skills would no longer be required. The last formal level 3 dairy qualification was abandoned in 1979, meaning that the last vocationally competent student finished formal learning in dairy technology in 1982 and they would be 55 years old now if they remained in the industry. The Industry recognised this in 2008 and kick started a level 4 programme in dairy technology to try to bridge the 35-year skills gap. There is now a Dairy Skills NVQ programme with a relatively poor uptake and the National Occupational Standards (NOS) are currently being rewritten.

Similarly, university courses in dairy science were replaced during the 1960s by those based on food science and technology. Thus dairy companies had to compete with the whole of the food industry for suitable graduates.

### About the Society of Dairy Technology

Founded in 1943, the Society of Dairy Technology (SDT) is at the forefront of the dairy and food industries. The Society is the recognised professional body fostering scientific and technological developments in the dairy industries of the United Kingdom and the Republic of Ireland. Whilst its many members are predominantly from these two countries, it also has wider international representation through overseas members drawn from other EU countries and further afield. ***Our purpose is to advance professional development and recognition through knowledge transfer and networking.***

The Society enables members to develop their professional knowledge by a number of ways, including offering symposia, access to the *International Journal of Dairy Technology*, other technical publications and discounts on our own Technical Series of dairy books. We are currently developing a CPD recording system for our members. The Society was also a founding member of the steering group for the Eden level 4 course and has had a long dialogue with AEDIL, the European Dairy Group.

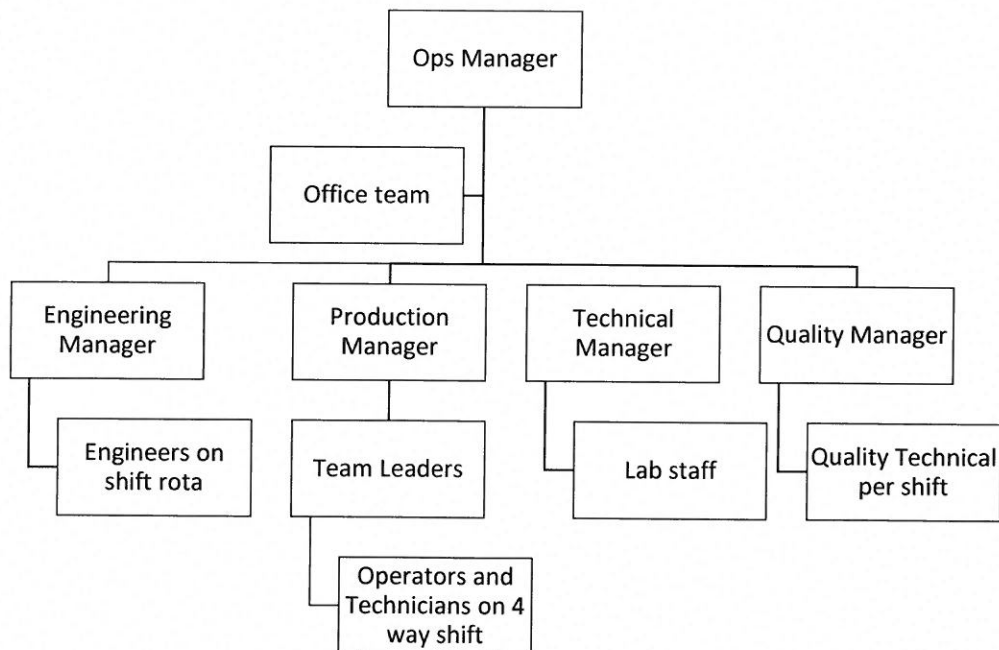
Furthermore, we try to encourage students to achieve their goals by awarding a number of prizes, including the Dairy Technology Student of the Year and prizes to students at Reaseheath College and CAFRE, Loughry.

### **Skills and opportunities in dairy processing.**

Most large dairy processors are structured similarly, with a head office with centralised functions: Marketing, Supply, Technical, Finance, Operational and HR etc. Sites belonging to large multi-site dairies are lean on management as they utilise the corporate central functions. Dairy Skills at this level are generally poor.

Single site dairies possess similar functions to the multi-site but are more localised and based on family ownership. Dairy skills are generally poor unless the family member has received some training at a college or that handed down through the generations.

In both cases (small and large operations) the operational teams that produce dairy products are structured in a similar manner, running a mixture of shift patterns to suite the market demand; often 4 days, 4 nights, 4 days off. A general structure LESS functional managers is shown in Figure 1.



*Figure 1: Typical management structure in the UK dairy industry*

### **The Issue**

There is plenty of scope for promotion for suitably dairy skilled staff. However, there are insufficient numbers to meet demand at all levels. Often people are employed on behavioural and general food industry working practice. This extends across:

1. Engineering
2. Production
3. Technical
4. Quality

This skills gap is 35 years in the making and partially resolved with just two vocational Dairy Courses:

1. Level 2 dairy skills (NVQ path)
2. Level 4/5 Dairy Technology (Eden) – now a modern apprenticeship

The limited dairy technology education provision available in the UK is shown in Table 1.

Level	Dairy Provision	Notes
8	Specialised research leading to a PhD/DPhil	UK and EU universities but not necessarily accompanied by a broad dairy science base.
7	Limited to additional modules in 'food' generalized MSc	Best is in Europe – University College Cork and Copenhagen University
6	Top up using 'food' generalist degrees	Many universities offer some provision but do not have the lecturers or equipment to broadly reinforce dairy learning
5	Apprenticeship in Dairy Technology year 2	Eden (Formally Foundation Degree)
4	Apprenticeship in Dairy Technology year 1	Eden (Formally Foundation Degree)
3	No Provision	
2	NVQ Dairy Skills	Vocational only with limited Skills input
1	No Provision	

Table 1: Dairy education availability in UK

Critically there are no courses at level 3. This level is critical as it is where the decision making occurs and waste could be reduced. There are some level 6, 7, and 8 HE courses for top up but little in the way of dairy technical skills. There are level 7 and 8 modules available at University College Cork as a result of a new course launched in September, but nothing of this type in the UK.

The Eden course is yielding 25 young graduates a year into the workforce of 30,000 in the processing trade. Since its inception in 2008 there have been 160 graduates. The majority remain in the industry though they may have moved around the various companies.

Some dairies participated in the L2 dairy NVQ option but there is no way of tracking the learners' success nor whether they remain in the industry. Either way this was a Train to Gain measure over a short period with limited technical inclusion and was more about skills rather than knowledge.

#### How to promote dairy careers

- Ensure there is information available for dairies to distribute locally to schools
- Web presence of career availability
- Industry Boards
- Industry, AHDB Dairy and Dairy UK, SDT to take some national co-ordination role with education suppliers
- Develop the trainers/educators

#### Training & skills development programmes

- Industry Body (via NSAFD) to steer skills requirement (See National Skills Academy for Food and Drink - NSAFD)
- It is vital we have full time modular delivery at Level 3 and 6
- Create a map of careers, including a CPD link using the Society of Dairy Technology (SDT)
- Education Map required to link programmes
- Develop the training estate
- Develop trainers
- Monitor outputs and track

#### Government role

The role of the UK Government in supporting education and skills development in the dairy industry.

- Ensure development funding is available

- Support Dairy UK, Dairy Co, SDT, NSAFD and existing (remaining) education establishments by having an annual report on skills and skilled worker retention.
- Ensure that Awarding bodies concentrate on the niche skill and do not 'water down' the niche skills because the candidate numbers are not as they are in animal care/hairdressing and similar qualifications.
- Ensure that we focus on the importance of EXPORT markets to drive the dairy skills agenda in dairy higher than it is by recognising our dairy products are globally accepted eg Cheese.
- Ensure that we focus skills of the future to include: Engineering, automation and dairy technology
- Develop the overseas market for FE and HE delivery.

### **Brexit challenges & opportunities**

A critical factor in dairy processing is the access to European migrant labour. The industry needs continuance of access to the European workforce throughout the supply chain because many existing dairies have significant amounts of all levels of staff from this cohort. Some are qualified in food technology others are just hard workers and want to succeed. Many technical posts are occupied by European migrants.

### **Case study (Extracted from BIS research "The impacts of migrant workers on UK businesses" 2015)**

*"Where migrants tended to be higher qualified than typical UK workers, they were often more proficient and efficient at their work.*

*A business recruiting for skilled tradespeople and engineers found migrants tended to have degree level qualifications or high NVQ qualifications - a higher level than most UK applicants. Being better qualified to do the job made their work more efficient. "There have been a lot of migrant workers with more hands-on skills. They've often worked on similar projects before. ... There's more migrants with higher qualifications than UK applicants. ... If a machine goes down they're able to fix it straight away, so that means we have less down time."*

*Manager, Manufacturing, Newport, 11-20% migrants, Large Industry*

### **Education exports (incoming foreign students + outgoing UK students)**

The UK is viewed as a centre of excellence in the WHOLE dairy supply chain and we are missing opportunities to have foreign students to learn dairy skills and at the SAME time learn the international business language of ENGLISH. We have exceptional auditing and quality skills. We have trusted awarding bodies. This area needs government backing and to be used as a DTI (UKTI) USP.

### **Case studies / profiles**

#### **Eden Dairy Technologist case study ([www.reaseheath.ac.uk](http://www.reaseheath.ac.uk))**

*Melanie Leloup – Foundation Degree in Dairy Technology, 2015*

A Quality Support Manager with Muller in Bridgwater, Somerset, Melanie was awarded the 'best student' accolade from National Skills Academy for Food and Drink when she graduated from our EDEN programme last year. She has since progressed onto a Compliance Facilitator role with the company's central quality team and is working with Reaseheath to develop the EDEN dairy technology programme.

She also recently completed her Post Graduate Certificate in Dairy Business Management at Harper Adams University.

#### **NSAFD – Case Study (<http://tastycareers.org.uk/news/eden-tech-graduates>)**

Twenty-one trainee dairy technologists reached a significant career milestone last week when they graduated from their unique Eden training programme, delivered by Reaseheath College in Cheshire. The bespoke education initiative is supported by leading companies in the dairy industry such as Müller, Arla, Dairy Crest and Rodda's Dairy, and is aimed at producing world-class staff. The

companies collectively invest over £1 million each year into the development of their trainees and into Reaseheath's International Dairy Academy.

Now in its seventh year and delivered exclusively by Reaseheath, the three year block release course covers relevant topics ranging from dairy chemistry and microbiology to continuous improvement and practical cheesemaking. The technologists graduate with a globally recognised Foundation Degree in Dairy Technology and many go on to complete BSc degrees with further study and progress into management. There are currently 54 trainees on the programme.

Praising the initiative, Adam Brazendale, Business Development Manager for the National Skills Academy for Food & Drink said: "It is great to see how the Eden programme continues to grow and evolve year upon year, with more businesses coming on board. These businesses all understand and see the benefit of investing in future dairy talent. "Eden students have the privilege of learning in a European Dairy Centre of Excellence and Reaseheath College continues to deliver world class training for the sector."

Eden Programmed Leader Kathy Merrett commented: "This year's graduates performed extremely well and have a great future ahead in an exciting and thriving industry. Hopefully they will become ambassadors for the industry and for the programme."

This was the fifth cohort to graduate, with almost half gaining distinctions.

### **Individual awards**

#### *National Skills Academy for Food & Drink – Best Academic Student: Jake Baker*

A Production Manager with Mueller Milk and Ingredients, Jake was singled out as a high achiever with an exemplary understanding of dairy science and the ability to apply this within the workplace. He also helped fellow students to make the most of their academic studies.

#### *Society of Dairy Technology – Best Student Project: Peter Clark*

A Technical Project Analyst with Dairy Crest, Peter started his course as a 'mature' student with little academic experience but has gone on to achieve a Distinction at degree level. The results of his student project, which focussed on monitoring moisture levels in dairy spreads, have improved his company's efficiency of production and are repaying his employers' investment by saving time and money.

#### *Reaseheath Dean's Prize for Excellence: Balazs Szalisznyo*

A Continuous Improvement Facilitator with Muller Milk and Ingredients, Balazs achieved distinctions in 17 of his 20 course modules. He also produced an excellent final year project looking at improvements to milk pasteurisation efficiency. His recommendations have now been implemented by his employer and he is continuing to make a positive impact at his workplace.

### **Conclusion**

There is some provision for educating dairy technologists but only at level 4 as an apprenticeship and this is aimed at deep vocational skills rather than the leaders of tomorrow within the dairy industry (Level 6, 7). There is no provision for dairy team leader level, where they often lack competence and confidence in their job. This leads to waste and loss of confidence in their own abilities and can lead to disillusionment in their work. A better, more co-ordinated dairy education package is required and people of all ages should be encouraged to study dairy technology and follow a career in a vibrant industry.

## **BARBARA HUGHES – DAIRY FARMER**

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Unable to recruit farm workers.

Nobody wants to do the job long hours.

Lack of reliability not turning up.

Personally we've had a nightmare trying to get staff they are just not around.

Farming friends all in the same boat nobody out there any use.

One lasted 4 hrs another 2 days.

No skills we need more manual workers sometimes people from non farming backgrounds pick up the skills from the Farmer just as quick & are very committed.

Perhaps a government scheme where youngsters who love the outdoors but aren't academic could be put on farms to pick the skills up at a young age.

And the Farmer rewarded for taking & training these youngsters it needs to look attractive to get them on board.

Going forward the Farmer needs a sustainable price for his milk to be able to have some spare cash in the pot to improve working conditions & update tired machinery and make a nice happy environment to encourage youngsters to Join this profession otherwise we will see a huge demise in Dairy in the UK.

## NATIONAL FARMERS UNION

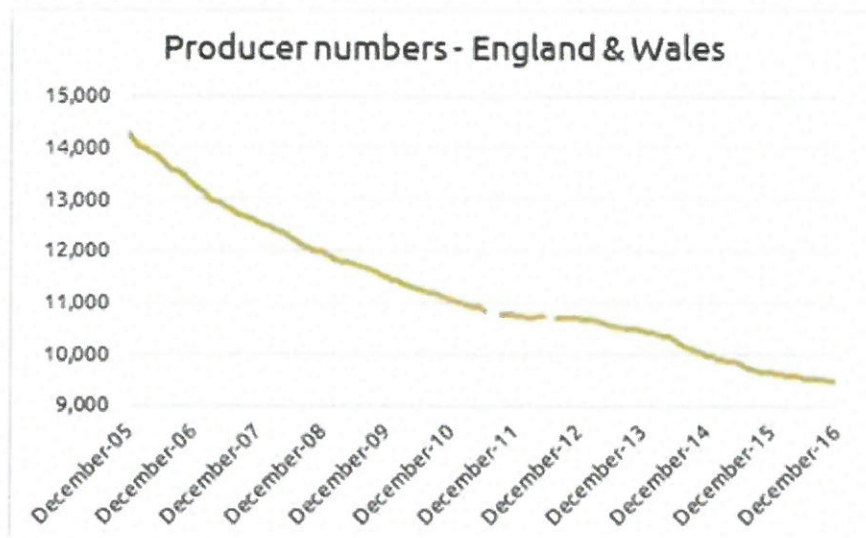
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The NFU represents close to 7,000 farmer and grower members in England and Wales with an interest in dairy farming. We are pleased to respond to this Dairy All Party Parliamentary Group inquiry on skills and labour in the dairy sector.

The NFU believes a skilled and professional workforce is vital for a thriving, competitive and confident dairy sector. However, the outcome of the recent EU referendum, current exchange rates and the impact of a long, deep market downturn has led to a number of immediate challenges in recruiting high quality and skilled workers in the UK. This inquiry by the All Party Parliamentary group on dairy is therefore timely.

Our response sets out NFU activity in the areas the inquiry is focusing on, and also puts forward a number of recommendations where we believe further action is required. Before we look at the areas put forward by the APPG we will present background information on dairy farms in England and Wales, to provide some context.

According to AHDB Dairy as of December 2016 there were 9,490 dairy farms registered in England and Wales, with an average herd size of 144 cows. There has been a continual decrease in dairy farm numbers and a corresponding increase in herd and farm size.



Source: AHDB Dairy

While there are no official figures for the number of people working in the sector on farm, it is thought that a labour unit would be needed for every 50-100 cows. It would therefore be a fair estimate to suggest that at least 19,000 people work in the sector. It is widely accepted that the majority of this would be family labour. However anecdotal information indicates that of this total figure, 5,000 – 7,000 could be paid workers in the industry. A common feature of all dairy business units is that time away from the farm is increasingly valuable as business pressures build – this suggests that training opportunities must deliver value to participants.

It is important to note the geographic spread of dairy farms in England and Wales with around 30% of farms located in the South West region, 20% in the North West and 20% located in Wales. This will have implications for accessing training provision and can lead to different geographical requirements for dairy labour and the corresponding skills development needs.



There are a variety of roles on-farm in the dairy sector where labour would be required, some of which are depicted in the table below. These roles progress from trainee development roles to specialist farm directors and dairy consultants

Trainee		Skilled	Supervisory	Management	Specialist
Assistant Person	Herd	Calf Rearer	Farm Secretary	Technical adviser	Farm Director
		Relief Milker	Contract Rearer	Farm Manager	Dairy Consultant
Trainee Worker	Farm	Unit Manager	Assistant Herd/ Farm Manager	Herd Manager	
		Herdsperson	Manager		
		Head Herdsperson	Livestock Technician		
		Farm Worker			

### ***Skills and Opportunities in dairy farming***

To address the future challenges and current pressures that the sector faces the development of people working in the dairy industry and the need to attract new entrants must be a high priority across the sector, for it to be productive and competitive.

Increasing herd and farm size, has led to an increased need to move away from a solely family farm unit to employing staff. We expect this to continue to be the case going forward, resulting in an increased need for business management and leadership skills alongside wider technical knowledge. The reality is that as the sector increasingly implements new technologies and new techniques there will also be a need for a greater proportion of the workforce to have higher level skills. Broader business skills may also be needed following Brexit to help adapt to any new or changed regulations.

Therefore, there will be a need to ensure the dairy industry develops and upskills its existing workforce while attracting and retaining dynamic, driven and high quality staff capable of making the industry a future success.

It is important to emphasise that dairy farms have specific time constraints, which the organisation of courses and training must take into account to allow dairy farmers and farm workers to attend.

In order to help address skills and training issues across the farming sector, and promote the importance of continued learning the NFU is a founding, and key member, of the AgriSkills Forum (ASF). The ASF was created in 2009, to promote and encourage skills development and professionalism in agriculture and to challenge other organisations to deliver against the AgriSkills vision for a skilled and professional industry.

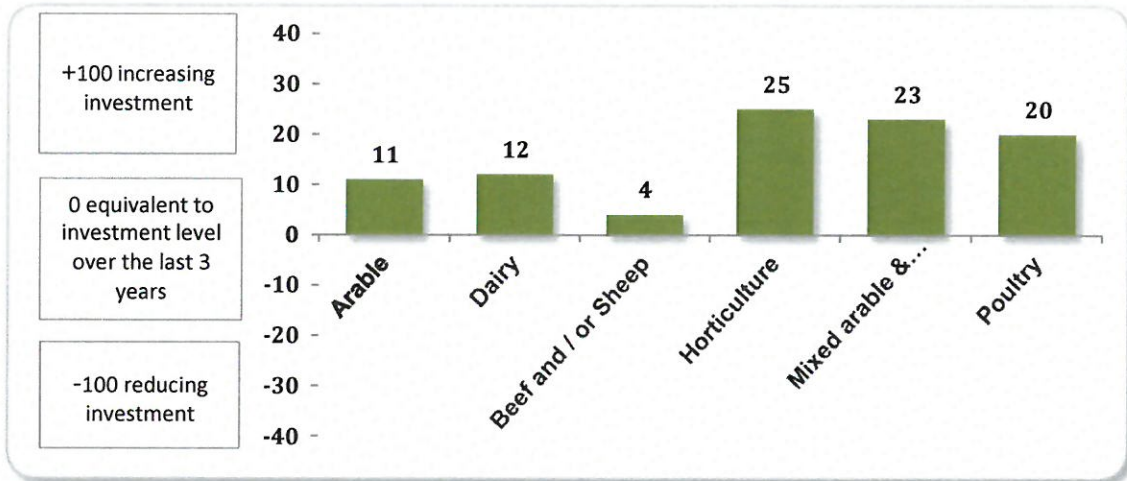
The ASF vision, outlined in the 2010 strategy document 'Towards a New Professionalism' was and remains:

- A profitable and sustainable industry fully capable of meeting the demands and challenges of agriculture and land management in the 21st.
- Delivered by a world class, competent, innovative and professional workforce whose professionalism is recognised and rewarded
- Where skills development is fundamental and integral to all businesses
- And an industry that is seen as a career of choice
- Where the significance of farming and land management are recognised and valued by society

A key message of the forum, which the NFU continues to promote to its membership, is in order to ensure there is a professional workforce, farm businesses must view skills development as an investment that is central to improving business performance, competitiveness and sustainability,

rather than a compliance cost.

It is therefore encouraging to note that in this year's NFU Farmer Confidence Survey investment intentions in skills and training has increased in the dairy sector. This is shown in the table below.



The training landscape has always been a complex and confusing one for agricultural businesses to understand with regards to training provision and training providers, professional recognition, qualifications, qualification levels, CPD schemes and funding. There is concern that this landscape could be further complicated through a range of different industry initiatives and networks that make it difficult for farmers to identify what training is needed and where it can be accessed. Without a guide to employer expectations on training, or a user friendly structure for identifying relevant and required training there is little direction or support for developing staff. This can be a challenge across the spectrum of farm businesses but will have a bigger impact on those businesses without human resource facilities, which would include a significant proportion of dairy farms.

A priority area being discussed within the ASF, and a firm recommendation of the Agri-Tech leadership council, is the concept of developing a professional training framework for agriculture (*working title 'AgriSkills Progress'*) to help embed professionalism across the industry and integrate skills development into everyday business. This framework has been described as a 'tool kit for business and people management' for use across the business.

The NFU has expressed some concerns should this foster a farm business elite, rather than create an inclusive framework assisting all businesses to access training best suited to their needs. With this in mind we believe that any framework developed must remain voluntary to ensure that staff investment is seen as a business benefit rather than a 'cost and compliance issue'. However we do recognise that this concept has the potential to stimulate investment in business and technical training. **We believe to help progress this there must be industry wide consultation and we would support the framework being piloted or trailed in the dairy sector.**

Another workstream the ASF is currently involved with is the development of new apprenticeship standards in the agricultural industry under the Apprenticeship Trailblazer initiative. This includes a Level 2 Livestock Stockperson standard with one route aimed at the dairy sector.

With apprenticeship starts over the past five years averaging 1,020 across the agricultural industry, the NFU believes that apprenticeships are an important and integral part of any skills framework, but they are only a small part of the overall needs within agriculture and livestock sectors. Further

evidence shows that the industry uses and needs a variety of entry routes at all levels. **We therefore believe that Government's continued focus on apprenticeships is in danger of overshadowing and undervaluing other areas of training, such as vocational and academic routes into the agricultural industry.**

However, the NFU has been keen to support the Trailblazer process to ensure that agricultural sectors and employers have a fit-for-purpose apprenticeship programme and new entrants a viable entry route into the industry. We have been involved, alongside other organisations and employers, in developing the livestock standard and have asked NFU dairy members to respond to consultations on the skills, knowledge and behaviours required for the role. **We believe the trailblazer process offers a valuable opportunity to change perception and promote the uptake of apprenticeships and would recommend that all organisations across the sector help to promote the trailblazer standard when it is available.**

### ***Training and Skills Development Programmes***

There is currently a wide range of training initiatives open to dairy farmers. Some examples include:

Harper Adams recently launched 'Access to agriculture' course to help those with a non-farming background gain initial experience.

LKL's Dairy Management Academy is a training programme towards herd management and includes a 2 year classroom and farm based learning programme. Each module, designed to provide the tools needed to run a modern dairy farm, lasts two days and includes the following topics: nutrition, staff management, herd health, fertility, and expansion planning.

Dairy Pro, managed by AHDB, allows dairy farmers and their staff to record any training completed from formal courses right through to farm visits. Courses are allocated points depending on their content and scheme members are required to collect a specific number of points per year to continue their membership.

Advanced Training Partnerships. The aim of ATP-Pasture is to provide access to cutting edge research findings and give clear overviews of topics relevant to pasture-based agriculture. The training comprises postgraduate distance learning modules which can be built towards a range of postgraduate qualifications.

NFU Dairy Development Group. The programme offers an exclusive insight into the supply chain, industry organisations and influencing policy. With a focus on innovation and competitiveness, the applicants will get the opportunity to speak directly to major dairy processors, manufacturers and retailers. At the heart of the programme is business networking. The group will also be given media and presentation skills training, to represent their sector in a positive and professional way.

Farming Connect in Wales offers subsidised short accredited training courses to help farmers meet their business objectives.

The NFU further helps promote courses and skills development training programmes on a regional basis, including dairy specific courses, through its Monthly Skills Round-up newsletter. This is sent to around 28,500 members each month and has been well received.

The NFU believes that business management and leadership skills are crucial to taking dairy businesses forward and improving performance to achieve a professional and efficient workforce. This training

and development will enable employers to develop their workforce, increase productivity, and provide greater flexibility in responding to changing priorities. **We need to see this type of training tailored towards farm businesses and embedded into industry training programmes. We want to ensure that this training is easily accessible and affordable for farm businesses. We have long maintained that this should be central in any skills and training offered through the RDPE funded Countryside Productivity Skills programme.**

Without an increased focus on leadership skills the potential of technical training, innovation and staff across the sector will never be fully realised.

### ***How to promote dairy careers***

The industry faces a number of challenges when attracting the right number and quality of new entrants. Some of these challenges relate to the perception of farming as being low skilled, low paid with a lack of career progression opportunities and being hard physical labour in all weathers. With agricultural profitability currently low due to volatile markets there is also the case that many may seek employment in other industries that have better prospects and are more rewarding. Other considerations include the rural location of farm businesses and cost of rural housing. Very often it is the interplay of these factors that determines whether or not individuals choose to work in farming and the dairy sector.

The NFU believes there are a number of things that can be done to help attract potential new recruits.

A greater understanding of the range of opportunities in the sector would help dispel the myths that farming is low-paid and low-skilled. **The NFU believes that more could be done in schools and careers services to promote farming as an aspirational career choice, and to make better links between STEM subjects and their applications in farming.**

**We would encourage strengthened relationships between employers and educational establishments to help further change this perception and help provide further guidance on the range of career opportunities.** There should also be increased opportunities for employers to engage with the future workforce through offering short-term work experience or work placements and traineeships. Vocational programmes and work experience are valuable learning opportunities and an important part of the education provision for young people. The Government's Post 16 skills plan identifies the need to attract talent and identifies Agriculture, Environmental and Animal Care as a key vocational route. **The NFU is keen to engage with this plan as it develops to ensure it offers vocational pathways that are relevant to employers.**

There are a number of careers initiatives and information sources around specific sectors across the industry. **The NFU believes there needs to be stronger linkage between these initiatives and would recommend a national and cohesive approach to the promotion of careers in the sector. The NFU is a supporter of the careers initiative 'Bright Crop' and we believe that other industry careers campaigns should be co-ordinated around this initiative.** This initiative should help to inform and inspire young people about careers in the dairy sector, and produce clear career frameworks that show progression.

It is also important as people enter the industry that they are encouraged to undertake professional development to help them progress in their careers. Continued emphasis on lifelong learning and development will help to attract new entrants and retain skills within the industry. The agricultural industry has put significant effort in working towards this goal with the launch of training and professional development schemes across different sectors. This has been seen in the dairy industry

with Dairy Pro. This has enabled workers across the sector to participate in relevant, demand led training, recognising their experience and building on their practical skills.

The NFU continues to participate in a number of activities to promote dairy sector careers. This includes participation in IGD's Feeding Britain's Future which encourages businesses to open their doors to local unemployed young people to showcase the industry and provide an insight into careers within the food industry. The NFU is also a key sponsor of Open Farm Sunday which is a successful initiative increasing public awareness of farming.

The NFU also publishes a Student Farmer magazine three times a year. This is circulated free to all young farmers' cubs and agricultural colleges in England and Wales. It is also freely available on NFU Online and provides information on careers and progression within the industry. It has a current circulation of 13,000.

### **Government Role**

#### ***Role of the UK Government in supporting education and skills development in the dairy industry***

In terms of the role of the UK Government in supporting education and skills development in the dairy industry there are a number of things the NFU believe that it can do to help improve productivity and competitiveness of the sector. Some of these will have renewed emphasis following the decision to leave the EU. These are outlined below:

Government has a role in supporting a fair and functioning dairy supply chain, which gives producers confidence and the ability to invest in skills and labour. The NFU has specific asks on market transparency, producer representation and dairy contracts.

Building a workforce with the right mix of skills and talent requires Government to ensure young people are able to make the transition from leaving the school system into employment by being equipped with core literacy, numeracy, and employability skills required for any role. Vocational education and work experience are valuable in building a future, reliable and flexible workforce and Government must work with employers in the industry to develop the Government 16-19 skills plan so that vocational qualifications and courses are relevant to the industry and appealing to young people.

This is also now more urgent following the referendum decision with a long term need to ensure that educational establishments promote and provide the relevant technical skills needed for the industry.

Access to a flexible, skilled workforce is imperative if farming is to succeed post-Brexit. The NFU ran a consultation immediately following the referendum decision. In the responses to this consultation NFU members raised serious concerns about labour costs, access to skilled workers and the opportunity offered by mechanisations or robotics to replace labour. A lack of labour will lead to a number of consequences for UK agriculture, the movement of investment and operations out of the UK, and the likelihood of price inflation for consumers. As a result we need to see Government committing to discussion and consultation on controlled access to labour in the medium to long term for the dairy industry.

There is also a role for Government and AHDB to provide investment for, and create the environment for investment in innovation, productive technology, robotics, automation and mechanisation. The NFU also believes there is a role for Government in working with the industry to help promote the

dairy sector as a great place to work and to showcase the number of careers on offer throughout the industry as part of the overall aim of accessing a skilled workforce in the future.

To help deliver a skilled and professional workforce, we believe that Government should commit to working with the industry through effective co-funding of skills development. The industry has already identified the importance of business management and leadership training and believes this should be accessible and affordable to farm businesses through RDPE programmes. We also need Government to recognise that the AgriSkills Forum should continue to be the first point of call on skills issues in the agricultural industry.

With apprenticeships central to Government's current skills policy and manifesto commitments, and with agriculture developing Apprenticeship Trailblazer standards, there are a number of things Government could do to help ensure they are a success within agriculture and in livestock sectors.

We need to see Government recognise agriculture and horticulture apprenticeships as STEM frameworks. Those sectors that have STEM (Science, Technology, Engineering, and Maths) status for their apprenticeships receive a significantly higher level of funding for delivery. The dairy sector will have a need for STEM knowledge and skills and offers a vast and diverse array of STEM learning opportunities. The decision not to grant STEM status to agriculture apprenticeships is inconsistent with the recognition of the Government's Agri-Tech strategy as a STEM activity and there are concerns that the lower funding band for agriculture apprenticeships will impact on delivery and quality.

Government also needs to recognise that fit-for-purpose qualifications still have a crucial role to play in apprenticeships for our industry. Whilst, in part, understanding the Government's aspiration that the apprenticeship be the actual 'qualification' going forward, industry – both employers and apprentices (and their parents) will as a minimum need a period of transition of allowing the inclusion of qualifications that fall outside the current criteria set by Government (license to practice, professional register, hard sift) whilst the new trailblazers provide their credentials.

## **Brexit Challenges and Opportunities**

### ***Migrant Labour in Dairy Farming***

As outlined above an NFU consultation immediately following the referendum decision reaffirmed the importance of access to a flexible, skilled workforce to farming's competitiveness. In the context of Brexit, especially for certain sectors, continued access to non-UK born seasonal and non-seasonal workers is a high priority.

The number of workers needed across the UK food chain for it to remain competitive is significant yet official figures underestimate total non-UK born labour employed on farm, as elsewhere in the economy. Data from the Office of National Statistics (ONS) does not include seasonal workers or those workers in communal accommodation, both of which are characteristics of labour on farms. This is why the NFU is currently in the process of gathering an evidence base on the number of permanent and seasonal workers needed.

There are a number of issues that makes it difficult to recruit sufficient domestic labour: flexibility of location, hours and tolerances of harsher working environments are prominent reasons. But even amongst the EU labour force there is evidence of a growing difficulty in sourcing the labour force farm businesses requires – this means the prospect of sourcing labour from beyond the EU also has to be considered

For the dairy sector we roughly estimate that of the 19,000 people working on dairy farms, around 5-7,000 are paid labour. Anecdotal evidence would suggest that around a third of these would be from Eastern Europe. The 2014 RADB labour survey highlighted that 32% of dairy farms had employed labour from outside the UK within the last five years. The majority of this labour originated from Poland (57%) with the Baltic States (particularly Latvia) also being significant. There were a range of other countries too, including many from outside the EU – mainly the Philippines and New Zealand.

This demonstrates that the dairy sector is particularly reliant on workers from outside the UK. However the impact of Brexit will be felt further than just on-farm as much of the wider dairy supply chain consists of non-UK labour. Figures from the ONS shows that migrant workers are notably important in food manufacture. In 2014 38% of the workforce in food manufacture were migrants, the highest percentage of any sector. Of these, 14% were recent migrants, again the highest for any industry.

There is emerging evidence that some sectors are experiencing shortages of labour following the vote to leave the EU. This has been exacerbated by the magnitude in the fall of the value of sterling and the message that a 'no vote' has sent which makes foreign workers think they are no longer welcome here. While NFU Labour Provider Surveys show the extent to which this is happening in Horticulture sector, the NFU has also received anecdotal feedback that some dairy farms are experiencing a shortfall in labour.

**In order for dairy farmers to be able to continue to access a skilled workforce the NFU has called for the following solutions from Government to provide certainty and confidence to farm business employers on permanent workers:**

**It is essential that Government sends out positive messages to make clear that EU citizens already living and working here should have right of residency post the referendum decision to offer reassurance to individuals and employers.**

**A Government commitment to discussion and consultation on controlled access to labour for the medium to long term.**

**The Agriculture and Horticulture Development Board and Government should provide investment for, and create the environment for investment in, innovation, productive technology, robotics, automation and mechanisation.**

**As securing permanent labour will become ever more critical as we move to leave the EU, the NFU has also urged Government to commission the Migration Advisory Committee to undertake research in the agri-food sector and to make recommendations to Government on this issue.**

### **Case Studies and Profiles**

The NFU carried out a limited survey of members and has summarised the main findings:

**Employment details:** Each farm has a mixture of family and external labour. Staff are found through agencies, local networks and word of mouth. There were a range of responses for time to find staff from weeks to months, depending on position and whether full or part time.

**Labour issues:** The main issues were the difficulty of finding skilled staff, the perception of the roles on farm and getting staff to take responsibility and ownership. The potential loss of European labour was also a concern. Some have a loose relationship with their local colleges through apprenticeship

schemes, but the majority do not have a relationship at all.

**Solutions:** There was an understanding that dairy farmers may need to improve their people management skills and would benefit from support in this. The main theme was the need for a profitable industry to appeal to workers, particularly young people and the need to promote the dairy industry as a rewarding place to work. More could also be done by local colleges to engage young people in farming and better prepare them for work on farm. Migrant labour was highlighted as essential for a number of dairy farm businesses.

### **Phil Latham, Cheshire**

**Employment details:** Farm supports three family members and employs four full time staff on the dairy farm full time. Three other staff are employed full time for farm/equestrian work and one specifically for slurry spreading and hedge trimming work. Employees also include 1 part time farm employee, 1 full time office administrator, 3 part time office staff and 1 part time cleaner for holiday cottages. Staff are sourced through LKL, Twitter and local papers.

**Labour issues:** Lack of local applicants forced the farm to use agents to source employees. The farm successfully recruited Filipino staff who were excellent, well-educated and experienced. Changes to UK Government labour policy (migrant quotas and increased tier 2 and 4 requirements) halted the ease in which non-EU staff are employed.

Farm staff ideally want to find accommodation near the farm - and a lack of local affordable housing (especially in Cheshire) means an increased reliance on caravans for single men rather than homes for families. This in turn leads to a decline in local schools and services.

**Solutions:** Seasonal visas are not a solution, the farm calendar in dairy is 12 months so the benefits of going through your second season, second turn out second grazing plan etc are not going to accrue if the industry relies on seasonal visas. Long term there is a need for increased availability of rural affordable housing.

Situation is far worse than a decade ago. Ideally we' would like to be able to access the graduate Filipino staff again but the decline in UK dairy farm numbers over 10 years and the increased urbanisation of the population both conspire to reduce labour availability. It's a simple supply/demand problem exacerbated by an industry that undersells the opportunity that the industry provides. Unfortunately the characteristics of good dairy people are that they are quite happy to work with animals mainly for the reason that they prefer that than to work with people, ADAS once did some psychographic segmentation work which showed that good dairy people are fairly antisocial tough types and working in large teams is a challenge. Having recruited a number of managers there's a big problem with recruiting people who aren't just herds people looking for the next step up. Managing a team is totally different to managing cows and unfortunately I need both – a great cow person and a good people person with the softer skills and with developed business skills that can manage the team. There aren't many around!

### **Ken Proctor, Norfolk**

**Employment details:** The farm employs 8 staff, four of which are family members. The farm is not based in a traditional dairy heartland and there is no natural source of labour so we employ a lot of eastern European workers through agencies, or through word of mouth with current employees. We have advertised locally for positions in the past but we either get no response whatsoever or those that do turn up rarely last very long – they lack the right work ethic and are not equipped with the



right skills.

**Labour issues:** It is difficult to find young local people to work on the farm. We have had varied results through schemes with the local college. Some college students are keen, others not and often lose interest. The college does not prepare students with the right skills for work on farm and this is something they should be doing.

Losing access to the European labour pool post Brexit would be incredibly damaging to the dairy industry. Sourcing labour has improved over the past 10 years because of our access to European labour. Without a significant upsurge in prices, these two combined would really push us to the edge over staying in dairy. There's only so much robotics can take over and even then you need workers to operate it.

**Solutions:** We must have a continued source of migrant labour. Agriculture also needs to be promoted as a much more important industry to attract young people.

**Tim Gibson, Yorkshire**

**Employment details:** The farm employs 3 full time staff and myself. We find staff through websites (4extra hands) and social media (Farming Forum) etc. It takes 2 to 3 months to find the right person.

**Labour issues:** I fear we will be forced out of milking because we simply cannot get good sound long term staff, even with robots doing the milking. I have lost four key members of staff in the last couple of months, Dairy Engineer, Office Manager, Herd Manager and Farm Foreman. I can get plenty of interest for the office role but barely anything on the farm, other than foreign or young people who simply do not have the experience to manage and run the farm, but are fine for the day to day basic jobs. There are no decent herdsman out there looking, many have gone out yet there is still a massive gap which is even harder to fill in areas such as the North East where there are few dairy farms already, there are even less people who know anything about cows.

Accommodation is an issue, with the cost of living in rural area we have to provide housing to get good people. Even then it's usually the wife or partner that is fussy about the house or accommodation and forces them to move on again.

**Solutions:** I have started to build a new house which will allow me to split the current main dwelling into 2 cottages, to have a better housing on farm but it's coming at a significant cost when the farm cannot stand or support the investment. We have a relationship with our local college but the people I need have to be experienced and management minded not students, we can get and have students but it's the people to run the farm and do the work where the issue lies for me.

## ROYAL ASSOCIATION FOR BRITISH DAIRY FARMERS

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The Royal Association of British Dairy Farmers carried out an independent survey\* in 2016 which concluded that EU-labour was making a significant contribution to dairy farms and that farmers are clearly concerned that Brexit will have a major impact on their future sourcing of skilled EU-labour. The findings mirror those of a similar unique RABDF survey carried out amongst dairy farmers in 2014. The most marked change was the fact 56% of respondents had employed staff from outside the UK in the last five years compared with just 32% in 2014.

- 51% of respondents had experienced difficulty recruiting staff within the last five years.
- 56% of respondents had employed staff from outside the UK in the last five years.
- 93% of dairy farmers said that the use of EU-labour had been a successful option for their farm.
- 50% of these workers were highly skilled or mainly highly skilled in dairy ie they were able to do most of the jobs on a dairy farm.
- 85% came from Poland, 23% from Romania.
- 83% of respondents indicated willingness to work was the reason why they employed EU-labour.
- 63% of respondents said they employed EU-labour due to insufficient UK staff available.
- 60% of respondents indicated they expected their EU staff to remain for three or more years. Very few regarded them as transient or temporary.
- Brexit and its impact on dairy units: 62% of respondents were concerned it would affect their ability to employ EU-labour; 42% anticipated that retaining existing migrant labour would be an issue; 58% were concerned about their unit's financial viability due to labour shortage.

*\* The RABDF EU-labour survey 2016 featured 160 producers of which 67% had more than 200 cows*

### **RABDF 2014 EU-labour survey findings**

The Association carried out an independent survey\*\* in 2014 which concluded that EU-labour was making a significant contribution to the dairy sector

- 40% of the respondents had encountered staff recruitment issues in the last five years, the reasons commonly given amounted to difficulty in finding quality, skilled workers.
- 32% of the respondents employed labour from outside the UK
- 93% agreed it had been a very successful option.
- 57% of employees were from Poland, with a significant number from the Baltic States, in particular Latvia.
- 62% of farmers employing EU-labour said there was insufficient UK-labour available, however there were also question marks about value for money whilst some had special attributes – RABDF is aware that many Central and Eastern Europe citizens are highly qualified and therefore provide excellent head herdsman.
- 94% of respondents said willingness to work took priority for when seeking a new member of staff followed by being a team player, and having technical and appropriate communication skills.
- 56% of farmers indicated they expected their EU-labour force to stay for two years or more; very few regarded them as transient or temporary.
- 60% of the EU-labour had been recruited directly, very often through word of mouth. On certain farms it had almost become part of a family tradition for the out-going person to find a new person from their home country.
- 30% of the EU-labour was sourced from a specialist dairy labour agency, whilst very few were sourced via the Seasonal Agricultural Workers Scheme (SAWS) which ceased to operate in 2013.
- Recruiting direct was rated as easy by 58% of farmers, whilst 37% felt it was satisfactory but would consider alternatives.

*\*\* The RABDF EU-labour survey 2014 featured 250 producers of which 52% had more 200 cows.*

## GUILD OF CHEESE GRADERS

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Cheese grading is a vital part of the supply chain and not an automated task. It is one which requires product assessments to be undertaken by knowledgeable and trained people. I wanted to ensure that the members of the Dairy APPG are aware that cheese grader training is taken very seriously despite an apparent lack of independent trainers.

I am a cheese grader with over thirty years' experience which has included creating and presenting training courses for cheese graders, retail technologists and buyers. I also conceived, wrote and presented the Level 4 Certificate in Cheese Grading for Harper Adams University. This was available in 2012 and 2013 and achieved a total of nine graduates.

Subsequently, there was a distinct lack of third-party training opportunities and initiatives. To try to remedy this situation, I launched the Guild of Cheese Graders in March 2015 with the first Enrolment Seminar four months later. I have now enrolled fifty-five members from a wide cross-section of the industry. This indicates to me that there is quite obviously a demand for this type of forum. Many of the members and their employers have very kindly permitted me to display their logos on the Guild's website. These range from sole-traders and family businesses to supermarkets and multi-nationals.

Membership is achieved by attending a two-day Enrolment Seminar and is valid for two years with subsequent biennial Membership Renewal Seminars. The Seminar content is very varied, but we do spend a lot of time comparing and contrasting, in detail, cheddars and UK Territorial varieties. Our recent discussions have included the potential effects of changes to manual handling regulations on the visual and physical attributes of some UK varieties, also the effect of Brexit on UK products which have PDO and PGI status and what the UK government could or should do about this.

The Seminar content has been designed to be included in Continuing Professional Development programmes. The Sensory section of the Seminars is suitable to help in compliance with particular sensory sections of British Retail Consortium Global Standard for Food Safety Issue 7.

I believe that the Enrolment Seminar has the best standard of short course available and the Guild is offering the industry something new and unique.

I'm sure you will understand that creating the Guild has been a challenge with all costs met by my wife and me, but it is starting to be recognised for its potential benefits to the industry. Any support the Dairy APPG could lend would be very gratefully appreciated.

## DAIRY INDUSTRY SKILLS PARTNERSHIP

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This submission is made by the Dairy Industry Skills Partnership (DISP). The Dairy Industry Skills Partnership is the industry leadership forum on skills and is open to any company from within the dairy processing sector which includes Arla, Muller, Firstmilk and Dairy Crest. It is facilitated by the National Skills Academy for Food and Drink and is currently chaired by Chris Bradley, Manufacturing Director Muller Milk and Ingredients with Vice Chair Kingsley Ajerio, from Arla Foods. There are Industry Skills Partnerships working across the food and drink industry.

The dairy industry is part of the UK's largest manufacturing industry, food and drink. The food and drink industry contributes 50% greater GVA than aerospace and automotive combined and employs four times more people than aerospace and over twice as many as automotive. Yet as a sector it appears to be relatively poorly understood by consumers, prospective employees and sometimes by government. It is a sector that offers strong employment opportunities with a need for 107,000 new entrants over the next 10 years but suffers a range of skills challenges that constrain productivity. With 38% of the workforce currently born overseas Brexit remains a serious threat to its ability to access the staff it needs.

This submission focuses on the key dairy related skills issues- dairy accounts for 22,000 employees and is important to all parts of the UK.

### **1. What are the skills needs of the industry?**

The dairy processing sector, like many other sectors within the food industry has suffered from a shortage of technical skills in a number of key areas.

- Dairy Technology – The development of dairy specific technical skills at all levels of the industry that underpin not just innovation but process capability. These skills include knowledge and understanding of scientific principles including microbiology, dairy chemistry which are the basis to delivering product innovation and critically food safety.
- Engineering- In an increasingly automated industry, there is need for engineering and plant maintenance skills to enable efficient operations, reliable and optimised equipment utilisation in order to boost high levels of productivity.

In addition there are a range of other skills that are vital to competitiveness

- Continuous Improvement skills – These build on technical knowledge so that our people can identify root causes, and lead and participate in change management to improve efficiency and operations
- Supply Chain management – These skills ensure the integrity of the supply chain, efficiency of production and minimise carbon footprint, wastage etc.
- Leadership & management – A need across the board given the complexity and pace of change in the sector

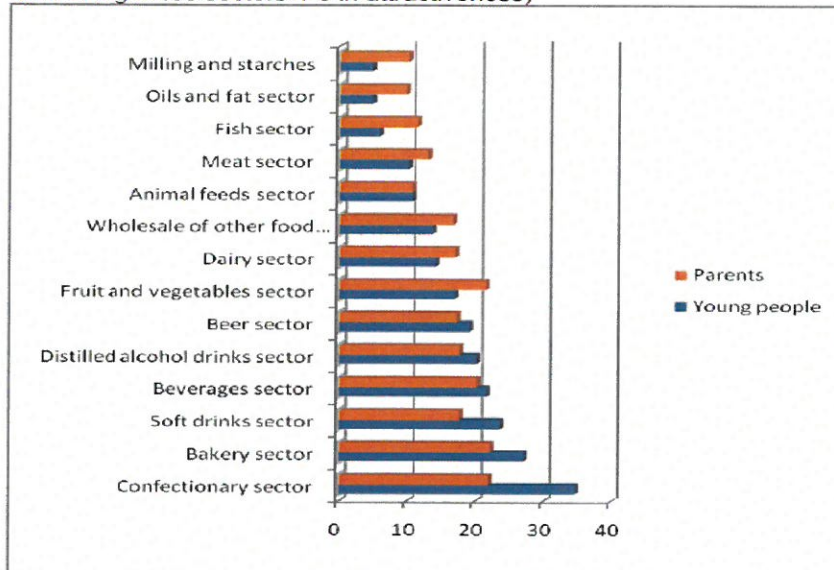
With the increasing adoption of automation the requirement for these skills will grow at a time when STEM skills are in short supply. In addition food and drink industry statistics show that whilst overall numbers employed in the industry will decline, the remaining jobs will require increasingly higher level skills and there will be a need to replace a rapidly ageing workforce. The ageing workforce takes with it a huge degree of technical and product knowledge and experience that are not easily or quickly replaced.

### **2. Industry Attraction**

There are significant challenges for the industry in terms of attracting people into the industry, at all levels and ages. In general the food manufacturing industry is not seen as an attractive industry and

struggles to compete against other industries. Young people in particular do not see the dairy sector as attractive with only around 13% saying they think it is attractive.

Chart 5: Popularity of food manufacturing sub-sectors among young people and parents (% of total rating these sectors 4-5 in attractiveness)



Source: National Skills Academy for Food and Drink 2012. Research into Young People’s attitudes to the Food and Drink industry

### 3. Overseas workers

In line with many other parts of the food industry the dairy sector has around 1/5<sup>th</sup> of the workforce being born overseas. Whilst this is below the food industry average (38%) it is nevertheless important given the Brexit discussions.

## Manufacture of food products was the sector with the highest share of foreign-born labour in 2015

In 2015 the industry with the highest share of foreign-born workers in its workforce was food products manufacturing, where about 41% of the workforce was foreign-born (see Table 2). The sector with the second highest share of foreign-born workers was manufacturing of wearing apparel (34%) followed by domestic personnel (31%).

Table 2 shows that recent migrants concentrate in low-skilled sectors. These include manufacture of food products (15% of total employment in the sector), manufacturing of wearing apparel (11%) and accommodation (9%).

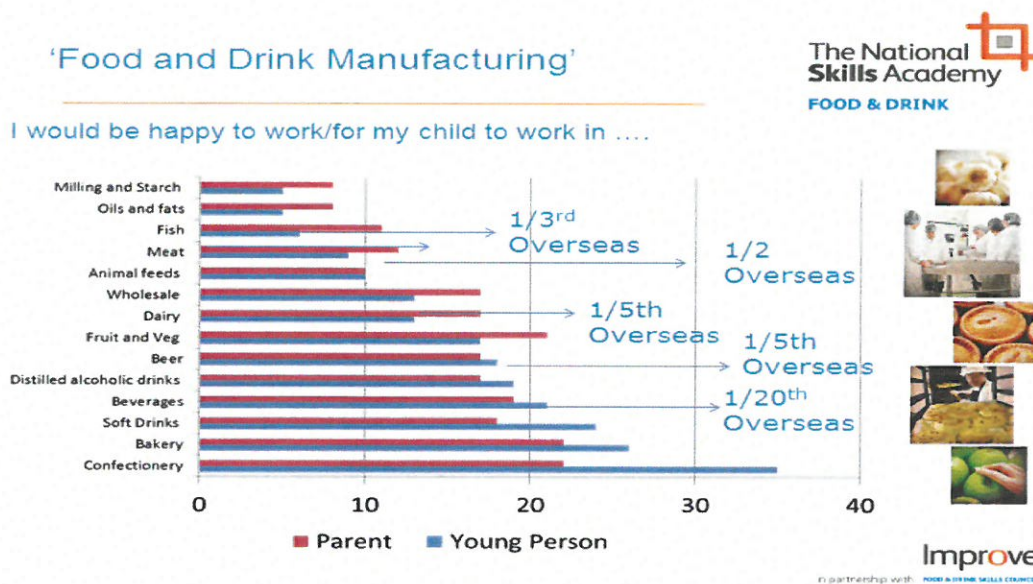
Table 2 – Top ten sectors of foreign-born workers, 2015

Top 10 by workforce share, all migrants		%	Industry share (%)	Top 10 by workforce share, recent migrants		%	Industry share (%)
(1)	(2)	(3)	(4)	(5)	(6)	(5)	(6)
2	Manufacture of food products	41	1.2	Manufacture of food products	15	1.2	

Source: Migrants in the UK Labour Market- An Overview Dr Cinzia Rienzo The Migration Observatory, University of Oxford

This reliance has come about as a result of a number of factors including; lack of attractiveness of the industry to UK workers, location of food and drink processing businesses often in areas with low unemployment, the need for flexible levels of labour (short term) and the recruitment practices of the labour providing agencies who supply short term labour. In addition however the sector is becoming more productive and competitive through consolidation and more international business interest such as Muller (Germany) and Arla (Denmark) with much mobility of staff from Europe

To date there is no reliable evidence to indicate which of these factors has the most influence however the chart below shows an interesting inverse relationship between the attractiveness of the sector to work in and the proportion of the sector made up of migrant or overseas workers



#### 4. Challenges faced in addressing the skills and people issues

The industry does not have a pipeline of talent from full time education – given the lack of attractiveness of the industry to young people they are not motivated to study dairy science as a college or University education and as a result, full time programmes at college have withered and died. Here lies one of the profound issues faced by dairy and the wider industry ; jobs and prospects are good, the whole food industry needs to recruit around 107,000 people over the next 10 years and yet there is a market failure in the provision of learning to young people to equip them with the skills. This is not the fault of training providers it is a fault in the market as young people are not receiving sufficiently good careers information to consider a career in the industry.

- Modern young people need more engagement from younger age (School Curriculum focus) to understand technical subjects and skills requirements for careers in the dairy industry in particular focussed on process technology and dairy engineering.
- New industries coming to the UK such as Nuclear Power Plant enticing the labour pool out of the dairy industry, more urbanisation taking place with people congregating toward cities, notwithstanding the food demand and requirement of the aging, greying population!

This means that the burden of training young people for entry into the industry has rested with the industry itself.

#### 5. What has the industry done and what can it do in the future for itself?

The industry is at the forefront of taking control of these issues and has a strong history of working together.

##### a) Ensure that it has robust, relevant training programmes to train new and existing employees via apprenticeships

- i. The industry has been at the forefront of designing new apprenticeships 'Trailblazers' for both dairy technology and engineering. This work builds on 7 years of development of these programmes and of constantly updating them to ensure they

meet the new technological advances in the industry. To date around 180 people have gained either Foundation degrees in Dairy Technology or level 3 Engineering Apprenticeships

**b) Ensure that it has access to high quality training facilities through a Centre of Excellence for Dairy Training**

- i. The dairy industry committed £2m of funding to secure , via the National Skills Academy for Food and Drink , an additional £7m to enable it to develop Reaseheath college as a Centre of Excellence in dairy process training including a dedicated engineering facility . The dairy facility is BRC approved and was designed by the industry and kitted out by dairy automation and machinery suppliers. It is widely recognised as the best facility in Europe for dairy training.
- ii. In addition through a unique partnership with MGTS, a specialist private engineering training company, dairy engineering is taught at the same location as they run the training facility at Reaseheath – a truly collaborative model.

**c) Work collaboratively together to identify and address its skills issues**

The industry has a strong tradition of working together establishing what is now the Dairy Industry Skills Partnership in 2007 and working tirelessly to transform access to training facilities and programmes to meet its needs. This collaboration requires a mind-set of working for the greater industry good and setting aside competitive challenges to build the industry talent pool. Companies are experts at being dairy producers but do not have the time, resources nor expertise to undertake a lot of the operational activity required to turn the ambition of this collaboration into practical action. Nor do we as employers understand necessarily the drivers and challenges that providers face in responding to our demands. Supported for the duration of time by the National Skills Academy for Food and Drink , who act as both facilitator and advisor to the DISP , the collaboration and progress made would simply not have happened without this organisation who have been the 'glue' holding the partnerships together.

**d. Ensure that the industry promotes itself to the next generation**

- i. The industry is increasingly ensuring that it attends the major careers fairs such as the Skills Show in Birmingham. Under the 'Tasty Careers' banner industry is profiling the jobs available in the food and drink industry.

**6. What does the industry need from Government(s)?**

Skills is a devolved policy area and as such this creates challenges for the industry. The challenges identified by the industry are geographically neutral however the implementation of solutions must be in terms of the devolved responsibilities.

**A. Major Policy Issues to be addressed**

1. **Industrial Strategy development** -The Prime Minister has announced the development of a new Industrial Strategy and we believe that it is important that officials engage with industry bodies such as the DISP both to inform and shape this for our industry and as an ongoing link to ensure better industry/government strategy delivery
2. **A solution to how we will access the workforce we need in a post Brexit world**
  - o Brexit will reduce access to lower skilled workers and the greatest challenge the industry will face will be finding employees of the future. There needs to be:

- Greater political consideration of the policy levers that can encourage more mobility and flexibility in the labour market
- A solution to accessing overseas workers where we need them: policies need to consider how we can retain access to and mobility of skilled and unskilled workers to fill the vacancies in the industry. This is particularly important to the big dairy companies like Muller and Arla who leverage and benefit from skills and knowledge transfer across their operations in Europe.

## **B. Skills Policy implementation (England)**

**Through the DISP and the National Skills Academy the dairy industry is well engaged in the whole agenda of reform of apprenticeships. We have been at the forefront of ensuring that apprenticeships are available for the industry and throughout this have identified a number of ways in which implementation could better support the industry.**

- 1. There needs to be a full review of the careers system in England**
  - We can see no tangible evidence of any meaningful careers advice being provided in schools or via the careers service. The government need to develop and publish its delayed careers strategy. Industry is already stepping forward to support engagement but this is an area of governmental responsibility
- 2. The Institute for Apprenticeship and Technical Education needs to have a Food and Drink Employer Panel** separate to the other panels it is planning. Without this the dairy industry, and indeed the wider food industry does not believe that its needs will be properly met.
  - This will give reassurance that proposed standards for apprenticeships and full time college routes will be determined not by officials but by well-informed industry delegates.
- 3. Apprenticeship Standards should be designed with mandatory qualifications that can form part of the end assessment criteria**
  - This will lead to more cost effective assessment and better quality outcomes for learners. It will also mitigate against the serious concerns that there is no ability to assure the quality of training, learners are being short changed by not receiving nationally recognised qualifications and that a two tier system is materialising.
- 4. Progression should be encouraged through the development of 'ladders of learning' rather than being prohibited**
  - Current policy implementation is reducing the opportunity to have levels of learning that build capability in favour of a single destination.
- 5. Apprentices living in the devolved nations but studying a Trailblazer apprenticeship and enrolled with providers in England should be able to be trained and funded using an employer's digital vouchers from the 'apprenticeship levy' – even if this is the 'England portion' of the levy .**
  - Devolved arrangements are disjointed and not aligned to England. An employer paying a levy contribution could end up seeing some of their digital vouchers go unused whilst having to pay from their training budgets for their employees in the devolved nations to be trained to a similar standard as their English counterparts. Enabling a business to use their contributions to pay for training for employees in other administrations would promote greater productivity gains for the whole of the UK.



**6. Funding and Apprenticeship levy utilisation ought to better reflect costs**

- The industry is committed to increase the numbers of dairy technology and Engineering apprentices particularly young people, but the high costs associated with salaries and residential when at college still presents a big challenge as this slows the speed of skills development. There is need to reconsider these associated costs and make them eligible to be drawn against levy funds and/or increase the ceiling of the funding of standards.

**Skills Policy in devolved nations**

1. Inability to access levy contributions in the 3 nations despite paying them
2. Lack of funding for current employees to undertake apprenticeships in Wales
3. Poor contribution rates in Scotland mean that employers are paying twice; once to the levy and once again in increased financial contributions to providers.

