



SEAFISH

SEAFISH ECONOMIC ANALYSIS

UK seafood processing sector labour 2017



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1. Summary

There was anecdotal evidence that the UK seafood processing sector relied heavily on workers from other EU countries. Hence, reliable information on the nationality of the workforce in the seafood processing sector was considered necessary to inform discussions on the new relationship of the UK with the EU.

Seafish conducted a survey of UK seafood processing companies in early 2017 to gather information about financial performance and the nationality of their workforce. The workforce nationality results are presented in this report.

The majority of UK seafood processing sites surveyed employ foreign workers from other EU countries. These workers represent approximately 42% of the workforce in the surveyed sites. Region and site size appear to be major factors influencing the nationality mix of the workforce. Larger sites, and sites located in areas with a higher proportion of non-British residents tend to employ larger numbers and proportion of staff from other EU countries.



2. Introduction and background

In 2016 there were 376 fish processing sites in the UK operated by 347 companies. The turnover of sea fish (saltwater species) processing companies in 2014 was £3.13 billion and GVA was £554 million (n.b. these figures exclude the turnover and GVA of salmon-only or majority salmon processing companies).

In 2016, fish processing sites (sea fish and salmon) accounted for 17,999 FTE jobs, 13,554 of them in sea fish processing sites and the remainder in salmon sites. Anecdotal evidence in 2016 suggested that many of the jobs at fish processing sites are held by workers from other EU countries and that the sector relies heavily on migrant workers from other EU countries.

As the UK redefines its relationship with the EU it will be important for policy makers and industry to have accurate information about the nationality of the processing sector labour force. It was agreed at a meeting between Defra, processing industry representatives and Seafish in January 2017 that information on the nationality of the labour force was needed to inform policy decisions. Industry participants agreed that Seafish would collect labour nationality information from fish processing businesses and report findings.

3. Methods

Seafish conducted a survey of fish processors during February and March 2017. Seafish holds a detailed contact database of fish processors, which is updated every two years based on results of a sector census that Seafish conducts. Seafish defines a fish processor as a company with more than

half of its revenue earned on sales of seafood it has processed, in the reference year. A processing site is defined by the physical premises where fish processing activities are carried out. Seafish

defines a fish processor as a site which derived 50% or more of its turnover from fish processing activities in the reference year. A company may operate more than one site.



All 347 fish processing companies (including those with salmon as their major species processed) were in scope for this study. Processing companies were contacted via email, telephone and post and asked to report on the nationality of their labour force (see questionnaire in Appendix 1). Companies that operate more than one site were asked to report per site in order to allow regional disaggregation.

Key research questions that this study aimed to address were:

- *What proportion of staff employed in the fish processing sector are citizens of other EU countries?*
- *What type of processing companies employ workers from other EU countries?*

Seafish collected workforce data from 109 companies, comprising 118 individual processing sites. Processing sites included in the sample accounted for 9,490 FTE jobs: 9,414 in sea fish processing and 76 in salmon processing. The survey achieved **coverage of 69% of total sea fish processing FTEs** and 7% of total salmon processing FTEs.

The average size of processing companies in the sample was in the 51-100 FTE size band and ranged from 1 FTE job to 685 FTE jobs per site. Processors in the sample reported a total of 10,057 workers at the time of data collection. British workers represented 57% of their workforce, see Figure 2.

Tables 1 to 3 below show the sample rate per FTE size band, fish type category and region. Figure 1 shows the regional definitions used in this study.

Table 1. Survey coverage by FTE band.

FTE band	FTE coverage
1-10	22%
11-25	28%
26-50	40%
51-100	42%
100+	59%

Table 2. Survey coverage by fish type.

Fish type	FTE coverage
Demersal	31%
Mixed	52%
Pelagic	66%
Salmon	7%
Shellfish	60%

Table 3. Survey coverage by region.

Region	FTE coverage
Grampian	48%
Highland and Islands	45%
Humberside	68%
Northern Ireland	39%
North England	35%
Other Scotland	38%
South West England	52%
South / Midlands & Wales	50%

Data presented in this report give a snapshot of the labour force in the seafood processing sector during February and March 2017, rather than an average across the year.

Figures reported relate to total number of people employed, including full-time, part-time and seasonal workers, and not to FTE jobs.

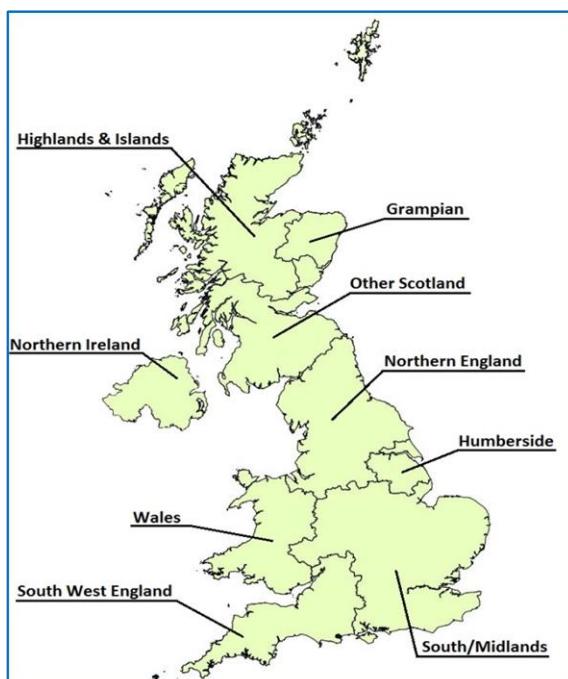


Figure 1 Regions used in the analysis. Source: Seafish.

One large processing company that employed a large number of agency workers did not report on the nationality of their agency staff as they do not collect this data. In that instance, it was impossible to allocate the agency staff to one of the defined country groups and those figures have been removed from our final estimates. The company suggested that this information would be more readily available from the employment agencies themselves.

4. Findings

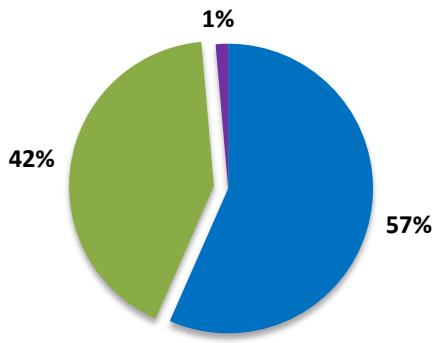
4.1 Workers from other EU countries in the UK seafood processing sector

Processors in the sample reported a total of 10,057 workers at the time of data collection. The sample included 5,693 British workers and 4,224 workers who were citizens of other EU countries.

British workers represented 57% of the workforce, workers from other EU countries represented 42% of the workforce and citizens of non-EU countries represented 1% of the workforce, see Figure 2. Therefore, around 97% of non-British workers were from other EU countries.

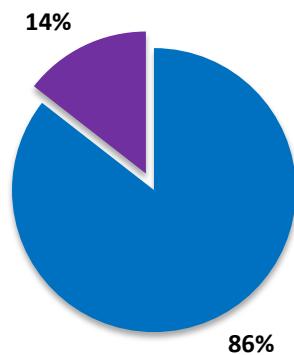
The majority of workers who were citizens of other EU countries were permanent staff. The sample included 3,294 permanent workers from other EU countries and 557 agency workers¹ from other EU countries, see Figure 3. A small number of companies in the sample provided information on the total number of staff from other EU countries only, it was not possible to determine if these workers were agency or permanent and they are not included in our estimate of proportions of foreign permanent and agency workers. The above estimates should therefore be viewed as indicative only.

¹ As stated in section 2, the agency staff at one large company are not included in these proportion figures as there was no data to confirm whether they were UK, other EU or non-EU.



■ UK ■ Other EEA countries ■ Non-EEA countries

Figure 2 Nationality of workers, across all sites sampled in 2017. Source: Seafish.

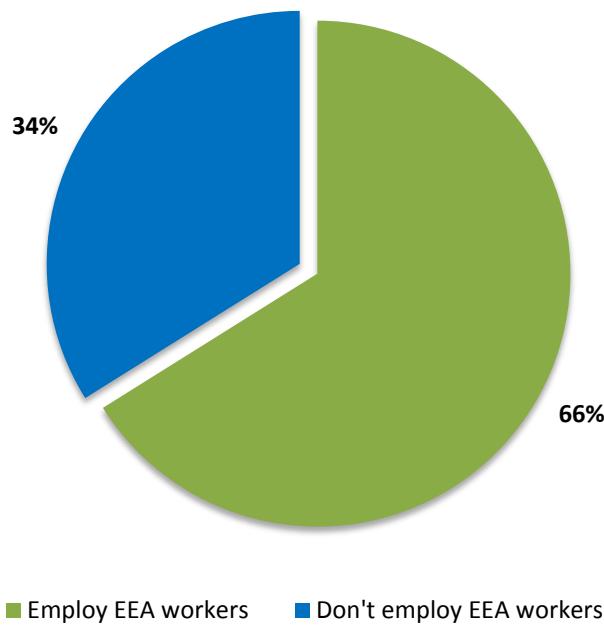


■ EEA - permanent staff ■ EEA - agency staff

Figure 3 Other EU workers by contract type, as percent of workers at sites in sample in 2017. Source: Seafish.

4.2 Processors employing workers from other EU countries

Of the 118 sites included in the sample, **two thirds (78 sites)** reported that they employed workers that were citizens of other EU countries, see Figure 4.



■ Employ EEA workers ■ Don't employ EEA workers

Figure 4 Proportion of sites employing workers from other EU countries in 2017. Source: Seafish.

4.2.1 Nationality of fish processing sector workers by site size

Larger sites tended to employ a larger proportion of workers who are citizens of other EU countries. The average proportion of workers from other EU countries increases with site size, see Figure 5. On average, 45% of the workers at sites in the largest FTE size band (100+ FTE jobs) were citizens of other EU countries, compared to 23% in sites of the smallest size band (1-10 FTE jobs).

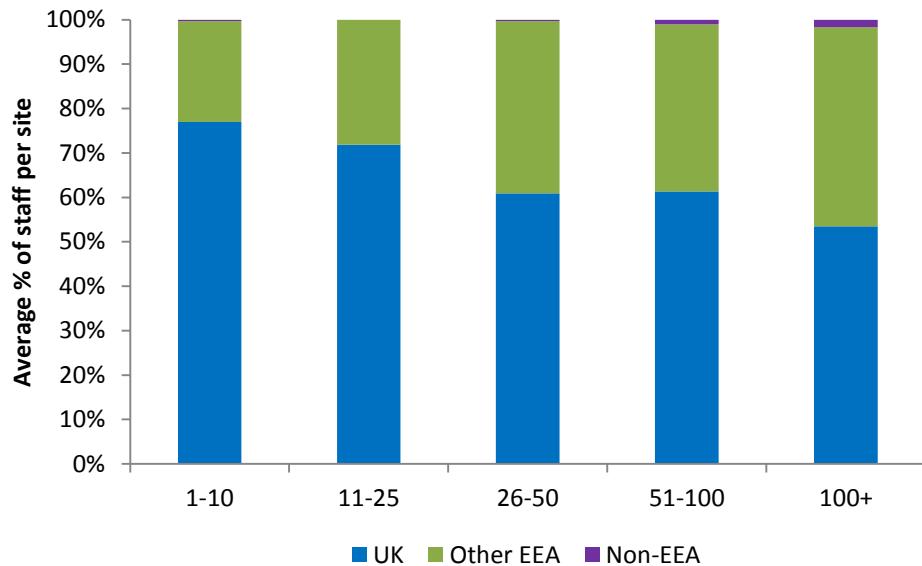


Figure 5 Nationality of workers by site size (FTE band), all sites sampled in 2017. Source: Seafish.

4.2.2 Nationality of fish processing sector workers by region of sites

The split between British and non-British workers differed between regions, see Figure 6. **In the Grampian region 70% of total reported workers were citizens of other EU countries**, the greatest proportion of all regions. Processors in the Humberside region reported the lowest proportion of workers that were citizens of other EU countries, at 17%.

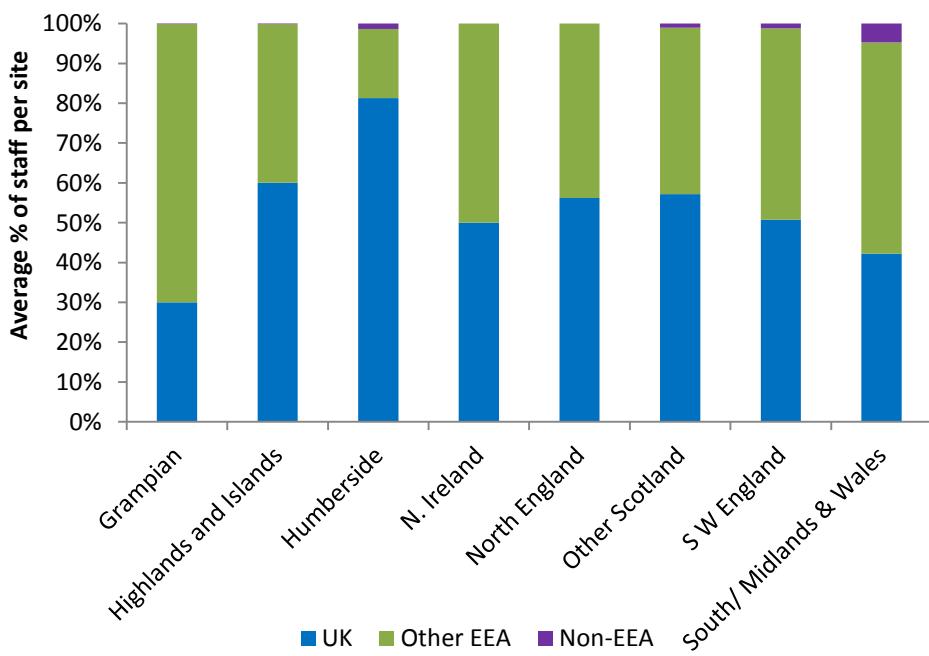


Figure 6 Nationality of workers by region, all sites sampled in 2017. Source: Seafish.

Our survey figures were compared with ONS data² on the average proportion of the non-British population per region, see Figure 7. The ONS figures are based on the Annual Population Survey, and it should be noted that they exclude people absent from the UK for more than six months a year and may not capture certain population groups such as overseas students living in communal halls or seasonal fish processing and other workers. Therefore, these figures have been included as estimates for context and comparison purposes only.

In general, processing sites located in regions with a greater proportion of non-British residents employed a greater proportion of non-British workers. As shown in Figure 2 in Section 4.1, the vast majority of non-British workers employed at processing sites are citizens of other EU countries. In all regions the total proportion of non-British workers in the processing sector was greater than the proportion of non-British residents in the region according to ONS data, see Figure 7.

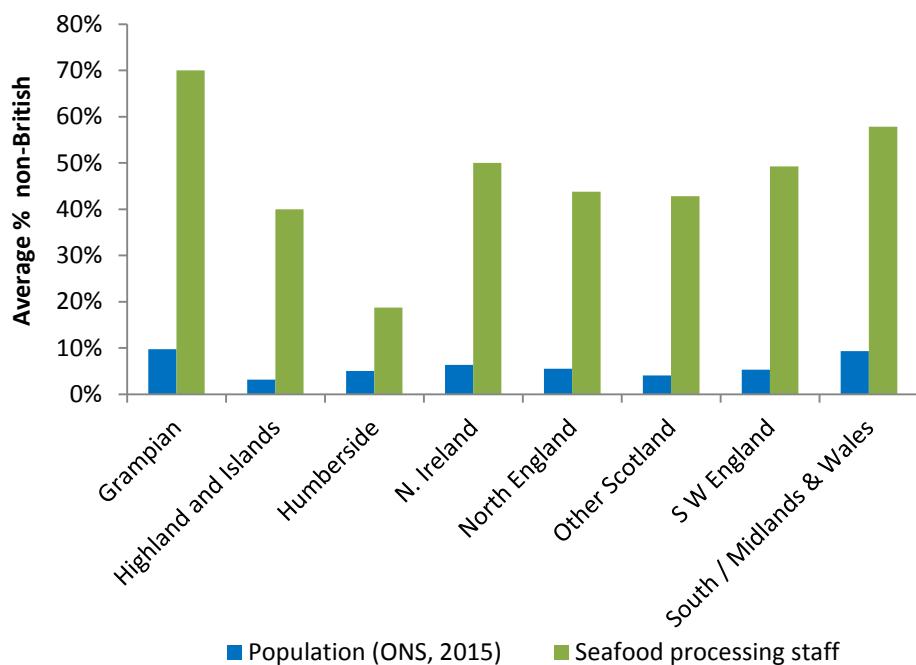


Figure 7 Nationality of seafood processing workers and non-British population by region, all sites sampled in 2017. Source: Seafish, from Seafish and ONS data.

4.2.3 Nationality of fish processing sector workers by processing type

The split between British and non-British workers was fairly similar amongst the three processor type categories, see Figure 8. Mixed processors show an approximately even split between workers from the UK and workers from other EU countries. Primary and secondary processors employ on average a lower proportion of staff from other EU countries (33-35% of total staff). This observation is likely linked to the fact that primary and secondary processing sites are smaller on average (fewer FTEs) than mixed processing sites.

² Office for National Statistics (ONS), 2017: Local area migration indicators, 2015 data. Available from: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/assets/localareamigrationindicatorsunitedkingdom>

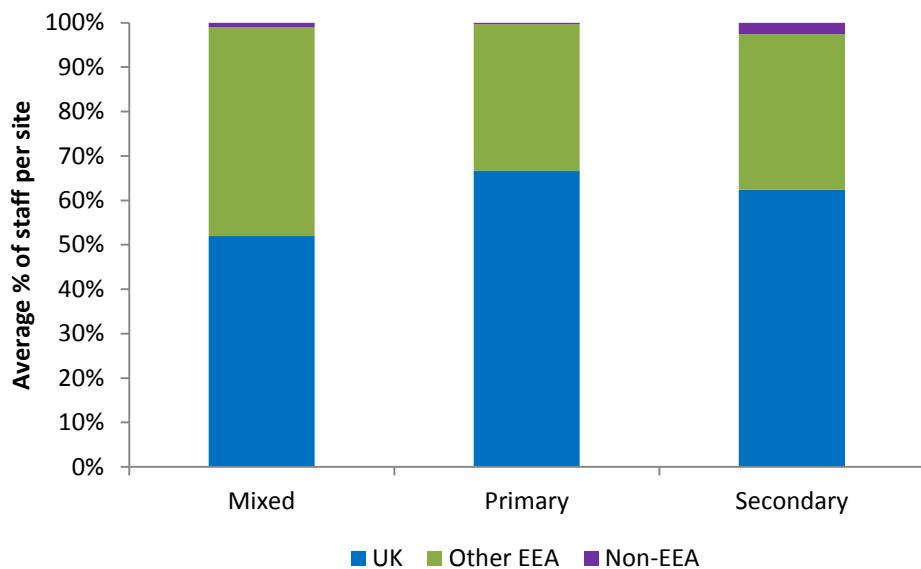


Figure 8 Nationality of workers by processing type, all sites sampled in 2017. Source: Seafish.

4.2.4 Nationality of fish processing sector workers by fish type

The split between British and non-British workers varied distinctly between the five fish type categories, see Figure 9. On average, workers from other EU countries accounted for 61% of workers at pelagic processors, higher than processors of other fish types. This observation could be partly due to the larger average size of pelagic processors compared to processors of other fish types. As shown in Figure 5 in Section 4.2.1, larger processing sites tend to employ a greater proportion of staff from other EU countries. All of the pelagic processing sites in this sample belonged to the two largest size bands (51-100 FTE jobs and 100+ FTE jobs).

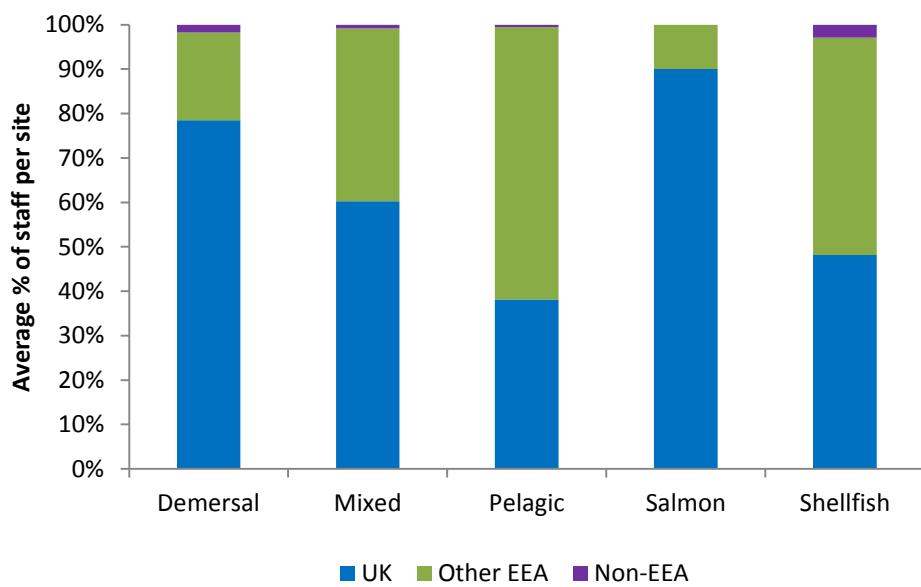


Figure 9 Nationality of workers by type of fish processed, all sites sampled in 2017. Source: Seafish.

5. Conclusions

The majority (66%) of UK seafood processing sites employ foreign workers from other EU countries. Overall, **workers who are citizens of other EU countries represent approximately 42% of workers** in the fish processing sites included in our survey sample. The number and proportion of workers from non-EU countries working in the sector is very low.

The fish processing sector is very reliant on workers from other EU countries. Region and site size are major factors influencing the nationality mix of the workforce. Areas with a higher proportion of non-British residents tend to employ larger numbers and proportion of staff from other EU countries.

In all regions the average proportion of non-British workers was much greater than the estimated average proportion of non-British population in the area. This feature is particularly evident in the **Grampian region (70% of non-British workers vs 10% of non-British population)** and South/Midlands/ Wales (58% of non-British workers vs 9% of non-British population), and less pronounced in Humberside (18% of non-British workers vs 5% of non-British population). **Large, pelagic processors in the Grampian region were the most reliant on workers from other EU countries.**

