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Our ref: PO206665/ER

18 November 2010

From Jim Paice MP
Minister of State for Agriculture and Food

A handwritten signature in black ink that reads "Jim Paice". The signature is written in a cursive, flowing style.

Thank you for your letter of 18 October following our meeting on 13 October with Frances O'Grady and Paul Sellers of the TUC.

As I made clear at the meeting, the Government's objective in abolishing the Agricultural Wages Board is certainly not to drive down wages and employment conditions for agricultural workers. Increasing domestic food production is one of the key priorities for the Government. It is vital that agriculture takes steps to shake off the image of being a low skilled poorly paid sector so that it can meet this challenge and ensure greater resilience across the whole food chain. We believe that by removing the statutory burdens and restrictions imposed by the agricultural wages legislation, it will allow the industry greater flexibility to develop modern employment practices so it can attract and retain a skilled and qualified workforce, which will improve job opportunities and prosperity for employers and workers alike.

With regard to the abolition of the Agricultural Wages Committees (AWCs) and Agricultural Dwelling House Advisory Committees (ADHACs), the AWCs are now largely redundant and the number of requests for ADHACs has declined dramatically. Moreover, there is no requirement for a local authority to seek advice from an ADHAC and many local authorities already make these decisions without consulting an ADHAC. The abolition of ADHACs will not alter the status of protected tenancies under the Rent (Agriculture) Act 1976.

I appreciate that you have concerns about the proposal to abolish these bodies and that your preferred approach would be to modernise the Agriculture Wages Board. However, this would mean that agricultural and horticultural sectors would still be burdened by a duplicate minimum wage regime and the regulatory burden would not be lifted from farm

businesses. All other Wage Councils were abolished in 1993 and given the greater protection of modern employment legislation including the introduction of the national minimum wage, it is difficult to justify why workers in the agriculture sector alone should still be subject to a separate employment regime.

You ask about the Impact Assessment and Equality Impact Assessment and as I indicated at the meeting these will be made available during the legislative process and you will have an opportunity to comment and provide evidence. We recognise the importance of having rigorous and thorough assessments and therefore are exploring the possibilities for commissioning some independent research to assist us in preparing these documents.

I do not think that it would have served any purpose to have had a public consultation on the abolition of the Agricultural Wages Board and related bodies since views on the future of the Board have been well known. The National Farmers Union (NFU) and other representatives of employers have for many years advocated the abolition of the Agricultural Wages Order and Board and likewise unions on behalf of the workers side have advocated their retention. A consultation would simply have resulted in a polarisation of views.

I accept there are concerns about wage setting in the absence of the Agricultural Wages Board, particularly for small employers. I very much hope that it might be possible for Unite to work with the NFU to provide some guidance for businesses on the appropriate wage rates for different responsibilities and skill levels. You have mentioned that a joint industry-wide approach works well in other areas of the economy such as construction where skilled labour is critical – and this is on a non-statutory basis. Therefore there is no reason why a similar non-statutory approach should not work well in agriculture.

The Government is committed to seeing through its policy on abolition of the agricultural wages regime, and I firmly believe it will lead to job creation and a better skilled and more rewarded agricultural workforce in the future. I hope that you will be willing to work with us and other stakeholders on the practical implementation of the changes to ensure a smooth transition for workers and employers.

James Spence
Jim Paice

JIM PAICE MP