



Economic and International Affairs Scrutiny Panel

Review of Seasonal Workers and the Rural Economy

Witness: The Jersey Royal Company

Monday, 21st February 2022

Panel:

Deputy D. Johnson of St. Mary (Chair)

Deputy S.G. Luce of St. Martin

Witnesses:

Mr. M. Renouard - Business Unit Director, The Jersey Royal Company

[10:02]

Deputy D. Johnson of St. Mary (Chair):

Good morning, everyone, and welcome to this hearing of the Economic and International Affairs Scrutiny Panel in relation to our review on seasonal workers and the rural economy. We have with us a representative of The Jersey Royal but I begin by introducing the panel as usual, which today is myself, Deputy Johnson, the Deputy of St. Mary in the chair and my vice-chair.

Deputy S.G. Luce of St. Martin:

Deputy Steve Luce, Deputy of St. Martin.

The Deputy of St. Mary:

We have with us from The Jersey Royal?

Business Unit Director, The Jersey Royal Company:

Mike Renouard.

The Deputy of St. Mary:

Okay, thank you for that and welcome to the hearing. I think you are aware we did have a similar hearing with the J.F.U. (Jersey Farmers Union) last week so we will be asking similar questions again. I am not sure how well you know how the J.F.U. operate but is it very much a similar system at to gaining work permits?

Business Unit Director, The Jersey Royal Company:

It is pretty identical, yes. We just use a different labour source from the J.F.U. I believe that are ... there is a lot of Filipino workers and go to an agency there. Most of our workers will come direct through a number of countries, certainly further afield now. It used to be mainly Polish and Portuguese, we now employ Romanians, Bulgarians, Hungarians, some Kenyans and recently Russians.

The Deputy of St. Martin:

How is the spread when it comes to percentages, would you say?

Business Unit Director, The Jersey Royal Company:

I would say we are probably still 50 per cent Polish, Portuguese and the rest are from a number of other nationalities. Russians are becoming more popular.

The Deputy of St. Mary:

We will come on to that later, what is going on in the world. We also understand that the visa system and the permit system are interlinked but they are quite separate. As far as work permits are concerned that is the first port of call. You have to have a work permit, I think, before you can actually go and apply for a visa, if a visa is required.

Business Unit Director, The Jersey Royal Company:

That is right, yes. So the first port of call is the recruitment process, finding out who wants to come over, we then ask them to send all their certificates over, so their passport, criminal record checks and then we will provide that to immigration who then process that before that goes off to a visa application.

The Deputy of St. Mary:

You do that through an agency, do you?

Business Unit Director, The Jersey Royal Company:

No, we do that direct.

The Deputy of St. Mary:

You carry out your own criminal checks?

Business Unit Director, The Jersey Royal Company:

Yes, yes.

The Deputy of St. Mary:

Again, that is the first stage. Let me go on to ... I was going to ask about the visa, we will leave these until later. As I understand it, the system still revolves around a 9-month work permit, does it?

Business Unit Director, The Jersey Royal Company:

Yes, so it is all quite new. So last year we introduced 9-month work permits, I do believe that you can get shorter ones now though. So we can go down the 6 months, which might be quite helpful for certain periods of the year. Yes, 9 months is difficult ... well all work permits are difficult because we have operations that run 12 months of the year. So it does mean that we have to rotate staff around, fit them in to make sure that we have 12 months of cover.

The Deputy of St. Mary:

The J.F.U. were saying that they get 4 lots of 9 month work in a 3-year cycle through ...

Business Unit Director, The Jersey Royal Company:

They will bring in a lot more people because they have to rotate them around.

The Deputy of St. Mary:

Going back to the point you mentioned about shorter work permits, is that ... how financially viable is that, especially getting people in from further afield?

Business Unit Director, The Jersey Royal Company:

If we can go into Europe still obviously we do not need the visas. If we go to Poland we can get short 6-month work permits and just bring Europeans in, which is still quite attractive to us because you do not have those costs of visas. But it is getting increasingly more difficult to get Europeans in just because it is easier for them to stay at home and their economies are improving.

The Deputy of St. Martin:

Can I just ask, Mike, please, the 6-month option that you mentioned is something the J.F.U. spoke about as well but they seem to be under the impression that you needed to have settled status in order to get 6 months? Do you know anything about that?

Business Unit Director, The Jersey Royal Company:

No, I do not think you do. I think providing they come from certain listed countries you can bring people in without a visa.

The Deputy of St. Martin:

Without a visa for 6 months and they then had to go back but do they have to stay away a certain amount of time?

Business Unit Director, The Jersey Royal Company:

Yes, whichever one you are up for, 6 months, 9 months, they have to be away for 3 months.

The Deputy of St. Martin:

So in the case you are talking about you could do 6 months here, 3 months home, 6 months back, 3 months home and rotate on that basis?

Business Unit Director, The Jersey Royal Company:

Yes, yes. That will help us particularly when we get to our packing period, when we need to bring in our next 100 people. That is a much shorter season and if we can do that without the work permit then it is more viable both for us and for the worker.

The Deputy of St. Martin:

That would happen sort or now, people coming in on a 6 month?

Business Unit Director, The Jersey Royal Company:

Yes, we have to work ... it used to be that you could just ring somebody up and 2 weeks later they land in Jersey and we are away. Now, we have to work 2 or 3 months ahead of that so we are already planning the amount of staff we need in April.

The Deputy of St. Martin:

The timing of the visas coming back to you from the U.K. (United Kingdom), is that an issue for you?

Business Unit Director, The Jersey Royal Company:

Sometimes you get them back fairly quick, sometimes they are quite delayed, sometimes you put a load in all at once and some come back quite quickly and some of them will be delayed.

The Deputy of St. Martin:

Do you have a direct contact?

Business Unit Director, The Jersey Royal Company:

No, no, it is all done remotely so we have no contacts there at all, it is just a question of filling out the paperwork and sending it in.

The Deputy of St. Martin:

Is that something that you would like to have if you had the opportunity, somebody who you knew at the other end of the department who always dealt with Jersey visas?

Business Unit Director, The Jersey Royal Company:

It would be beneficial, yes. Especially when you are trying to get groups of people over. A lot of people apply in groups and want to come with their friends, their family and sometimes they are split up because some get approval, some do not.

The Deputy of St. Martin:

In those sort of situations where you might apply for 30 or 40 and you only get half and the other half come later, would you bring that first half over sooner?

Business Unit Director, The Jersey Royal Company:

Yes, I mean it is all timed for when we need these people over. So end up getting people late because there is a delay in their visa application. I have to say COVID has not helped much. We have had some issues with COVID paperwork as well. We have had some Kenyans that were coming and they got to the airport, 17 visas were approved, they were coming, they were about to get on the plane and they stopped them boarding the aircraft because they had a barcode on the bottom of their COVID certificate rather than a QR code. Little things like that do not help. It was rectified reasonably quickly and they came a couple of days later but when people get to the airport and they are expected to come across these things do not help.

The Deputy of St. Martin:

I know we do not have many Kenyans, but did you talk direct to Kenya as well?

Business Unit Director, The Jersey Royal Company:

Yes, all of our countries we deal with directly. We use a recruitment agency on occasions, a specialist recruitment agency for agricultural workers to go out and source labour but we deal with them directly after that.

The Deputy of St. Mary:

I was about to get to that. Going to a new country the agency is your first port of call but once they have given you the necessary information then you deal directly with individuals?

Business Unit Director, The Jersey Royal Company:

Yes, they have people recruiting in different countries so they will go out and do the recruitment first off, do some interviews, help us with the criminal checks and then they pass them over to us and we directly employ them and arrange air travel.

The Deputy of St. Mary:

The costs of travel as a starting point do they pay that or do you pay that?

Business Unit Director, The Jersey Royal Company:

They pay that.

The Deputy of St. Mary:

They pay that, do they?

Business Unit Director, The Jersey Royal Company:

Yes. Occasionally we might help them with that cost, particularly countries like Tajikistan, Kyrgyzstan, they have multiple flights to get to the U.K. so occasionally we might help them with that, specifically on their return journeys or we might put the money up front and then they will gradually pay us back for some of it.

The Deputy of St. Mary:

I assume because they are paying they will want to ... the longer they can have working over here the better?

Business Unit Director, The Jersey Royal Company:

Yes, that is difficult because our season is our season so when our season ends and that is predominantly determined by the weather impact ... yes, once our season is finished and the customers say: "Right, that is it, we do not want any more."

The Deputy of St. Mary:

But they know that in advance presumably?

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

So they would go home at that point regardless of how long their permit allowed them to stay?

Business Unit Director, The Jersey Royal Company:

Yes, especially if we need them to come back for the beginning of January when it all kicks off again. Really they have to be back October, November, December. So the latest they have to go back is in September if they want to come in January again.

The Deputy of St. Martin:

While we are dealing with the cost of travel, do you pay the cost of the visa or do the staff pay the cost of their visa?

Business Unit Director, The Jersey Royal Company:

No, they will pay the cost.

The Deputy of St. Martin:

So basically they bear all the cost unless there are some exceptional circumstances?

Business Unit Director, The Jersey Royal Company:

Pretty much, yes, but we pay for their work permits, we always pay for that and we run an incentive scheme for our staff as well. If they are part of that incentive scheme, depending on what time of year they come ... if they come in January we guarantee them 50 hours, we guarantee them 40 hours in February, March, if they stay to the end of the contract we subsidise their accommodation. There are lot of other perks that they will get as well.

The Deputy of St. Martin:

I know this is a little bit off-piste, but has the inability to increase the offset for accommodation been an issue here?

Business Unit Director, The Jersey Royal Company:

It will be going forward. We have always subsidised the accommodation so it is £91 a unit you can charge, £91 something. Last year we were only charging them £68 a week.

The Deputy of St. Mary:

You were not charging at the minimum at all?

Business Unit Director, The Jersey Royal Company:

No, this year we are charging the full rate but then the minimum wage has gone up 10.8 per cent so they are still having subsidised accommodation, if you like.

The Deputy of St. Martin:

Just going back to recruitment. Obviously we are conscious that you are a part of a much bigger outfit in the U.K., do you have any links when it comes to recruiting? Do they go to the same parts of Europe that you do?

Business Unit Director, The Jersey Royal Company:

We have just helped them out actually over the Christmas period. Up until the back end of the last year ... they use a lot of agency staff, because they are predominantly packers, so that is 12 month work, it is not seasonal like we are but they have been struggling recruiting as well. So at the back end of last year for the Christmas period we helped them out, we put them in contact with the agency that we use to recruit Russians to go in and pack during the Christmas period. But really we stand alone on recruitment.

[10:15]

The Deputy of St. Mary:

Going back a stage to the interaction between work permit and visa, obviously you cannot apply for the visa until you have the permit, how fixed is the permit? The visa is going to have to marry up with the permit, is it not?

Business Unit Director, The Jersey Royal Company:

It is, yes, so you have to make sure you do all your background checks beforehand. I have to say immigration are very good, if you have an issue they are normally on hand to help you out and sort things out.

The Deputy of St. Mary:

Is there an overlap between ... I am sure you might have to build in a few days' grace for the permit?

Business Unit Director, The Jersey Royal Company:

Everything now you have to do ... start the process a few months ahead of when you need the labour. That is the difficult bit and it is the cost as well, yes. It is the cost of the exercise. £115 for the work permit, £244 for the visa and then all the flight costs and obviously the further we go afield the increase in those costs.

The Deputy of St. Mary:

On the visas coming from outside, will they want evidence of a return ticket before they grant that?

Business Unit Director, The Jersey Royal Company:

They will want to know that they are going to return directly back and immigration will want that as well because what they do not want is anybody coming to the Island has a back door to gaining access to the U.K. So we work quite closely with immigration to make sure they have those flights booked all the way back.

The Deputy of St. Mary:

So they have to have the flight booked then, will they?

Business Unit Director, The Jersey Royal Company:

Yes, yes.

The Deputy of St. Mary:

Which actually goes against any flexibility you might have if you wanted them ... well, you cannot have them an extra ...

Business Unit Director, The Jersey Royal Company:

No, as soon as that 9 months is up, not a day more, they have to be going back. So we need to plan that ahead if we need continual workers, if our season is delayed or we have extra works going on, then we will need to build that in and build some rotation.

The Deputy of St. Martin:

You would have heard the hospitality industry over the last year or so have been granted some extensions to 12 months. Would that be of any use to you inasmuch as, you know, they still have to go home for a period of time? Would that make it just as confusing as the 9 and 3?

Business Unit Director, The Jersey Royal Company:

That would probably help with the more skilled workers or what we determine as skilled workers. I know it is not skilled under the policies but our tractor drivers, for instance. Driving one of those tractor units around the Island, they are all electronic now, that takes some training to learn how to use one of those with some kit on the back. Now, the work of the tractor drivers is 12 months of the year, so you are trying to build in a rotation and we spend a lot of money on training and to train someone for 9 months and then send them home is difficult. If those people could stay for 12 months it would be an easier rotation. It would help, yes.

The Deputy of St. Martin:

I am aware, as you have just mentioned, that tractor driving has specific skills, is that something as industry you should be pushing for?

Business Unit Director, The Jersey Royal Company:

I think so, yes. Obviously we are always hearing that we are going to have a productivity scheme to help us which has never come about. So we have had to make sure we have our own productivity schemes in place. If we look at 10 years ago, we would probably have employed close to 600 people peak season, we are now down to about 340 and that is from putting technology into the business. So we are upgrading lines to the packhouse, we have automatic planters planting potatoes now, cold stores to cool seed potatoes ready for the following year rather than the traditional standing of potatoes. We have invested a lot of money, millions, into that, to produce that workforce. Yes, with that it means we are using more technology and bigger equipment.

The Deputy of St. Martin:

I was just about to say with that reduction in labour force and the increase in technology one could assume a large majority of your staff need to be skilled in one form or another in order to operate this equipment?

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Mary:

That is where I was going to go. You made the same point about the drivers so as I understand it the work permit scheme applies to employees in the agricultural industry, whatever their skill might be. There is no differentiation?

Business Unit Director, The Jersey Royal Company:

No, the only differentiation is when you get to higher management. But they do not class a tractor driver or an operator in the packhouse, a line operator in the packhouse, which is using probably even more technology than we do in the fields, they do not class those as skilled personnel.

The Deputy of St. Mary:

I presume also to a certain extent these permits are earnings related. The drivers presumably get more than a straight picker so on the earnings side it could be justified.

Business Unit Director, The Jersey Royal Company:

Yes, they could, yes, because tractor driver over 12 months would earn more than 30,000. Yes, they are very skilled people. When you have to send them home and bring more people in that

means you will need double the skill around the staff and they are not easy to come by. In fact that is our biggest challenge is having skilled operators.

The Deputy of St. Mary:

That is interesting.

Business Unit Director, The Jersey Royal Company:

We spend a lot of money training them and then if they go back for 3 months and find work elsewhere and they do not come back, that is a big hit.

The Deputy of St. Martin:

I suppose it goes without saying that you could have any number of unskilled workers but they cannot work because you are short of skilled operators to do those 3 or 4 jobs which need to be done by skilled operators.

Business Unit Director, The Jersey Royal Company:

Absolutely, yes.

The Deputy of St. Martin:

In that instance, I guess it is pretty obvious, you would be much happier if those people could be on some sort of permanent contract where they go home for a holiday, for want of a better word, for 3 or 4 weeks, but for all intents and purposed based in Jersey and they use their skills to do their job.

Business Unit Director, The Jersey Royal Company:

Absolutely, we are very fortunate at the minute that the majority of our operators are long term and have settled status. A lot of those people are now coming to ... they come here to earn the money, once they have done their term, once they get into their 40s and 50s they want to return home and build their houses at home and build their lives back there. We are at that point now where we are losing a lot of long-term skilled people because they are basically ready to return home. They have done what they came to the Island for.

The Deputy of St. Martin:

Notwithstanding the fact they are getting to their 40s and 50s, have done their time and they do not want to return, do you see others who have not been here as long as that staying back in Poland now because of the economic ...

Business Unit Director, The Jersey Royal Company:

Yes, the economies are getting better. There are more incentives for them to stay and have families there and it is easier to travel to a place like Germany to go and find work than it is end up having to find a work permit for coming to Jersey.

The Deputy of St. Martin:

So the Brexit issue ...

Business Unit Director, The Jersey Royal Company:

Yes, it is much easier to stay in Europe, no restrictions there at all.

The Deputy of St. Mary:

Picking up on an earlier point, what you are saying is often these drivers do not come here already trained, you train them up? Is that what you are saying?

Business Unit Director, The Jersey Royal Company:

Yes, even if you have a trained operator working in Jersey there are smaller fields, different bits of kit.

The Deputy of St. Mary:

Different to what they are used to back in where it might be.

Business Unit Director, The Jersey Royal Company:

Yes. Even getting people to the right places, you know ... we have 1,600 fields across the Island, trying to get someone to the fields ...

The Deputy of St. Mary:

That will take a bit of adjustment, will it not?

Business Unit Director, The Jersey Royal Company:

Yes, using the technology. With G.P.S. (Global Positioning System) technologies to help them find their way and having systems on phones and ... it is a lot of investment in that side of things. You cannot just drop somebody in a job and say: "Get on with it."

The Deputy of St. Mary:

Yes, there is a danger you are not going to get an adequate return on your investment if they go off and ...

The Deputy of St. Martin:

I was going to say we have all seen the harvester drivers in the U.K. that get down lanes and they cannot get out of, it is much similar for you, you do not want a driver with a harvester to go down a lane and find he cannot get any further and cannot back out.

Business Unit Director, The Jersey Royal Company:

No, and we run a one-way system around the Island when we are harvesting because we do not want 2 tractors and harvesters meeting each other down a road because that would just cause chaos, so you have to know your way around. In fields as well, we use every inch of the field that we can. In the U.K. when you have a 40 acre field it is much easier to do the work.

The Deputy of St. Martin:

Do you have standard operating procedures of what you do when you get into a field?

Business Unit Director, The Jersey Royal Company:

Pretty much, yes. You know, you do not go in one day and plough a field, you go in and plough it and the planting crew comes right behind it, the plastic goes on straight after, it is almost military precision in that way.

The Deputy of St. Martin:

But at the same time you need, I presume, skilled operators or skilled management in order to oversee that, to make sure everything is done as a standard operating procedure. Somebody has to make sure ...

Business Unit Director, The Jersey Royal Company:

Yes, if there is a missing link there, someone is not there or they mess something up, do something wrong, it stops the whole chain. This time of year is critical, we are planting in the middle of winter, we have to make the best use of conditions.

The Deputy of St. Mary:

You touched on salary and accommodation already, on that, is it a ... I will not say one-size-fits-all but you have a standard system, a standard allowance for your all workers or does it vary much in the accommodation?

Business Unit Director, The Jersey Royal Company:

Yes, our workforce have 10 pay grades depending on how skilled you are. So from minimum wage all the way up to skilled engineers, tractor drivers, et cetera and we will offer accommodation to all of them.

The Deputy of St. Mary:

Is the accommodation similar?

Business Unit Director, The Jersey Royal Company:

It is a range. Again we need to upgrade some of that where we can, if we can get planning permission for it, but we have a range of block built cottages, bedsits, down to portacabin style accommodation. We also own the Len Rhodes Hotel, which we house about 120 people in. We are hoping not to put anybody in that this year because it is too costly to run. We have 2 chefs in there, a manager running the place, the upkeep is horrendous, it is about £500,000 a year just keeping that hotel running and that is too much so we are trying to manage without that and finding accommodation elsewhere.

The Deputy of St. Mary:

All your accommodation is agricultural?

Business Unit Director, The Jersey Royal Company:

It is all agricultural type, agriculture.

The Deputy of St. Mary:

All in-house, do you rent units from retired farmers?

Business Unit Director, The Jersey Royal Company:

It is a bit of both, yes. There is a lot out there from ex-farmers who we rent their land and the accommodation units. Some of those are now starting to get quite tight. Some of the portacabins are 20 years old. We maintain them and make sure they are in suitable condition but it is costing us more and more money to maintain them as well.

The Deputy of St. Mary:

You mentioned providing accommodation, do you also supply meals?

Business Unit Director, The Jersey Royal Company:

In the hotel. It is fully catered so they get their breakfast and evening meal, and can make a packed lunch. All of the others are self-catered accommodation.

The Deputy of St. Mary:

So any offset ... it is just the hotel where you provide meals. That is taken into account in the salary presumably?

Business Unit Director, The Jersey Royal Company:

Yes, so there is a maximum offset if you provide meals and so on. I have to say it is heavily subsidised.

The Deputy of St. Martin:

Do you find that your staff want to come back because they were in a situation where they were catered for, even though they were ...

Business Unit Director, The Jersey Royal Company:

Yes, obviously the hotel accommodation ... at first when we started the hotel nobody wanted to go in there, now everyone wants to go in there. I think the maximum offset was £90-something a couple of years ago and that included all your heating, your electric, your evening meal and your breakfast, telly in your room, laundry. It was a good deal. I would move in.

The Deputy of St. Martin:

You would be lucky if could find a hotel that provided all that for £90 a week, you would be lucky to find it for £90 a day.

Business Unit Director, The Jersey Royal Company:

Yes, and good food as well. The reason that we put Polish chefs in there was because that was their preferred cuisine. The Europeans like it in there.

The Deputy of St. Martin:

Did you ask to see whether there was a possibility that you would be able to do some different offset for that facility because that -- what you have just described with the all the facilities provided, is very different to a system of ...

Business Unit Director, The Jersey Royal Company:

It is, yes. But we have to be careful how much offset we charge people as well because otherwise they will not come over. It is a competitive one.

The Deputy of St. Mary:

What, the cash and accommodation?

[10:30]

Business Unit Director, The Jersey Royal Company:

Yes, and we have a sister company down in Cornwall that charges less than we do for their accommodation. Okay, it is all portacabin style but even across Europe their charges are different to ours. So having the cost of the visas, the flights to get here, it is not a cheap place to come and work. We are starting to become uncompetitive, which is why we have to put these incentives in place to attract people to come over.

The Deputy of St. Mary:

Without the incentive scheme your workers would be much more inclined to go to your sister company in the south west?

Business Unit Director, The Jersey Royal Company:

Yes, or, like I say, do not come to the U.K. at all because when you come to the U.K. there are a lot of restrictions there now with Brexit, plus you are only here for 9 months.

The Deputy of St. Martin:

Your staff that go to your U.K. company down in Cornwall, although you may not know the intricacies of it, they pay the same amount for the visa, I presume, but is there a permit scheme or do they just get the visa and that will be it?

Business Unit Director, The Jersey Royal Company:

Again, they have been struggling a bit, as far as I am aware, because they were not part of the old source scheme, which is mainly for food producers, because they are producing flowers and not food they had a bit of struggle but I think they have just about got enough people in, but it is a struggle every year. The same for us, you know, finding enough people that are willing to come across is difficult.

The Deputy of St. Martin:

It is difficult across the board, given the headlines last week about the number of staff needed in the hospitality industry this season alone.

Business Unit Director, The Jersey Royal Company:

Cheaper to go to Europe or elsewhere than it is to come to the U.K.

The Deputy of St. Mary:

As Steve just mentioned, given it was the hospitality trade the Government here appears to recognise that by granting an extension. Has there been any dialogue with yourselves as to that possibility?

Business Unit Director, The Jersey Royal Company:

Not really, no. Well, like we spoke about before, if we could have 12 months, that would help. If we could have skilled workers that stayed here ...

The Deputy of St. Mary:

It is just the skilled worker particularly?

Business Unit Director, The Jersey Royal Company:

... and more permanently, even if it was sort of 4 or 5 years. Yes, they are living in agricultural workers' accommodation so they cannot ... it is not like there is any cost to the Island, they are not out on the High Street and putting pressure on the housing market.

The Deputy of St. Mary:

Yes, they are not taking other housing up, either.

Business Unit Director, The Jersey Royal Company:

No, no. Yes, this is just a skilled worker for agriculture in agricultural accommodation, so the pressure on the Island is not there.

The Deputy of St. Martin:

An impossible question to answer, really, but I am going to ask it anyway. If some of your skilled workers were here permanently, do you think they would be bothered about accumulating their time on-Island to acquire settled status?

Business Unit Director, The Jersey Royal Company:

No.

The Deputy of St. Martin:

So a scheme that said you can come on a 5 year or something like that, that you would get no entitlement with it, you go back at the end, would be attractive?

Business Unit Director, The Jersey Royal Company:

Yes, it would. Yes, yes, they are here to earn money. They go back home and set themselves up at home, in countries where it is difficult to earn as much as they can over here.

The Deputy of St. Mary:

Traditionally, that was always the way, yes. I wondered if it had changed and, no, it has not.

Business Unit Director, The Jersey Royal Company:

No, it is still the same. They are here to earn as much as they can and if they are here for 5 years, they would be delighted that they could stay here for 5 years and then go home with some money in their pocket.

The Deputy of St. Martin:

They can earn the amount of money they need to earn quicker?

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

Maybe a year quicker or ...

Business Unit Director, The Jersey Royal Company:

Yes, they can buy their house or build their house or go out and set themselves up.

The Deputy of St. Mary:

I do not want to put words in Steve's mouth either but I think the drift of this part of the conversation is that perhaps government are foreseeing an obstacle or a problem which does not exist in creating this work?

Business Unit Director, The Jersey Royal Company:

Yes. Like I say, they come and work for us, they live in agricultural accommodation, they are not out on the open markets and going to take more housing up which, as we know, a massive impact on the Island is housing. You know, it is not like that at all, we have got agricultural accommodation for them.

The Deputy of St. Martin:

I think the essence really is the settled status, the accumulation of time on-Island was always something in the past. Michael and I both know about, I can think of any number of people who come over, worked on a farm for the minimum amount and the day after they get to their status or they are out of their permit, they are into a construction job and they are into something else and before you know it we have a ... then you have to replace them on farms, so you are increasing the number of people on the Island. But the scheme did not have any status with it, it did not add to the

number of people on the Island because they would go home at the end of it to be replaced by somebody else, so it is not that unusual.

Business Unit Director, The Jersey Royal Company:

Yes. But in terms of a skilled worker here that could be here for 5 years and who knows their job inside out and you are not training new people, that would be a big help for the industry. A big help. Especially as we use more automation and mechanisation as well.

The Deputy of St. Martin:

I was just about to say, the Minister is very keen on productivity and I know you guys have been boosting your productivity, as you said, huge increases in your percentage of staff. We have seen reductions in the number of staff but do you see technology continuing to allow you to reduce numbers because it cannot go on for ever, surely?

Business Unit Director, The Jersey Royal Company:

No, it is getting harder and harder but it has got to. Technology is moving apace, sort of robotic systems out there. As I say, we have already done a certain amount in the pack house. The next bit in the pack house will be end-of-line automation but that is not quite yet there with the technology but I can see that coming in the next 3 or 4 years. The robotics out in the field, yes, that will mean that we need more skilled workers. Less workers but more skill. I do not think there is an industry in the Island that has seen more productivity than agriculture and I do not see anybody that has reduced some 600 people down to 330, 340 in a space of 5 years. No other industry has done that.

The Deputy of St. Martin:

Are you managing to maintain your yield per vergée when it comes to sale on products?

Business Unit Director, The Jersey Royal Company:

Yes. Yes, the last 2 years have been atrocious really but that is all down to weather. We have had probably some of the worst weather in the last 2 years for potato growing that I have ever experienced. We are hoping for a good year this year but the weather puts a big pressure on you as well but the way that we are automating and putting mechanisation in is we have got to wait for the right purpose. So, we are working with the J.F.U. (Jersey Farmers Union), with Lincoln University and Cambridge University on a robotics project to look at getting robots to plant potatoes rather than people. Now we would never have looked at that 10, 15 years ago because we had people there to do it. But, look, it is not just the cost of getting people here, it is the cost of housing them, we have a fleet of 70 mini-buses taking them to work every day. Those mini-buses, they need to be maintained, you have people going off sick. It is the cost of the rest breaks now, an extra 5-minutes

rest break this year has cost us an extra £50,000. We have an extra week's holiday, that has cost us probably around £70,000.

The Deputy of St. Mary:

Sorry, you mentioned your link with Cambridge University on robotics, how far advanced is that? What form does that take?

Business Unit Director, The Jersey Royal Company:

It is in its early stages. So, basically they are just looking at an implement to go on the back of a tractor that will pick a chitted seed potato out of a box and lay it in the soil. That is pretty much what somebody does by hand; they are looking at robotic arms doing that.

The Deputy of St. Mary:

So you are in a way helping them with their research presumably, are you?

Business Unit Director, The Jersey Royal Company:

Yes. Yes, but it is difficult for a small island as well. In the U.K. you can put massive machines in massive fields. In Jersey we have got very small fields so you need almost independent little robots to do things rather than big-scale robots.

The Deputy of St. Mary:

Moving on slightly, if I may, in your listing of various expenses you touched on health there and we are aware of, as we understand it, social security, that they are not covered for the first 6 months.

Business Unit Director, The Jersey Royal Company:

Not covered for the first 6 months, no.

The Deputy of St. Mary:

Do you take out like an insurance to cover them?

Business Unit Director, The Jersey Royal Company:

No, we encourage our workers to take out their own insurance and we are looking at a scheme for them. But I could say: "Why should we be doing that, that is government's role, it is daylight robbery." They are limiting the time that people can come over, they are limited for 9 months, they are not covered for 6 months, they go home for 3 months. They come back the following year for their 9 months, start again.

The Deputy of St. Mary:

Yes, that is what I was coming to.

Business Unit Director, The Jersey Royal Company:

That is the law.

The Deputy of St. Mary:

That seems if they have done 6 months, there is no credit going forward, is there, for the future?

Business Unit Director, The Jersey Royal Company:

No. No, it is the law. Yes, they get no cover at all and they should be.

The Deputy of St. Mary:

Has that given rise to practical problems on your side?

Business Unit Director, The Jersey Royal Company:

Yes, of course. They get emergency cover but as soon as that emergency cover is done, then they are into ...

The Deputy of St. Mary:

They have to sail with the ...

Business Unit Director, The Jersey Royal Company:

You break your arm, okay, then: "Right, we will come and look at your arm." Now they are going to x-ray your arm, tell you to come back the next day and they will put it in plaster and they will start charging you which you would probably expect from the hospital. Somebody has got to pay for that but that should be covered and paid for out of their social security. We have had people who have broken a limb and gone back on the boat the next day to have treatment back home, and that is just not right because they just do not want to pay for it when they get the bill. We pay people's hospital bills because they have had an accident or fallen off their bike at the weekend or whatever and cannot afford to pay their hospital bill, so we stump up for it. But that cannot be right when they are paying social security and we are paying our social security as a company as well and they get no cover.

The Deputy of St. Martin:

Are they cognisant of that fact before they come? Is it an issue?

Business Unit Director, The Jersey Royal Company:

We tell them, yes. So a lot of them are looking at taking out medical insurance. Some of them cannot afford it so they just chance it.

The Deputy of St. Martin:

Some will chance it, will some not come? Is it just another deterrent?

Business Unit Director, The Jersey Royal Company:

It is. It is another deterrent. Yes, it is.

The Deputy of St. Mary:

Has it reached a pitch where if they go home with unpaid bills, for instance - I am not saying they do - but does it ever come to that and are you looked at as a possible source of reimbursement?

Business Unit Director, The Jersey Royal Company:

Yes. That is exactly what happens, yes. We have had people that will just go home, not pay their hospital bill, and they come to us and we square it up but that cannot be right, can it? We are all paying the social security for health cover and if you are here for only 9 months, you are only allowed to be here for 9 months. You pay your first 6 months, nothing happens. You come back the next year and you start all over again and you get no health cover. That is immoral.

The Deputy of St. Martin:

Notwithstanding, Michael, if they are coming here, you encourage them to take out a medical insurance, you would expect them to do that at home before they come?

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

So you could potentially ...

Business Unit Director, The Jersey Royal Company:

We will not enforce that, that is up to them, if they want to. We cannot enforce that.

The Deputy of St. Martin:

Do you have any medical cover over here? Do you have a scheme accessible to them should they say: "We want to sign up to a Jersey one-off scheme"?

Business Unit Director, The Jersey Royal Company:

We are starting to look at that now, yes. We have not got one in place at the minute but we are looking at it. Again, it is: why should we have to undertake that and pay that cost when we are all paying social security?

The Deputy of St. Mary:

I understand that, yes.

Business Unit Director, The Jersey Royal Company:

If we do that then maybe they should take the social security payment away or carry on with the social security payments but cover them for their medical care.

The Deputy of St. Martin:

Do you have any idea what sort of a cost is involved for medical insurance for a 6-month period?

Business Unit Director, The Jersey Royal Company:

Not at the minute, no.

The Deputy of St. Mary:

I am sorry, how many employees do you have?

Business Unit Director, The Jersey Royal Company:

Peak season, 320, 340.

The Deputy of St. Mary:

Sorry?

Business Unit Director, The Jersey Royal Company:

340, peak season.

The Deputy of St. Mary:

It goes down to ... you always go on a minimum, do you not?

Business Unit Director, The Jersey Royal Company:

Yes, it varies. September is our quietest month, so we might be down to 40, 50 people.

The Deputy of St. Mary:

Okay. A question we should have raised of someone else probably but are you anticipating any ... you mention you have a Russian workforce. Are you anticipating any sort of problems with that in the overall political situation?

Business Unit Director, The Jersey Royal Company:

Who knows?

The Deputy of St. Mary:

You have had no sort of tip-off or anything like that?

Business Unit Director, The Jersey Royal Company:

No, no. It is not just Russia, we get some from Kazakhstan and Turkmenistan and places like that as well which are all sort of in a bubble, to be honest. Yes, but at the minute we have not heard anything. I have got to say, though, they are quite skilled people, the Russians. They all speak reasonable English which helps us to start with and most of them are ex-university graduates.

The Deputy of St. Mary:

Right, and they are prepared for fairly menial jobs?

Business Unit Director, The Jersey Royal Company:

Yes, they just want to be able to earn more money than they can at home.

The Deputy of St. Mary:

Interesting. You mentioned various other countries, Kazakhstan, Turkmenistan, do you go through recruitment agencies for each of those or do these all submit some ...

[10:45]

Business Unit Director, The Jersey Royal Company:

A lot of them will be introduced by the company we use as a recruitment agency to help us get that introduction. Then once we have had that introduction, after year one we can go back. So we get a lot of referrals, some friends and family as well. So this year we have not been back to our recruitment agencies because we have got enough people coming in.

The Deputy of St. Mary:

Going back to your earlier point about you tend to pick up control once you have located the person, are they going to have to speak English or not to ...

Business Unit Director, The Jersey Royal Company:

No, we cannot do all their translations for them, so at their induction they get a translation package for all employed people; again, all at cost to the company. We have to employ people to look after them, so we have a translator for most languages in the office doing all their translations. We sort out all of their banking affairs when they come to the Island, so open bank accounts for them. We have to sort out their tax affairs because English is not their first language and when you are trying to set some of this up in a foreign country, it is not easy. So we have got probably 4 or 5 people in the office that just do that, just look after the staff. Now, again, that is a cost for us.

The Deputy of St. Mary:

They are the ones who will do the communication with the individual before they come, yes?

Business Unit Director, The Jersey Royal Company:

Yes, and so we will go and set up their tax forms at the tax office. Now, until recently, we have been working with the tax office to say: "Well, they are going to be here for so many months, this is the amount that they are probably going to earn. This is what their tax percentage should be." In the last month or so that has been stopped and now the tax office have to determine, as they should, what tax percentage they are on and quite often they put them on 20 per cent. I do not know how long they are going to be here, what their potential earnings are and when someone comes in and starts seeing 20 per cent deducted from their wage, it is: "Goodbye, I am not here to earn money and give it back to the Government at that sort of rate, that is not right" and they all leave. It is a big issue because the tax office are way behind, it takes weeks before you start getting tax percentages sorted. Those staff are already earning money and if they are getting 20 per cent deducted, that is not very encouraging for them.

The Deputy of St. Mary:

No.

Business Unit Director, The Jersey Royal Company:

It used to work very well for us. The lady in our office had a good rapport with the tax office and they trusted her enough to say: "Right, this is their potential earnings, we will put them on this" and then they verify that a few weeks later.

The Deputy of St. Mary:

Taking that further, obviously most of our I.T.I.S. (Income Tax Instalment System) deductions are based on an annual sum. Now if you only go for 9 months, is there a danger, which is happening, that an amount has been taken off which represents a grossed-up figure for a whole year, as it were?

Business Unit Director, The Jersey Royal Company:

Yes, yes. Okay, the rules are they will get that back at some point but once they have left the Island ... yes, they are not very trusting, some of these people. When they come from, dare I say, Russia, they are not very trusting of the systems in countries like that, so when they come to Jersey they are very wary of our government's work and ...

The Deputy of St. Martin:

So just getting back to that point because this afternoon we have the Minister for Home Affairs here with us but we are also getting, we believe, the Assistant Minister for the capacity ... well I realise it is not the capacity but it will not stop me asking the question. You used to have a good rapport with the tax office and you could find a way through direct contact, that type of thing, but that has now stopped completely?

Business Unit Director, The Jersey Royal Company:

Yes, the last month or so that has been more difficult. So, yes, we are getting fixed-rate options until we can sort it out and the staff do not like that. When they start seeing that they are having 20 per cent deducted from their ...

The Deputy of St. Martin:

Well, nobody likes paying more rates for their tax each year.

Business Unit Director, The Jersey Royal Company:

Yes, most of these guys should be on 7, 8 per cent.

The Deputy of St. Martin:

They are getting, what, 20 per cent?

Business Unit Director, The Jersey Royal Company:

Yes, it is a big hit. Especially when their main focus is coming to earn money.

The Deputy of St. Martin:

Yes. We have got to the end of our questions that we wanted to ask and a few others as well.

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

But I guess just getting back to the permit situation, Michael, if you had a magic wand and putting your workers into a skilled and an unskilled group, what would be your ideal situation given that you have still some seasonal work - I appreciate your issues with skilled needing to be able to work - but if you had a magic wand, how would you improve things?

Business Unit Director, The Jersey Royal Company:

The visa situation with Brexit is irreversible. Yes, that said, what would help us is if we did have a closer working relationship between Jersey and the U.K. immigration to speed things up, it would help. I think when we are paying £115 on a work permit and then they come back next year and still have to pay £115 for that work permit, well, all the details should be in the system, I think reducing that would help. Yes, all these costs are a big burden on the industry. We have had millions of additional costs put to us when we are getting nothing more back from the market place.

The Deputy of St. Mary:

Are there any other recurring fees like that which ... well, the work permit recurring when it is almost like social security but you are getting no credit for employees. Is there anything else in that line of ...

Business Unit Director, The Jersey Royal Company:

If we can get those 2 things ironed out and some help on that, that would help, both on ... well, social security is just blatantly wrong.

The Deputy of St. Martin:

I suppose in many ways the uncertainty around the timing of the visa is a non-monetary issue but it is something that people normally would say: "Well we are not quite so worried about the cost of the visa if we knew we could put the application in on Friday and the next Friday we have got the visa." Because if that could happened we would be ...

Business Unit Director, The Jersey Royal Company:

We are looking at a start date when every day or week that that is delayed, we have not got those people there doing that work, that is a cost to us.

The Deputy of St. Martin:

Yes.

Business Unit Director, The Jersey Royal Company:

We then start getting behind in our work. Our retailers do not understand that if your workers turn up a week late and you are a week late in your season ... they do not care about that. They have got a contract with you that you supply on this date at a fixed cost.

The Deputy of St. Mary:

From the employees' point of view, or future employees' point of view, you identify, what ...

Business Unit Director, The Jersey Royal Company:

Well, that is kind of the other thing from the employees' point of view as well because if they are delayed, sometimes it can be weeks, if not a month, they are expecting to come here for 7, 8 months' work, 9 months' work and then they are cut back. That is their potential earnings, paying for all their costs, reduced as well.

The Deputy of St. Martin:

Is it possible to get a delayed visa that says: "We are issuing you a visa now but the start date of it is not for another month"?

Business Unit Director, The Jersey Royal Company:

I guess it is possible, yes.

The Deputy of St. Mary:

That might not be attractive to an employee because if he is applying for a job it is because he wants to work now, presumably?

Business Unit Director, The Jersey Royal Company:

Yes, it is difficult because you have got to ... determining what our season is depends on what contracts we get from our customers. So we need to know what tonnage we are likely to sell in our sales plan to work out how much we need to plant and how much we need to grow. It is really difficult, having handled Brexit and all these immigration challenges in the last 2 years and COVID on top, it is hard enough going from: "Well, I need staff in 2 weeks' time" to now: "Right, we are going to be working 3 months ahead of that" to then saying: "Let us go a month ahead of that again."

The Deputy of St. Martin:

Getting back to our issues with visa - but I presume you have already said - another one of the issues is that you cannot apply for a new visa until the old one ... is it a visa or a permit? I cannot remember. You cannot apply until the old one is ...

Business Unit Director, The Jersey Royal Company:

Yes, the old one is expired. Yes.

The Deputy of St. Martin:

Until that worker has gone home and is gone ...

Business Unit Director, The Jersey Royal Company:

You can pay more money and get a longer visa but that is going from like £244 for a visa to £600-and-something for a longer-term visa. But you ...

The Deputy of St. Martin:

Do you know how long that would be?

Business Unit Director, The Jersey Royal Company:

I cannot remember. I think it might be 3 years.

The Deputy of St. Mary:

I see.

Business Unit Director, The Jersey Royal Company:

But, again, the staff have got to be sure that they are going to come back here 3 years on the trot and they are never sure of that, so they always do it by one year at a time and the difference is not that much.

The Deputy of St. Mary:

Going back to the overall timing, you say you need to know the extent of the orders before you know the workforce you require. So, what is your ideal time now between looking for an employee and being on your fields, as it were? Or what is a reasonable time expectation?

Business Unit Director, The Jersey Royal Company:

It is about 3 months. You need ...

The Deputy of St. Mary:

It is 3 months?

Business Unit Director, The Jersey Royal Company:

Yes, you need a month to find out whether you can find somebody to start with, to start that recruitment process. Go and find somebody who would say: "Well, yes, I would quite like to come to Jersey." That takes a month, then by the time you have put in for your work permit and then got

your visa that is probably another 6 weeks. Then they have to book their flights, it is almost a 3-month process.

The Deputy of St. Martin:

Do you inevitably work in groups? Do you have a minimum number of people you like to recruit? Would you try to get 2 or 3 people or do you say: "No, we do not start until we have got a demand for 10 or more"?

Business Unit Director, The Jersey Royal Company:

The other thing is, we try and use the same people, try and get some retention of people as well. So we have got to see whether people are willing to come back ... that were here last year are willing to come back this year. Now they inevitably do not give you an answer straight away, so when you start recruiting for new people, you have got to determine whether the old people are still coming back or not. Because, again, you do not want to train people up if you do not have to. Training costs a lot of money.

The Deputy of St. Mary:

I am just concerned about the 3 months, like if you ...

Business Unit Director, The Jersey Royal Company:

Yes, we can just about to cope with it. We are starting to build the systems in now, we are quite an adaptable business, we will build in whatever systems we can but there are things that government can help us with. One of them is the social security and the other thing is I do not understand why we have to be charged if it is the same person coming back. Surely that is systemised enough that they can just press a button and say: "Oh, yes, he was here last year, we have got all his details."

The Deputy of St. Mary:

Understandable, yes.

The Deputy of St. Martin:

I can understand that. In many other systems we have where you are asked a question on the basis: "Has anything changed since last year?" and if you tick the yes box, nothing obviously has, but if you do that, if you have done something naughty in between, you are obliged to declare it.

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

But then what you are saying is, same person, no change in circumstances, they can just tick a box and ...

Business Unit Director, The Jersey Royal Company:

Yes, they have only been home for 3 months so ...

The Deputy of St. Mary:

I want to go back just to finish it off, I am concerned about your potential worker out in, wherever he might be, looking for a job and basically being told: "Well, we might have work for 3 months", I thought that might be a deterrent to quite a few people?

Business Unit Director, The Jersey Royal Company:

Yes, finding short-term people for less than the whole 9 months is increasingly difficult because they have got to have enough earning potential to pay for all their costs to get here. The further afield we go, the greater the costs on flights and getting here.

The Deputy of St. Martin:

I know it was not part of our question plan we might have sent you but what about the local recruitment for any of these jobs? Do you find anyone? Obviously you are local, I know a number of your other people in your company who are locals, but is it something that you ... do people phone up looking for jobs?

Business Unit Director, The Jersey Royal Company:

Yes, we do try and recruit locally. I think for the last 3 or 4 years we have done that, had people in, they do not even make it through the induction process. It is just like: "Well, too much like hard work for me."

The Deputy of St. Martin:

At the skill level?

Business Unit Director, The Jersey Royal Company:

Well, skill levels, yes, again it is just very different. We got a couple of U.K. taxi drivers in last year. I had to pay handsomely for them and they could not cope because of the foreign workforce that they are having to work with, could not find their way around the Island, accommodation was not up to what they thought it should be. You can work on a big farm and have a nice, tied cottage, a 3-bedroom tied cottage with your job, well, it just does not exist here; we have got bedsit-type accommodation. We cannot cater for people to bring their families across, we do not have the accommodation for that, so it is difficult.

The Deputy of St. Mary:

In saying that but I think Steve's point was, the higher-paid areas should surely be hope for local people; they have got their own accommodation elsewhere.

[11:00]

Business Unit Director, The Jersey Royal Company:

Yes, you know, Steve, we have got probably the young farmers who are interested in staying in farming work for us now. That is where we all came from, is from farming families and ended up working for the company. Yes, so of course we would do that. We can use the project Highlands scheme quite successfully. We have got a couple of young engineers working for us now and they are 16, come and do their weekends, earn a bit of pocket money. One of them has just left school, he is now on an apprenticeship scheme at Highlands and he is still working for us. A nice young man, so, yes, of course we are trying that all the time. But we are competing out there with Porsche garages and Mercedes garages that will go and pay their engineers twice what we could pay them and it is a different type of engineering. It is agricultural machinery, it is a lot of banging and welding and a lot of muck and oil, it is not the same as working in a nice garage where you are 9.00 until 5.00.

The Deputy of St. Mary:

It is done by computer now.

Business Unit Director, The Jersey Royal Company:

Yes, it all done by computer. Where we can, we have been working with our parent company and sister company in the U.K. so we have outsourced some of our roles. So our finance role now is all done, with the exception of one person, all done in the U.K.

The Deputy of St. Mary:

Well, we have exhausted our agenda and more. It has been very informative, thank you.

The Deputy of St. Martin:

Is there anything else you would like to raise before we close, Mike?

Business Unit Director, The Jersey Royal Company:

I think we have pretty much covered it, really. Just more government support would help. It just feels like we are a lost industry.

The Deputy of St. Martin:

There is talk of increased help in the Innovation and Productivity Department from the Minister but is that going to be similar to what we have had before ...

Business Unit Director, The Jersey Royal Company:

Well, no, we have not seen any action yet, so we have had to put that money in. I have got to say, the last 2 years have not been financially very good for the company because of the weather. We need a good season.

The Deputy of St. Martin:

So, just to be clear, the money that has been invested in productivity over the last few years is private money that has come from you and it is not grant-funded money that has come from the Government?

Business Unit Director, The Jersey Royal Company:

Yes, any profits that this company has made in the last 6 years has been ploughed straight back into our company again in productivity. Our investors need to make sure that they are getting a return on their capital as well. So, we have to make sure that any productivity schemes we put in place have a good pay back hopefully within 2 years, 3 years. We need to pay that equipment back. Like you say, it was some easy wins at the beginning; now it is getting harder and harder to find where that productivity is coming from. So even if we have a productivity scheme coming on now, I do not know exactly what we would put the money into because, like I say, we have taken all the easy wins. We have done it, we have invested that money ourselves.

The Deputy of St. Martin:

I cannot resist the opportunity to ask you, in general, tonnage exports over the last few years, are they holding or is the market reducing at the moment?

Business Unit Director, The Jersey Royal Company:

No, the market is there. We have not exported where we should have been the last couple of years purely because we have had some appalling rain in the growing season. It feels like this year might change a bit, we are kind of ahead on our planting programme slightly this year. So, yes, the market is there.

The Deputy of St. Martin:

Just a couple of questions sort of outside of economics ... well they are economic in a way. You have had a major revolution in the amount of fertiliser you put on the land and the chemicals that

you are allowed to use I suppose for farming generally, how has that affected yield? Are you having to farm larger areas and rotate in order to compensate for the lack of chemical?

Business Unit Director, The Jersey Royal Company:

Yes, so fertiliser placement has helped us massively, putting the fertiliser where the crop is and not in the corners of the field and the internal headlands where there is no crop. Yes, that is a 15 per cent saving and that is a saving for us, especially this year. Yes, our fertiliser cost has doubled this year, so of course things like that help us as well to increase productivity. The bits of kit we had to design ourselves and build ourselves because it is not a bespoke bit of kit that you can buy off the shelf in Jersey. Chemicals, we have pretty much lost all of the nematicides for potato cysts nematode control. We have been working on other innovations, biocontrols for the last 7 or 8 years and we are still seeing our P.C.N. (Potato Cyst Nematodes) numbers decline because we are always at the forefront of technology in trying to introduce these things. Sorry, the last question was?

The Deputy of St. Martin:

Crop rotation.

Business Unit Director, The Jersey Royal Company:

Crop rotation. Yes, so the more productivity we get out of an area, the more land we can put in rotation. We now work very, very closely with every dairy farmer on the Island using the rotation, breaking up some of their long-term lays for them and putting new grass lays down and putting a crop of potatoes in. So, yes, we are hoping that probably in the next 12 months we will get to 20 per cent of our land base is rotated. Again, 5 years ago that would be 1 or 2 per cent, maybe. It makes a huge difference. If you get some land in rotation, that makes a huge difference but, again, it is the chicken and egg. You invest land, you get increased yields; you get increased yields, you need less land to grow your crops so, yes, but we are getting there.

The Deputy of St. Mary:

Just a final point, going back to Steve's question, you seem - and I thank God you are - optimistic about the market being there. Given the costs you have got and costs on ...

Business Unit Director, The Jersey Royal Company:

The challenges are increased this year. Yes, we have not made any money the last few years. In fact, I think probably the industry has lost a little bit. We are still able to plough this money into productivity to make things more efficient. So here is the challenge, the big challenge this year, whether we can see any increase out of the market place. These retailers that we work with ask for cost reductions not looking at cost increases. This year we are probably looking at inflation of 17, 18 per cent. Now, normally when you go to a retailer and say: "Look, we have had inflation of 2 per

cent” they will just say: “Well, suck it up. Make yourself more efficient, suck it up.” This is unprecedented though. How are we going to go and get 17 or 18 per cent increase from the retailers, I have no idea. We are working hard to see where we can go. I have got to say it is not unique to Jersey, this is ...

The Deputy of St. Martin:

I was just about to say, we are fortunate in a way, if you want to use that word we are part of a much bigger market which is suffering exactly the same sort of levels of inflation. I do believe the size of the ... the weight of the people going to the retail saying: “We must have more money” will help us.

Business Unit Director, The Jersey Royal Company:

Yes, so it is just what level we can achieve. I have got a feeling we might be able to achieve 7, 8 per cent but what I am really looking for is 17 or 18 per cent starting from a low base already.

The Deputy of St. Mary:

My true question really was, as you said, while produce is going to go up in price, there is a danger that the Joe Public will perhaps forgo his right - if that is the right expression to have - to have the premium products which the Jersey Royal is but you have always lived with that danger, though, have you not?

Business Unit Director, The Jersey Royal Company:

Yes, so it is a challenge but it is also an opportunity because, as you say, we are not unique to this. Everybody growing food in the U.K. has got the same challenges, so hopefully we can take this opportunity and use it as a bit of a springboard to get some inflation back into the product. They have also got these inflation ... our main competitors are out in Europe from Egypt, Israel, Canary Islands, all that sort of stuff, Majorca. Getting those products into the U.K. is expensive as well.

The Deputy of St. Mary:

Perhaps it will be more expensive now with ...

Business Unit Director, The Jersey Royal Company:

Yes, so there is an opportunity out there, we have just got to push on.

The Deputy of St. Mary:

Okay, understood. We possibly ought to close, should we?

The Deputy of St. Martin:

Well, yes, I was just going to respond. Yes, I was going to say, from that perspective, at least your target market for Jersey Royals is the U.K.?

Business Unit Director, The Jersey Royal Company:

Yes.

The Deputy of St. Martin:

Whereas if it was Europe that would be a major problem?

Business Unit Director, The Jersey Royal Company:

Yes. So we are optimistic.

The Deputy of St. Martin:

That is a good place to finish then.

The Deputy of St. Mary:

It is indeed, yes. Well, thank you very much for coming in. We have other people to see and we will get our report out ... I am not sure when it is, certainly during March at any rate. We will see what comes of it.

Business Unit Director, The Jersey Royal Company:

Excellent. Thank you very much.

The Deputy of St. Mary:

Thanks for coming in. Thank you.

[11:10]