

FUTURE SKILLS ISSUES AFFECTING  
INDUSTRY SECTORS IN WALES



**Food Processing Sector**

## Executive Summary

### Introduction

This document is one of a series commissioned by the Future Skills Wales Research Forum. The overall project aims to extend and complement the work begun by the original Future Skills Wales project, which forecast future generic skills needs across Wales using forecasting and survey data. The current project adds studies of future vocational skills needs within key sectors in Wales. Each sector study is based on desk research and qualitative interviews with practitioners and employers, and aims to provide an overview of the sector, the skills issues, and current and potential actions to further strengthen the sector.

Businesses and employees in each of the sectors studied have achieved great successes; that is why these sectors have become important for Wales. Our focus on current skills issues should not obscure these achievements or the determination of all concerned to meet current and future challenges.

### Sector Profile

Food processing is a **growing and important sector** for the Welsh economy. The natural advantage in some sub-sectors of being located close to the agriculture sector provides benefits which are being further developed through initiatives such as the Agri-Food Partnership.

There are estimated to be up to 700 firms in the sector, employing around 20,000; the sector is relatively strong in Wales in relation to the UK as a whole. The major subsectors are concerned with:

- bread;
- meat and poultry;
- dairies, cheese and ice-cream;
- fruit and vegetable processing.

The sector is present in all Welsh regions but the highest proportion of firms (34%) is located in the South East, with 16% being sited in Mid-Wales.

The occupational profile of the sector is dominated by a large group of operatives - a higher proportion than is seen in any of the other manufacturing sectors studied in this YCL series (aerospace, automotive manufacturing, and electronics).

Future employment and output is forecast to increase - thus describing an expanding, successful sector. This growth outlook contrasts with a forecast fall in employment in the UK as a whole, and should benefit the sector in North Wales in particular. However, there is **evidence of potential risks to the sector in the longer term.**

### Skills Issues

Many **production jobs are relatively low skilled**, which in the short term suits employers, who generally focus training for operatives on satisfying legal requirements. Over the medium to longer term businesses will need to think carefully about how they can develop the skills they require in the following areas:

- **professional / technician skills;**
- **food hygiene and technology skills generally;**
- **IT skills of production staff.**

The sector is experiencing some skills shortages but these are not having a significant impact on business performance currently.

Competition is likely to increase with margins kept very tight. Imported food stuffs are often based on lower labour costs forcing Welsh producers to ensure cost control and to compete on quality.

### Action on Skills

Apart from the establishment of the Food Directorate at the WDA, **the sector does not benefit from coherence on skills and training issues** throughout Wales as a whole. There is a need to encourage involvement from organisations, such as the National Training Organisations, in a debate about the key sectoral skills issues.

The natural result of generating organisational interest in the sector will be the development of a sector skills strategy.

Recommendations for the sector are summarised in the following table.

**Summary of Recommendations**

Theme No:	Rec. No	Action	Timescale	Key Partners
1	1a	Establish a forum for the consideration of skills issues across the sector in Wales	From 2000	CETW/WDA/ NTOs
2	2a	Develop a Food Processing sector skills strategy	2001	CETW/NTOs and others
3	3a	Promotion of flexibility and relevance of the NVQ framework to employers	2001	CETW/NTOs/ FE/providers
	3b	Encouraging employers to embrace company-wide strategies for skills development	2001	CETW/NTOs/ Business Connect
	3c	Review of training provision against employer needs	2001	NAW/CETW/ NTOs/FE providers
4	4a	Sector specific primary research in terms of employer attitudes to training and the response of the education and training sector to its needs	From 2000	NAW/Skills Unit

