

# The Welsh Food & Drink Skills Project

## Labour Market Intelligence Data Sheet delivering skills for future growth



**LANTRA**  
Raising skills, boosting business  
Codi sgiliau, cefnogi busnes



skillsmart retail®  
cymru



people1st cymru

**Improve**

CYNGOR SGILIAU BHWYD & DRIG  
FOOD & DRINK SKILLS COUNCIL  
CYMRU  
WALES

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# 1 Introduction

## Background to the overarching project

The Welsh Food and Drink Skills Project published its report 'Delivering Skills for Future Growth' in October 2011, indicating the supply and demand for education and training. At a strategic level there are skills gaps in leadership and management, business planning, and financial management. At a more technical level the most important skills identified by businesses overall were operating and maintaining equipment, waste awareness, environmental awareness and practices, sales and merchandising and manual handling.

This Welsh Food and Drink Skills Project represents the combined efforts of four Sector Skills Councils operating in the key industries. These include primary production (Lantra), food and drink manufacturing (Improve), hospitality and tourism (People1st) and retail (Skillsmart Retail), therefore representing the main industries involved from the production to consumption of Food & Drink in Wales. Employing 230,000 people, 18% of the total Welsh workforce, it is the single largest employer in Wales.

## Manufacturing

Manufacturing and processing of food and drink, as the second stage of the food chain, includes the following industries: processing of meat, fish, fruit or vegetables, processing of other food and drink, manufacturing of food and drink products, other manufacturing. The results for each of these sectors will be presented in the following pages.

## Rationale for this additional research publication

The aim of this work is to provide industry, including trade associations, employers and education providers, with up-to-date statistically robust information as an extension of the work from the overarching 'delivering skills for future growth' report. This data shows employers views on which are the important skills areas and where they see skills gaps within the workforce.

## Factsheet Structure

This additional information is presented in a series of four data sheets. The Sector Skills Councils' research teams have analysed the data sets collected from the initial survey of 1,875 businesses across the Food & Drink Supply Chain. The analysis is intended to provide more in-depth information on each of the four sectors and also provides analysis on a regional basis where applicable and an overview of business diversification and the associated skills needs and gaps.

By producing data tables across the four industries, it will be clear where there are similarities and differences across the industries in terms of skills needs and where diversification has occurred. Skills and skills gaps are explored in relation to business size (employee numbers) and location of business. The information also identifies the skills which are becoming increasingly important, and the best training methods for businesses according to business size and location. The information presented also looks at the number of businesses which have diversified in particular areas of their sector, and where they are located.



## 2 Manufacturing

The following section includes data regarding the importance of skills, skills gaps and business diversification within the manufacturing and processing stage of the food chain.

### Importance of skills for food and drink manufacturing businesses by region

Respondents were asked whether they felt the following skills were important on a scale of 1-10, 1 representing not at all important and 10 representing extremely important. Food and drink manufacturing businesses in North Wales regarded sales and merchandising skills as most important. Businesses in South East Wales perceived manual handling skills as the most important and in South West Wales waste awareness skills were considered key (see Table 1). The operation and maintenance of equipment was regarded as the most important skill by food and drink manufacturing businesses in Mid Wales. Brewing skills were considered the least important by businesses in all regions except for Mid Wales who perceived confectionery skills as the least important.

Table 1: Importance of skills in the Welsh regions

	North Wales	South East Wales	South West Wales	Mid Wales
Operating and Maintaining Equipment	8.43	8.05	8.36	8.26
Waste Awareness	7.80	8.07	8.64	7.19
Management of Raw Materials	7.95	7.05	6.81	7.15
Environmental Awareness and Practice	8.16	7.95	6.67	7.52
Business and Administration	7.25	7.5	8.17	7.15
Sales and Merchandising	8.55	8.11	8.31	8.22
Manual Handling	8.16	8.14	8.07	7.85
Food Technology	7.39	7.94	7.85	8.11
Bakery skills	4.46	4.07	4.21	*
Knife skills e.g. butchery, filleting	4.29	4.28	4.31	5.07
Confectionery skills	4.63	3.92	2.97	3.19
Dairy production skills	3.24	3.67	4.55	*
Brewing skills	1.36	1.21	1.97	*
Sourcing skills e.g. where purchase goods from	7.14	6.93	6.95	6.96
The ability to speak Welsh	4.48	1.88	3.86	3.59

\*denotes sample size too small to report on, below 25 responses.

### Importance of skills for food and drink manufacturing businesses by employee size

Sales and merchandising skills, manual handling skills, operating and maintaining equipment skills, and environmental awareness and practice skills are universally regarded as the most important skills across all sizes of food and drink manufacturing businesses (see Table 2). Whereas, confectionery skills and the ability to speak Welsh are considered the least important. Those businesses with 11-50 employees also consider Food Technology as being a particularly important skill. Limitations of sample size prevent data for businesses with 1 or 51+ employees being presented.



Table 2: Importance of skills in different business sizes

	2-3	4-5	6-10	11-50
Operating and Maintaining Equipment	7.84	8.08	8.41	8.46
Waste Awareness	7.93	8.4	7.7	7.93
Management of Raw Materials	6.71	7.80	7.22	7.32
Environmental Awareness and Practice	8.4	8.64	8	6.75
Business and Administration	7.36	7.92	7.78	7.25
Sales and Merchandising	8.15	8.64	8.56	8.68
Manual Handling	7.87	8.24	8.3	8.32
Food Technology	7.46	7.96	6.85	8.22
Knife skills e.g. butchery, filleting	4.47	6.76	3.26	4.39
Confectionery skills	3.44	3.32	4.63	2.44
Sourcing skills e.g. where purchase goods from	6.60	8.92	7.37	6.64
The ability to speak Welsh	3.27	3.32	4.19	3.21

### Technical skill gaps in food and drink manufacturing by sub-region

Operating and maintaining equipment is considered a technical skills gap by 20% of food and drink manufacturing businesses located in North Wales, followed by sales and merchandising skills (16%) and the ability to speak Welsh (16%) (see Table 3 below). Food and drink manufacturing businesses in South East Wales have a different perception, with 29% regarding sales and merchandising skills amongst their workforce to be lacking, 27% consider business and administration skills need improvement, and environmental awareness and practice skills along with food technology skills need improving according to 21% of respondents. Sales and merchandising skills are perceived as needing improvement by 26% of respondents in South West Wales, and in Mid Wales both sales and merchandising and food technology skills need improving according to 30% of respondents.

Table 3: Technical skill gaps in the Welsh regions

	North Wales	South East Wales	South West Wales	Mid Wales
Operating and Maintaining Equipment	20%	16%	14%	7%
Waste Awareness	14%	16%	7%	19%
Management of Raw Materials	9%	16%	0%	19%
Environmental Awareness and Practice	9%	21%	17%	19%
Business and Administration	11%	27%	21%	26%
Sales and Merchandising	16%	29%	26%	30%
Manual Handling	14%	14%	7%	19%
Food Technology	9%	21%	12%	30%
Bakery skills	5%	5%	5%	4%
Knife skills e.g. butchery, filleting	9%	9%	2%	15%
Fishmongery	0%	0%	2%	0%
Confectionery skills	7%	13%	0%	0%
Dairy production skills	5%	2%	10%	0%
Brewing skills	2%	2%	0%	0%
Online Retail skills	9%	7%	7%	4%
Sourcing skills e.g. where purchase goods from	11%	16%	2%	11%
The ability to speak Welsh	16%	11%	7%	15%





### Technical skill gaps in food and drink manufacturing by employee size

A lack of business and administration skills, as well as sales and merchandising skills are reported by the largest proportion of food and drink manufacturing respondents employing 2-3 staff. A deficiency in sales and merchandising skills, followed by sourcing skills, environmental awareness, and operating and maintaining equipment skills are reported by the greatest share of respondents with 4-5 employees. A lack of business and administration skills together with operating and maintaining equipment skills join a lack of sales and merchandising skills for businesses with 6-10 staff. A deficiency in sales and merchandising skills and food technology skills are reported by the largest share of businesses with 11-50 staff. Again, sample size limitations prevent the presentation of data for respondents with 1 or 51+ staff.

Table 4: Technical skill gaps in the Welsh regions

	2-3	4-5	6-10	11-50
Operating and Maintaining Equipment	11 %	20 %	22 %	14 %
Waste Awareness	18 %	16 %	11 %	11 %
Management of Raw Materials	13 %	16 %	11 %	4 %
Environmental Awareness and Practice	22 %	20 %	15 %	11 %
Business and Administration	35 %	12 %	19 %	11 %
Sales and Merchandising	27 %	36 %	19 %	25 %
Manual Handling	16 %	12 %	11 %	11 %
Food Technology	20 %	16 %	7 %	25 %
Bakery skills	7 %	4 %	0 %	7 %
Knife skills e.g. butchery, filleting	7 %	12 %	4 %	4 %
Fishmongery	2 %	0 %	0 %	0 %
Confectionery skills	7 %	12 %	4 %	0 %
Dairy production skills	5 %	4 %	4 %	4 %
Brewing skills	2 %	4 %	0 %	0 %
Online Retail skills	13 %	4 %	7 %	0 %
Sourcing skills e.g where purchase goods from	15 %	20 %	4 %	7 %
The ability to speak Welsh	16 %	16 %	11 %	4 %

### Business Diversification

49 % of businesses (83), which have food and drink manufacturing as their main activity, have diversified into another business activity within the food chain (this could be within food and drink manufacturing, primary production, hospitality or retail) (see Table 5).

Table 5: Diversification within the businesses

Main Business Activity	n	%
Processing of meat, fish, fruit and vegetables	16/38	42
Processing of other food and drink	17/29	59
Manufacturing of food or drink products	50/96	52
Other manufacturing	0/6	0
<b>Total</b>	<b>83/169</b>	<b>49</b>

### Businesses (with main activity in food and drink manufacturing) that have diversified into multiple other food chain activities

Businesses operating within processing of other food and drink sub-sector demonstrate the largest proportion of multiple diversification instances of all the food and drink manufacturing respondents (see Table 6).



Table 6: Multiple diversification within the businesses

Main Business Activity	n	%
Processing of meat, fish, fruit and vegetables	5/38	13 %
Processing of other food and drink	10/29	35 %
Manufacturing of food or drink products	5/96	5 %
Other manufacturing	*	*

\*denotes sample size too small to report on, below 25 responses.

The top 3 instances of diversification from food and drink manufacturing industries into non-food and drink manufacturing industries are as follows:

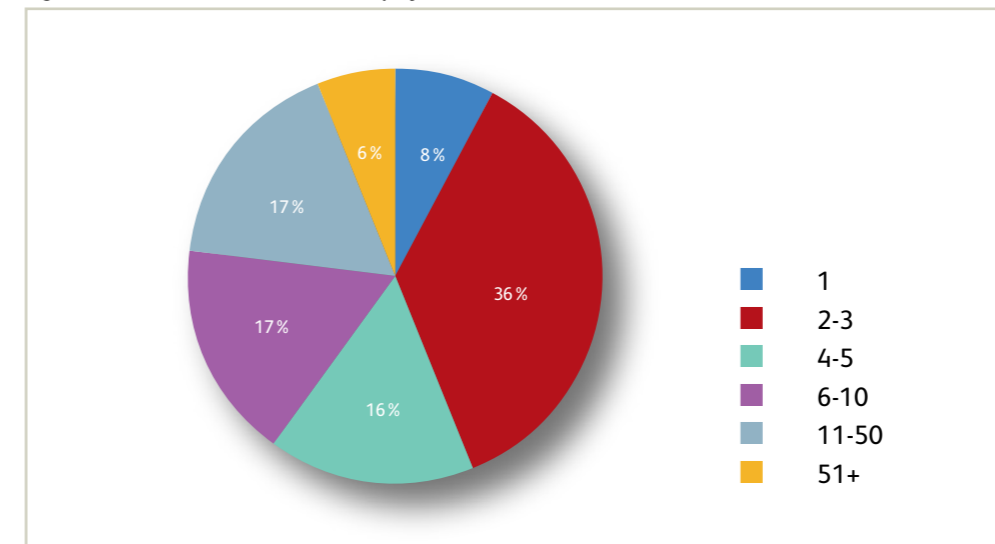
- 38 % of processing of other food and drink respondents have diversified into the sale of food and drink via retail shops (11/29);
- 37 % of manufacturing of food or drink products respondents have diversified into the sale of food and drink via other retail outlets; and
- 24 % of processing of meat, fish, fruit or vegetables respondents have diversified into the sale of food and drink via retail shops.

This suggests that retail skills would be important to these businesses. The importance of skills across the sector is addressed later in the factsheet.

### Employee size bands of diversified businesses (food and drink manufacturing main business activity)

The majority (77 %) of diversified food and drink manufacturing businesses are small, employing between 1-10 staff. A further 17 % employ 11-50 individuals, and 6 % employ 51 people or more (see Figure 1 below).

Figure 1: Business sizes (number of employees)



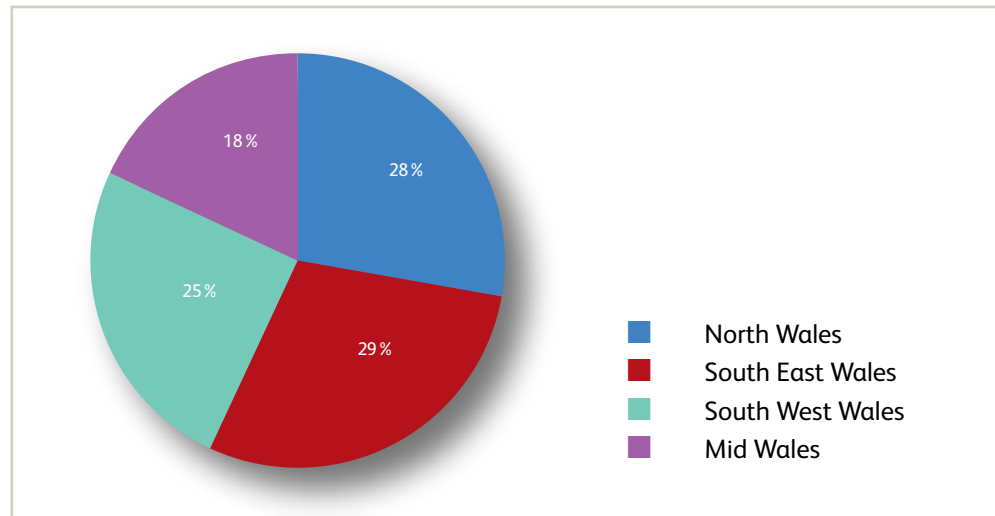
### Location of diversified businesses (where food and drink manufacturing is main business activity)

The majority of diversified food and drink manufacturing businesses are located in SE Wales and North Wales. Mid Wales demonstrates the smallest share of diversified food and drink manufacturing businesses (see Figure 2).

When asked which technical skills food and drink manufacturing respondents consider will become more important to the business over the next 3 years, sales & merchandising was reported by 13 %, environmental awareness and practice by 12 %, computer/IT skills by 8 %, and waste awareness by 7 % of businesses.



Figure 2: Location of businesses across the Welsh regions



### Best training method for food and drink manufacturing businesses by sub-region

On-the-job training with the employer is considered the best training method by food and drink manufacturers across each sub region of Wales. The largest proportion is reported by respondents in North Wales (55%) and the smallest proportion in Mid Wales (30%). Respondents in Mid Wales regard off-site training with an external provider as equally as good (30%).

Table 7: Best training method in the Welsh regions

	North Wales	South East Wales	South West Wales	Mid Wales
On-the-job training with employer	55%	42%	41%	30%
Off-site training with external provider	22%	26%	16%	30%
On-site training with external provider	10%	15%	25%	20%
We don't do any training	10%	15%	14%	20%
Don't Know/Refused	4%	1%	4%	0%

### Best training method for the business employee size band

On-the-job training with the employer is considered the best training method by Welsh food and drink manufacturers across all sizes of company (where data is presented).

Table 8: Best training method in the different business sizes

	2-3	4-5	6-10	11-50
On-the-job training with employer	45%	54%	45%	42%
Off-site training with external provider	22%	14%	13%	21%
On-site training with external provider	15%	14%	13%	27%
We don't do any training	18%	18%	13%	9%
Don't Know/Refused	0%	0%	8%	0%

For full report and appendices go to:  
[www.foodanddrinkskills.co.uk](http://www.foodanddrinkskills.co.uk)

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