

The Welsh Food & Drink Skills Project

Labour Market Intelligence Data Sheet delivering skills for future growth



LANTRA
Raising skills, backing business
Codi sgiliau, cefnogi busnes



people1st cymru



Improve

CYNGOR SGILIAU BHYD A DIOG
FOOD & DRINK SKILLS COUNCIL
CYMRU
WALES



skillsmart retail
cymru

March 2012



This project is supported by the Welsh Government's Sector Priorities Fund Pilot (SPFP) programme that also receives additional support from the European Social Fund (ESF)

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.

Primary Production

Primary production, employing 56,000, is at the very start of the food chain and includes the following industries: growing of crops, fruits or vegetables, raising of livestock/ animals, game and wildlife management, fishing/aquaculture and other agricultural or land-based activity. The results for each of these industries will be presented.

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 in-depth information on each of the four sectors. It 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 Primary production

Importance of skills in primary production by region

Respondents were asked whether they felt the following skills (in Table 1) were important in primary production on a scale of 1-10, with 1 representing 'not at all important' and 10 representing 'extremely important'. It is clear across all regions that businesses felt operating and maintaining equipment, administration, and environmental awareness and practice skills were very important. Interestingly, the ability to speak Welsh was especially important in North Wales compared to all other regions.

Table 1: Importance of skills within the Welsh regions

Skills	North Wales	South East Wales	South West Wales	Mid Wales	Average
Operating and Maintaining Equipment	8.59	8.72	8.22	8.27	8.45
Waste Awareness	7.98	7.97	7.8	7.64	7.85
Management of Raw Materials	8.05	7.77	7.07	7.26	7.54
Procurement and Contracting	6.31	7.02	6.35	6.27	6.49
Environmental Awareness and Practice	8.16	8.17	7.97	7.9	8.05
Administration	8.35	8.09	7.9	8.12	8.2
Sales and Merchandising	7.7	7.83	6.86	7.65	7.51
Manual Handling	8.07	7.55	7.58	8.03	7.81
Knife Skills e.g. butchery, filleting	2.21	2.6	2.14	2.38	2.33
Fishmongery	*	*	1.31	1.25	1.28
Dairy production skills	3.58	3.08	4.69	2.33	3.42
Brewing skills	1	1.46	1.61	1.25	1.33
Sourcing skills e.g. where purchase goods locally	7.7	7.55	6.88	6.81	7.24
The ability to speak Welsh	7.24	1.89	4.91	4.82	4.72

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

Importance of skills in primary production by employee size

Businesses within primary production are typically micro and small businesses (99%). The figures for other larger size-bands are not presented as the sample sizes were too small to make assumptions. As a result, the data is limited to those businesses with up to 5 employees (see Table 2). Operating and maintaining equipment again is considered very important across the 3 size bands, and this did not particularly vary between businesses with either 1 employee, 2-3 employees or 4-5. This probably reflects the fact that all employees will do various elements of the work involved in primary production due to the small sizes of the businesses with 1-5 employees. Waste awareness, environmental awareness and practice and administration were also considered to be particularly important. The small figures for dairy production reflect the small number of dairy producers within the sample.



Table 2: Importance of skills in primary production within micro and small businesses

Skills	1	2-3	4-5
Operating and Maintaining Equipment	8.03	8.43	8.52
Waste Awareness	7.42	7.92	7.74
Management of Raw Materials	6.72	7.53	7.95
Procurement and Contracting	6.39	6.36	6.27
Environmental Awareness and Practice	7.58	8.17	7.88
Administration	7.9	8.16	8.28
Sales and Merchandising	7.2	7.51	7.56
Manual Handling	7.81	7.87	7.93
Knife Skills e.g. butchery, filleting	2.64	2.19	2.26
Fishmongery	*	1.3	*
Dairy production skills	2.74	3.25	4.24
Brewing skills	1.59	1.37	1.16
Sourcing skills e.g. where purchase goods locally	6.78	7.17	7.35
The ability to speak Welsh	5.19	5.11	4.39

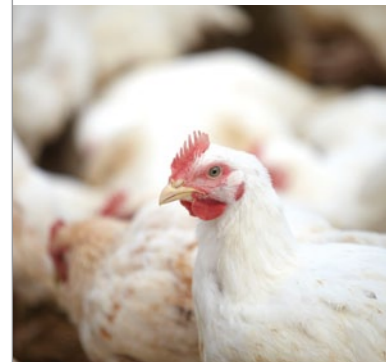
*denotes sample size too small to report on, below 25 responses.

Technical skill gaps in primary production by sub-region

The data below (Table 3) suggest that the skill gaps within primary production mirror the areas that are considered the most important i.e. operating and maintaining equipment, administration and environmental awareness and practice were the most important. This is a particularly important finding in terms of understanding where further training may be required, and also which skills employers feel their staff / they should be trained in. It is important to remember that those with 1 employee will be both an employer and employee i.e. self-employed, and the business will have been their own.

Table 3: Technical skill gaps in primary production within the Welsh regions

Skills	North Wales	South East Wales	South West Wales	Mid Wales
Operating and Maintaining Equipment	27 %	23 %	17 %	20 %
Waste Awareness	18 %	25 %	16 %	13 %
Management of Raw Materials	11 %	19 %	12 %	13 %
Procurement and Contracting	11 %	14 %	8 %	10 %
Environmental Awareness and Practice	20 %	20 %	18 %	16 %
Administration	25 %	24 %	20 %	24 %
Sales and Merchandising	15 %	26 %	15 %	18 %
Manual Handling	12 %	16 %	14 %	15 %
Sourcing skills e.g. where purchase goods locally	14 %	15 %	12 %	13 %
The ability to speak Welsh	7 %	6 %	9 %	6 %



Technical skill gaps in primary production by employee size

In terms of technical skill gaps, there is some variation across the size of business, though the notable differences are in sales and merchandising, and waste awareness skills (see Table 4). Within businesses with 2-3 employees, skill gaps are noted less frequently for these areas than businesses with either 1 employee or 4-5 employees. Businesses with 2-3 employees are more likely to say that administration and operating and maintaining equipment were technical skill gaps within their business.

Table 4: Technical skill gaps within micro and small businesses

Skills	1	2-3	4-5
Operating and Maintaining Equipment	19%	20%	23%
Waste Awareness	18%	15%	23%
Management of Raw Materials	16%	11%	17%
Procurement and Contracting	13%	8%	13%
Environmental Awareness and Practice	20%	17%	21%
Administration	26%	22%	26%
Sales and Merchandising	24%	15%	20%
Manual Handling	16%	12%	19%
Dairy production skills	*	*	9%
Sourcing skills e.g. where purchase goods locally	16%	12%	16%
The ability to speak Welsh	*	6%	11%

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

Skills growing in importance in primary production by sub-region

Again, figures are generally similar across regions. However, the notable difference is in sales and merchandising skills, where employers in the South East were most likely to feel that this skill was growing in importance compared to other regions, especially South West Wales. This might be due to the fact South West Wales is more rural compared to South East Wales, and so perceptions in that area about promoting the business are different to South East Wales where there are more areas of large towns and cities.

Table 5: Skills growing in importance in the Welsh regions

Skills	North Wales	South East Wales	South West Wales	Mid Wales
Operating and Maintaining Equipment	5%	6%	6%	7%
Waste Awareness	7%	14%	8%	10%
Management of Raw Materials	4%	3%	6%	5%
Procurement and Contracting	1%	4%	2%	*
Environmental Awareness and Practice	14%	15%	15%	20%
Administration	11%	15%	17%	16%
Sales and Merchandising	10%	15%	7%	13%
Manual Handling	*	2%	2%	3%
Knife Skills e.g. butchery, filleting	*	3%	1%	*
Dairy Production skills	5%	4%	7%	1%
Online Retail skills	1%	1%	*	1%
Sourcing skills e.g. where purchase goods locally	3%	1%	3%	1%

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



Skills growing in importance in primary production by employee size band

Whilst most of the skills are thought to be equally important across the different business sizes, administration skills are thought to be growing in importance particularly in businesses where there are 4-5 employees. As these skills hold equal importance currently (Table 5 above), and in most areas there is considered to be a technical skill gap for administration (Table 6), this indicates a training need across the Welsh regions.

Table 6: Skills growing in importance in micro and small businesses

Skills	1	2-3	4-5
Operating and Maintaining Equipment	2%	6%	11%
Waste Awareness	6%	10%	9%
Management of Raw Materials	4%	4%	5%
Procurement and Contracting	1%	2%	*
Environmental Awareness and Practice	13%	18%	18%
Administration	5%	17%	20%
Sales and Merchandising	11%	11%	11%
Manual Handling	1%	2%	1%
Dairy Production skills	2%	4%	5%
Online Retail skills	*	1%	*
Sourcing skills e.g. where purchase goods locally	2%	2%	2%
The ability to speak Welsh	*	*	*

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

Best training method for the business by sub-region

The option of 'on-the-job training with employer' was considered the best training method for businesses above other options (see Table 7). It is unclear whether this is due to familiarity with this training method, and therefore whether other training methods could be considered just as effective if the business knew more about them. In addition, nearly ¼ of businesses said they did not provide training, suggesting a potential need to engage with businesses, particularly in South West and Mid Wales where the highest number of employers said they did not train staff. It is worth noting however that when this data is analysed by employee size bands that there is insufficient numbers to suggest whether these opinions are due to the business size i.e. where there may be less scope for smaller businesses to engage in training. We already know from other data previously discussed that the sector is predominantly micro and small businesses which explain, at least in part, why some businesses are not training their staff.

Table 7: Preferred training method within the Welsh regions

Training method	North Wales	South East Wales	South West Wales	Mid Wales
On-the-job training with employer	34%	38%	29%	36%
Off-site training with external provider	27%	26%	26%	23%
On-site training with external provider	14%	14%	16%	13%
We don't do any training	23%	18%	28%	27%
Don't know	2%	3%	2%	*

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



Best training method for the business employee size band

The data for this aspect is more limited due to the business sizes in the primary production sector. However, on-the-job training with employer again is considered to be the best method when analysed by business size / employee numbers. On-site training with an external provider is the least favoured option.

Table 8: Preferred training method within micro and small businesses

Training method	1	2-3
On-the-job training with employer	25 %	29 %
Off-site training with external provider	25 %	22 %
On-site training with external provider	19 %	17 %

Number of diversified businesses by sub-sector

Diversification means that a business has adopted another function in addition to the main business. Examples of this can be seen in rural areas where a farm may open a shop and therefore have diversified into retail of farm products in addition to producing them. Other businesses may produce food but also process or manufacture the food.

Firstly, just over a third (36 %) of primary production businesses have diversified overall. Most diversification is in the fishing / aquaculture industry, followed by the crop, fruit or vegetable growing industry (see Table 9).

Table 9: Diversification within the primary production industries

Industry	Diversification within industry
Growing of crops, fruits or vegetables	56 %
Raising of livestock / animals	34 %
Game and wildlife management	25 %
Fishing / aquaculture	62 %
Other agricultural or land based activity	31 %

Instances of multiple diversification of primary production businesses

Following on from diversification, multiple diversification can be defined as those instances where the business has diversified into 2 or more other industries. Nearly 1 in 5 (19 %) businesses in the primary production industries have diversified into 2 or more other industries overall. In terms of sub-industry, fishing/aquaculture and game and wildlife management businesses were the most likely to have diversified into more than one other business area.

Table 10: Diversification into 2 or more industries

Industry	Multiple diversification within industry
Growing of crops, fruits or vegetables	27 %
Raising of livestock / animals	56 %
Game and wildlife management	89 %
Fishing / aquaculture	92 %
Other agricultural or land based activity	57 %



In terms of the most common type of diversification, fishing and aquaculture industry diversified into non-primary production industries the most. The top 3 instances are as follows (note the small sample size for the fishing/aquaculture industry and therefore that the figures may not represent a complete picture of diversification across the sector):

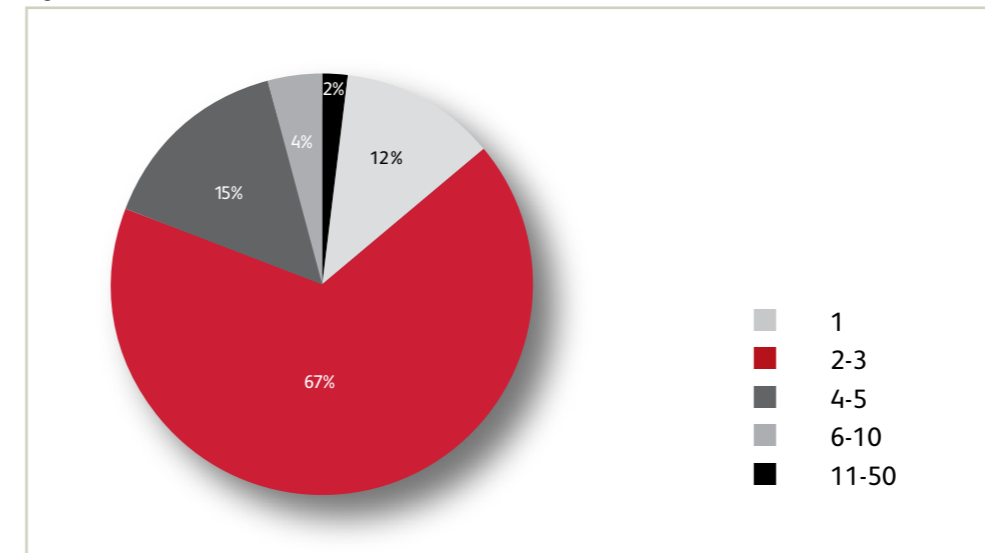
- 31 % of fishing / aquaculture businesses have diversified into the processing of meat, fish and fruit or vegetables (4/13)
- 23 % of fishing /aquaculture businesses have diversified into the sale of food or drink via retail shops / outlets and
- 15 % of fishing /aquaculture businesses have diversified into the sale of food or drink via markets and stalls.

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

Employee size bands of diversified businesses

The diversified businesses also provided business size data according to employee numbers. Most of the diversified businesses had 2-3 employees (see Figure 1), reflecting the nature of agriculture and land-based industries overall, but particularly smaller farm-based primary production businesses within the sector.

Figure 1: Diversified business sizes



Diversified businesses by region (where primary production is main business)

Most diversified businesses are located in Mid Wales (where primary production is the main business). Businesses in South East Wales were the least likely to have diversified. This might be due to the fact these businesses are less remote and may feel they are more able to rely on their main business more readily. It is also probable that businesses in Mid Wales are small farms. The data sets were too small to analyse which areas the businesses had diversified into.



Technical skill gaps in diversified primary production by employee size

The most notable difference between businesses with 1, 2-3 or 4-5 employees is on sales and merchandising (see Table 11), where 30% of businesses with a sole employee have skill gaps for sales and merchandising compared to 17% and 19% for the 2-3 and 4-5 employee businesses. What is unclear is whether this is a skill gap where the business may feel they do not require this skill as a sole employee, and therefore have not trained in this, or simply that one individual will not have necessarily said they have all the skills on the list. In addition, being a sole employee means the employee will undertake all tasks in the business and therefore have limited time to train.

Figure 2: Diversified businesses within the Welsh regions

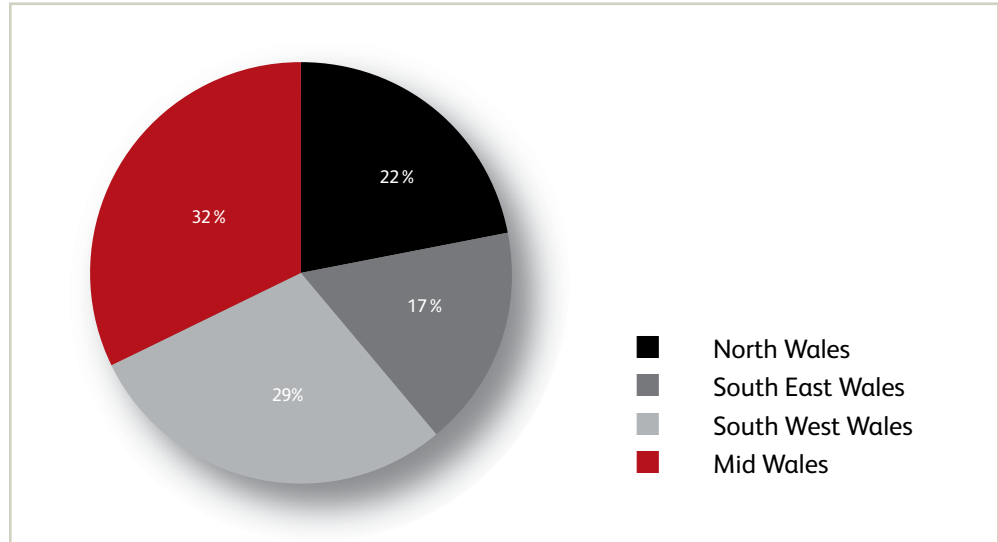


Table 11: Technical skill gaps in diversified businesses within micro and small businesses

Skills	1	2-3	4-5
Operating and Maintaining Equipment	17%	22%	24%
Waste Awareness	20%	16%	24%
Management of Raw Materials	13%	13%	9%
Procurement and Contracting	13%	11%	8%
Environmental Awareness and Practice	20%	19%	27%
Administration	23%	23%	22%
Sales and Merchandising	30%	17%	19%
Manual Handling	17%	15%	16%
Food Technology	7%	*	5%
Dairy Production skills	7%	8%	8%
Online Retail skills	3%	4%	3%
Sourcing skills e.g. where purchase goods locally	10%	10%	14%
The ability to speak Welsh	13%	6%	8%

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

For full report and appendices go to:
www.foodanddrinkskills.co.uk

For further information or to contact the team please phone or e-mail us at:

call: **01982 552646**

email: foodanddrink@lantra.co.uk

LANTRA
Raising skills, backing business
Codi sgiliau, cefnogi busnes

www.lantra.co.uk

Improve
CYNGOR SGILIAU RHYD A DIOD
FOOD & DRINK SKILLS COUNCIL
CYMRU
WALES

www.improveltd.co.uk

people1st cymru

www.people1st.co.uk

skillsmart retail
cymru

www.skillsmartretail.com