



## The view of food industry sector

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Erasmus+ FIELDS – ANALYSIS OF SKILLS GAPS AND STRATEGIES  
FOR BIOECONOMY, DIGITALISATION AND SUSTAINABILITY

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# The EU food and drink manufacturing industry

## Turnover

**€1,205 billion**

Largest manufacturing sector in the EU

## Value added

**1.9%**

of EU gross value added

## Consumption

**20.7%**

of household expenditure on food and drinks

## Employment

**4.82 million people**

Leading employer in the EU

## Number of companies

**291,000**

## R&D expenditure

**€2.9 billion**

## Sales within the Single Market

**91%**

of food and drink turnover

## Small and medium-sized companies

**42.7%**

of food and drink turnover

**58.1%**

of food and drink employment

## External trade

**€120 billion**

Exports

**€76 billion**

Imports

**€44 billion**

Trade balance

**18.8%**

EU share of global exports



# The Food Sector is Under Pressure

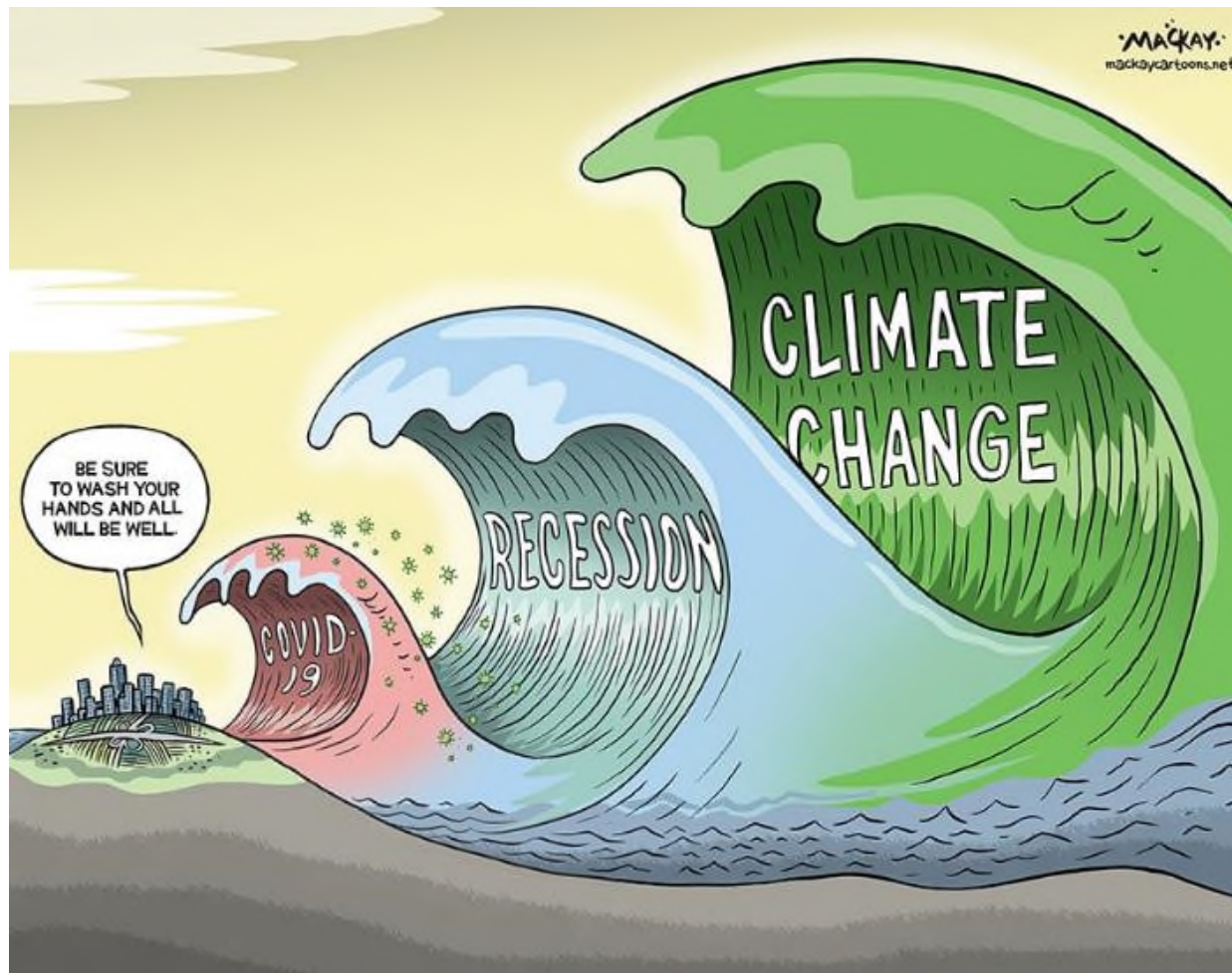
- Dietary Diseases
- Malnutrition
- Environmental pollution
- Biodiversity loss
- Resource scarcity
- **Climate change**
- Land-use conflicts
- Animal welfare

Cause

Effect

Affect

- Health
- Sustainability
- Affordability
- Accessibility
- Diversity
- Inclusiveness
- Power balance
- Competitiveness



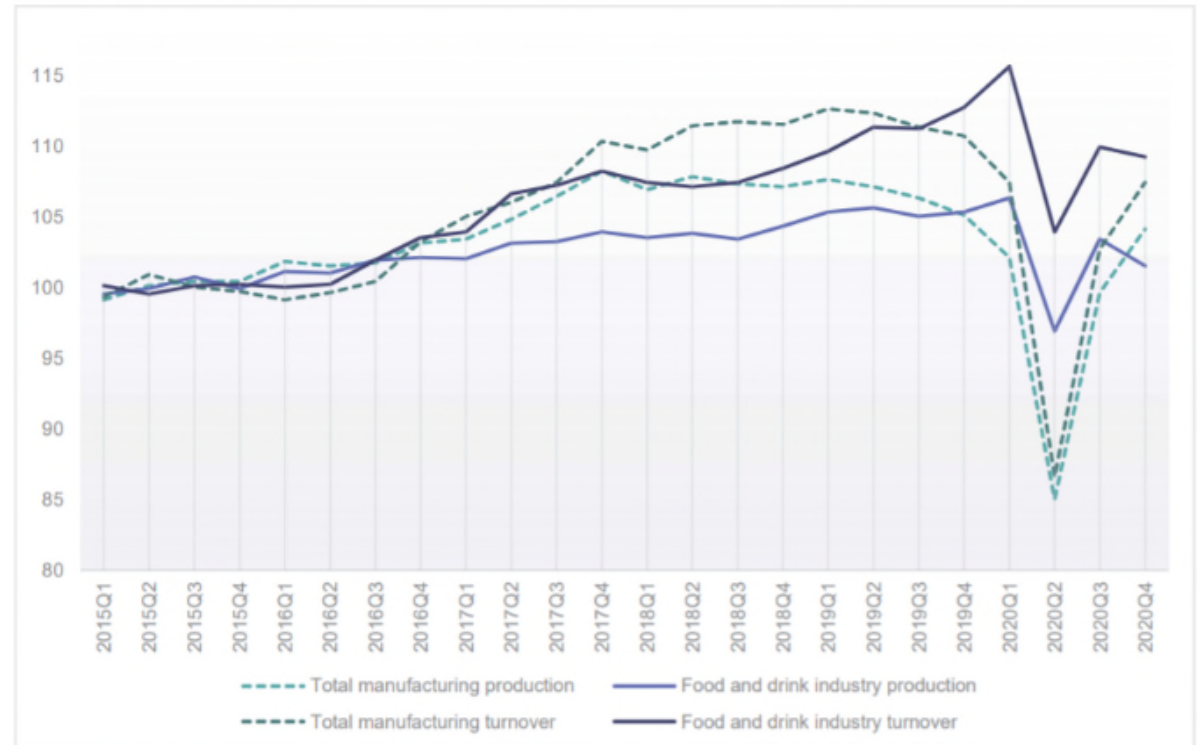


# Covid19 Impact on European food and drink industry

(March – Dec 2020) Issues driving the turndown include :

- Horeca and tourism lockdowns, out of home catering disruption
- Staffing problems
- Increase in production costs
- Liquidity problems
- Supply problems
- International trade

EU quarterly manufacturing production and turnover, 2015-2020 (2015=100)



Source: Eurostat

## Recovery is slow, but steady

- Year 2020: Slight decrease in production, turnover and an increase in manufacturing prices
- The 2019-2020 comparison shows a stronger decrease in food and drink industry production compared to total manufacturing production (-3.6%).
- Food and drink industry turnover compared to total manufacturing declined by almost the same percentage year-on-year (-3.1%).
- SMEs continue to struggle desperately

Contribution of SMEs and large companies to the EU food and drink industry (2017, %)



Source: Eurostat (SBS)

EU food and drink exports, 2015-2020 (€ billion)



Source: Eurostat

# What are the skills needed?

# SKILLS AND SOCIAL DISTANCING RISK

Cedefop analysis based on online job advertisement data

## COUNTRIES AND SOCIAL DISTANCING RISK

Cedefop analysis based on online job advertisement and European Labour Force Survey (EU LFS) data

Employment share (in%) in sectors in **high risk of disruption:**

- Accommodation & food services
- Wholesale & retail trade
- Arts & recreation
- Transport & storage
- Construction



"Covid-19 risk skills"

60

Arts and media

Personal services

Assisting and caring

Communication and collaboration

Specialised technology

"Covid-19 resilient skills"

44

Working with ICT

Health and welfare

Safety and protection



# What are the skills needed?

- Ensuring Sustainable Employment and Competitiveness in the EU Food and Drink Industry: Meeting the Challenges of the Labour Market - A joint initiative of the Social Partners in the EU Food and Drink Industry (2013)
- Toolbox: Good practices and tools from the food and drink Industry in Europe (2015).
- New professions and career paths in the food and drink industry: Delivering high-level food industry skills in the digital economy (2018).
- Lazaro-Mojica J., Fernandez R. (2021). Review paper on the future of the food sector through education, capacity building, knowledge translation and open innovation. Current opinion in Food Science 38, 162-167



## What are the skills needed?

**Interdisciplinary knowledge:** running a business, managing budgets, understanding marketing, interacting with customers and clients, working with key performance indicators, or understanding lean manufacturing.

**Soft skills:** leadership, people management, teamwork, resilience, and entrepreneurship.

**Less skilled jobs:** busting the need of STEM (Science, Technology, Engineering and Mathematics), acknowledging the role of vocational skill learning, aged workers (Life-long learning), the impact of immigration workers in the sector, inclusion of women at management roles.

**Hard skills:** New processing technologies (new machinery, robotisation, more efficient systems), digitalisation of the sector (software, hardware, digital solutions), an increased focus on production management techniques (continuous improvement, lean manufacturing, business performance targets), and the adoption of new product and packaging development skills.

# What are the skills needed?

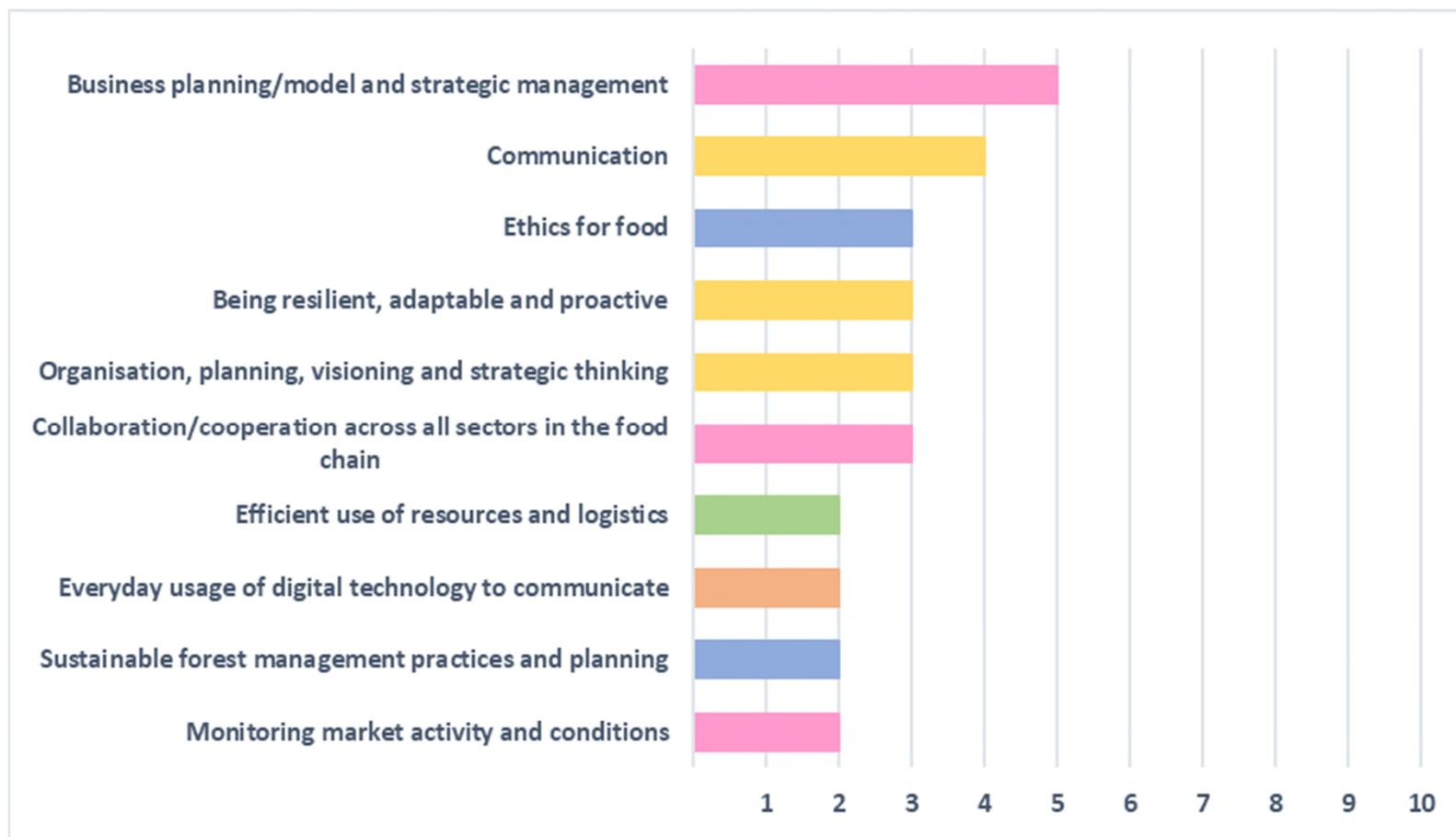
## **FoodDrinkEurope: A member of the FIELDS project**

- Mapping of Skills needed in the food and drink industry
- EU Focus Group
- Mapping of innovation trends in sustainability, digitalisation, and bioeconomy related to the food industry
- Scenario foresight exercise





# What are the skills needed?



FIELDS D1.5: Most selected skills for the Agri-food companies' profile [n=10]

## What are the skills needed?



*Some quotes from participants in the Focus Groups:*

*“Having the ability to deal with day-to-day life and to keep themselves going strong, being adaptable and being able to see changes and make the right decisions on a day-to-day basis because we depend on them to succeed on those decisions”*

*“I find this cooperation extremely important because we often see that there are problems in communication and cooperation but simply because there is no interest or no time or no know-how and how to see through such a supply chain from beginning to end”*

# EC Pact for Skills

## Pact for Skills Roundtable

Virtual meeting with European Commissioners Thierry Breton and Nicolas Schmit  
18 February 2021, Brussels

Participant	Organisation	Position
Thierry Breton	Internal Market	Commissioner
Nicolas Schmit	Jobs and Social Rights	Commissioner
Leena-Liisa Tenglad	Gröna (Swedish employers association)	Director General
Mella Frewen	FoodDrinkEurope	Director General
Marie-Christine Ribera	CEFS (EU Sugar association)	Director General
Gonzalo Guillen Benjumea	Acesur	CEO
Jean-Philippe Michielssen	Michielssen Vleeswaren	CEO
Niels Porksen	Südzucker	CEO
Samuel Masse	CEJA (EU young farmers association)	President
Arnd Spahn	EFFAT (EU Trade Unions in the food sector)	Agriculture Secretary
Nicola Levoni	Levoni	CEO
Alfredo Manuel Silva	Nestlé	Head HR EMENA
Patrick Hull	Unilever	VP 'Future of Work'
Jean Francois Soussana	INRAE	Scientific Director Environment
Ivo Hostens	CEMA	Technical Director



## EC Pact for Skills

“It was clear from the discussion that it is urgent to address the skills needs of the agri-food ecosystem in order to successfully achieve and benefit from the green and digital transitions.”

- Increase attractiveness of the agri-food sector to the young
- High quality education and training on digital skills (digital transition)
- Merge opportunities offered by learning institutions and companies
- Vocational and peer-to-peer training, as well as best practices exchange through the creation of a European professional network
- Support for SMEs along the food chain to invest in skills
- Appropriate support at European and National levels to address the current skills gap
- **Clear ideas and commitments would have to be agreed upon soon, in order to establish agri-food skills partnerships in the immediate future**

## What are the skills needed?

- The Agri-food sector has been highly impacted by Covid19, mainly in the consumer-faced businesses such as Horeca and tourism related – mainly SMEs.
- The digitalisation of the sector has become imperative.
- The social distancing has disrupted the ‘ways of working’, bringing new concerns on hygiene, management of human resources and seasonal work.
- The ‘adult learning’ and Vocational Education and Training (V.E.T.) has become even more relevant to adapt an already lagging sector.
- The harmonisation of the current V.E.T. recognition among Europe requires further looking.
- The food industry is highly sector-specific for skills. The learning by doing and the in-place trainings remain some of the main formulas.
- SMEs are struggling. They are lagging on business-oriented skills, communication skills, marketing skills, and financial skills, important for recovery.



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