



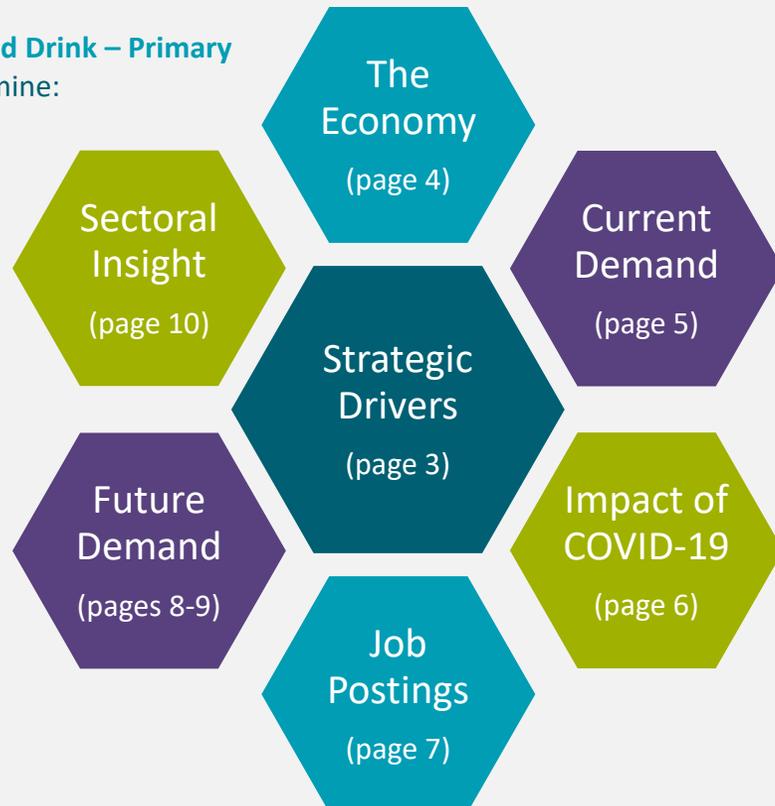
**Sectoral Skills Assessments**  
**Food and Drink – Primary Production**  
June 2021

# Food and Drink – Primary Production

The sector encompasses: Crop and animal production, hunting and related service activities and fishing and aquaculture.

The Sectoral Skills Assessments (SSAs) are produced by the SDS Evidence and Impact Team which look at current and future skills demand in the key sectors across Scotland. The aim of the SSA is to provide a high-level evidence base to inform future investment in skills, built up from existing datasets. The SSAs are published on a quarterly basis, and will continue to review new data, evidence and insight. For example, our next iteration will contain a feature on the Scottish Employer Skills Survey 2020.

This SSA for **Food and Drink – Primary Production** will examine:



The SDS Evidence and Impact Team produce a range of labour market insight outputs:

## Regional Skills Assessments

- The Regional Skills Assessments (RSAs) provide a coherent evidence base to inform future investment in skills.
- Covering all Regional Outcome Agreement areas and all City and Growth Deal Regions, the RSAs offer a detailed picture of the effect the COVID-19 pandemic is having on local labour markets across the country.
- The March release of the RSAs can be accessed [here](#) alongside the accompanying Data Matrix. The next update is planned for July.

## COVID-19 Labour Market Insights

- The COVID-19 Labour Market Insights provides succinct and up-to-date evidence on the impact of the pandemic on Scotland's economy, businesses and people.
- It includes sectoral and regional insight and summarises the key challenges alongside the ongoing response from SDS.
- The June release can be accessed [here](#) alongside previously published reports and the accompanying dashboard which provides more detail on real time data.

For any further information or queries on the SSAs or any of our other products, please contact: [RSA@sds.co.uk](mailto:RSA@sds.co.uk)



## The Context for Scotland's Labour Market



Prior to COVID-19, Scotland's labour market was already facing a number of issues and challenges. The impact of COVID-19 has added to these challenges. COVID has hit the economy hard and, although we are beginning to see some signs of recovery, it is thought that it could take between one-three years to return to pre pandemic levels of growth.<sup>1</sup> As Scotland's economy recovers, the interplay of these key drivers will determine Scotland's future course. The development of fit for purpose skills have an important role in supporting economic recovery and inclusive growth. An effective skills system will help to support and attract inward investment, increase productivity and tackle inequality and deprivation.<sup>2</sup>

### The Economy & Productivity



Over 2020 overall, the impact of the pandemic on GDP has been dramatic and COVID-19 has led to the largest annual fall of Scottish GDP on record. At its lowest point in April 2020, GDP fell to 23.4% below its pre-pandemic level.<sup>3</sup> Measuring productivity during the pandemic has been challenging but, at a high level, variance in productivity performance is expected across sectors and, in turn, regions.<sup>4</sup>

### Demographic Change



As with many economies in the developed world, Scotland's population is ageing.. By 2043, the number of people of pensionable age in Scotland is expected to increase by 23%, (240,000 people) whilst the working-age population is projected to decline by 7,000. This suggests the possibility for a tighter labour market in future and an increasing dependency ratio.<sup>5</sup> This sector's workforce is also ageing.

### Equality & Inclusive Growth



Scotland has led the way in advocating for inclusive growth within a broader economic development strategy. Scottish Government supports 'growth that combines increases in prosperity with greater equity, creates opportunities for all and distributes the dividends of increased prosperity fairly'.<sup>6</sup> COVID-19 has had an uneven impact on some groups in society including young people, older workers, women, disabled people, ethnic minority groups, low paid and low income households.<sup>7</sup>

### Automation



Advances in technological developments were already changing the world of work and they will continue to do so into the future. To give a sense of scale, in Scotland around 46% of jobs have high potential for automation, some 1.2m jobs.<sup>8</sup> Many jobs will evolve rather than disappear. There will also be the creation of new high-quality jobs and opportunities for more flexible working, which has been expedited by the pandemic. There is likely to be an increased demand for digital skills to adapt to new technologies and new ways of working in this sector.

### Climate Change



The Scottish Government has set 2045 as the target for achieving a net zero carbon economy. The labour market will be affected by changes to climate change legislation and consumer behaviours as the economy moves towards greater sustainability.<sup>9</sup> The pandemic has caused behavioural change to the benefit of the environment, and 'green jobs' are at the forefront of the government's plans for recovery. This sector is one of the high carbon emitters. This could have significant implications for the scale and nature of the sector, and for the size of its workforce and the skills required.

### Brexit

Prior to the pandemic, Brexit was a key source of uncertainty, and this created downwards pressure across productivity, business investment, retail sales and trade. The risk exists that the number of EU workers in Scotland could decline due to reduced in-migration and/or increased return migration. Ongoing Brexit concerns, and new COVID-19 considerations, create heightened uncertainty regarding the supply of migrant labour from the EU and further afield.<sup>10</sup> Food and Drink Primary Production has high exposure to EU exporting. In 2019, 5% of the sector's employees were from the EU, below the Scottish average.<sup>11</sup>



## Gross Value Added (GVA)<sup>2</sup>

The COVID-19 pandemic led to a sharp fall in activity in the **Food and Drink – Primary Production** sector, only very slightly less affected than the Scottish economy as a whole.

**Food and Drink – Primary Production** output is expected to see a gradual and prolonged recovery and may not reach pre-pandemic levels until after 2031.



Total **Food and Drink – Primary Production** GVA in 2021:  
**£1,741m**  
down 5% from 2011

Total **Scotland** GVA in 2021:  
**£137,109m**  
up 6% from 2011

**Food and Drink – Primary Production** forecast GVA in 2031:  
**£1,830m**  
up 5% from 2021

**Scotland** forecast GVA in 2031:  
**£163,273m**  
up 19% from 2021

## Productivity (GVA per job)

COVID-19 has impacted on productivity, and has created challenges in how it is accurately measured.<sup>3</sup> Due to data availability at sector level, a jobs-based measure is presented below. If data supported an hours worked based measure, the data presented below would likely differ due to the impact of interventions like the Coronavirus Job Retention Scheme (CJRS). Under this scheme furloughed individuals are categorised as being employed but working no hours.



**Food and Drink – Primary Production** productivity in 2021:  
**£29,900**

Productivity across **all sectors** in 2021:  
**£50,200**

**Food and Drink – Primary Production** forecast productivity in 2031:  
**£32,200**

Productivity across **all sectors** in 2031:  
**£56,600**

## Fair Work<sup>4</sup>

Fair Work is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. The impact of COVID-19 has challenged Scotland's progress in working towards Fair Work. However, at a time when many employers are redesigning their business models, the opportunity to build in Fair Work has never been greater.

One element of Fair Work relates to pay, and an associated measure is the number of employed individuals earning the Living Wage or more:<sup>5</sup>

### Agriculture, forestry and fishing

2019: **75.2%**                      2020: **75.3%**

### All sectors

2019: **83.2%**                      2020: **84.8%**



## Gender Pay Gap<sup>4</sup>

The impact of COVID-19 may put further pressure on the gender pay gap as periods of part-time employment or unemployment have long-term effects on pay and progression.<sup>5</sup>

Gender Pay Gap for median full-time hourly earnings:<sup>5,6,7</sup>

### Agriculture, forestry and fishing

2019: **13.4%**                      2020: **No data available**

### Scotland

2019: **7.2%**                      2020: **3.0%**



1. Forecasts by Oxford Economics (unless otherwise stated).

2. GVA is the measure of the value of goods and services produced within the economy. GVA in constant 2018 prices.

3. See Technical Note on our website for more information.

4. Due to data availability, a 'best fit SIC code approach' has been used, so the sectoral definitions and totals in this section may vary from those we have used elsewhere.

5. See Page 11 for source references.

6. Estimates for employees aged 16+ on the PAYE system on adult rates whose pay for the survey period was not affected by absence. Estimates for 2020 include employees who have been furloughed under the Coronavirus Job

Retention Scheme.

7. A 4% gender pay gap denotes that women earn 4% less, on average than men. Conversely, a -4% gender pay gap denotes that women earn 4% more, on average, than men.

## Food and Drink – Primary Production Employment



Workforce size 2021:  
**35,800 people**

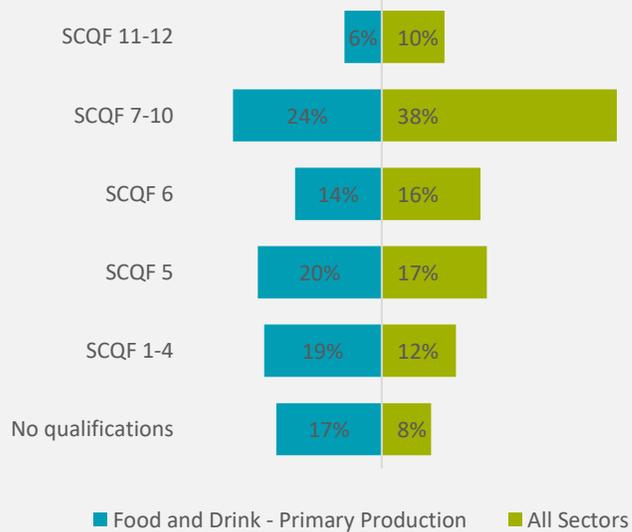


The workforce was expected to shrink between 2020 and 2021:  
**down by 0.5% or 200 people**



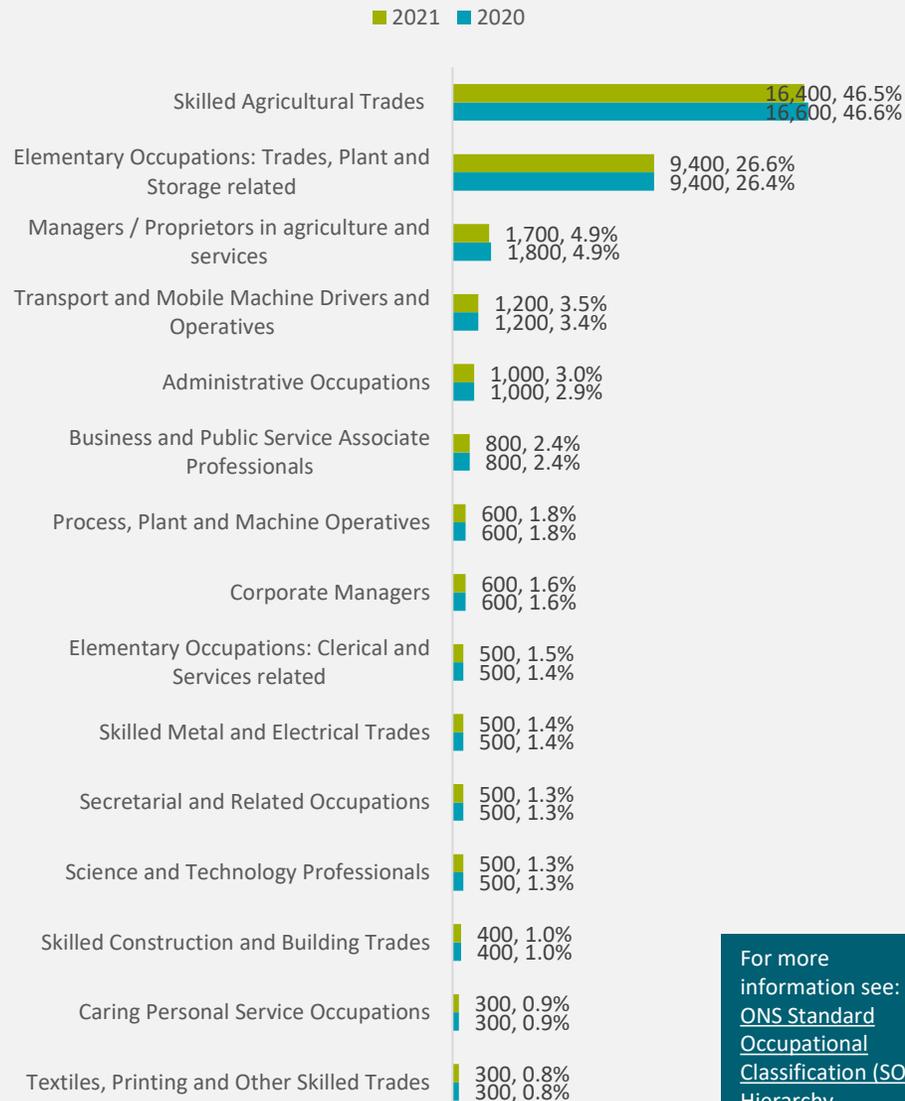
Compared to a Scotland wide decrease of **1.2% or 32,800 people**

## Workforce Qualifications, 2021



Compared to all sectors, a higher proportion of the workforce in the **Food and Drink – Primary Production** sector was qualified to SCQF levels 1-6.

## Top Employing Occupations (people), 2021



For more information see:  
[ONS Standard Occupational Classification \(SOC\) Hierarchy](#)

## Top Employing Regions, 2021

The wider **Food and Drink – Primary Production** sector is mostly distributed across Scotland's rural regions with some larger city presence.

**Highlands and Islands**  
**9,400 people**

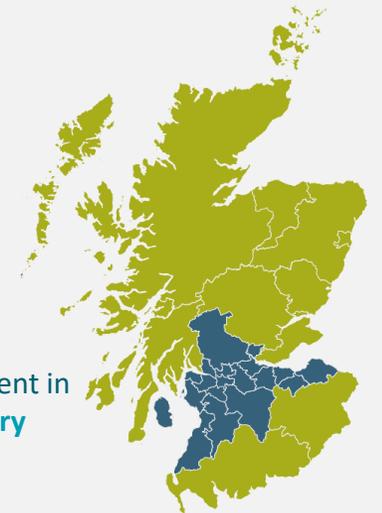
**Tayside**  
**8,100 people**

**South of Scotland**  
**7,100 people**

**Aberdeen City and Shire**  
**5,000 people**

**Fife**  
**2,400 people**

**Scotland total employment in Food and Drink – Primary Production:**  
**35,800**



1. Forecasts by Oxford Economics (unless otherwise stated).

## Impact of COVID-19

The COVID-19 pandemic has had a major impact on the Scottish economy. For 2020 as a whole, annual GDP is estimated to have fallen by 9.6% in real terms compared to 2019.<sup>1</sup>

All sectors in Scotland have been impacted by COVID-19, with some sectors disproportionately affected. This will lead to differences in sectoral recovery, including continued challenges around social distancing measures and new ways of working.

### Furlough

As a result of new restrictions outlined by the UK Government, the Coronavirus Job Retention Scheme (CJRS) has been extended several times. Currently, the furlough scheme has been extended to 30 September 2021. From July employers will be required to contribute to employee earnings (as was the case in September and October 2020).

There are concerns that continued weak economic performance could mean furlough is a precursor to redundancy.

Jobs supported by the furlough scheme (as at 30 April 2021):<sup>2,3</sup>



**Agriculture, forestry and fishing, Mining and quarrying, Energy production and supply, and Water supply, sewerage and waste: 3,010 jobs**



**Scotland: 269,800 jobs**

### Redundancy<sup>4,5</sup>

Partnership Action for Continuing Employment (PACE) aims to help minimise the impact for people and businesses facing redundancy.

#### PACE information provision (individuals):

Sector	2020/21	1 Apr 21- 31 May 21
Agriculture, forestry and fishing	No data	10
All Sectors	7,995	1,495

#### PACE information provision (employers):

Sector	2020/21	1 Apr 21- 31 May 21
Agriculture, forestry and fishing	No data	Fewer than 5
All Sectors	300	55

### Modern Apprenticeships<sup>6,7</sup>

COVID-19 has fundamentally changed the context in which apprenticeship training is delivered, and the statistics must be considered in this context. In addition, fluctuations throughout the year are expected. Due to the lower number of MA starts, comparisons with the same point year, should be treated with caution.

Data is for Quarter 4 (April -March 2019/20 and 2020/21)



#### MA starts:

**Food and Drink – Primary Production<sup>^</sup>:**  
Q4 2019/20: **173**      Q4 2020/21: **228**

#### Scotland:

Q4 2020: **27,875**      Q4 2020/21: **18,655**

<sup>^</sup>Includes the following frameworks: Agriculture, Aquaculture, Aquaculture Management Technical Apprenticeship, Game & Wildlife Management and Rural Skills



#### MA redundancies:

**Food and Drink\*:**  
Q4 2019/20: **No data**      Q4 2020/21: **19**

#### Scotland:

Q4 2019/20: **398**      Q4 2020/21: **936**

\* Based on [SDS Occupational Groupings](#).

<sup>1, 2, 4, 6.</sup> See Page 11 for source references.

<sup>3</sup> Please note figures are provisional and will be revised in the future. Sector groupings have been defined by HMRC.

<sup>5.</sup> Disclosure control has been applied where figures are less

than five or where such numbers can be identified through differencing. (Data rounded to nearest 5).

<sup>7.</sup> Disclosure control has been applied where figures are less than five or where such small numbers can be

identified through differencing.

## Job Postings in Food and Drink – Primary Production



Number of job postings from 1<sup>st</sup> June 2020 to 31<sup>st</sup> May 2021:

**190**



**Farm Workers**  
**40 job postings**  
 accounting for 21%



**Managers and Proprietors in Forestry, Fishing and Related Services**  
**20 job postings**  
 accounting for 8%



**Marketing Associate Professionals**  
**10 job postings**  
 accounting for 5%

### Salary 2020

Median real-time advertised salary in **Food and Drink – Primary Production:**

**£23,000\***

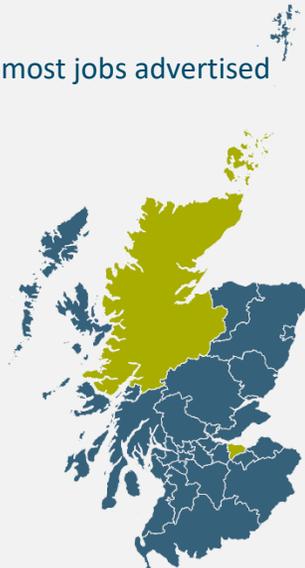


Within **Food and Drink – Primary Production**, the locations with the most jobs advertised were:

**City of Edinburgh**  
**30 job postings**  
 accounting for 14%

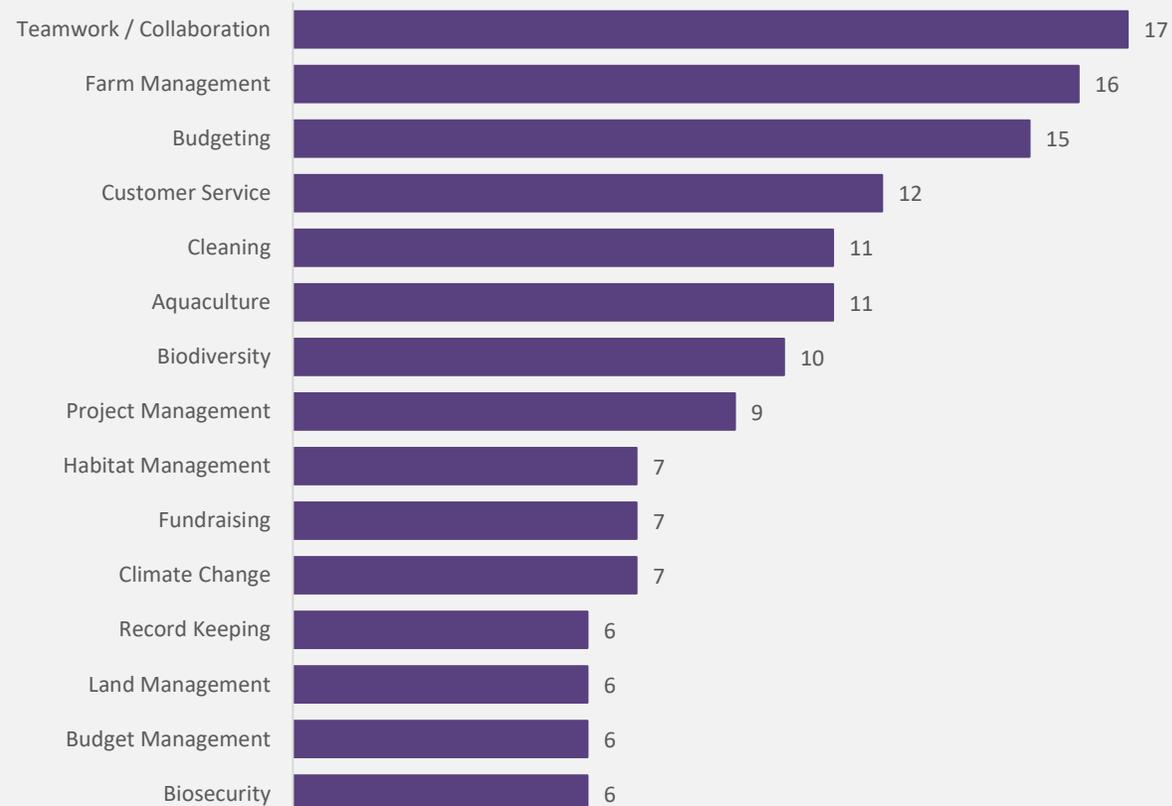
**Highland**  
**20 job postings**  
 accounting for 11%

**Orkney Islands**  
**20 job postings**  
 accounting for 10%



## Skills

Not all job postings specify the skills required for the role, likewise the detail varies between adverts. Based on information from approximately **47%** of job postings in **Food and Drink – Primary Production** the most requested specialised skills were:



Online job postings data provides a useful barometer for the health of the jobs market. important to note that the data does not capture all activity, so it should be considered as an estimate of activity only.



1. See Page 11 for source references.

2. Job postings data is rounded to the nearest 10.

\* Median salary based on 56% of records that contain salary information.

## Future Demand in the mid-term (2021-2024)<sup>1</sup>

In **Food and Drink – Primary Production**, the labour market is forecast to continue to face some challenges. The forecasts for the mid-term (2021-2024) however suggest there could be some jobs growth and opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

Whilst positive, caution is needed as there are still a wide range of unknowns concerning Scotland's post COVID-19 recovery. The jobs market could also be competitive, with the number of people seeking jobs outnumbering the opportunities available. Skills mismatches and job quality will also be important factors to consider.

### Food and Drink – Primary Production Total Employment, 2021-2024



Workforce size 2024:  
**35,500 people**



The workforce is expected to shrink between 2021 and 2024:  
**down by 0.8% or 300 people**



Compared to a Scotland wide increase of  
**3.0% or 77,600 people**

### Food and Drink – Primary Production Job Openings, 2021-2024



**Food and Drink – Primary Production** is forecast to account for **2.3%** of Scotland's total number of job openings in the mid-term (2021-2024)



### Top Employing Occupations (people), 2024



**Skilled Agriculture Trades**  
Total Employment:  
**16,200**



**Elementary Occupations: Trades, Plant and Storage**  
Total Employment:  
**9,500**



**Managers / Proprietors in Agriculture and Services**  
Total Employment:  
**1,700**



**Transport and Mobile Machine Drivers and Operatives**  
Total Employment:  
**1,200**



**Administrative Occupations**  
Total Employment:  
**1,100**

1. All data on this page sourced from Oxford Economics, 2021. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of

economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away or change jobs). N.B. figures are rounded to the nearest 100 and as a result totals

may not equal the sum of the constituent parts.

## Future Demand in the long-term (2024-2031)<sup>1</sup>

The forecasts for the long-term (2024-2031) highlight that jobs growth is not forecast in **Food and Drink – Primary Production**. It is also expected that there could be an ongoing requirement for skilled people to fill opportunities created by people leaving the labour market. This feature of the labour market is known as the replacement requirement.

The long-term forecast is changeable and could be influenced by a range of factors both related and not to Scotland's post COVID-19 recovery. National and local policy, investment and initiatives could all influence the long-term outlook presented.

### Food and Drink – Primary Production Total Employment, 2024-2031



Workforce size 2031:  
**34,600 people**



The workforce is expected to shrink between 2024 and 2031:  
**down by 2.6% or 900 people**



Compared to a Scotland wide increase of  
**0.8% or 21,000 people**

### Food and Drink – Primary Production Job Openings, 2024-2031



**Food and Drink – Primary Production** is forecast to account for **2.7%** of Scotland's total number of job openings in the long-term (2024-2031)



### Top Employing Occupations (people), 2031



**Skilled Agriculture Trades**  
Total Employment:  
**15,300**



**Elementary Occupations: Trades, Plant and Storage**  
Total Employment:  
**9,600**



**Managers / Proprietors in Agriculture and Services**  
Total Employment:  
**1,700**



**Transport and Mobile Machine Drivers and Operatives**  
Total Employment:  
**1,200**



**Administrative Occupations**  
Total Employment:  
**1,100**

1. All data on this page sourced from Oxford Economics, 2021. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of

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may not equal the sum of the constituent parts.



The impact of Brexit has led to labour shortages in key areas, particularly seasonal workers, as the availability of EU workers has declined. There is the potential opportunity to attract indigenous workers into these roles



The annual Modern Apprenticeship Demand process indicates there is optimism that the numbers in primary production will increase. The introduction of the new technical apprenticeship provides the opportunity for further progression and raising skill levels.



The challenges around climate emergency and net zero targets, will require the development of new skill-sets, and targeted upskilling/reskilling and CPD.



Skills for Farming Group, is playing a key role in articulating pathways into the sector, and ensuring provision is meeting the needs of business



Pre-Apprenticeship models and National Progression Awards, continue to raise awareness of the sector amongst young people, and build a pipeline of new recruits. Recent developments include flexible delivery to address seasonality. Strong partnerships at a local and national level have helped drive innovation and business engagement.

### Digital Skills

- The sector is adapting to the use of new technology and the adoption of digital skills.
- Advances in technology and new equipment are driving transformational change and the development of new skills sets.



## References

Page 3	<ol style="list-style-type: none"><li>1. Scottish Fiscal Commission, Fraser of Allander, Oxford Economics (2021).</li><li>2. Scottish Government (2020). Towards a robust, resilient wellbeing economy for Scotland. Available online at: <a href="https://www.gov.scot/publications/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/">https://www.gov.scot/publications/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/</a></li><li>3. Scottish Government (2021). Monthly Economic Brief: March 2021. Available online at: <a href="https://www.gov.scot/publications/monthly-economic-brief-march-2021/">https://www.gov.scot/publications/monthly-economic-brief-march-2021/</a></li><li>4. ONS (2021). Coronavirus and the effects on UK productivity measures. Available online at: <a href="https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/coronavirusandtheeffectsonukproductivitymeasures/previousReleases">https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/coronavirusandtheeffectsonukproductivitymeasures/previousReleases</a></li><li>5. National Records for Scotland (2019). Projected population of Scotland (2018-based): National population projections by sex and age, with UK comparisons. Available online at: <a href="https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2018-based">https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2018-based</a></li><li>6. Scottish Government (2015). Scotland's Economic Strategy. Available online at: <a href="https://www.gov.scot/publications/scotlands-economic-strategy/">https://www.gov.scot/publications/scotlands-economic-strategy/</a></li><li>7. Skills Development Scotland (June 2021). Scotland's Labour Market and Skills Update (collated from various sources).</li><li>8. IPPR (2018). Preparing for Automation and Ageing. Available online at: <a href="https://www.ippr.org/research/publications/preparing-for-automation-and-ageing">https://www.ippr.org/research/publications/preparing-for-automation-and-ageing</a></li><li>9. International Labour Office (2019). Skills for a Greener Future: a global view. Available online at: <a href="https://www.ilo.org/skills/pubs/WCMS_732214/lang--en/index.htm">https://www.ilo.org/skills/pubs/WCMS_732214/lang--en/index.htm</a></li><li>10. Skills Development Scotland (June 2021). Scotland's Labour Market and Skills Update (collated from various sources).</li><li>11. ONS (2020). Annual Population Survey, April 2019-March 2020, Working-age EU and non-EU nationals in Scotland areas by occupation groups and Industry. Available online at: <a href="https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/12259workingageeuandnoneunationalsinscotlandareasbyoccupationgroupsandindustry">https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/12259workingageeuandnoneunationalsinscotlandareasbyoccupationgroupsandindustry</a></li></ol>
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Page 5	<ol style="list-style-type: none"><li>1. SDS (2021). Oxford Economics Forecasts (March 2021).</li></ol>
Page 6	<ol style="list-style-type: none"><li>1. Scottish Government (2021). GDP quarterly national accounts: 2020 quarter 4 (October to December). Available online at: <a href="https://www.gov.scot/publications/gdp-quarterly-national-accounts-2020-q4/">https://www.gov.scot/publications/gdp-quarterly-national-accounts-2020-q4/</a></li><li>2. HMRC (2021). Coronavirus Job Retention Scheme statistics. 3 June 2021. Available online at: <a href="https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics">https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics</a></li><li>4. SDS (2021). Internal source. PACE data relating to unique individuals and employers.</li><li>6. SDS (2021). Modern Apprenticeship Statistics, Quarter 4, 2020-21. Available online at: <a href="https://www.skillsdevelopmentscotland.co.uk/publications-statistics/statistics/modern-apprenticeships/?page=1&amp;statisticCategoryId=4&amp;order=date-desc">https://www.skillsdevelopmentscotland.co.uk/publications-statistics/statistics/modern-apprenticeships/?page=1&amp;statisticCategoryId=4&amp;order=date-desc</a></li></ol>
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Page 9	<ol style="list-style-type: none"><li>1. SDS (2021). Oxford Economics Forecasts (March 2021).</li></ol>
Page 10	<ol style="list-style-type: none"><li>1. Insight provided by Sector Managers who work closely with industry experts and employers.</li></ol>