

Sectoral Skills Assessment

Food and Drink Primary Production

October 2024



Sectoral Skills Assessments

First launched in 2017, Sectoral Skills Assessments (SSAs) provide a robust and consistent evidence base to support partners in strategic skills investment planning. Skills Development Scotland (SDS) has worked with key partners and stakeholders in the production of SSAs to ensure an inclusive approach to their development, dissemination and utilisation.

SSAs include published data sets. Inevitably, when using published data there is a time lag, but the data contained is the most up-to-date available at the time of writing. SSAs also include forecast data that has been commissioned through Oxford Economics. The Technical Note¹ provides full detail on the caveats that must be applied when using forecast data, but broadly, it should be noted that:

- Forecasts are based on what we know now and include past and present trends projected into the future.
- The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be.
- Their value is in identifying likely directions of travel rather than predicting exact figures.
- The forecasts do not account for national or sectoral activities, initiatives or investments that are planned.

Industries and occupations used in the SSAs are defined by standard industrial classifications (SIC)² and standard occupational classifications (SOC).³

This SSA report is for the Food and Drink Primary Production sector. The sector includes Crop and Animal Production, Hunting and Related Service Activities, and Fishing and Aquaculture. Please see Appendix 1 for the SIC definition used in this report.

Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which outlines trends in skills and qualification supply and employers' perspectives on the skills issues affecting the sector. Regional SIPs have also been developed and are available alongside SIPs on the SDS website.⁴

The SSAs are part of a suite of Labour Market Insight publications by SDS. Other products in the suite include:



Economy, People and Skills report which provides succinct and up-to-date evidence on Scotland's economy, businesses and people. It is updated monthly.



Regional Skills Assessments provide a coherent, consistent evidence base to inform future investment in skills, built up from existing datasets and forecasts for Regional Outcome Agreement areas, Rural Scotland and all City and Growth Deals regions. They are updated annually.



The **Data Matrix** is an interactive tool, offering more detailed data from a variety of sources in a visually engaging format. It is updated frequently.

Alongside the suite of Labour Market Insight publications, SDS also produces a wide range of reports such as statistics on Modern Apprenticeships and the Annual Participation measure for 16-19 year olds. This includes a wide range of data related to equalities. Further information can be found on the [Publications and Statistics](#) section of the SDS website.

We value user feedback on the Sectoral Skills Assessments. If you would like to provide feedback, please do so [here](#). For any further information or queries on the SSAs or any of our other products, please contact: RSA@sds.co.uk



1. SSA Technical Note (2024).

2. Office for National Statistics UK Standard Industrial Classification (SIC) 2007.

3. Office for National Statistics UK Standard Occupational Classification (SOC) 2010.

4. Skills Development Scotland Skills Investment Plans.

The Context for Scotland's Labour Market

Within the last 10 years, the economy has faced significant disruption due to events such as the pandemic, Brexit, the war in Ukraine, and the cost-of-living crisis. In addition, megatrends around demography, technology, and the environment have continued shaping Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of structural and cyclical factors.



The Economy

The economic outlook for Scotland has improved, but growth is still expected to be modest in 2024, after annual GDP figures estimated the Scottish economy (like that of the UK) remained broadly flat throughout 2023. While inflation rates have eased from their peak in October 2022, the effects of rising prices and high interest rates continue to impact Scottish households and businesses. Scotland has experienced a tight labour market in recent years, but there have been signs of this loosening in 2024.



Demographic Change

Scotland has an ageing population. In 2022, around 20 per cent of Scotland's population was aged 65 years or over, and around 15 per cent were aged under 15 years old. Population growth is also expected to slow in the next decade, and it is anticipated that the country is likely to rely on in-migration for population growth. These demographic changes in Scotland have important implications for the labour market and economy.



Inclusive Growth and Equality

Scotland continues to experience inequality, which can impact individuals' access to labour market opportunities. Cost-of-living pressures have affected different groups disproportionately, particularly in lower-income households. Geographical inequalities also exist across Scottish regions that can affect individuals' access to opportunities. There have been some advances in improving diversity within the workforce and reducing inequality, but challenges remain.



Technology and Automation

Scotland has a strong technology sector, with specific strengths in digital technology, life sciences and financial technology (fintech). The current makeup of the technology sector suggests AI will likely be the most important technological advance for the foreseeable future. It is estimated that 60 per cent of jobs in developed countries will be affected by AI. This could be disruptive within the labour market, creating challenges and opportunities for job roles and businesses.



Climate Change

The Scottish and UK governments have committed to meeting targets for Net Zero carbon emissions. The transition to Net Zero will directly impact jobs, with potential for job growth in Scotland. Upskilling and reskilling will be vital to equip Scotland's workforce with the skills needed to meet the transition. Scotland is well placed to take a lead in the development of new green technologies building on its significant natural resources and strengths in key sectors.



A fuller report on Scotland's Labour Market Drivers can be found [here](#).

Sectoral Insight¹

The previous page provided an overview of the key drivers expected to have the greatest influence on Scotland's labour market. Below, we explore how some of these drivers, and others, may influence the sector.

Demographic change may have significant implications for the Food and Drink Primary Production sector. The workforce is ageing, creating challenges finding the next generation of talent to fill jobs being vacated as older workers leave the sector.

Improving equality, diversity and inclusion in the workforce is an opportunity to broaden the pipeline and bring new talent into the sector. Within agriculture and aquaculture, for example, the workforce is predominantly male, but projects are underway to improve opportunities for women in the sector, through initiatives like Lantra Scotland's [Women in Agriculture Practical Training Fund](#).

The skills challenges of the sector interplay with **wider economic conditions**. Labour shortages can reduce productivity and drive-up operational costs. In turn, this can fuel inflationary pressures which can exacerbate the cost-of-living crisis.²

Addressing skills issues will also be crucial to ensure the sector can respond to key challenges, including supporting the transition to **Net Zero** and improving food security.

Scotland's produce is globally renowned, with the Food and Drink Primary Production sector producing high value exports such as Scottish salmon. It is also an important source of employment with some sub-sectors, such as aquaculture, providing year-round, well-paid jobs in rural, remote and coastal communities.³

The sector's aspirations are set out in several strategies. For example, the [Vision for Sustainable Aquaculture](#) aims to provide highly skilled employment opportunities and raise the profile of aquaculture careers. The [Strategy for Seafood](#) says the sector must be underpinned by a skilled, inclusive and diverse workforce, and employers who implement fair work. [Sustaining Scotland. Supplying the World - A strategy for Scotland's Food and Drink industry](#) also recognises people and skills as a priority, the need to be an industry of choice, while promoting the sector's diverse range of careers.

There are several factors driving labour and skills challenges in the sector, ranging from industry attractiveness, access to labour, as well as competition with other industries and the rurality of business sites. For example, the National Farmers Union (NFU) has [identified labour shortages in three areas](#) across the Agriculture sector – seasonal workers, permanent experienced workers, and new workers. Job attractiveness contributes to this and working conditions (e.g. physical, outdoor labour and long hours) can make it difficult for the sector to attract the people they need.

The [Land Based Pre-Apprenticeship Programme](#) is an example of the sector responding to the need for new talent in the sector, encouraging farms to act as mentors, providing six-month placements and creating new pathways into agricultural roles. Similarly, the [Next Generation Practical Training Fund](#) aims to support new entrants to farming.

Employers also report challenges filling seasonal roles with local workers. For example, in Seafood, the workforce has been impacted by the UK's departure from the European Union. Estimates suggest that this has contributed to as many as 20-25% of vacancies being unfilled throughout the seafood industry.⁴ Several roles have been included on the Migration Advisory Committee (MAC) Shortage Occupation List including fishing boat masters, shipbuilders and repairers, deckhands on larger fishing vessels, trawler skippers and share fishermen.

It is important to note that the forecasts used in this Sectoral Skills Assessment are policy and investment neutral.



This means the figures present a baseline outlook that takes into account historical trends and external economic conditions, but the figures do not reflect investment or policy that is unconfirmed or at planning/development stage. Therefore, the forecasts should be used in conjunction with other sources, and readers are encouraged to overlay these with their own local and sectoral knowledge.

1. Insight from the sector gathered via Skills Development Scotland (2024).

2. NFU Scotland (2024). [Proposed UK Immigration Rule Changes – A Rethink Needed](#).

3. Scottish Government (2020). [Supporting the economic, social and environmental sustainability of the UK's marine sectors](#).

4. Harper McLeod (2023). [Navigating Changes: Addressing skills shortages in Scotland's marine economy](#).

Gross Value Added (GVA, £m) (2014-2034)²



In 2024, GVA in the Food and Drink Primary Production sector was estimated to be £1,755m, generating 1.2% of Scotland's total economic output. Between 2014 and 2024, GVA in the sector was estimated to have declined by 2.6% on average each year, compared to growth of 0.5% across Scotland over the same period.

In 2023, there was weaker consumer demand and falling real household incomes, causing a decline in Food and Drink Primary production sector output. Economic activities were anticipated to improve, and the sector's output was projected to grow by 0.7% in 2024.

Looking ahead, GVA in the Food and Drink Primary Production sector is forecast to grow on average 1.2% each year between 2024 and 2034, which is slightly below Scotland's average. In 2034, the Food and Drink Primary Production sector is forecast to account for 1.2% of Scotland's total economic output.



Productivity (GVA per job)³

In this report, we have used Oxford Economics' measure of productivity, which is calculated by dividing total sectoral GVA by total sectoral employment (measured by jobs). Please note, there are different ways of calculating productivity, and caution is needed when interpreting productivity data presented in this report. It must be considered in the context of other data and insight.

In 2024, productivity in the **Food and Drink Primary Production** sector was estimated to be **£30,400**. In comparison, the Scottish average was £52,000.



Food and Drink Primary Production forecast productivity in 2027: **£31,500**

↑ up 3.5% from 2024



Food and Drink Primary Production forecast productivity in 2034: **£35,100**

↑ up 11.5% from 2027

Scotland forecast productivity in 2027: **£53,000**

↑ up 1.9% from 2024

Scotland forecast productivity in 2034: **£57,100**

↑ up 7.9% from 2027

1. SDS (2024). Oxford Economics Forecasts.
2. GVA is the measure of the value of goods and services produced within the economy and is an indicator of the sector's health. GVA in constant

2019 prices.
3. Productivity is the measure of goods and services produced per unit of labour input. The Oxford Economics forecasts of productivity shown here

have been calculated by dividing total sector GVA by total sector employment (measured by jobs).

Current Demand¹



Workforce size 2024: **40,900** people

The sector's workforce was estimated to have **declined** by **-1.0%** or **-400** people between 2014 and 2024.

This compares to a Scotland wide increase of **3.8%** or **97,300** people between 2014 and 2024.

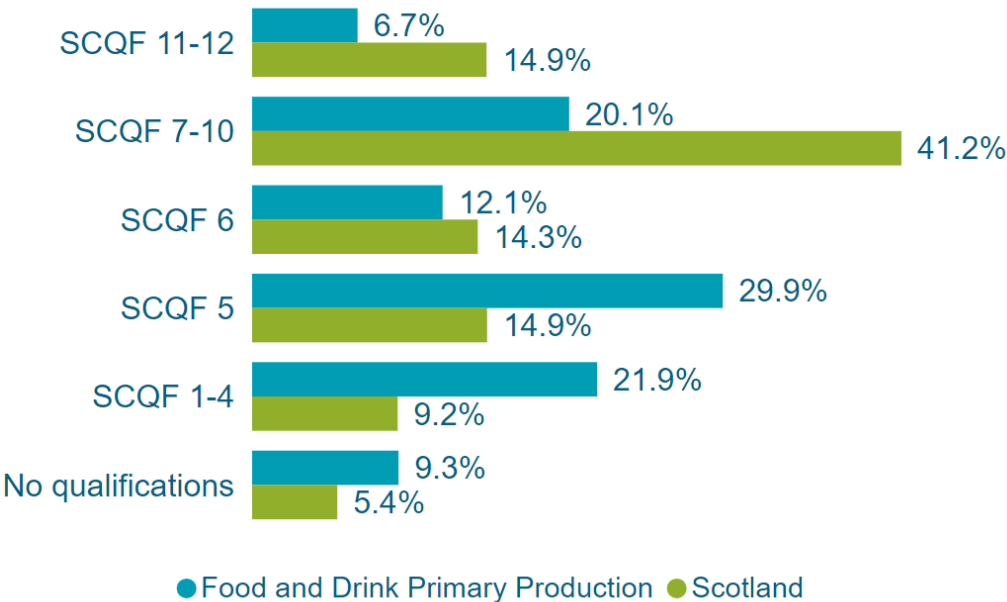
Employment by Region (people), 2024

The greatest number of people employed in **Food and Drink Primary Production** were estimated to be in:

Highlands and Islands	South of Scotland	Tayside	Aberdeen City and Shire
9,900	7,000	6,900	6,000

Workforce Qualifications, 2024

Food and Drink Primary Production was estimated to have a lower proportion of the workforce educated to SCQF Levels 6 and above, and a higher proportion educated to SCQF Levels 5 and below compared to Scotland.²



Top 10 Employing Occupations (people), 2024



1. SDS (2024). Oxford Economics Forecasts.
2. See [SCQF Framework](#) for further information on SCQF qualification levels.

Current Demand¹

The proportion of Local Authorities' workforce employed in Food and Drink Primary Production, 2024²

In 2024, the **Food and Drink Primary Production** sector was estimated to account for **1.6%** of Scottish employment.

Scottish local authorities have sectoral strengths that make them unique. This means that the **Food and Drink Primary Production** sector may be more important to some local economies, as a higher proportion of the local workforce is employed in the sector.

The sector was most prominent in these local authorities:

Shetland Islands
9.6%

Orkney Islands
9.3%

Angus
9.2%

Na h-Eileanan Siar
7.6%



Real Living Wage and Gender Pay Gap³

Individuals earning Real Living Wage or more:
In April 2023, the real living wage rate for employees who did not work in London was £10.90.



Agriculture, Forestry and Fishing
No data available

All sectors
2022: **90.6%** 2023: **89.9%**

Gender Pay Gap for median full-time hourly earnings:



Agriculture, Forestry and Fishing
2022: No data available 2023: **7.2%**

Scotland
2022: **3.0%** 2023: **1.7%**

Due to data availability, a 'best fit SIC code approach' has been used, so sectors definitions here may not fully match key sector definitions.

Modern Apprenticeships⁴



MAs starts for Food and Drink Primary Production*:

Q4 2022/23: **162** Q4 2023/24: **212** Q1 2024/25: **36**



MAs in training for Food and Drink Primary Production*:

Q4 2022/23: **325** Q4 2023/24: **270** Q1 2024/25: **259**

*Includes the following frameworks: Agriculture, Aquaculture, Aquaculture Management Technical Apprenticeship, Game & Wildlife Management and Rural Skills.

For data on FAs and GAs please see the Publications section of our [website](#). For data on colleges and universities please see [Scottish Funding Council](#) and [Higher Education Statistics Agency](#).

1. SDS (2024). Oxford Economics Forecasts.
2. The proportion of the workforce in the Local Authority employed in the sector is calculated by dividing the sectoral employment in the area by total employment in the area.

3. Scottish Government (2023). Annual Survey of Hours and Earnings: 2023. 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.

4. SDS (2024). Modern Apprenticeship Statistics, Quarter 1, 2024/25.



Job Postings in Food and Drink Primary Production³

Online job postings data provides a useful barometer for the health of the jobs market, real-time employer demand and can indicate changing skills demands. It is important to note that the data does not capture all activity, so it should be considered as an estimate only.

Between July 2023 and June 2024, there were **1,240 job postings** in Food and Drink Primary Production. Job postings were high in 2022, and as a result the number of job postings has decreased by 17.1% compared to the period between July 2022 and June 2023 (21% decline across all occupations comparatively). Despite the decline, the number of job postings remained above the pre-pandemic level for Food and Drink Primary Production.

Top Locations between July 2023 and June 2024 were:



The largest growth in job postings between July 2022 - June 2023 and July 2023 - June 2024 was in Aberdeen City (+33), Shetland Islands (+11) and West Lothian (+11).

Top Job postings between July 2023 and June 2024 included:



Farm Workers



Large Goods Vehicle Drivers



Kitchen and Catering Assistants



Warehouse Operatives



Assemblers and Routine Operatives



Roundspersons and Van Salespersons

Specialised skills and knowledge requested (July 2023 - June 2024) included:



Machinery



Animal Husbandry



Environment Health and Safety



Poultry



Auditing



Warehousing



Median real-time advertised salary July 2023 – July 2024:
£26,000

1. Lightcast 2024.
2. Job postings are rounded to the nearest 10. Figures may not sum due to rounding.

3. Please note, the data provided is for SIC 01 and SIC 03 for the whole of Scotland. Median salary based on 38% of records that contain salary information.

Future Demand: Mid-term (2024-2027)¹

In the mid-term (2024-2027), **the number of people in employment is forecast to grow by 0.8% (300 people)** in the **Food and Drink Primary Production** sector. This is a smaller percentage growth than is forecast overall across Scotland where employment is predicted to rise by 1.9% (49,800 people).

In 2027, the top employing regions in the sector are forecast to be **Highlands and Islands** and **South of Scotland**, the same as in 2024. Similar to 2024, **the largest proportion of the workforce** is forecast to be educated to **SCQF 5**. The top employing occupation is forecast to be **Skilled Agricultural Trades**.

Forecasts for the mid-term (2024-2027) suggest there could be demand for **10,800 people in the sector**, primarily as a result of the need to replace workers leaving the labour market. Whilst positive, caution is needed as a wide range of factors may impact the future labour market.

Workforce (people), 2027



Workforce size 2027: **41,200** people



The sector's workforce is expected to **grow** by **0.8%** or **300** people between 2024 and 2027



Compared to a Scotland wide increase of **1.9%** or **49,800** people

Total Requirement*



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+



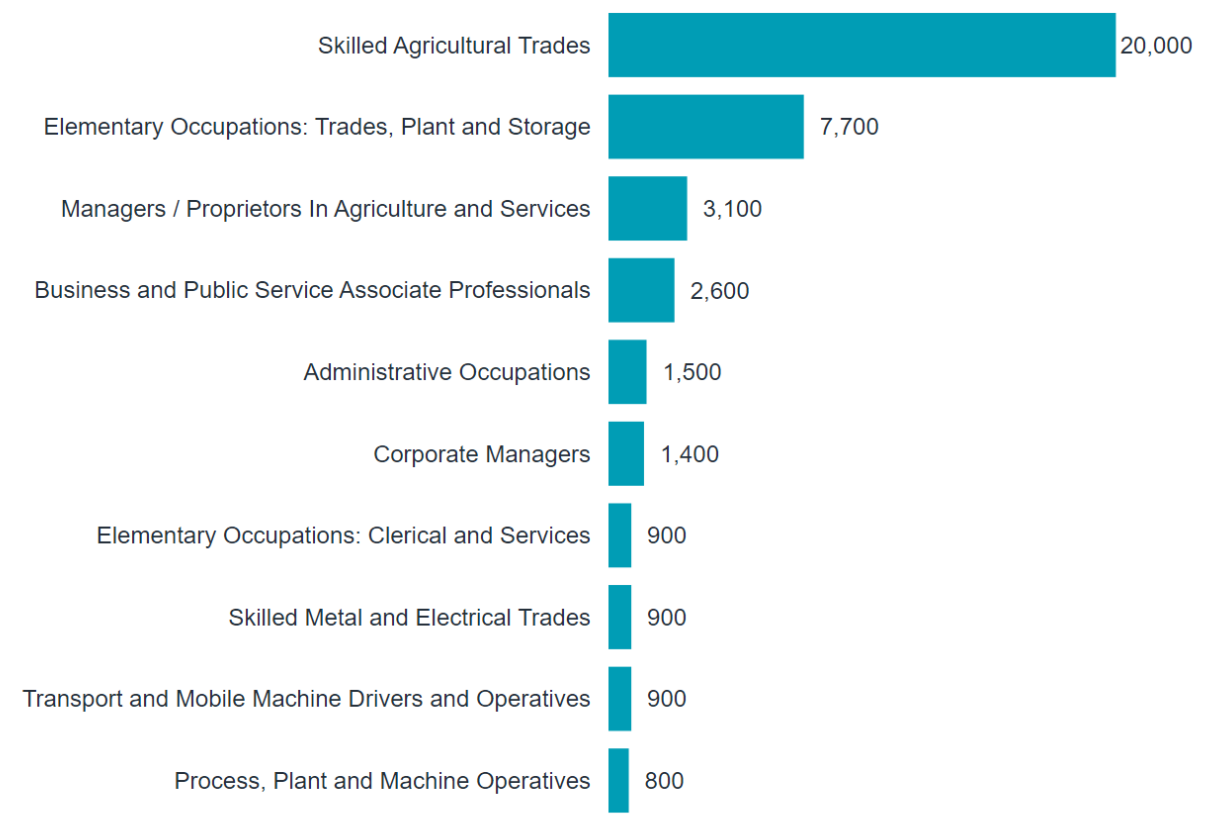
Total requirement:
10,800 people

Replacement demand:
10,500 people

Expansion demand:
300 people

Food and Drink Primary Production is forecast to account for **2.9%** of Scotland's total requirement for people in the mid-term (2024-2027)

Top 10 Employing Occupations (people), 2027



1. SDS (2024). Oxford Economics Forecasts.

* Total requirement for people is made up of expansion and replacement demand.
The expansion demand is the number of people required as a result of economic growth or contraction.

The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

Future Demand: Long-term (2027-2034)¹

Employment in the **Food and Drink Primary Production** sector **is forecast to decline** in the long-term (2027-2034), **with a decrease of 3.7% (-1,500 people)**. This contrasts with growth that is forecast overall across Scotland where employment is predicted to rise by 1.2% (32,000 people).

In 2034, **Highlands and Islands** and **South of Scotland** are forecast to remain the top-employing regions in the sector. The largest proportion of the workforce employed in the sector is **forecast to be educated to SCQF 5**, and **Skilled Agricultural Trades** is forecast to remain the most in-demand occupation within the sector.

Forecasts for the long-term (2027-2034) estimate that **22,400 people** could be required in the sector. This will be driven by **the need to replace workers** leaving the labour market.

Workforce (people), 2034



Workforce size 2034: **39,700** people



The sector's workforce is expected to **decline** by **-3.7%** or **-1,500** people between 2027 and 2034



Compared to a Scotland wide increase of **1.2%** or **32,000** people

Total Requirement*



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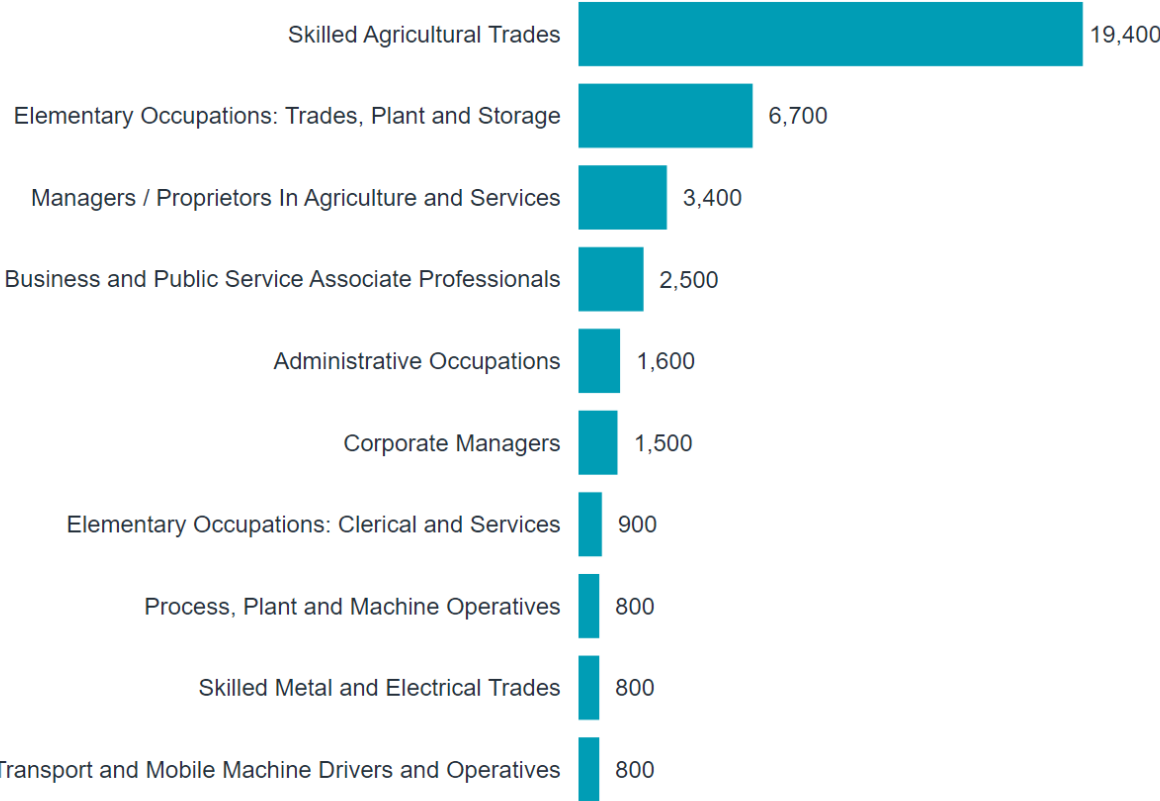
Total requirement:
22,400 people

Replacement demand:
23,900 people

Expansion demand:
-1,500 people

Food and Drink Primary Production is forecast to account for **2.8%** of Scotland's total requirement for people in the long-term (2027-2034)

Top 10 Employing Occupations (people), 2034



1. SDS (2024). Oxford Economics Forecasts.

* Total requirement for people is made up of expansion and replacement demand.
The expansion demand is the number of people required as a result of economic growth or contraction.

The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

Appendix 1: Food and Drink Primary Production Sector Definition (SIC 2007)

SIC	Name
01	Crop and animal production, hunting and related service activities
03	Fishing and aquaculture

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