

## DG GROW

### Pact for Skills: skills roundtable between Commissioners Breton and Schmit and representatives of the Agri-food Ecosystem Virtual Meeting, 18 February 2021, 14:00 – 15:30

#### BRIEFING NOTE

#### Scene setter/Context of the meeting:

This briefing follows the structure used for previous roundtables.

On 18 February 2021, Commissioner Breton and Commissioner Schmit will co-host an (online) Skills Roundtable focussing on the needs of the agri-food ecosystem. Participants invited include high-level representatives of the ecosystem - CEOs of large companies (frontrunners) and SMEs, sectoral associations, social partners, researchers and education providers.

On 1 July 2020, the Commission adopted the European Skills Agenda. It included a proposal for a Pact for Skills and a Charter that will define the key principles for up- and re-skilling the workforce for each partnership under the Pact. The aim of the Pact is to bring together relevant stakeholders to take concrete actions for the upskilling and reskilling of the workforce in various ecosystems. The role of the Commission is to support stakeholders in establishing sectorial partnerships under the Pact and provide advice on access to EU funding (mostly managed by Member States and regional authorities). The Pact for Skills was launched in an online format on 10 November 2020, during the European Vocational Skills Week organised by DG EMPL.

The European Skills Agenda states that the Pact should target the industrial ecosystems more affected by the COVID-19 crisis and the priority areas identified in the European Green Deal, for which ambitious up- and reskilling strategies will be essential to push forward the recovery. The agri-food ecosystem was identified as one of the priority ecosystems.

The ecosystem has benefited from an **EU-funded Blueprint** on sectoral cooperation on skills for Bio-economy, new technologies and innovation in agriculture (the FIELDS project). The ongoing project, managed by DG AGRI, aims at identifying key skills required by the sector and on a strategy to help industry meet these needs. This **Blueprint** will provide a good basis for an agri-food Pact for skills.

#### Objective of the meeting:

The Roundtable has two main objectives:

1. Reach top-level agreement that the Pact for Skills, and an accompanying Charter, provide an essential EU-level framework to support the major programme of up- and re-skilling the ecosystem needs. Following this meeting, DGs GROW and EMPL will organise a number of technical level meetings to develop the industry proposal;

2. Obtain commitments from the participants to find practical and operational solutions to the identified skills problems.

### Practical arrangements

#### **Timing**

The Roundtable is scheduled for 90 minutes.

#### **Participation**

To ensure that each participant has an opportunity to speak, and leave some time for interaction at the end, we will request that participants speak for a maximum of 3 minutes.

#### **Structure of the Roundtable**

We propose that the Roundtable begins with an opening statement from Commissioner Schmit to set out the objectives of the Pact for Skills and the accompanying Charter. Commissioner Breton will then be invited to explain the importance of skills in the EU industrial strategy and especially for the agri-food ecosystem. Commissioners Breton and Schmit will both be invited to ask questions to participants. Questions will be sent to participants ahead of the Roundtable. If time allows, participants will be given the opportunity to make final statements. Commissioners Breton and Schmidt will then be both invited to conclude the session.

**The detailed programme including choreography of the meeting and list of participants will be provided as an Annex when available (pending confirmation on the list of participants)**

### Introductory remarks

- I would like to complement Commissioner Schmit's introduction by presenting briefly the industrial perspective on the Pact for Skills.
- The achievement of the Green Deal targets relies on the successful green and digital transformation of our economy and we are conscious of the pivotal role of the agri-food ecosystem – even without considering agriculture, the food and drinks industry is Europe's largest manufacturing sector in terms of both employment and turnover – in this transition.
- SMEs are the backbone of the agri-food ecosystem. They represent 99% of the operators in the food and drink industry

(60% of employment, 50% of turnover).The COVID-19 crisis created new difficulties hitting these operators in the agri-food ecosystem. Therefore, providing the right support to enable these smaller operators to transition successfully is crucial to the achievement of the objectives of the Green Deal.

- These challenging times will not derail our efforts to transition sustainably, but instead, they present an opportunity to build back better and mitigate the risks that climate change poses to the EU food system in the long-term.
- The Commission has therefore put forward an ambitious package for a green recovery. We will work with Member States to ensure that the agri-food ecosystem receives the necessary support to get on track with its green commitments and to remain competitive.
- It is very important for the Member States to take into consideration the needs of the agri-food ecosystem in their recovery plans, as in national support schemes. The transition will require important investments for a more green, digital and resilient ecosystem.
- The 'Farm to Fork' Strategy (F2F) adopted on 20 May 2020 also presents an excellent opportunity for a green recovery. The strategy comes with a comprehensive plan of 27 policy actions to accelerate the transition towards a fair, healthy and environmentally sustainable food system.
- Many food and drink companies share the vision of the F2F Strategy and have set ambitious targets in all areas of sustainability, for example reducing greenhouse gas emissions (GHG) (with frontrunners aiming for carbon neutrality), better resource efficiency, less and more sustainable packaging, facilitating the shift to healthy and sustainable diets.

- Yet, we need to bring all relevant players in the ecosystem on board to ensure that its workforce is equipped with the right skills to accelerate the process.
- A new generation of high skilled workers and entrepreneurs is crucial to deliver on the transformation of the ecosystem. The transfer of skills as existing workers move to retirement must also be ensured.
- Existing workforce should be trained on management and planning, sustainability, digitalisation and communication to strengthen the resilience of operators along the food supply chain, achieve their green and digital transition and ensure availability of first line supervisors and managers.
- Upskilling and reskilling in the agri-food ecosystem is an immense task, therefore we need to build an effective Agri-food Partnership under the Pact for Skills.
- We know that we can build on existing initiatives of frontrunners represented here today and on ongoing **EU projects involving stakeholders, such as the Blueprint** on sectoral cooperation on skills for **Bio-economy**, new technologies and innovation in agriculture.
- I look forward to hearing your views on how to build a strong and ambitious Agri-food Pact for Skills.

#### Closing remarks

- Thank you for this very interesting discussion.
- It is heartening to see that there is clear agreement on the importance of skills to drive the recovery and resilience of the agri-food ecosystem in the long term.

- It is clear from our discussion today that the challenges linked to skills in the agri-food ecosystem need to be addressed with a long term action plan under the Pact for Skills and that there is a clear urgency to start the work.
- Acting together - industry, social partners, educational and training organisations, national and regional administrations, backed by the Commission - we can make a difference.
- Your commitment to develop an agri-food partnership is an essential component.
- The **Blueprint on skills** has already established an effective network of partners across the EU.
- These are all important foundations on which to build.
- We intend to cooperate with you and other partners in the coming weeks to develop a robust proposal for a partnership that can be supported under the Pact.
- Thank you for your valuable and insightful contributions.

## **Background information**

The agri-food ecosystem encompasses all operators in the food supply chain (farmers, food industry, food retail and wholesale, and food service) and their suppliers of inputs and services (seeds, pesticides, fertiliser, machinery, packaging, repair, transport and logistics). It has a very long border – and considerable overlaps – with the Tourism and the Retail ecosystems.

### **A. Key statistics**

- The food and drink industry is the largest manufacturing sector in terms of turnover: €1.09 trillion
- It contributes 203 billion € to the EU added value
- It is the biggest industrial employer : 4.4 million employees
- SMEs are the backbone of the sector : 99% of food and drink enterprises (78% are micro enterprises).
- 1 % of food and drink companies are leading large enterprises (40% of employment and 52.5% of turnover)
- Its workforce is less well qualified than the general EU working population, with 30% possessing only low-level qualifications;

**Action under the Pact for Skills** is therefore essential to address the skills needs and preserve the EU's competitiveness in this sector. Moreover, the twin challenges of the green and the digital transformations will also require a significant effort in upskilling and reskilling the ecosystem's human capital.

This process will bring diverse benefits to the agri-food ecosystem, ranging from the creation of updated occupational profiles to reinforcing the bioeconomy, surge in the creation of vibrant start-ups and SMEs, recovery of rural areas, development of new value chains and business models, which will ultimately lead to a relaunch of the EU's competitiveness.

### **B. Blueprint on sectoral cooperation on skills for Bio-economy, new technologies and innovation in agriculture (information provided by DG AGRI and the Blueprint contractor)**

Under the **Blueprint**, stakeholders work together in sector-specific partnerships, called **alliances for sectoral cooperation for skills**, which develop and implement strategies to address skills gaps in these sectors. These sector-specific partnerships gather key stakeholders, including business, trade unions, research institutions, education, training institutions and public authorities. The blueprint builds on previous work by the European Commission and sectoral partners to address skills gaps in sectors, in particular the European sectoral skills councils and the Erasmus+ sector skills alliances.

The [Blueprint for sectoral cooperation on skills](#) is one of the key initiatives of the [Skills agenda for Europe 2016](#); it is being expanded and opened to more sectors in the framework of the Pact for Skills of the Updated Skills Agenda 2020. Each blueprint alliance will develop a sectoral skills strategy to support the overall growth strategy for the sector.

## Identification of skills deficiencies in the agri-food sector: the FIELDS Project

In 2019, a project proposal was selected, with the title “[Addressing the current and Future skill needs for sustainability, digitalization, and the bio-Economy in agriculture: European skills agenda and Strategy](#)”, coordinated by the university of Turin (Università degli Studi di Torino).

As it strives to find the best way forward to upskill the existing work force and update the relevant curricula in the education system; the FIELDS project has already identified the ten most important skills missing in the European agri-food ecosystem. These are:

1. Business planning/model and strategic management
2. Everyday usage of digital technology to communicate
3. Communication
4. Mitigation and adaptation to climate change
5. By-products and co-products valorisation
6. Good agricultural practices
7. Sustainable forest management practices and planning
8. Organisation, planning visioning and strategic thinking
9. Efficient use of resources and logistics
10. Data handling and analysis

In addition, a table can be found in annex (Annex I) containing the most selected deficient skill at European level for each of the categories (sustainability, digitalization, bio-economy, soft skills and business and entrepreneurship) which will require further training in the years to come.

## Range of EU employees to be trained

According to the *Centro di Studi Confagricoltura* and based on Eurostat data, there are 20 million people currently working in the food ecosystem of the EU. There are 10 million farms, 647,000 workers under 35, 720,000 [AKIS/ extension services](#)<sup>1</sup> and 3.5 million employees in the food and drink industry sector.

The range of the EU employees to be trained on FIELDS (Bioeconomy, Digitalization and new Agriculture, together with soft skills) varies from a **maximum of 1.78 million** to a **minimum of 671,063 workers**.

## Funding and investment needs

The funding and investment needed for EU employees to be trained on FIELDS varies from a **maximum of 2,095 million €** to a **minimum of 601 million €**.

- The total maximum scenario envisions a case where 73 million € are spent on training 2.5% of European farmers, 1,445 million € devoted to upskilling 100% of the workers

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<sup>1</sup> Agricultural Knowledge and Information/Innovation System (AKIS) is a concept to describe the exchange of knowledge and the services which support these exchanges in rural areas.

under 35, 437 million € on 100% of AKIS, 67 million € on 5% of food industry employees and a final 67 million € in 'training the trainer' programmes.

- The total minimum scenario, refers to a case where 29 million € are spent on training 1% of European farmers, 291 million € are employed on upskilling 20% of the under 35s, 218 million € on 50% of AKIS, 34 million € on 2.5% of food industry employees and a final 28 million € in 'training the trainer' programmes.

#### **Proposed Action Plan by the Blueprint**

- Establish with Copa Cogeca, Food Drink Europe and EU Coordination of National Food Technology Platforms an EU protocol for a wide Erasmus + Blueprint focused on the contents (FIELDS' new skills) and on the 'training of the trainers' (six months);
- Launch the new Erasmus + Blueprint 'Training the trainers' (two years) chaired by the three umbrella organizations and acted by their national networks;
- Build an EU network of the national agri-food confederations from both sides (unions and entrepreneurs) to identify training agencies/universities, employees and young entrepreneurs to be involved, as well as national budgets and impacts (one year in parallel);
- Co-finance national agri-food confederations (PP Partnership) to organize the training activities on the field and remotely, with ESCO standards and new digit – flipped classroom techniques, through a well-defined list of accredited agencies out of the CSA (three years)
- Monitor and evaluate the effort at European and national level (CSA), with the aim to consolidate, adjust and/or update the common training on new skills (six months).

**Total time plan:** six years (2022 – 2027)

**GROW/D3 Contact points:** 



## ANNEX I

### Most important skills selected by category at European level

These are the concrete results for the following categories: sustainability, digitalization, bio-economy, soft skills and business entrepreneurship. The results are ranked in decreasing order of frequency.

<b>CATEGORY OF SKILLS</b>	<b>MOST SELECTED SKILL FOR SAID CATEGORY</b>
<b>Sustainability</b>	<ol style="list-style-type: none"> <li>1. Mitigation and adaptation to climate change</li> <li>2. By-products and co-products valorization</li> <li>3. Good agricultural practices</li> <li>4. Efficient use of resources and logistics + soil nutrient and health management</li> <li>5. Water management</li> </ol>
<b>Digitalization</b>	<ol style="list-style-type: none"> <li>1. Everyday usage of digital technology to communicate</li> <li>2. Data handling and analysis</li> <li>3. Farm management Information Systems (FMIS)</li> <li>4. E-commerce and e-marketing</li> <li>5. Field operations management systems</li> </ol>
<b>Bio-economy</b>	<ol style="list-style-type: none"> <li>1. Planning and coordinating production</li> <li>2. Conventional versus/ and organic farming</li> <li>3. Quality management</li> <li>4. New industrial crops and bio products</li> <li>5. Performing farming operations</li> </ol>
<b>Soft skills</b>	<p>Communication</p> <p>Organization, planning and strategic thinking</p> <p>Analytic, critical and creative thinking</p> <p>Being resilient, adaptable, proactive and learning continuously</p> <p>Problem-solving</p>
<b>Business and entrepreneurship</b>	<ol style="list-style-type: none"> <li>1. Business planning and strategic management</li> <li>2. New value chains</li> <li>3. Project management</li> <li>4. Collaboration across all sectors in the food chain</li> <li>5. Interdisciplinary model to assess the whole value chain</li> </ol>