FoodBev SETA

Sector Skills Plan for Food and Beverages Manufacturing Sector

2020 – 2025

01 August 2019

AUTHORISATION AND OFFICIAL SIGN-OFF

We, the undersigned, certify that the draft Sector Skills Plan (SSP):

- Is developed by the management of the Food and Beverages Manufacturing SETA, under the guidance of the Accounting Authority, and in consultation with the Department of Higher Education and Training (DHET);
- Is informed by extensive data analysis of sectoral primary and secondary research;
- Considers all the relevant policies, legislation and other mandates within the domain of the FoodBev SETA;
- Includes stakeholder consultations; and
- Accurately reflects the findings, in terms of occupational shortages and skills gaps, within the documented limitations, to inform strategic planning and performance priorities.

Ms Nokuthula Selamolela

Chief Executive Officer

Date: 1 August 2019

Ms Mapule Ncanywa

Acting Chairperson of the Board

Date: 1 August 2019

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CHAIRPERSON'S FOREWORD

The Food and Beverages Manufacturing SETA (FoodBev SETA) is pleased to present its 2020 – 2025 Sector Skills Plan (SSP) – the first to span a five (5) year period following the Minister's promulgation of the National Skills Development Plan (NSDP), which comes into effect on 1 April 2020.

The new SETA Landscape re-establishes SETAs until 2030, making significant developments and much-needed stability to the sector. This key planning document is informed by research aimed at identifying skills needs (demand), supply of skills, and opportunities and constraints in utilising and developing abilities aligned to the NSDP. It aims to fulfil performance goals set out by the Accounting Authority and Department of Higher Education and Training (DHET).

The alignment of the document's objectives to those set out in the NSDP reflect skills development needs identified within the Food and Beverages Manufacturing Sector by presenting a comprehensive analysis of labour market trends, supply and demand dynamics; hard-to-fill occupations, and interventions that will be implemented by the SETA in response to skills needs.

Focus groups and industry engagements (chamber meetings) were held with key industry stakeholders to augment and confirm data from employers through the submission of Workplace Skills Plans (WSPs), Annual Training Reports (ATRs), and Sectoral Priority Occupations and Interventions List – SPOL (formerly the PIVOTAL List).

Employers, higher education institutions, Technical Vocational Education and Training (TVET) colleges, universities, private training providers, small businesses, other SETAs, and rural and township communities need to work together towards achieving and sustaining a skilled workforce and economic growth.

Ms Mapule Ncanywa

Acting Chairperson of the Board

ACRONYMS

APAP	Agriculture Policy Action Plan
APP	Annual Performance Plan
ATR	Annual Training Reports
BCCS	Baking Cereals Confectionery and Snacks
DHET	Department of Higher Education and Training
DPSA	Disabled People South Africa
DTI	Department of Trade and Industry
ETQA	Education and Training Quality Assurance
EMIS	Education Management Information System
FAWU	Food and Allied Workers Union
FEDCRAW	Federal Council of Retail and Allied Workers
FMCG	Fast-Moving Consumer Goods
FoodBev SETA	Food and Beverages Manufacturing Sector Education and Training Authority
HEMIS	Higher Education Management Information System
HEI	Higher Education Institution
IPAP	Industrial Policy Action Plan
JSE	Johannesburg Stock Exchange
LSM	Living Standards Measure
MOU	Memorandum of Understanding
NGP	New Growth Path
NCV	National Certificate Vocational
NUFBWSAW	National Union of Food Beverage Wine Spirits and Allied Workers
OFO	Organising Framework of Occupations
PIVOTAL	Professional, Vocational Training and Academic Learning
QCTO	Quality Council for Trades and Occupations
RAAVC	Revitalisation of Agriculture and Agro-Processing Value Chain
SACB	South African Chamber of Baking
SAMPRO	South African Milk Processors Organisation
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIPs	Strategic Infrastructure Projects
SP	Strategic Plan
SSP	Sector Skills Plan
SPOL	Sectoral Priority Occupations List
Stats SA	Statistics South Africa
TVET	Technical Vocational Education and Training

KEY CONCEPTS/ TERMS

Sector Skills Plan	Is a skill planning guide or "roadmap" developed by a SETA in consultation with stakeholders in a specific economic sector to develop a highly skilled workforce, improve firm-level productivity and increase the competitiveness of the sector through skills development.
Change Drivers	Factors changing a sector and causing it to develop in a certain way, these are factors that may affect skills demand or supply in a certain way.
Occupational Shortages	Occupational shortages occur when the demand for workers in specific occupations exceed the supply of workers who are qualified, available and willing to work. It refers to excess demand for workers in specific occupations.
Sectoral Priority Occupations (PIVOTAL)	A list of priority occupations identified by the sector through research as occupational shortages planned to be addressed through a variety of interventions in a specific financial year.
Hard-to-Fill Vacancy	This is a vacancy (occupation) that an employer was unable to fill within 12 months, or it took longer than 12 months for the employer to find a suitably qualified and experienced candidate.
Skills	Is a necessary competency that can be expertly applied to job tasks. It can be linked either to an occupation or a gap in the skills profile of a worker within an occupation.
Skills Gap	Refers to skills deficiencies in employees or lack of specific competencies by employees to undertake job tasks successfully to required industry standards.
Partnership	A collaborative agreement between two or more parties intended to achieve specified outcomes directed towards addressing mutually inclusive skills priorities or objectives within a specified time frame.
Occupation	A set of job tasks characterised by such a high degree of similarity that they can be grouped together for the purpose of the classification.
Organising Framework of Occupations (OFO)	Is a skills-based classification system to standardise, describe and codify occupations.

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EXECUTIVE SUMMARY

The core mandate of the Food and Beverages Manufacturing SETA is to empower people through skills development by developing and implementing a Sector Skills Plan (SSP) informed by various role-players from the food and beverages manufacturing sector. The development of the SSP for the FoodBev SETA has been compiled in accordance with the National Skills Development Plan (NSDP), The White Paper on Post School Education and Training (PSET) and the DHET SSP Framework and Guidelines. The NSDP is aimed at improving access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development. The White Paper on PSET is concerned with a post-school system that is inclusive and addresses poverty, inequity, and targets the unemployed youth. The SSP aims to address the current occupational shortages and skills gaps. It is also concerned with facilitating the development of relevant skills and educational opportunities needed in the sector to decrease the identified skills gaps.

The compilation of phase one of the 2020- 2025 SSP was done using a mixed method approach that includes both quantitative and qualitative methods. The first phase process entailed document analysis through desk top research as well as partial analysis of the WSPs-ATRs for the compilation of the first draft of the Sectoral Priority Occupations. The desk top research was used to gather data on the economic indicators and change drivers within the sector. The occupations related data, inclusive of hard-to-fill occupations, sector priority occupations and the nature of supply was gathered from the WSPs-ATRs submitted by the employers. The latter information on occupations was validated and finalised after all the WSPs-ATRs were received from all employers that were granted an extension to submit by the 30th of May 2019 by the FoodBev SETA. Further validation was done in two of the SSP development process using the data gathered from focus groups and face-to-face interviews. The qualitative aspect of the first phase was done via a consultative process with the industry. A combined chamber meeting was organised where the draft SSP was presented for comments and inputs that were considered in this document. A comprehensive research methodology which was used for the final document, is reported below under the heading "Research Process and Methods". The layout of the document is discussed in detail in the following paragraphs.

Chapter one presents the sector profile. Presently, the trend of Africans occupying elementary occupations relative to management occupations continues. Rural and community development, the employment of people with disabilities and females remain inadequate in the sector. Hence, transformation has been identified as one of the priority actions that must be undertaken by the sector. The issue of transformation with regards to skills development interventions are subsumed in the last chapter of the SSP as a result of observations and insights emanating from this chapter.

Chapter two outlines the change drivers in the Food and Beverage Manufacturing Sector and implications for skills. The prominent change driver in this document, amongst others, is the impact of technological advancements on the Food and Beverages Manufacturing Sector. The latter is due to the Fourth Industrial Revolution and the implications for skills development in

the sector. The chapter also addresses the alignment of the Food and Beverages Manufacturing Sector to the national strategies and plans.

Chapter three highlights the occupational shortages, sectoral occupational priorities and skills gaps in the Food and Beverages Manufacturing Sector. It also discusses the supply side of skills in the sector. Chapter four covers the theme of partnerships. The FoodBev SETA has significant partnerships with TVET Colleges and industry regarding the need to build the capacity of college lecturers and facilitate the alignment of TVET learning programmes to the sector's needs. The SETA also has a new partnership in the pipeline that will be mainly focused on the Fourth Industrial Revolution (4IR) and its impact on sector skills and other partnerships that will focus on skills development for people with disability, SMMEs, rural and community development.

A new chapter five on SETA Monitoring and Evaluation has been introduced. This chapter reflects on the monitoring and evaluation of the SETA performance; skills development interventions; the model used to monitor and evaluate the SETA's activities including the strategic priorities; and highlights on the plan of action going forward.

Chapter six provides a summary of the key findings of the SSP and recommended actions. The main findings of the SSP are:

- Addressing artisan shortages: increase the interventions from FoodBev SETA through increased targets for the development of qualified artisans, coupled with the pursuit of a special project to develop underqualified or unqualified artisans into fully qualified artisans;
- Undergraduates bursaries: provide matriculants with bursaries especially those that are directly linked to food and beverages manufacturing sector e.g. food science and technology studies and engineering;
- Transformation: increase the number of bursaries awarded to African females in the sector. Increase support towards SMMEs, rural and community development. The SETA must set aside special grants aimed at addressing skills development of people with disability in the sector to augment their presence in the sector;
- Innovation: the drought has given rise to the adoption of innovative practices in food processing. The FoodBev SETA offers bursaries for Master and PhD students (Doctoral) in Innovation and Research to assist in this regard;
- Skills Gaps: implement Skills Programmes and Adult Education and Training interventions for the employed learners that can address generic management skills, numeracy, literacy, soft skills and industry specific knowledge and skills that have emerged as significant skills gaps in the sector;
- Career guidance: conduct effective and efficient career guidance to young learners that will highlight scarce occupations in the sector and showcase differences amongst them; and
- Support national priorities and plans: The FoodBev SETA will need to support national priorities by entering Memoranda of Understanding (MOUs) with relevant government departments and Institutes of Higher Education and Training.

In conclusion this document highlights the research process followed in identifying the role players in the food and beverages manufacturing sector, the skills that arise because of

change drivers experienced by the industry. It identifies and plans for the occupational shortages and skills gap, hard-to-fill vacancies, sectoral priority occupations and the nature of supply within the FoodBev manufacturing sector. It further identifies the SETA partnerships that assist with delivering the FoodBev mandate. The monitoring and evaluation process of the SETA strategic priorities and projects is reflected on. Lastly, it concludes on the key areas of the SSP and recommends on them. All the identified skills and plans are aligned to the relevant National legislation and plans guiding the FoodBev SETA.

RESEARCH PROCESS AND METHODS

The development of 2020 – 2025 Sector Skills Plan (SSP) is the result of various research processes, methods, and analysis of various input material into a singular research project. The research methodology adopted is a mixed method approach which integrates both qualitative and quantitative methods. The mixed methods approach supplements the main source of data, which is the WSP and ATR dataset by triangulating with other sources. Other Sources include surveys, literature, interviews, and focus groups. All data is collated, analysed and interpreted. The findings from the research project are then used for skills development action plans in order to identity and address priority skills and skills mismatches. The purpose of this section is to present the research process followed in preparing the SSP and highlight the research studies that were conducted to inform this SSP.

The methods of data collection for development of this SSP included:

- Literature reviews including analysis of 2018 SETA data, economic and labor trends as reported by StatsSA, existing SETA reports, employer surveys, impact and tracer studies
- Other input data including; interviews with industry experts, focus groups with sub-sector industry experts, engagement with senior management, engagement with the Chambers, Governance and Strategy and Accounting Authority.

To verify the sectorial priority occupations list, focus groups and interviews were conducted with sub sector industry experts and through the Chamber engagements. The sectorial occupations identified will be compared to priority occupations identified in the literature review and then the list will be verified to ascertain whether the identified occupations are linked to any change drivers in the sector. This is also verified against the national priorities and strategies.

Below is a summary of each research study that informed the SSP:

Table 1: Research that informed the development of the SSP

Research Topic	Nature (Design) of the study	Objective of the Study	Data Collection Tools	Sample Size and Scope	List of Data Sources and Dataset	Timeframe
A tracer and impact study of FoodBev SETA funded learnership and artisan in the food and beverage manufacturing sector for the period 2011 to 2016 (NSDS) III	Quantitative and Qualitative	FoodBev SETA commissioned a tracer and impact study that empirically examined the impact of learnerships (employed and unemployed) and apprenticeship (employed and unemployed). The study was conducted in order to understand where the learners are and what the impact of these training interventions was.	• Face-to-face Interviews • Online surveys • Desktop research	A sample of 1 516 made up of the following: • Learnerships – 1 220 • Artisans – 242 • Companies Skills Development Facilitators – 41 • Training Providers - 13 The study focused and was limited to students funded between 2011/12 and 2015/16 years.	• FoodBev SETA Annual and Quarterly Reports, • Companies Skills Development Facilitators • FoodBev SETA database MIS	October 2018 – February 2019

CHAPTER ONE: SECTOR PROFILE

1.1 INTRODUCTION

This chapter provides an overview of the Food and Beverages Manufacturing (FoodBev) sector. The methods of data collection for the development of this chapter included: literature review of the sector, the analysis of 2018 SETA data, economic and labour trends as reported by StatsSA, SETA existing reports, interviews with industry experts and focus groups with sub-sector industry experts, engagement with senior management, engagement with Chambers, Governance and Strategy and Accounting Authority. The chapter is divided into four sections, namely: the scope of coverage, particularly in relation to the FoodBev stakeholders and key role players in the sector, economic performance, employer profile, and finally the labour market profile (race, gender, age and disability).

1.2 SCOPE OF COVERAGE

Companies that are registered with the Food and beverages Manufacturing SETA only include those with activities that fall within the secondary level of the food industry value chain which is mainly food processing. The processing of food includes the transformation of raw ingredients (input) by physical or chemical means into food, or the transformation of food (intermediate goods like sugar) into other forms. Food processing also includes the mixture of raw food ingredients to produce marketable food products that can be easily prepared and served by the consumer.

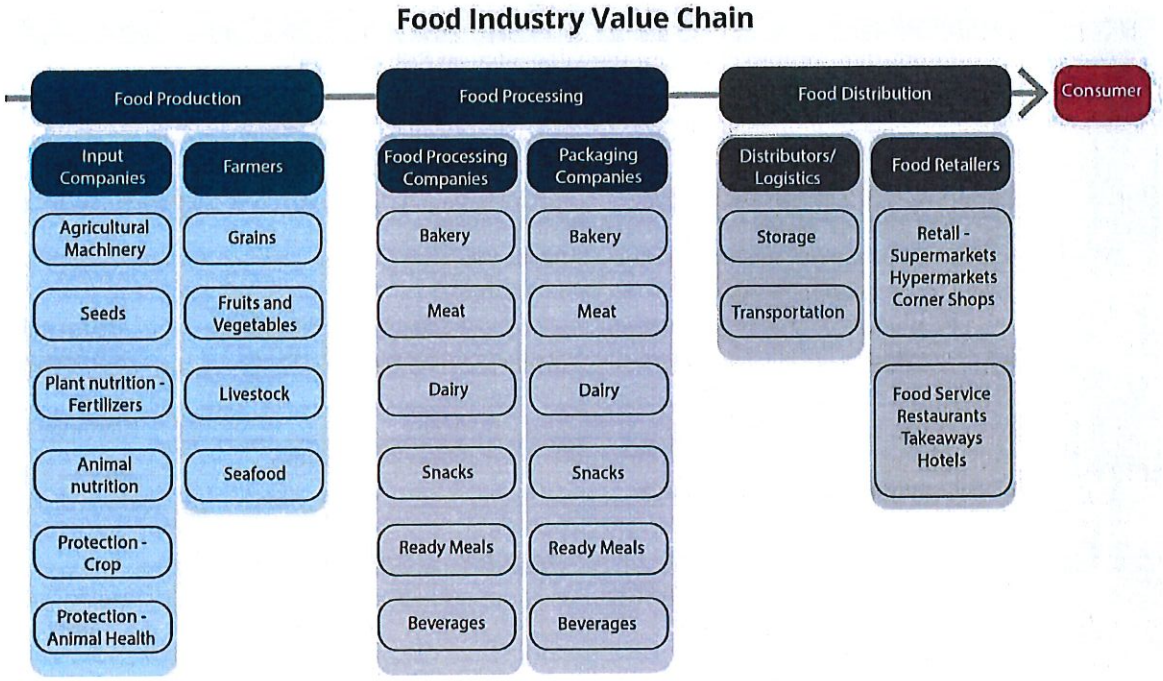
The manufacturing industry is vital to the country as it contributed 14% of GDP in quarter four of the previous year. The food and beverages manufacturing sector ('FoodBev') is a core economic activity in South Africa, with a contribution of 26% to the total manufacturing activity and accounting for 12% of employment in the country in the last quarter of 2018. The sector has its supply chain linkages ranging from primary producers, through processing and logistics, to the domestic retail sector and exports. In addition to contributing to a significant trade surplus, it is an important provider of business opportunities especially to small micro medium size enterprises, and employment.

Food and beverages exports represented 21% of total exports within the manufacturing sector and has experienced growth relative growth of 7% over the past ten years. The beverages, fruits and vegetables, grains and other agricultural products sub-sector are regarded as the strongest nett exporters. However, despite the growth in the manufacturing exports, this has not been matched by the direct growth in employment.

Employment in FoodBev constituted 20% of total employment in the manufacturing industry and is estimated at 243 986 workers. The sector is part of the food industry value chain (figure 1) which comprises of a range of activities including:

- Food production – includes farming and production of raw agricultural produce
- Food processing – includes production, processing and preserving of raw and processed produce into finished products
- Food distribution – includes the distribution and retailing of finished products
- Consumer

Figure 1: Food Industry Value Chain



Source: Deloitte (2016)

Companies operating within food and beverages manufacturing sector are grouped according to their industrial activities namely:

- Processed and Preserved meat, fish, fruits and vegetables
- Dairy Manufacturing
- Manufacture of food preparation products
- Baking, Cereal, Confectionary and Snacks
- Beverage manufacturing

FoodBev SETA is currently reviewing the constitution of the chambers in order to align them to the promulgated gazette of DHET (2010)[1] and to ensure that the chambers are properly defined and are a good reflection of the industrial activities in the sector.

The food and Beverage manufacturing sector is made up of different industries as indicated in the Standard Industrial Classification (SIC) Codes framework. These include Meat, Fish, Fruits and Vegetables, Oils, Dairy, Food Preparation and Beverages as indicated in the Gazette issued by Department of Higher Education and Training. The sub-sectors are assigned Standard Industrial Classification (SIC) Codes, that are categorised further into the following constituents:

[1] This gazette provides for the establishment of the SETA and its respective sectors.

Table 2: Constituents of the Food and Beverages Manufacturing Sector

Category	SIC code	Description	Sub-Sector
301	**30100**	**Production, processing and preservation of meat, fish, fruit and vegetables, oils and fats**	
	30110	Production, processing and preserving of meat and meat products	Meat
	30112	Manufacture of prepared and preserved meat including sausage	
	30113	Production of Lard and other edible fats	
	30120	Processing and preserving of fish and fish products	Fish
	30121	Manufacture of canned, preserved and processed fish	
	30130	Processing and Preserving of Fruits and Vegetables	Fruits and Vegetables
	30131	Manufacture of canned, preserved, processed and dehydrated fruits and vegetables including fruit juices, juice extracts and potato flour meals	
	30140	Manufacture of vegetables and animal oil and fats	Oils and Fats
	30141	Manufacture of crude oil and oilseed cake and meal	
	30142	Manufacture of compound cooking fats, margarine and edible oils	
302	**30200**	**Manufacture of Dairy Products**	
	30201	Processing of fresh milk (pasteurilised, homogenous, sterilised, and vitamin)	Dairy
	30202	Manufacture of butter and cheese	
	30203	Manufacture of ice cream and other edible ice, whether or not containing cream or chocolate	
	30204	manufacture of milk powder, condenced milk and other edible milk products	
303	30312	Manufacture of breakfast products	Grain/Mill
304	**30410**	**Food Preparation**	
	30401	Manufacture of bakery products	Baking
	30430	Manufacture of cocoa, chocolate and sugar confectionary	Confectionary
	30440	Manufacture of macaroni, noodles, couscous and similar farinaceous products	Other Food Preparation products
	30490	manufacture of other food products N.E.C.	
	30491	Manufacture of coffee, coffee substitutes and tea	
	30492	Manufacture of nut foods	
	30499	Manufacture of spices, condiments, vinegar, yeast, egg products, soup and other food products N.E.C.	
305	**30500**	**Manufacture of Beverages**	
	30510	Distilling, rectifying, blending of spirits, ethyl alcohol production from fermented materials, manufacture of wine	Wine & Spirits
	30520	Manufacture of beer and other malt liquors and malt	Beer and Malt
	30521	Breweries except sorghum beer breweries	
	30522	Sorghum beer breweries	
	30523	Manufacture of malt	
	30530	Manufacture of soft drinks and production of mineral water	Soft drinks & Water
306	30600	Manufacture of Tobacco products	Tobacco

Source: DHET GAZETTTE 33756 (2010)[2]

1.3 KEY ROLE PLAYERS IN THE SECTOR

There are several public and private key role players in the Food and Beverage Manufacturing Sector. These role players include trade unions, industry bodies, national government

[2] In the DHET gazette the Manufacturing of Tobacco Products is included in the FoodBev SETA sphere but the companies in that industry fall under the agriculture sector and are assigned a different Standard Industrial Classification (SIC) code.

departments, companies, institutes of higher education and sector representatives amongst others. Below is summary of the major role players in the sector.

Table 3: Key Role Players in the Industry

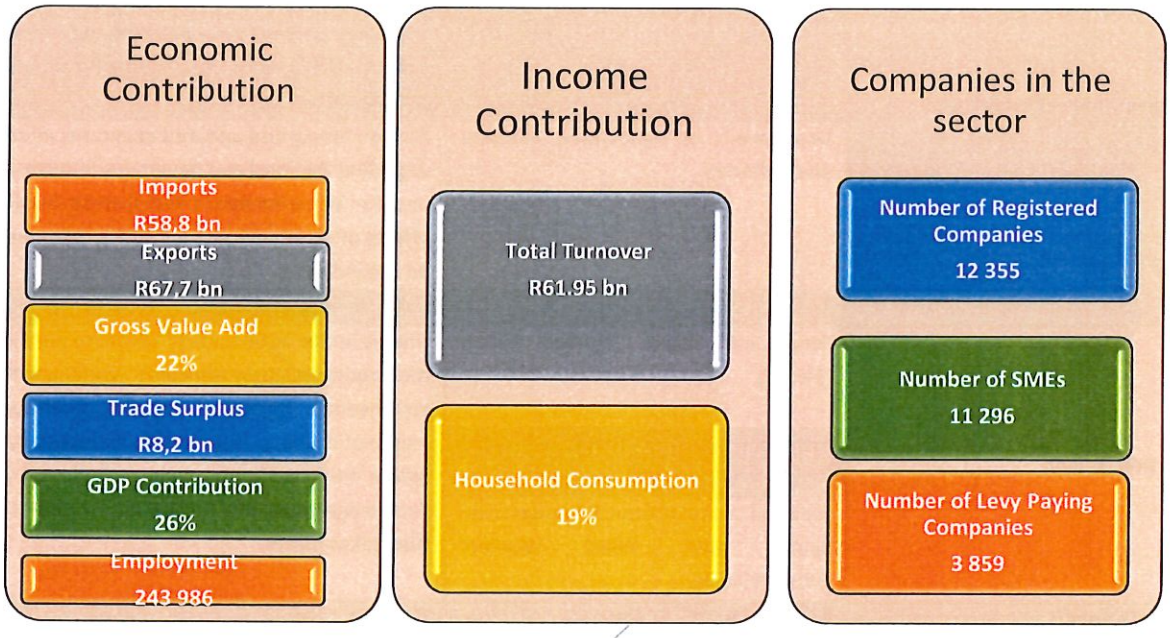
Type of Organisation	Name of Organisation	Role in relation to NSDP
Government Department	Department of Higher Education and Training (DHET)	DHET promotes and monitors the implementation of National Skills Development Plan. It is also responsible for developing and implementing appropriate legislation and policies for a quality and accessible post-school education and training systems. DHET is also responsible for the distribution of levies to SETAs.
	Department of Agriculture, Forestry and Fisheries	Provide timely and updated economic information regarding the food and beverages industry to monitor its performance and provide insight into the effects of economic policies and exogenous factors on the industry.
	SARS	Collects skills development levies on behalf of DHET.
Trade Unions	Food and Allied Workers Union (FAWU)	Unions in the SETA context advocate for the skills of the employees they represent, working with employers to improve the quality, quantity and equity of training. Unions help in designing schemes, where the focus is on training to help remedy skill or knowledge gaps; and ensure appropriate training then takes place.
	Federal Council of Retail and Allied Workers (FEDCRAW)	
	National Union of Food Beverage Wine Spirits and Allied Workers (NUFBWSAW)	
Employers	Levy Paying Non-levy Paying	The role of employers is primarily to finance skills development in a collective manner (i.e. via the levy system) and to recognise the role of skills and training within the sector and more widely in the national economy. Employers work with their respective SETA to reclaim levy payment through engagement in certain required skills development activities.
Industry Associations	All industry associations in the sector	The associations serve as a line between the industry, government and the public. They provide a unified voice in legislative and regulatory matters. They also provide networking, marketing and educational opportunities to the food and beverages manufacturing sector. Industry organisations identify strategic training objectives of the sector and contribute towards the identification of accurate training priorities for the sector.
Higher Education Institutions	Community Colleges	Educational institutions equip labour market entrants with skills and competencies required occupations or trades. They also increase the stock of human capital within the segment of the educational system that directly address skills gaps in the sector.
	Technical Vocational Education and Training	
	Universities and University of Technology	

1.4 ECONOMIC PERFORMANCE OF THE SECTOR

This section focuses on the Food and Beverages Manufacturing sector's contribution to the broader economy. An analysis of the growth or decline of the sector over a ten-year period

was undertaken. It is important to identify key economic indicators that affect the performance of the Food and Beverages Manufacturing sector. The Gross Domestic Product (GDP), export and imports are amongst the central indicators within the sector. The section also reports on other indicators like inflation and how they affect the consumers and their spending on food and beverages.

Figure 2: The Food and Beverage Manufacturing Sector Snapshot (2018)

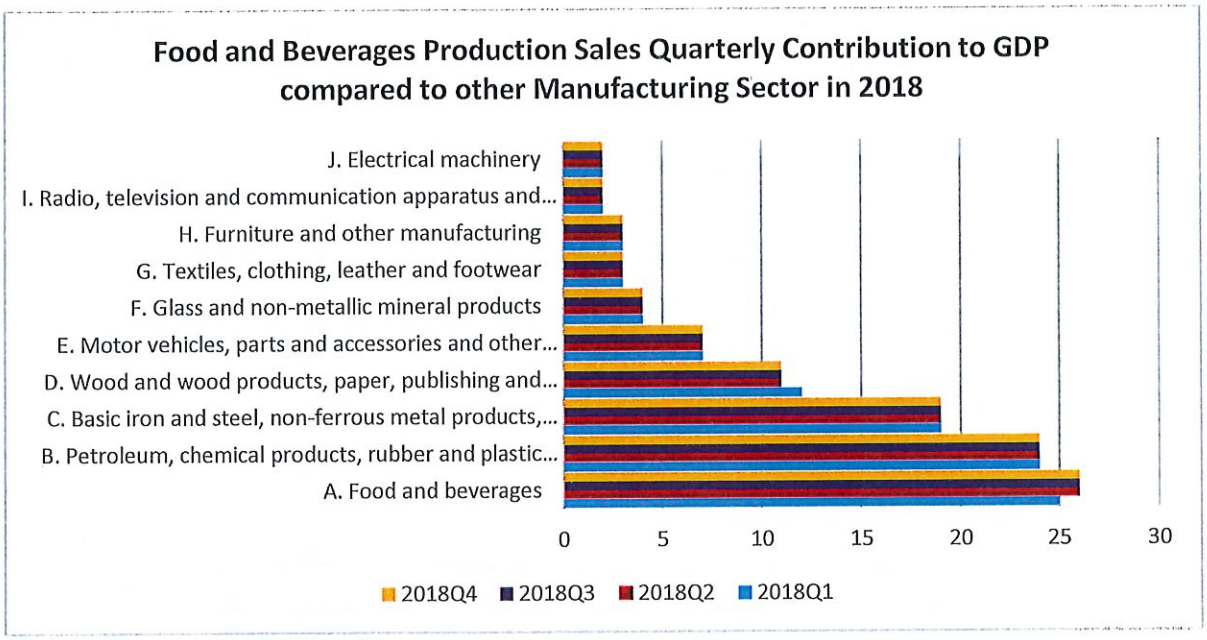


Source: StatsSA (2018)

1.4.1 OVERVIEW OF KEY ECONOMIC INDICATORS

The manufacturing industry is the country's fourth largest industry contributing 14% to the gross domestic product (GDP). The Food and Beverages Manufacturing Sector is one of the largest sectors in the industry, contributing 26% of manufacturing sales and 22% of gross value add in the manufacturing GDP in quarter four of 2018. Figure 3 below illustrates the quarter-quarter GDP contributions in percentages. The figure shows that three of the ten manufacturing sectors increased production in 2018.The Food and Beverages Manufacturing and the Wood and Wood Products, Paper, Publishing and Printing industries are the only industries that experienced notable percentage change in quarter two. In comparison to other sectors, the food and beverages division was a top performer in 2018 contributing the most to overall manufacturing growth at 26%. All the food groups had a good year, in particular 'other' food (including sugar), dairy, and meat, fish and fruit (StatsSA 2018). Driven by the rise in population, demand for food and beverages is set to see further growth over the forecast in the coming years. The graph below provides a quarter-to-quarter performance of the biggest sectors within the South African manufacturing industry in 2018.

Figure 3: Food and Beverages Production Sales Quarterly Contribution (%) to GDP compared to other Manufacturing Sectors in 2018



Source: Statistics South Africa (2018)

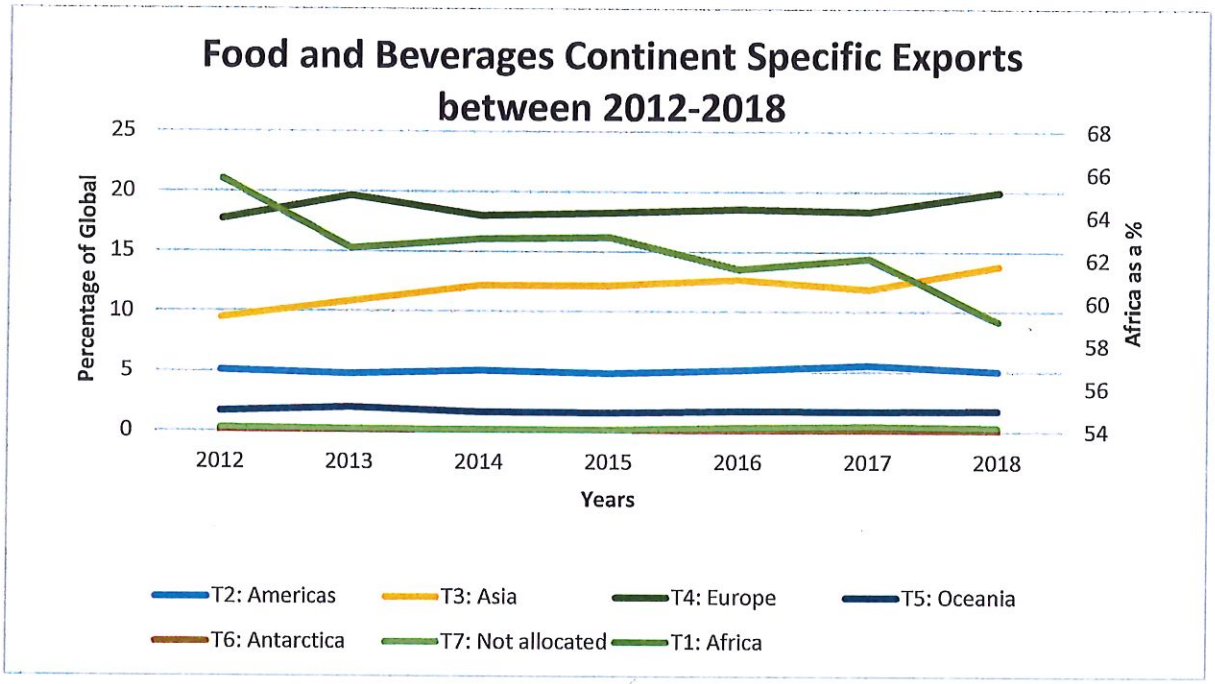
1.4.2 EXPORTS AND IMPORTS

Recent research suggests that South Africa possesses competitive advantage in a few food and beverages sub-sectors that, if fully exploited, would place South Africa among the top ten export producers in high-value agricultural products (Department of Agriculture, Forestry and Fisheries and Food South Africa, 2018). Thus, making South Africa's food and beverages sector to be heavily export focused. A closer look at data shows that between 2012 and 2018 (see Figure 4) South Africa has been experiencing trade surplus in the food and beverages sector. To be specific, the products from subsectors such as fruit and vegetable juices, high-quality wines, indigenous Rooibos and Honeybush tea, and certain fruits that are highly sought after in the export markets (Department of Agriculture, Forestry and Fisheries and Food South Africa, 2018). Africa and Asia have been driving most of south Africa's food and beverages export growth. However, the country is facing competition from China, the EU, India and the USA in Africa for food and beverages products and this poses a threat on the rate of implementing trade reforms. South Africa needs to raise its competitiveness to increase and sustain its market share in international markets, especially in Africa, while also penetrating Asia.

From a destination point of view, the trend during the past five years shows that Africa had the biggest share of food export before 2018. However, the trend started shifting towards Asia in 2018 due to an increase in food demand in Asia driven by demographic forces (i.e. increase in population). Fruits, beverages, vegetables and meat are some the leading products exported to this region. Food consumption per person is expanding rapidly in Asian countries and this trend is expected to continue. Institutions such as the Food and Agricultural Organisation (FAO) of the United Nations have found that there will be a continuous increase in population growth in Africa and Asia. According to FAO (2018), these two regions may very well be home to a total population of 9 billion of the projected 11 billion people on the planet by year 2100. With the demand for food expected to continue increasing, especially in Asia, understanding the future of the Asian demand for food is important if South Africa is to

succeed in the rapidly evolving Asian markets. However, doing so will not be easy, especially taking into consideration the drought conditions and power cuts currently being experienced across large areas of South Africa that are severely impacting the food and beverages sector. Figure 4 below shows South Africa's food and beverages imports and exports between 2012-2018.

Figure 4: Food and Beverages Continent Specific Exports between 2012-2018

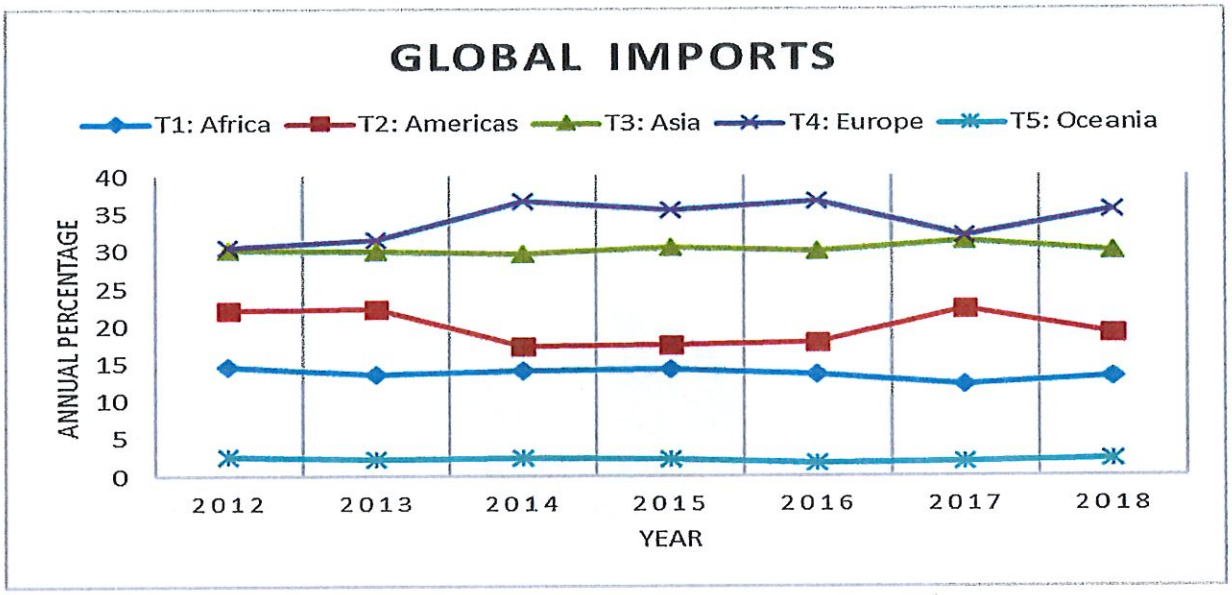


Source: Department of Agriculture, Forestry and Fisheries (2018)

A closer look at data suggests that South Africa experienced rising export opportunities in beverages during the past five years as reported above with respect to Europe and Africa where there is a growing demand for spirits, liquors and other spirit beverages (DAFF 2018). The growing demand in Europe and Africa provides opportunity to expand exports further. South Africa had a comparative advantage in 29 of the 77 food and beverages products which account for 88.4% of its total food and beverages exports (International Trade Administration of South Africa, 2016).

In terms of imports, there has been a steady increase in imports in the last five years (see Figure 5).The demand for processed healthy and quality food is increasing across South Africa owing to the growth in the middle class, urbanisation and convenience; implying consumers are increasingly conscious of food safety requirements (Department of agriculture, Forestry and Fisheries & Food South Africa, 2018). This suggests South Africa needs to up its game on food production to meet the demands of the growing population. A closer review of imports data further shows that South Africa imported a large share of food and beverages products in the last five years resulting from an increase in population. The Asian continent and Europe continue to be South Africa's main sources of food imports (Department of Agriculture, Forestry and Fisheries, 2018). A more detailed review of the food and beverages imports in the last five years is indicated in the graph below.

Figure 5: Food and Beverages Global Imports between 2012-2018



Source: Department of Agriculture, Forestry and Fisheries (2018)

1.4.3 OTHER ECONOMIC INDICATORS

Statistics South Africa (2018), reported that the inflation rate was 4.5% in December 2018, which decreased from 5.2% in December 2017. Despite the rise in value added tax (VAT) in 2018 in South Africa, the food inflation rate has been on a decline over the months. Recent figures released by Stats SA show that South Africa's food and non-alcoholic beverages inflation is currently at 3% (Stats SA, 2018). This is a relief for majority of consumers who spend most of their income on food.

Rall (2019) and several stakeholders who participated in the focus groups and other types of interviews validated the fact that the introduction of the Carbon Tax Bill and the continued hikes in fuel prices are hitting the food and beverages industry hard because 70% of South Africa's food is transported by road. Consequently, the increase in fuel prices will continue to negatively impact on food inflation, and the disposable income of consumers who are already struggling to make ends meet as unemployment also continues to rise.

1.5 EMPLOYER PROFILE

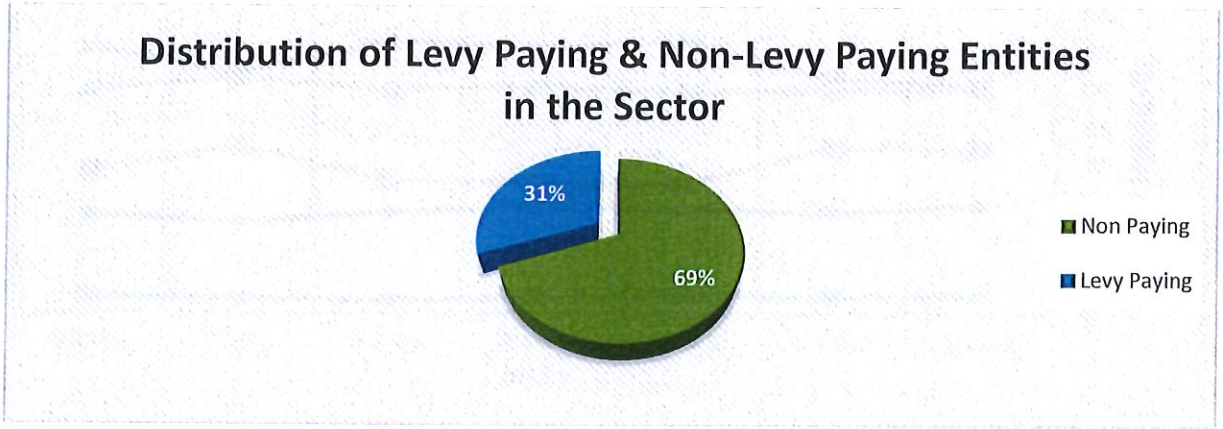
This section considers the number of registered employers in the sector, and its sub-sectors, their sizes, how many companies are paying levies, and where the companies are based.

1.5.1 NUMBER OF REGISTERED ENTITIES IN THE SECTOR

According to the SARS Levy Database (2018), there are 12 355 companies registered with SARS and classified under food and beverages manufacturing sector. The number of companies registered at SARS is an indication of more people registering businesses in the sector. Of this total, 11 296 are registered as small companies and 3 636 of the small companies pay levies (less than 50 employees); 581 are registered as medium companies and 316 of medium companies pay levies (employs between 50 and 149 employees) and 478 are registered as large companies and 300 pay levies (employs more than 150 employees). The

number of registered companies has increased by 1 059 (8%) from 2018[3]. However, the percentage of levy paying companies has remained stagnant. Below is a chart that provides the graphical presentation of the levy paying and non-levy paying entities.

Figure 6: Distribution of Registered Levy Paying and Non-levy Paying Entities in the Sector



Source: SARS Levy Paying Database, 2019

Below is a presentation of registered and levy-paying companies by SIC and sub-sector group. Furthermore, the levy and non-levy paying companies are presented according to the sizes of the companies.

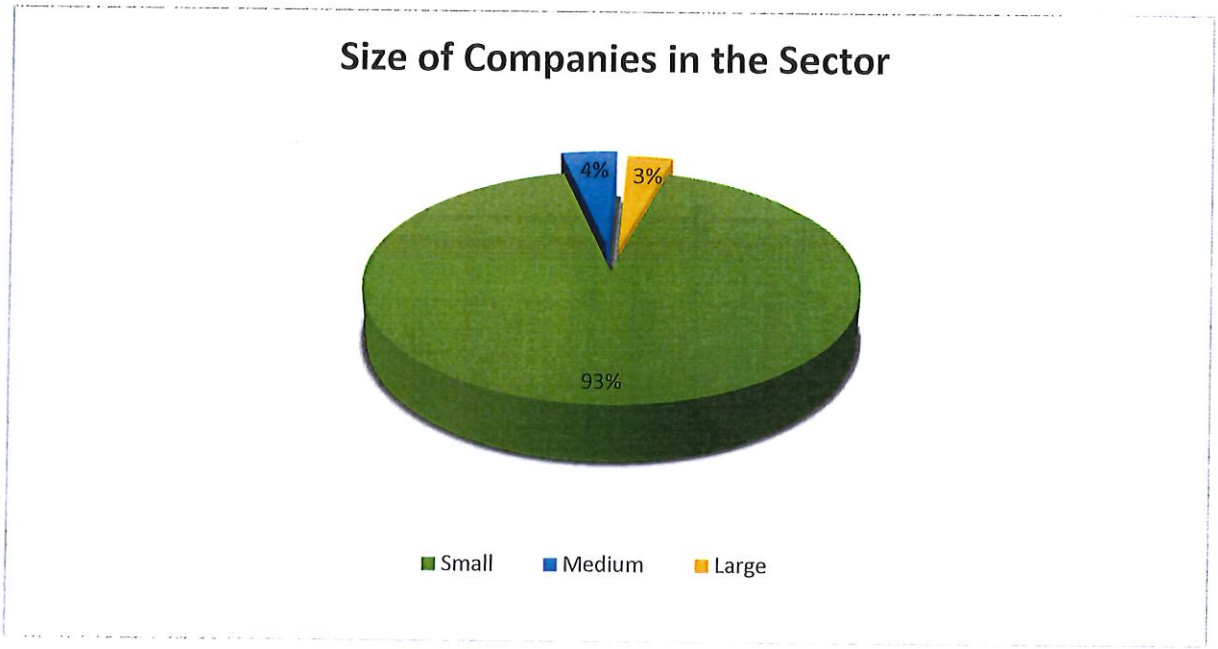
[3] These are preliminary estimates as the 2019/2020 Financial Year levy database has not recorded any payment yet.

Table 4: Registered Levy Paying and Non-levy Paying Companies by SIC and Sub-sector Group

SIC Code	SIC Code Description	Small Companies		Medium Companies		Large Companies		Total	
		Registered	Registered Levy Paying	Registered	Registered Levy Paying	Registered	Registered Levy Paying	Registered	Registered Levy Paying
Baking, Cereals, Confectionary and Snacks									
30312	Manufacture of breakfast foods	28	12	3	1	5	3	36	16
30410	Manufacture of bakery products	282	139	38	22	35	20	355	181
30491	Manufacture of coffee, coffee substitutes and tea	71	48	3	1	6	3	80	52
30430	Manufacture of cocoa, chocolate and sugar confectionery	45	33	7	7	10	4	62	44
30492	Manufacture of nut food	23	17	5	3	3	3	31	23
TOTAL		449	249	56	34	59	33	564	316
Beverage Manufacturing									
30500	Manufacture of beverages	297	76	17	11	23	16	337	103
30510	Distilling, rectifying and blending of spirits, alcohol production from fermented materials and manufacture of wine	148	100	16	16	19	14	183	130
30520	Manufacture of beer and other malt liquors and malt	69	41	3	3	3	2	75	46
30521	Breweries (except sorghum)	39	12	5	1	2	1	46	14
30522	Sorghum beer breweries	8	3	1	0	3	1	12	4
30523	Manufacture of malt	6	2	2	2	0	0	8	4
30530	Manufacture of soft drinks, production of mineral waters	74	24	7	4	11	3	92	31
TOTAL		641	258	51	37	61	37	753	332
Dairy Manufacturing									
30200	Manufacture of dairy products	47	27	9	8	22	2	78	54
30201	Processing of fresh milk	12	8	5	3	3	2	20	45
30202	Manufacture of butter and cheese	17	9	3	3	4	4	24	16
30203	Manufacture of ice cream and other edible ice	41	41	5	4	3	2	49	28
30204	Manufacture of milk powder. Condensed milk and other edible milk products	55	35	5	4	9	6	69	13
TOTAL		172	120	27	22	41	16	240	156
Manufacture of Food Preparation Products									
30142	Manufacture of compound cooking fats, margarine & edible oils	5	2	5	5	6	1	16	8
30141	Manufacture of crude oil and oil seed cake and meal	9	5	4	3	5	0	18	13
30401	Manufacture of food preparation products	1366	755	34	29	25	15	1425	8
30440	Manufacture of macaroni, noodles and similar farinaceous products	11	8	3	2	2	0	16	799
30490	Manufacture of other food products n.e.c.	484	251	52	40	45	21	581	312
30499	Manufacture of spices, condiments, vinegar, yeast, egg products, soups and other food products	85	51	14	11	19	19	118	74
TOTAL		1960	1072	112	90	102	56	2174	1942
Processed and Preserved Meat, Fish, Fruit and Vegetables									
30121	Manufacture of canned, preserved & processed fish, crustaceans and similar foods.	20	12	6	5	10	5	36	22
30131	Manufacture of canned, preserved, processed and dehydrated fruit and vegetables (except soups)	30	14	8	4	12	7	50	25
30130	Processing & preserving of fruit & vegetables	133	75	14	11	20	12	167	98
30120	Processing and preserving of fish and fish products	54	34	15	11	12	8	81	53
30100	Production, processing & preservation of meat, fish, fruit, vegetables, oils and fats	514	301	31	25	12	8	557	334
30110	Production, processing & preserving of meat, and meat products	296	171	33	27	30	21	359	219
30112	Manufacture of prepared and preserved meat, including sausage	69	34	7	5	8	3	84	42
30140	Manufacture of vegetable & animal oils & fats	11	7	4	2	7	4	22	13
30100	Production of lard and other edible fats	32	12	0	0	0	0	32	12
TOTAL		1159	660	118	90	111	68	1388	818
Unknown		6915	1277	217	43	104	90	7236	295
TOTAL: ALL		11296	3636	581	316	478	300	12355	3859

Source: SARS Levy Database, 2019

Figure 7: Size of Companies in the Sector



SARS Levy Paying Database 2019

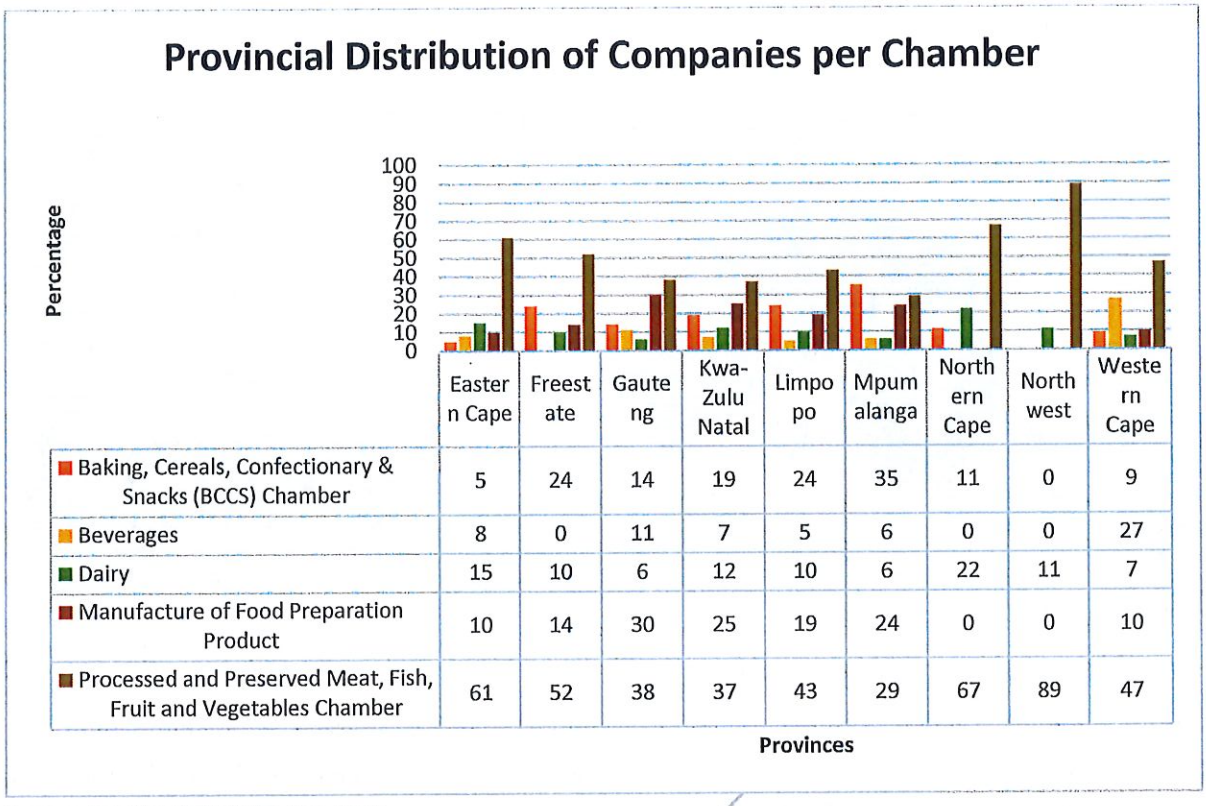
The figure above shows that there are more small companies registered with the FoodBev SETA and therefore indicates that the focus of skills interventions should consider the skills needed by SMMEs.

1.5.2 GEOGRAPHICAL REPRESENTATION OF EMPLOYERS[4]

The provincial distribution of employers is skewed towards the country's economic hubs, mainly the Western Cape and Gauteng Provinces. Figure 8 below outlines the provincial breakdown of companies by the respective chambers. The provinces with the majority company representation were the Western Cape, Gauteng, Eastern Cape and Kwa-Zulu Natal. The Beverages chamber has the highest representation of companies in the Western Cape largely because of the wine farms. Whilst the Manufacture of Food Preparation Production had the highest representation of companies in Gauteng due to majority of companies located here as the province is the economic hub of the country. The Dairy chamber is evenly represented across the country with the highest representation in the Northern Cape. The Baking, Cereals, Confectionary and Snacks highest representation in the Mpumalanga while the Processed and Preserved Meat, Fish, Fruit and Vegetables have the highest representation in North West. The graph below indicates the geographical spread of companies per chamber.

[4] The percentages in this section are limited to provincial distribution.

Figure 8: Provincial distribution of companies per chamber



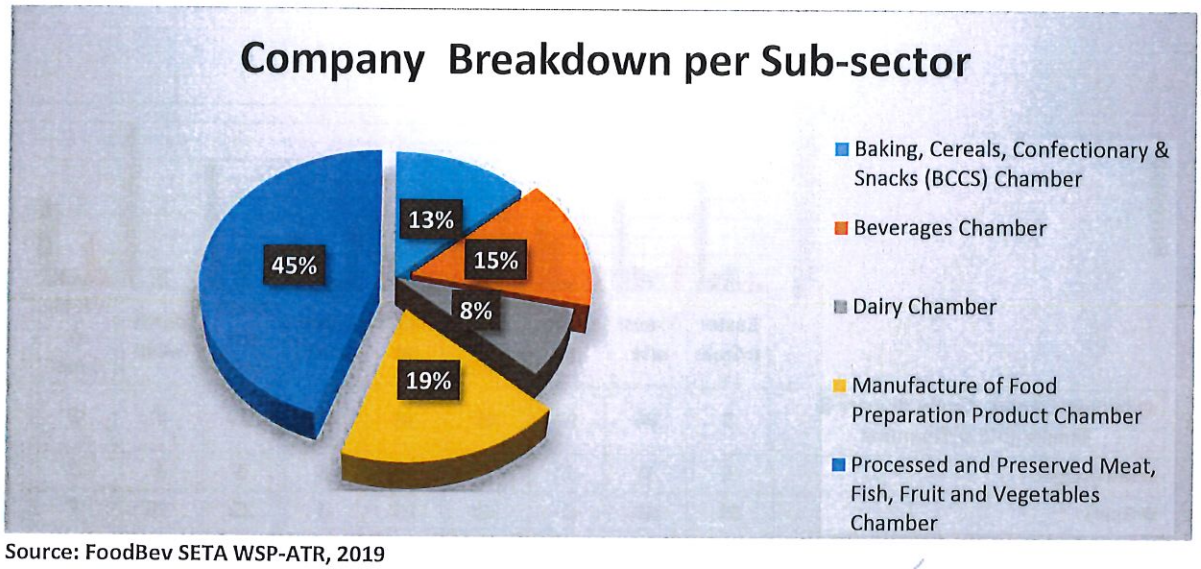
	Eastern Cape	Freestate	Gauteng	Kwa-Zulu Natal	Limpopo	Mpumalanga	Northern Cape	North west	Western Cape
Baking, Cereals, Confectionary & Snacks (BCCS) Chamber	5	24	14	19	24	35	11	0	9
Beverages	8	0	11	7	5	6	0	0	27
Dairy	15	10	6	12	10	6	22	11	7
Manufacture of Food Preparation Product	10	14	30	25	19	24	0	0	10
Processed and Preserved Meat, Fish, Fruit and Vegetables Chamber	61	52	38	37	43	29	67	89	47

Source: FoodBev SETA WSP-ATR, 2019

1.5.3 NUMBER OF COMPANIES PER SUB-SECTOR

There are 12 355 companies who are registered with SARS and classified under food and beverages manufacturing sector. Generally, within the sector the Manufacture of Food Preparation Products and Processed and Preserved Meat, Fish, Fruit and Vegetable have the largest share of companies in the sector. Similarly, the percentage of companies per sub sector from the 739 WSP-ATR submissions that were analysed shows that the chamber with the highest percentage of companies is the Processed and Preserved Meat, Fish, Fruit and Vegetables at 45%, and the chamber with the lowest percentage share of companies is the Dairy Chamber at 8% (see Figure 9). However, the highest levy contributors were the Beverages Chamber. The other chambers range between 13% and 19%. This represents a 5% decrease from the 779 submissions in 2018 and a 17% increase from 633 submissions in 2017.

Figure 9: Number of Companies Per Sub-sector



Source: FoodBev SETA WSP-ATR, 2019

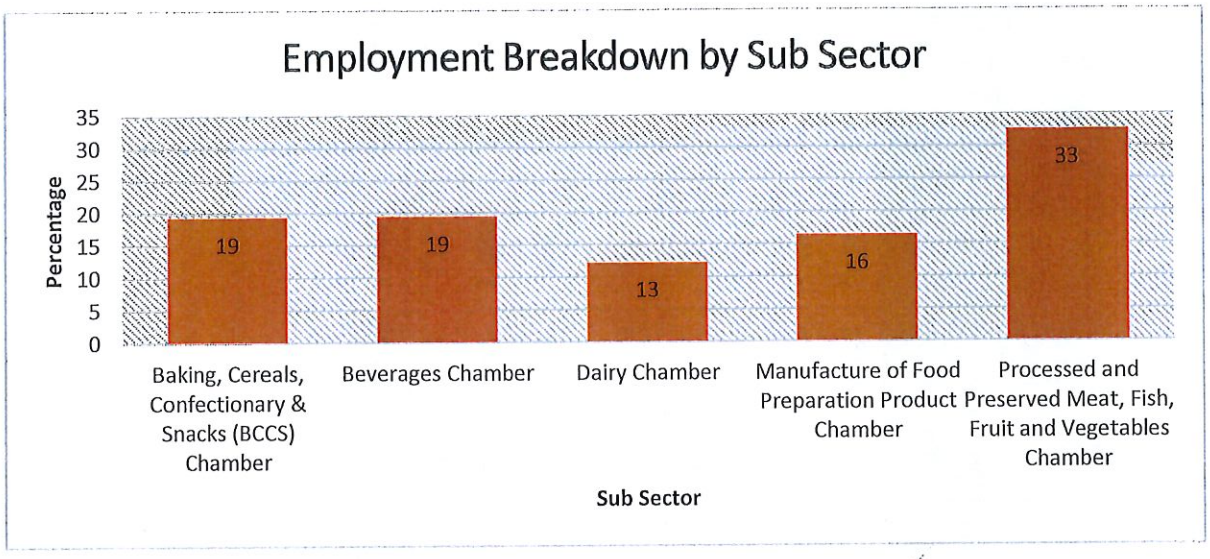
1.6 LABOUR MARKET PROFILE OF THE SECTOR

There has been a steady increase in the total number of employments in the sector over the past five year. However, the overall rate of employment has decreased by 8% in the past ten year and this can be attributable to increased use of new technologies and packaging, changes in consumer preferences, government regulations, inconsistent power supply, and drought. StatsSA (2018) indicates that there are 244 000 employees in the sector. Whilst, the analysis of the FoodBev SETA WSP data shows that there are 173 034 employees within the companies in the sector (see Table 5).

1.6.1 EMPLOYMENT BREAKDOWN BY SUB SECTOR

The employment breakdown for each sub-sector, in the Food and Beverage Manufacturing Sector was derived from the 739 analysed WSP-ATRs. A closer analysis of the WSP-ATR data shows that most of the highly skilled (NQF Level 6-10) employees within the sector are concentrated in the big companies. Figure 10 illustrates that the Processed and Preserved Meat, Fish, Fruit and Vegetables Chamber had the highest share of employees at 33 %. The Beverages and Baking, Cereals, Confectionary and Snacks chambers had the second highest share at 19%, respectively. Manufacture of Food Preparation Products Chamber had 16%, while the Baking, Cereals, Confectionary and Snacks Chamber, and Beverage Chamber both sits at 19% respectively. The Dairy Chamber had the least share of employees at 13%. In 2017/18 Financial Year, the chamber with the largest share of employees was the Processed and Preserved of Meat, Fish, Fruit and Vegetables Chamber with 30%. This shows a 3% increase.

Figure 10: Employment Break by Sub-sector



Source: FoodBev SETA WSP-ATR, 2019

The table below provides the breakdown of employee profiles by demographics and occupations. The breakdown indicates that the occupation classification from managers to professional is dominated by white employees. The classification from technical to elementary is dominated by HDI's. it is therefore critical that learning interventions should be channelled mostly towards upward mobility of HDI's for them to occupy these occupations.

Table 5: Occupation Profile of the Sector 2018

Major Occupations	Employee Profile														
Title	African Male	African Female	African Disabled	Coloured Male	Coloured Female	Coloured Disabled	Indian Male	Indian Female	Indian Disabled	White Male	White Female	White Disabled	Total Male	Total Female	Total Disabled
Managers	2 632	1 548	19	907	604	2	898	441	7	4 133	2 045	17	**8 570**	**4 638**	**45**
Professionals	1 093	1 238	14	484	532	11	309	295	2	1 122	1 195	7	**3 008**	**3 260**	**34**
Technicians and Associate Professionals	7 245	4 259	50	2 274	1 619	11	842	419	2	2 010	1 661	3	**12 371**	**7 958**	**66**
Plant and Machine Operators and Assemblers	19 769	5 339	33	3 934	1 210	24	469	98	1	533	125	5	**24 705**	**6 772**	**63**
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	3 899	2 505	12	1 057	582	16	298	31	1	1 224	84	7	**6 478**	**3 202**	**36**
Service and Sales Workers	8 305	5 989	58	732	846	4	245	129	0	369	418	1	**9 651**	**7 382**	**63**
Clerical Support Workers	3 751	2 877	96	1 366	2 134	20	578	608	5	593	1 695	9	**6 288**	**7 314**	**130**
Elementary Occupations	26 231	19 939	76	6 649	7 551	25	408	100	0	442	118	5	**33 730**	**27 708**	**106**
Grand Total	**72 925**	**43 694**	**358**	**17 403**	**15 078**	**113**	**4 047**	**2 121**	**18**	**10 426**	**7 341**	**54**	**104 801**	**68 234**	**543**

Source: FoodBev SETA WSP-ATR, 2019

1.6.2 EMPLOYMENT BY RACE, AGE, GENDER, DISABILITY AND OCCUPATIONAL GROUPS

According to the Department of Labour's Commission for Employment Equity (2018)[5] South Africa's manufacturing industry is male dominated. Males make up 63.8% of the total workforce while females are at 36.2%. At the same token, the gender breakdown of employment in the sector based on WSP submissions shows that the sector is also male dominated. Table 5 shows that most employees in the sector are male at 104 801(61%), while females only made 68 234 (39%) of total workforce in 2018. According to the Department of Labour (2018) there is a high proportion of male at 77.1% in the manufacturing sector's Managerial level compared to females at 22.9%. It is further reported that males make up 53.4% in the Professional category while women only make up 46.6%. However, an occupational profile of the sector (Table 5) shows that both male and female are equally represented at the Professional level.[6]

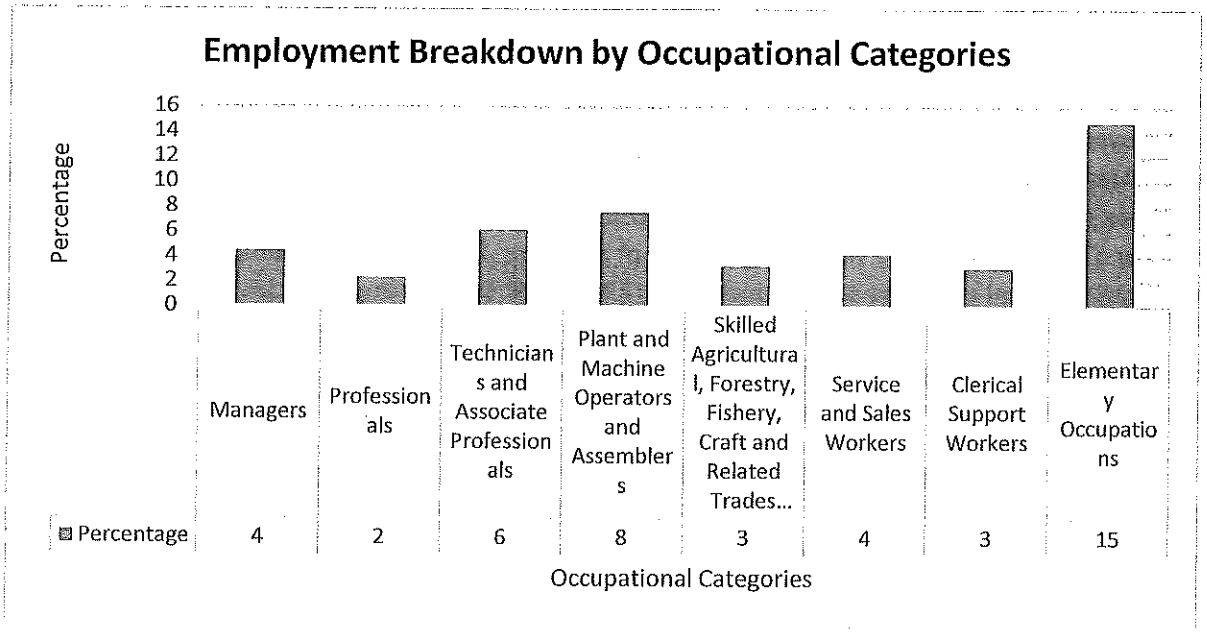
The breakdown of employees by age illustrates that most employees in the sector 85 095 (49%) fell within the 35-55 age category, while there were 74 805 (43%) employees that were younger than 35 years old. In addition, employees older than 55 years old comprised of only 13 135 (8%) of employees in the sector. Consequently, there is enough pipeline within the 35-age category in the sector to replace those approaching retirement.

The breakdown of employment across the eight Organising Framework of Occupations (OFO) categories from the 739 analysed WSP-ATRs shows that the sector employed a total of 173 035 employees in 2018. Figure 11 shows that employment was concentrated in the Elementary occupations which represents 15% of total employment followed by Plant and Machine Operators and Assemblers at 8%. The occupational category with the least number of people was the Professionals category at 2% followed by the Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers and Clerical Support Workers each at 3% respectively.

[5] The research team contacted the Commission for Employment Equity, and it was found that they do not provide sector-specific information.

[6] This information is limited to the FoodBev SETA WSP/ATR submissions.

Figure 11: Employment Breakdown by Occupational Categories



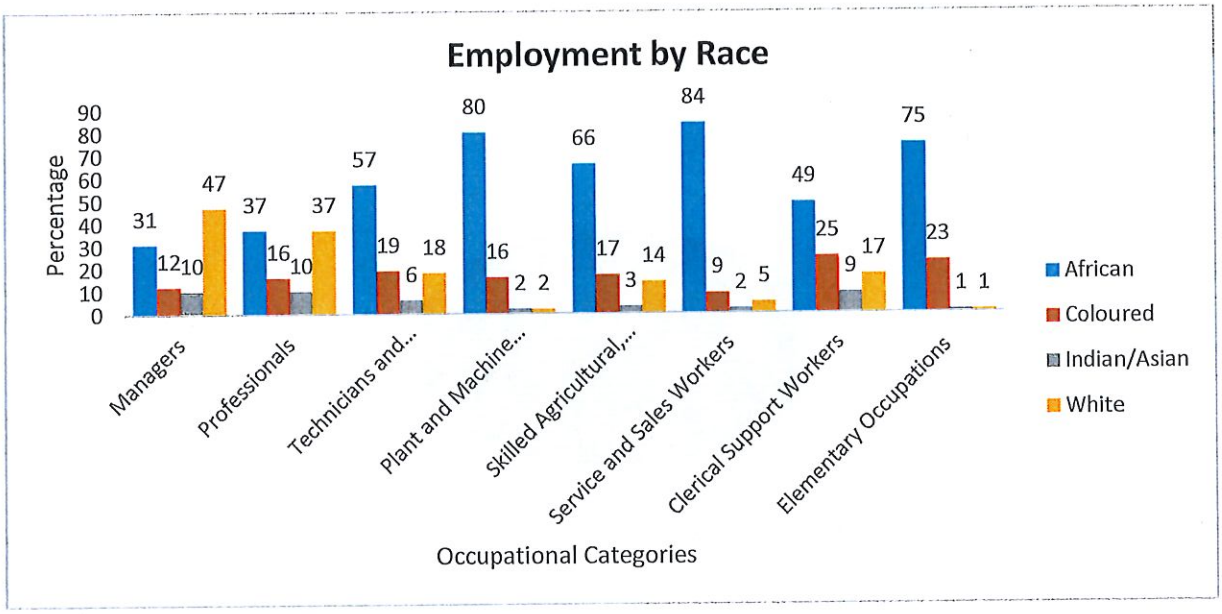
Source: FoodBev SETA WSP-ATR, 2019

1.6.4 EMPLOYMENT BY RACE

The largest racial group employed in the Food and Beverages Manufacturing sector in 2018 were the Africans, making up 67%, followed by Coloured at 19%, White 16 787 at 10% and Indian/Asian 4%. According to Figure 12 below, Africans featured prominently in the lower occupational categories namely, the Elementary occupational category. Africans constituted 75% of the total 61 438 employees in the Elementary occupational category. In contrast whites only, account for 1% of employees in the occupational category.

However, when one looks at the Managerial occupational category, Whites constitute most employees at 47% of total employment in Managerial positions in the sector while Africans account for 31% of total employment in the category. Coloureds on the other hand account for approximately 12% of the total employed in Managerial positions in the sector. A closer look at this year's findings shows an increase in the number of African managers as compared to the findings in 2017/18 SSP. Although there has been an increase in the number of slight increase of Africans in Managerial positions, more still needs to be done in the recruitment of Managers of the African origin. The sector still needs to continue its effort of upskilling Africans through different training initiatives that will in turn address transformation challenges within the sector.

Figure 12: Employment by Race

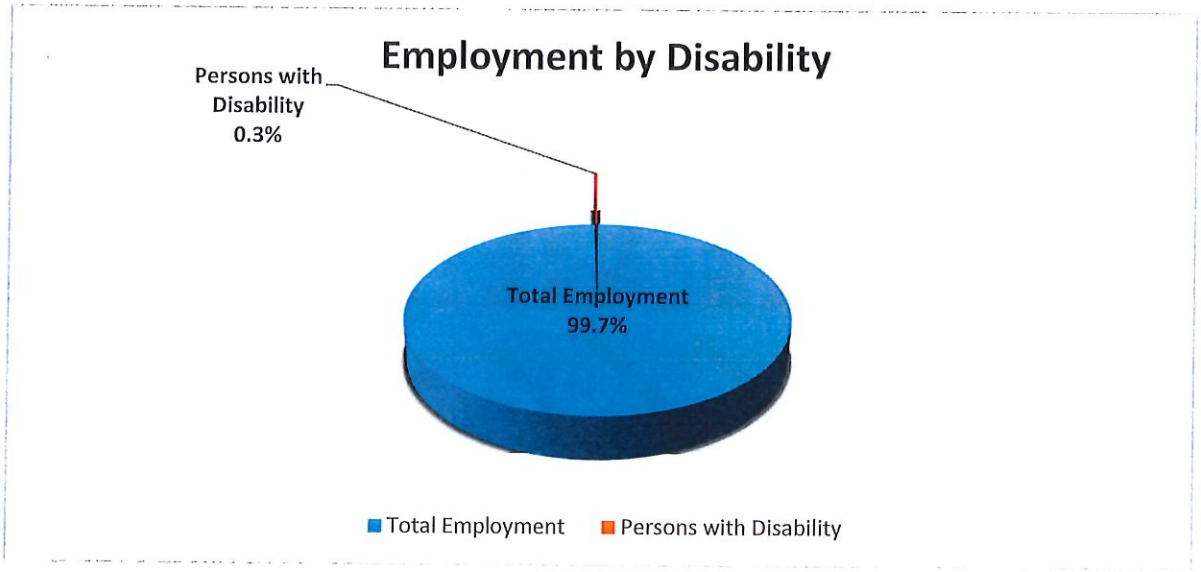


Source: FoodBev SETA WSP-ATR, 2019

1.6.5 EMPLOYMENT BY DISABILITY

Employees with disabilities only comprise of 0.3% out of the total employment of 173 035, in the sector. This represents a decrease of the employment of people with disabilities by 0.3% compared to the 2018/19 SSP as shown in Figure 13 below. These figures should be treated with a degree of circumspection, because some employees do not disclose their disability status as mentioned by the stakeholders during the interviews conducted with them. Notwithstanding this, the percentage mentioned above is used for reporting purposes and falls short of the 4% target that government has set for achievement. Consistent with this, the FoodBev SETA must continue to target and fund projects that are aimed at increasing the number of people with disabilities in the sector.

Figure 13: Employment by Disability

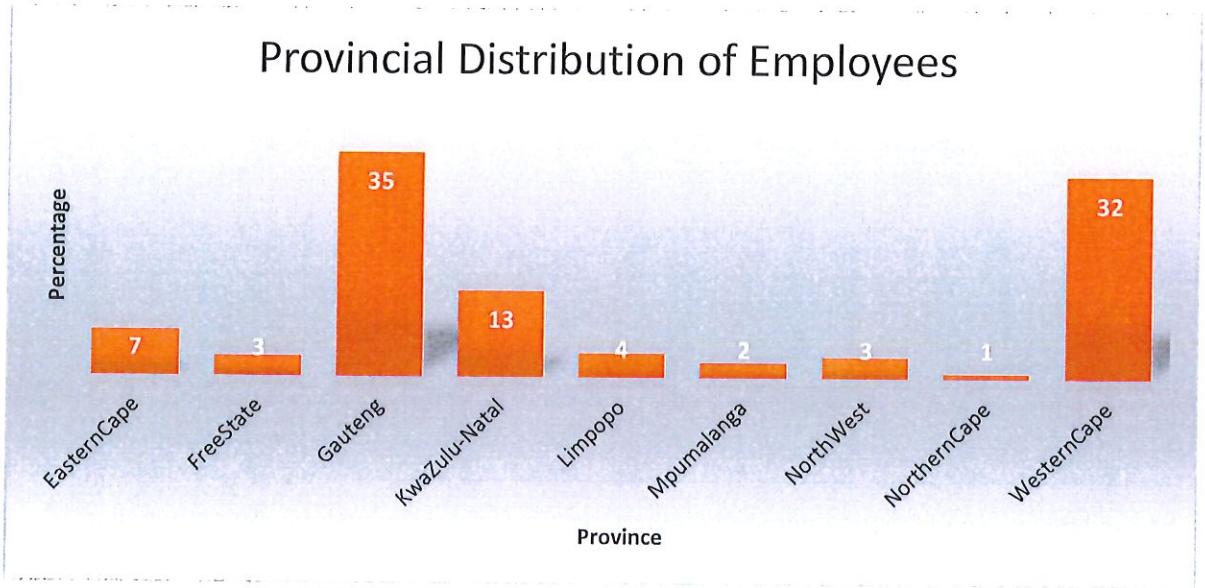


Source: FoodBev SETA WSP-ATR, 2019

1.6.6 EMPLOYEE PROFILE BY PROVINCE

The provincial distribution of employees is largely concentrated in the country's economic hubs. Figure 14 shows that together Gauteng, Western Cape and KwaZulu Natal account for 80% of the total employment in the sector. The provincial distribution is like the previous years in which the three provinces accounted for where most of the companies are geographically located. The provinces with the least number of employee representation were Mpumalanga and Northern Cape, accounting for only 3% of total employment in the sector.

Figure 14: Provincial Distribution of Employees



Source: FoodBev SETA WSP-ATR, 2019

1.7 CONCLUSION

The employment breakdown of the sector by occupations shows that the sector is predominantly dependent on elementary occupations. In the racial profile of the sector, Africans (both male and female) constituted most employees in the elementary occupational category at 75% relative to Whites (both male and female) who comprise 1%. Africans (both male and female) encompassed 31% of employees in the managerial occupational category compared to 47% (both male and female) of Whites. Africans represent fewer employees in the managerial occupational category relative to Whites therefore, transformation should be a strategic focus area in skills development, aimed at Africans to occupy higher skilled positions in the sector and have a greater percentage of managerial jobs that reflect the countries demographics. Regarding gender, males occupied 64% of managerial positions and females only 36%. The percentage of African females in the Managerial category is particularly low at 17%. Thus, a programme aimed at transformation in managerial positions in relation to skills development in higher skilled positions should also include African females.

Considering the age profile of the sector, the findings indicated that there is enough pipeline of employees to replace those that are nearing retirement. However, these employees will need to be mentored and trained before the older employees retire. The disability figure of 0.3% for the sector falls woefully short of the 4% employment target set by government, hence FoodBev SETA needs to consider increasing the number of disabled learners entering learning programmes in the sector to achieve this target. One of the interventions could to consider partnering with Disabled People South Africa (DPSA) representing people living with disabilities and Learners with Special Education Needs (LSEN) schools to improve access of people living with disabilities into the food and beverage sector through skills development.

CHAPTER TWO: SKILLS CHANGE DRIVERS

2.1 INTRODUCTION

The purpose of this chapter is two-fold: firstly, this chapter identifies and outlines the current and future key drivers of change that influence the skills supply and demand in the food and beverages manufacturing sector and secondly, it provides an analysis and implication of policy frameworks that affect skills demand and supply in the sector. The change drivers were identified using qualitative and quantitative methods that included focus group interviews companies, face-to-face interviews with external stakeholders, desk top research and the analysis of the WSPs.

2.2 FACTORS AFFECTING SKILLS DEMAND AND SUPPLY

There are a few factors that affect skills demand and supply in the food and beverages manufacturing sector including global factors and safety and environmental issues. All change drivers identified have direct implications for skills development in the food and beverages manufacturing sector. The table below highlights the change drivers.

Table 6: Skills Change Drivers

Change driver	Description	Business implications	Implications for skills development
Global competitiveness	Shift in competitive landscape due to changing consumer desires, climate change and the growing urban population (Salmon 2017). Food production system that is not meeting changing consumer needs South Africa is one of the countries that participate in the bi-annual WorldSkills competition. The competition gives young an opportunity to enhance their artisanal skills and ultimately contribute economic development.	Reinvent food production system Improve the product design by using new materials to create food packaging Improve efficiencies by converting vertically managed portions of the system to platform business models.	Upskills for productivity improvement at all occupational levels Build a globally competitive labour-force.
Expansion	Expansion of businesses and strengthening of market position on the African continent, especially in the Sub-Saharan part of Africa (Global African Network 2017). Utilise international markets to introduce unique	Provides a platform for companies to exploit communications and logistic technologies to reach geographically dispersed consumers. Invest in research and development of new products	Opportunity to access new talent Advanced marketing skills for the marketing of new products. Sales personnel possessing excellent skills to convince consumers to

	products and services, that can help maintain a positive revenue stream.	Access to new technologies and industry ecosystems, that may significantly improve their operations	buy new products in new markets Skills in logistical operations are relevant for an export driven strategy.
Packaging	Growing need for packaging that is environmentally friendly (McClelland 2017) Packaging is essential at different stages of the food and beverages production process. Packaging is a key part of the marketing plan for any business that makes or sells products New innovations such as Radio-frequency Identification (RFID), reclosure and personalisation are some of the packaging methods being developed (Gravanns 2017) A product's package can be the selling point for many consumers by delivering a sense of quality while also reflecting the product's brand image. Consumers are starting to expect easy-to-understand labels on packaging to understand what they eat (Innova Market Insights in Menayang 2016)	Attract consumer and products stand out next to a rack of the competitor's product.	Need for specific technical skills and skills related to the new technological developments in packaging. Research and development, material science engineers and packaging technology are some of the typical skills required for the improved packaging within the sector.
Technological Development	Technology is changing how food and beverages are produced, manufactured and distributed. Technology is enabling the creation of new products that meet the health and nutritional needs of consumers and improve food safety.	Implementing and investing in new technologies will require financial and human resources that can be hard to fund for small companies	New technologies are knowledge and skill intensive and there is a need to train people to work with these technologies Workers require advanced technical knowledge, an understanding of supply

	The technological breakthrough means that companies are starting to harness the transformative potential of the Fourth Industrial Revolution.		chains, relationship management skills and digital literacy. Virtual Reality can be effective and efficient with regards to the delivery of training for the employees within the Food and Beverages Manufacturing Sector. Careers linked to Virtual Reality include amongst others; Virtual Reality Specialist/Virtual Reality Consultants, Systems Analyst, Programmer/Software Developer, Trainer/Lecturer/Facilitator
Health and Nutrition	Changes in eating patterns amongst consumers are putting pressure on the different brands in the food and beverages industry to become innovative in food product development. According to Van Berkum et al (2018) more than two billion people are either overweight or obese (including 41 million children younger than 5) The implementation of Health Promotion Levy (sugar tax) is an example of government's leading concern around consumer health and wellness. Consumers are aware health issues like diabetes, heart health, obesity and other diseases. Consumers are seeking food and drink products that are organic, healthy, fresh and score high on nutritional value.	Need to make enormous, systemic changes for the better of our people and planet to stay competitive companies diversifying their portfolios to meet the needs of health-conscious consumers. emphasis on healthy eating and a trend of organic food emphasises the need for innovation in organic food product development and its nexus to quality.	Improvement of skills in research and development to ensure adherence to quality standards, testing and verifying claims as stated on labels. Need for food technologists, labelling and regulatory specialist are also needed in the sector to meet the regulation standards.

Climate Change	Climate change causes more extreme and unpredictable weather conditions (World Health Organisation 2018) Increase in the frequency and risk for environmental disasters such as landslides, droughts and floods Climate changes are already impacting on food production in the food and beverages industries.	Decrease productivity due to extreme and unpredictable weather conditions. The prevalence of pests affects availability of certain products and increases the costs of key inputs such as sugar cane, corn, beetroot, citrus, coffee, tea, produce, and grains. Increased risk of competition for water due to water scarcity in local communities, which may have consequences for cost, reputation, and the social license to operate for the affected companies. The latter is a big issue for bottlers.	Need for research and development specialists, biotechnologists, biochemists, environmental and sustainability specialists.
Drought and Water Availability	In recent years drought has affected parts of the country especially the Western Cape and the sector at large. Drought conditions have severely affected feed and water supply thus increasing the cost of red meat year-on-year. Stakeholders have concurred that the current drought has a debilitating impact on the manufacture of food preparation products and the water-intensive beverage sector.	Declining water availability for growers and food manufacturers with operations in water-stressed areas. Increased incidence of diseases could affect employee absenteeism, productivity, and company insurance costs.	Need for multidisciplinary skills such as: food and beverages scientists, microbiologists, chemical engineers and biochemists amongst others. Need for research and development specialists, biotechnologists, biochemists, environmental and sustainability specialists.
Food Safety and Transparency	Food safety is important for the people's general health and daily life, economic development, social stability, and the government's and country's image to potential investors. There are more than 200 diseases that result from unsafe food due to bacteria, parasites or chemical substances (World Health Organisation 2017) A country should have one environmental health practitioner per 10 000 people. South Africa is	Focus on transparency throughout the supply chain Understand global food safety issues Monitor changing conditions in business Promote food safety by working with governmental agencies and professional associations. Consider the effect of transporting on foods.	Need more employees with a higher level of education, including specialists in fields such as legislation, engineering, microbiology and those with broader competencies in reporting and communications to communicate and educate consumers and allow them to make informed food choices There is a need for more Quality Control Personnel to continue to adhere to

	currently lagging with one practitioner per 30 000 people (Gous 2018) Food safety has been among the top issues of the political agenda in South Africa resulting from Listeria monocytogenes. South Africa has numerous regulations pertaining to food and beverage manufacturing safety such as Hazard Analysis and Critical Control Point System (HACCP) (Botha 2018).		the regulations around food security. Actively facilitate the development of more Food Inspectors within the country to monitor food safety Development of Food Scientists and Technicians, Microbiologists, Chemists and Materials Scientists

The identified change drivers from the industry are crossed checked with the national priority occupations and national strategies. Thereafter, the identified skills that fall within the Sectoral priority occupations list or form part of the national strategies are funded and addressed with the needed skills training within the industry. The section below addresses the national strategies that impact skills development and planning in the food and beverages manufacturing sector.

2.3 ALIGNMENT WITH POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

This section is on the alignment of sector skills planning to frameworks affecting skills demand and supply in the sector. The table below identifies the relevant national priorities and its implications on the provision of skills in the industry.

Table 7: Policy Frameworks Affecting Skills Demand and Supply

Policy Frameworks	Relevance	Policy Implications on skills planning
National Development Plan (NDP)	Targeting the creation of 11 million jobs by 2030. In pursuance of this target, the NDP has identified sectors that possess high potential for economic and job growth. The Agro-processing sector has been acknowledged as a sector with immense job creation potential.	Focus on economic growth and job creation in the industry especially in the Agro-processing and Aquaculture industries. Critical skills needed in the sector are artisans, safety controllers, operations managers and laboratory assistants. FoodBev SETA funds learnerships, workplace placements and internships
National Skills Development Plan (NSDP)	To improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development whilst also seeking to address systemic considerations.	Focus on training intermediate skills (artisans, technical skills) to support the country's socio-economic development goals. Provide mentorship programme for small businesses. FoodBev SETA has partnerships with TVET colleges across the country for capacitation and accreditation.
Human Resources Development Strategy for South Africa 2010-2030 (HRDS-SA)	To accelerate training in the priority areas including artisanship. HRDS further leverages public and private sector programmes to create employment opportunities and work experience for new entrants into the labour market. It also helps in improving coverage and efficacy of vocational guidance	Focus on TVET collaboration, artisan development, internships and bursary provision aimed at creating a pool of HET graduates in the food and beverages manufacturing sector. Initiate career and pathway guidance projects.
White Paper on Post-School Education and Training	PSET is concerned with a post-school system that is inclusive and addresses poverty, inequity, and targets the unemployed youth.	To fast-track the production of the requisite skills to propel our economic growth. Expand partnerships with TVET Colleges focusing on projects aimed at increasing college-to-work transitions.
Industrial Policy Action Plan (IPAP)	To address the key challenges of economic and industrial growth and race-based poverty, inequality and unemployment.	Skills shortages within the Agro-processing sector; millers, repair and maintenance technicians, food and safety controllers and grain quality graders. Increase learnerships, apprenticeships, internships and bursaries in the food and beverages sector.
National Skills Accord	Identifies eight commitments to make on training and skills development.	Increase Internship and placement opportunities available within

		workplaces. Expand partnerships with TVET Colleges.
Skills Development Act No 97 of 1998	Increase the quality and quantity of artisans.	Facilitate the development of hard to fill artisan occupation skills in the food and beverages manufacturing sector.
Revitalization of the Agriculture and Agro-processing Value Chain, and the Agriculture Policy Action Plan	To speed up land reform and stimulate the rural economy.	Increase access for NGOs, CBOs, NPOs and SMMEs to discretionary grants to train on and bridge the scarce and critical skills gap.
New Growth Path (NGP)	Emphases that SETAs must prioritise the identification and funding of the main sector skills need.	The need to produce many engineers and artisans.
Strategy on Support and Development of Agro-processing Enterprises in South Africa	The strategy is anchored on four (4) intervention pillars to mitigate barriers to entry but also improve competitiveness of Agro-processing enterprises. One of the main barriers to active participation in the mainstream Agro-processing industry identified by the Strategy and RAAVC, inhibits the competitive nature of enterprises is the non-compliance of facilities to pre-requisite Agro-processing norms and standards.	Improved competitiveness of enterprises. Increase support towards small and medium Agro-processing enterprises to tackle the high cost of being trained and certified on these norms and standards that act as a barrier to entry and participation.

2.4 CONCLUSION

This chapter highlighted the key factors impacting the food and beverages manufacturing sector and major national plans in the sector and the skills responsibilities they trigger within the SETA environment. One of the main drivers of change is health and nutrition that is fundamental to the growth of organic food. This trend is relevant in South Africa where there is a drive by government to promote healthy eating. Global competitiveness is also an important change driver and the Food and Beverages sector must become more competitive to ensure sustainability. The availability of water has had a devastating effect on certain parts of the food and beverage processing sector. The expansion of companies nationally and into Africa is another change driver that has continued to propel the sector forward. The impact of technological advancements on the Food and Beverage Manufacturing Sector is another salient change driver. Manufacturing plants within the sector are increasingly becoming more automated and the skills implications for this include the need to upgrade the skills of operators who must operate complex machinery. Food safety and transparency have also been included as a change driver since the outbreak of Listeria monocytogenes in the country.

The key skills issues that can be inferred from the change drivers and the national plans and priorities are:

- Research and development for innovation and new product development regarding the challenges of climate changes, drought and water availability, expansion and the drive to promote healthy eating.
- Marketing and sales skills in relation to African expansion. Marketing and sales skills will also be required to capture a growing share of the potential markets.
- The need for quality professionals with regards to clear labelling and compliance.
- The need for Food and Beverage Scientists, Food Inspector, Microbiologists, Chemists and Materials Scientists for testing the quality and health claims of food products to ensure food safety.
- Provision of training to small agro-processing entities to alleviate the high cost of compliance to norms and standards that act as a barrier to entry.

The above skills are verified as mentioned above. After the verification process, those that meet the criteria or are a vital need in the sector are included in the strategic priorities of the SETA.

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1 INTRODUCTION

This chapter covers the extent of occupational shortages (hard-to-fill vacancies) and skills gaps in the Food and Beverage Manufacturing Sector. Reports, WSP/ATR data and primary data collected from focus group interviews were used in the compilation of this chapter. The chapter starts extent of demand in the sector which is based on an analysis of vacancy rates of core occupations at the OFO six-digit levels. The demand analysis will be limited to the top ten occupations. This is followed by an analysis of the stock of occupations and supply of skills in the sector, commencing at school level as it is an important component of the skills pipeline feeding firstly, into the labour market at entry level and secondly, into tertiary education. Finally, the chapter identifies the Sectoral Priority list, in relation to the issue of demand and supply.

3.2 SECTORAL OCCUPATIONAL DEMAND

The approach taken to determine occupational shortages and skills gaps for the development of the Sectorial Priority List happened through two phases. The first phase involved the analysis of the WSP-ATR and the second phase involved focus group interviews with stakeholders. The analysis of the WSP-ATR database focused on the section where hard to fill vacancies were reported. The analysis yielded 10 occupations that were hard to fill in the last 12 months along with the reasons behind the vacancies.

3.2.1 HARD TO FILL VACANCIES & REASONS UNDERPINNING THEM

Hard-to-fill vacancies are occupations that companies were unable to fill within twelve months or more. The vacancy analysis that is presented as mentioned, is limited to the top ten occupations that were in demand for 2018[1]. Table 8 presents the list of 10 occupations in demand over the 12 months. The results of the analysis show that the Food and Beverage Process Operator (40%) and Production/Operations Supervisor in Manufacturing (12%) were the highest reported vacancies of the previous financial year. These were followed by the Cereals, Snacks, Pasta and Condiments Machine Operator (10%), Millwright (7%), Food and Beverage Technician (7%) and Food and Beverage Factory Worker (7%), Manufacturing Operations Manager (5%), Electrician (5%) and Fitter and Turner at 5%. The occupation with the lowest percentage is Quality Controller in Manufacturing at 3%.

[1] The analysis is limited to the top ten as it correlates with the Sectoral Priority Occupations list required for submission.

Table 8: List of Hard-to-Fill Vacancies and Reasons Underpinning Hard-to-Fill Vacancies Post-Focus Group Interviews

Occupation	No. of Vacancies	Reasons for Vacancies						
		Unsuitable Job Location	Lack of Relevant Experience	Unsuitable Working Hours	Poor Remuneration	Equity Considerations	Relevant Qualification	Other
Food and Beverage Process Operator	254		x	x			x	x
Production / Operations Supervisor (Manufacturing)	79	x	x	x	x	x		x
Cereals, Snacks, Pasta and Condiments Machine Process Operator	65		x		x			
Millwright	47	x	x	x	x	x	x	x
Food and Beverage Technician	44	x	x	x	x	x	x	x
Food and Beverage Factory Worker	44	x	x	x	x	x	x	
Manufacturing Operations Manager	32	x	x	x	x	x	x	
Electrician	29	x	x	x		x		
Fitter and Turner	27	x			x	x		x
Quality Controller (Manufacturing)	21		x	x	x	x	x	
	642							

Source: WSPs/ATRs (2019)

The above list in table six shows that majority of the occupations that are hard-to-fill are intermediate level skills as they fall either within Technicians and Associate Professionals or Skilled Agricultural, Forestry, Fishery, Craft and Related Trade Workers. An analysis of the ten occupations through chamber lens shows a fair distribution of the occupations amongst all the Food and Beverage SETA chambers.

There are several reasons that companies have provided through the WSP-ATR and interviews for occupations that are hard to fill. Table 9 above presents the reasons that companies have provided in their WSP-ATR submissions that underlie the demand for these occupations. Lack of relevant qualifications, unsuitable job location and experience were three of the most frequent reasons given for the vacancies of the last 12 months. Almost all the companies cited a lack of relevant experience as the main reason for the vacancy. Geographic location, lack of equity considerations, poor remuneration and unsuitable working hours were some of the reasons offered as reasons for the vacancies. All the reasons provided offer insight into some of the human resource challenges that companies are facing.

3.2.3 SKILLS GAPS IN THE SECTOR

Skills gaps refer to skills deficiencies in employees or lack of specific competencies by employees to undertake job tasks successfully to required industry standards. The skills gaps in the sector that require improvement are the following, amongst others:

Table 9: Skills Gaps in the Sector

Major OFO Group	Occupation	Skill Gaps
Elementary Occupations	Factory Workers	Literacy and Numeracy
		Soft Skills
		Hygiene Knowledge
Managers	Engineers	Technical skills
	Finance Mangers	Generic Management Skills
	Marketing Manager	Industry Knowledge
	Production / Operations Manager (Manufacturing)	Generic Management Skills
		Interpersonal Skills
Technicians and Associate Professionals	Production / Operations Supervisor (Manufacturing)	Generic Management Skills
		Interpersonal Skills
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	Confectionery Bakers	Industry Knowledge
	Artisans	Technical Skills
		Experience
	Wine Taster / Grader	Experience
Professional	Wine Maker	Experience
		Industry knowledge

The skills gaps identified are reoccurring gaps which employers continue to state as required by employees. Employers have noted that employees in elementary occupations like Factory Workers require soft skills. These soft skills usually comprise of hygiene, time keeping and life skills. Basic numeracy and literacy were also report as a skills gap by stakeholders. Managerial skills were also reported for positions that involved the management of staff. Supervisors to senior finance and marketing managers were reported as positions which lacked enough managerial skills. These skills gaps (generic management skills) often limit companies' abilities to compete through changing and developing themselves. Lastly, skilled agricultural, forestry, fishery, craft and related trades workers lack industry knowledge and engineering skills to solve complex industry-related problems. Artisans, Engineers, Wine Taste/Grader and Confectionery Bakers were said to lack the relevant technical skills, experience and industry knowledge to be fully effective in the workplace. The food and beverages manufacturing sector employers' often respond to skills gaps through on the job training that is a hands-on method of teaching the skills, knowledge, and competencies needed for employees to perform a specific job within the workplace. They also indicated that they need the assistance of the SETA in offering, funding and accrediting the necessary training for the employees.

3.3 EXTENT AND NATURE OF SUPPLY

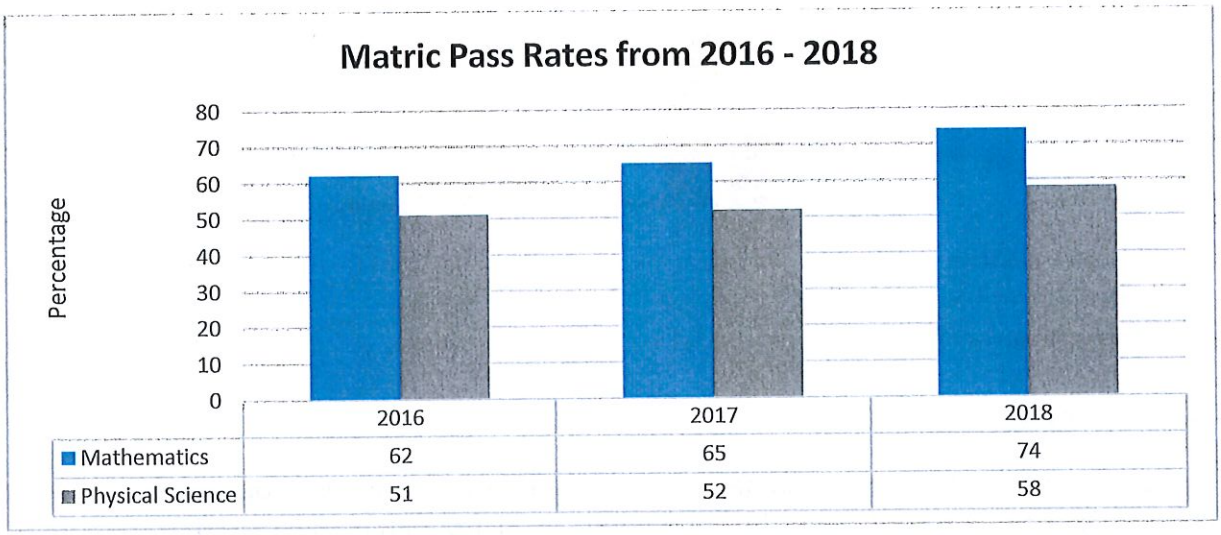
The first point of skills supply for the Food and Beverages Manufacturing Sector is through the Adult Education and Training (AET) at level 1-4 for both literacy and numeracy programmes. Level 4 of AET leads to entrance to a Learnership Programme pitched at NQF level 1. However, some NQF level 1 qualifications have open access and are dependent on a pre-assessment exercise. Another supply route is the senior certificate results, as it provides a pipeline directly into the sector for people entering the labour market, immediately after completing Grade 12. Secondly, it provides a pathway for those that are keen on entering Science, Engineering and Technology (SET) and Commerce major subject fields at tertiary level. The mentioned subjects are some of the required subjects for careers in the sector.

Food and Beverages SETA learning programmes have been included to demonstrate the SETAs contribution to training in the sector.

3.3.1 THROUGHPUT AT SCHOOL LEVEL

This section looks at the achievement of Matric students in Mathematics and Physical Science from 2016 to 2018. These subjects are highlighted as they are some of the subjects linked to some of the occupations in the sectoral priority occupations list. Mathematics and Physical Science are important subjects for a technical workforce that is internationally competitive and sufficiently able to adapt to critical changes in robotization and digitisation of work as we are entering the fourth industrial Revolution (Department of Trade and Industry, 2019). Mathematics is also a required subject for Electrical trades and physical science is linked to the food and beverages technician occupation. Although these subjects are important, other subjects like Life Sciences, Consumer Studies and Economics are also important for learners who are thinking about joining the sector. Figure 15 shows that the pass rate of Mathematics has increased from 62% to 74% in 2018 while Physical Science increase to 58% from 51% in 2016. However, the gap between the subjects has been around 10% or more. This demonstrates that the schooling system is producing more mathematics students compared to physical science students. Although the quality of mathematic and physical science matriculants cannot be determined, there is a fair number of learners that can be absorbed into the SET subject fields. These subjects are required to enter food and beverage related qualifications such as Food Science and Technology, and Engineering Manufacturing at tertiary level.

Figure 15: Matric Pass Rates from 2016-2018



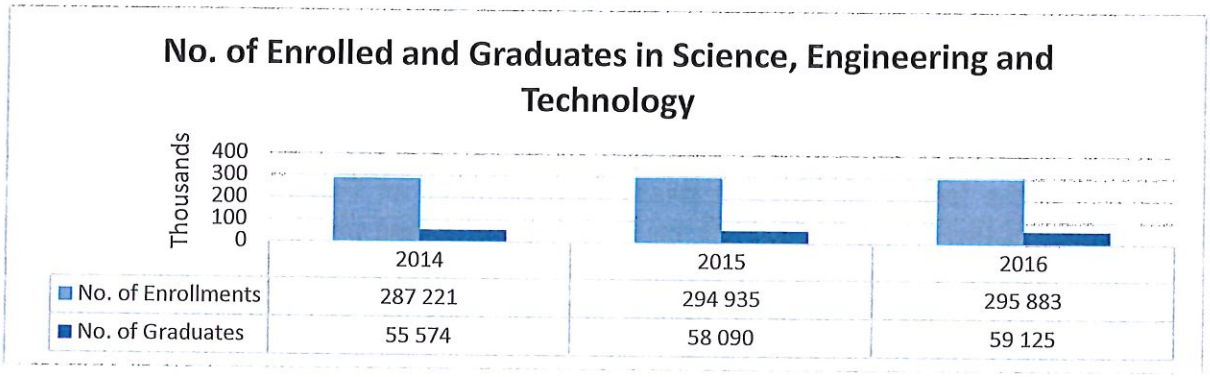
Source: DoBE NCS Subject Report (2018)

NB: Data on matriculants who achieved 50% or more in Mathematics and Physical Science is not available.

The graph below shows the number of enrolments and graduates across public Higher Education Institutions (HEI) for Science, Engineering and Technology. The figure shows an increase in enrolments from 287 221 in 2014 to 295 883 in 2016. While graduates over the same years increased from 55 574 to 59 125. According to DHET (2018) the major subject field of Science, Engineering and Technology (SET) received the highest proportion of enrolments in 2016 at 30%. The high proportion of enrolments into SET major subjects is a positive sign

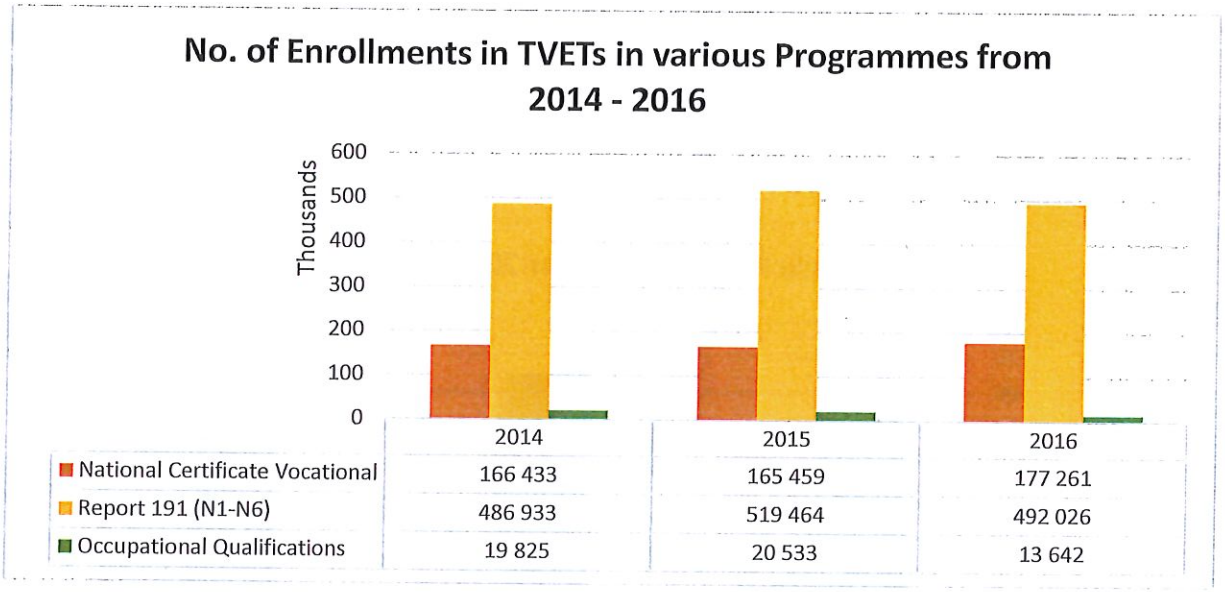
for industries like the Food and Beverages Manufacturing Sector which heavily depend on occupations related to SET. Although the number of enrolments has been increasing year-on-year, the number of graduates is roughly 20%.

Figure 16: Number of Enrolled and Graduates in Science, Engineering and Technology at Public HEI



Source: Statistics on Post-School Education and Training (2018)

Figure 17: Number of Enrolments at TVETs in Various Programmes from 2014-2016



Source: DHET (2018)

The above graph shows the number of enrolments across various programmes at TVET colleges in 2014, 2015 and 2016. The enrolments for all programmes increased from 2014 to 2015 but only the National Certificate Vocational increased the number of enrolments in 2016. In the same year, 197 629 students completed Report 191 {NATED (1-6)} in Engineering and business-related studies and 63 613 completed NCV (2-4). Some of the programmes offered by NCV qualification include Engineering and Related Design, Electrical Infrastructure Construction, Primary Agriculture, Finance, Economics and Accounting and Drawing Office Practice. Unfortunately, a holistic and comprehensive graduation rate was not available. However, there is a solid pipeline into the tertiary system that produces candidates for Apprenticeship. Candidates for Apprenticeships preferably must have completed NCV (1-3)

or N1 to N4. Notwithstanding the latter, DHET has reported that they are phasing out some of the NATED programmes as they are not responsive, and the curriculum is outdated.

The DTI reports that most practising Artisans are unqualified as 46.6% have less that grade 12 and only 32.7% had grade12 in 2016. It further states that the food and beverages manufacturing sector employs 14.6% of artisans in the manufacturing sector, and this is preceded by basic metals sector at 30.9% and textile and clothing sector at 17.7% (Department of Trade and Industry, 2019). The artisan enrolments and completions for 2018-19 in accordance with Discretionary Grant Allocations is presented below in Table 10. It shows that 215 artisans were successfully enrolled in the 2018/19 financial year and the SETAs targets were achieved.

Table 10: Artisan throughput 2018/19 Financial Year

ARTISANS	OFO	ENROLMENTS	COMPLETIONS
Boilermaker	651302	2	2
Electrician	**671101**	**51**	**29**
Fitter	653303	24	17
Fitter & Turner	**652302**	**20**	**11**
Instrumentation	672105	17	3
Millwright	**671202**	**96**	**37**
Diesel Mechanic	653306	2	2
Refrigeration	**642702**	**3**	**1**
GRAND TOTAL		**215**	**102**

Source: FoodBev SETA MIS 2018/19 Financial Year (2019)

The state of education and training in the Food and Beverages Manufacturing Sector is presented by table 11 below. The table indicates the top 4 implemented qualifications in the sector for both unemployed and employed training interventions. The results show that most of the focus was given to training interventions for the unemployed, over 52%. Food and Beverage Packaging Operations, and Food and Manufacturing Electives were the most implemented qualifications. These results indicate where the focus is with regards to training in the sector. Unfortunately, the outputs from the TVET colleges could not be found after various attempts to obtain the data. Furthermore, limited information can be found on the enrolment of TVET colleges. Thus, this table was included to show the state of training from a FoodBev SETA perspective. Completion rates can only be commented on at the end of the financial year because these training interventions overlap financial years.

Table 11: Most Implemented Qualifications in the Sector (2018/19 Financial Year)

Code	Qualifications Implemented	Total	%
	Employed		
57694	National Certificate: Food and Beverage Packaging Operations	400	24
58026	General Education and Training Certificate: Food and Beverage Handling Process	182	11
58345	FETC: Generic Management Level 4 (Food Manufacturing Electives)	1 233	7
58781	National Certificate: Production Technology	109	6
	Unemployed		
57694	National Certificate: Food and Beverage Packaging Operations	490	29
59276	FETC: Marketing	136	8

58781	National Certificate: Production Technology	132	8
59386	National Certificate: Fresh Meat Processing	115	7
Total		1 687	100

Source: FoodBev SETA MIS (2018)

3.4 SECTORAL PRIORITY OCCUPATIONS LIST

The analysis between demand and supply culminates in the identification of the occupations included in the Sectoral Priority Occupations list for 2020/21. The compilation of the Sector Priority Occupations list included the verification of the Hard-To-Fill vacancies list that was done through an analysis the 2019/20 WSP-ATR submissions and focus group interviews. The analysis of WSP-ATR yielded a list of occupations that were reported as hard to fill. This list was verified according to the relevance of the occupation to the sector and if the SETA could support that occupation.

The second phase involved the compilation of a draft sectorial priority occupations list that was presented to stakeholders in the Combined Chamber. After the Combined Chamber meeting, focus group discussions were held in Gauteng, Western Cape and Kwa-Zulu Natal provinces. There were five focus group discussions held and the discussion groups were stratified by the five FoodBev chambers. The focus group participants comprised of mostly employers and industry experts. Through the focus groups the draft sectorial priority list was confirmed as a true reflection of the occupations in high demand in sector.

The Sector Priority Occupations List below was verified by stakeholders. Annexure B presents the Sector Priority List with the corresponding NQF levels and training interventions. This year's list is a mixture of industry specific occupations. There are three industry specific occupations namely; the Food and Beverage Process Operator, Food and Beverage Technician and Food and Beverage Factory worker amongst the ten occupations on the Sector Priority List. There are three artisanal occupations, namely Millwrights, Electricians as well as Fitter and Turners on the list. The three technical occupations also appear on the previous year's list. This may be an indication of the demand for artisans across all sectors as they are industry specific occupation. Therefore, the amount of funding allocated for theses occupation is not enough to meet the demand by the sector.

All the interventions as indicated in Table 12 are informed by the training interventions internal system that the SETA has. Production/Operations Supervisor (Manufacturing), Manufacturing Operations Manager, Food and Beverage Technician, Food and Beverage Process Operator, Cereals, Snacks, Pasta and Condiments Machines Operator, Food and Beverage Factory Worker occupations which are pitched at NQF levels 1 to 4 require training interventions such as Learnerships. The three artisanal occupations identified Millwrights, Electricians as well as Fitter and Turners require Technical related training interventions such as Apprenticeships. The demand for artisanal occupations within the sector is consistent with

the FoodBev SETA throughput of the previous financial years. However, the difficulty in filling these occupations, apart from the ones noted in the earlier table, is the lack of work readiness demonstrated by candidates. The need for technical skills will be met by allocating more Apprenticeships, at minimum NQF Level 4, to increase the supply of technical skills in the sector. However, work readiness programmes should be considered when focusing on new entrants into the industry. Quality Controller occupation is pitched at NQF level 4 and requires a learner for its training intervention is the only occupation.

Table 12: Top Ten Sectoral Priority Occupations List (Post-Verification Phase)[7]

Occupation	No. of Vacancies	%
Food and Beverage Process Operator	254	40
Production / Operations Supervisor (Manufacturing)	79	12
Cereal, Snacks, Pasta and Condiments Machine Process Operator	65	10
Millwright	47	7
Food and Beverage Technician	44	7
Food and Beverage Factory Worker	44	7
Manufacturing Operations Manager	32	5
Electrician	29	5
Fitter and Turner	27	4
Quality Controller (Manufacturing)	21	3
Total	642	100

Source: WSP Report (2019)

3.5 CONCLUSION

This chapter looked at the occupational shortages and skills gaps in the Food and Beverage Manufacturing Sector, the extent and nature of supply, and the Sectoral Priority Occupations list. The results of the hard-to-vacancy analysis were used to determine demand. The results illustrate that demand is high for Technicians and Associate Professionals such as Food and Beverage Process Operator and Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers such as Electricians, Millwrights and, Fitters and Turners. This illustrates the need for the FoodBev SETA to aggressively fund occupations that are industry specific to fill these vacancies. A supply side analysis was undertaken which showed that the throughput from school in terms of Physical Science, and Mathematics was enough as a feeder into tertiary education. However, some of the reasons for the supply side problem are the poor quality of matriculants' results and career guidance which limits the number of prospective students. There are interventions that the SETA has been pursuing in improving quality of provision at tertiary level and is explained in chapter five.

[7] The list is based on the 2019 WSPs/ATRs analysis of 739 submissions that have been validated through focus group interviews undertaken in the second phase of the SSP submission before 1st August 2019.

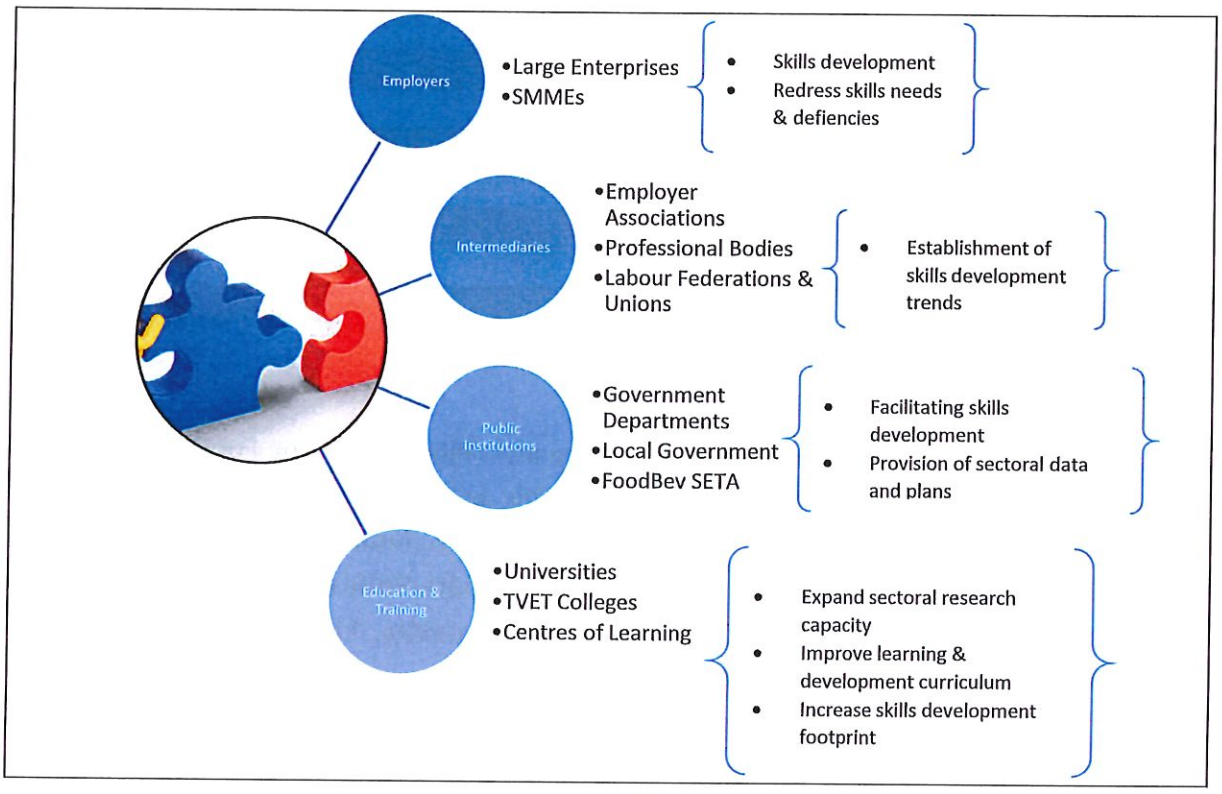
CHAPTER FOUR: SECTOR PARTNERSHIPS

4.1. INTRODUCTION

The purpose of this chapter is to present existing and new partnerships that the FoodBev SETA has forged to facilitate skills development. The FoodBev SETA forms its strategic partnerships based on the need of the sector and national priorities as mentioned in chapter two of this document. Further, the NSDP suggests that the FoodBev SETAs collaborate through partnerships within the public sector as well as between the public and private sectors to support effective development of skills. Additionally, the NSDP encourages partnerships between the SETAs and TVET Colleges to improve the quality of output of these institutions.

The diagram below seeks to unpack institutional arrangements that will guide the structure of partnerships within the broader skills development sector.

Figure 18: Partnership institutional arrangements



These partnerships with different organisations and institutions in the public and private sector are formed based on the discretion of the FoodBev SETA regarding the need/demand of skills in the sector, the capability and readiness of the prospective partner as well as, the alignment of the proposed partnership to the strategic objectives of the FoodBev SETA. Thus, making it important that the SETA enters into different partnerships with different institutions that will promote skills development. An overview of the current partnerships, successful partnerships, new partnerships and partnerships with other SETAs is highlighted in this section.

4.2. EXISTING PARTNERSHIPS

The FoodBev SETA has 32 partnerships with different organisations and institutions that are intended to add value to the mandate of the organisation. These partnerships are aligned to the national development strategies and the NSDP outcomes. Below is a table on the current SETA partnerships. The duration of the partnerships differs based on the purpose and type of institution or organisation it is with. Partnerships with universities for funding students are usually for a maximum of four years, with TVET colleges it is a maximum of two years. The TVET college programmes are 18 months long, the extra six months is added for administrative purposes due to the difference in the financial year calendars of HEI and the SETA. Partnerships for other purposes for example the development of SMME's, rural and community development or research related projects are usually between 12 months and/up to three years. The table below summarises an analysis of existing partnerships/collaboration between the FoodBev SETA and other organisations in pursuit of skills development.

Table 13: Value of Existing Partnerships

Name of institution/ partner organisation	Nature of partnership (start & end dates)	Objectives of partnership	Value of partnership
TVET Colleges (Maluti, Tshwane South, Ekurhuleni West etc.	These are annual commitments and due for expiry in March 2020	To increase FoodBev SETA's footprint within TVET Colleges by opening offices that are manned, especially with rural areas	Optimise learning and development to increase chances to employment
Universities (Venda, Sol Plaatjie, Fort Hare and Western Cape	These are annual commitments and due for expiry in March 2020	To address the general skills shortage within the sector through funding learnerships and bursaries	Support Youth Development Programmes
BRICS Skills Working Group; and WorldSkills SA	These are term commitments and due for expiry in March 2020	To promote and improve the standard of traditional qualifications within the BRICS countries	Career awareness aimed at improving the shortage of Artisans with the sector
SAB, Nestle, Sea Harvest, GCRA	This is a term commitment and due for expiry in March 2020	To provide core skills in organisations through skills training	Increase relevant skills available in the sector

The above partnerships are forged and guided in a manner that all involved parties will equally benefit.

4.3. SUCCESSES AND FAILURES

The FoodBev SETA has partnership successes and failures to share. These events either positive or negative presented in the table below are powerful and useful tool for illustrating self-awareness of the pros and cons of partnership capability. These events can be used to assess and improve partnerships within the food and beverages manufacturing sector.

Table 14: Success and failure stories

SUCCESSES	
• Partnership with the Central Johannesburg TVET College on the capacitation of lecturers, the Gert Sibande, Flavius Mareka and the Sekhukhune TVET Colleges on the placement of learners. • Nestle the main aim of this partnership is to provide graduate work experience post the completion of studies. The FoodBev SETA funded approximately (100) one-hundred students' study in Institutions of higher learning. • Bursary and learnership partnership with South African Breweries (SAB). There are 112 learners registered on learnerships which focused on specific skills required in the company. Five unemployed learners were awarded a three-year degree in engineering. Of the five learners, two have completed their qualification. The completion of the two has been a positive outcome for this partnership because it demonstrates that if there are clear objectives, time given and support these collaborations could succeed. • TVET Colleges have also recorded twenty (20) successful learnerships through Special Projects.	• Partnership with WorldSkills SA as the collective voice for skills excellence and development in vocational, technological and service oriented careers around the globe. Its aim is to raise awareness amongst youth, as well as parents, teachers and employers. The sponsorships allowed the FoodBev SETA to award students an opportunity to get experience through competing with other institutions. It is a way of building capacity of students. The FoodBev SETA was represented in Abu Dhabi in 2018. Twenty-two (22) competitors from the South African team competed in 20 skill areas. Overall points confirmed South Africa's 30th position out of 56 member countries. The next World Skills competition will be held in Russia between the 22nd and 27th August 2019 and the SETA plans to sponsor another group of talented students through such partnership. • The collaboration with Nestle and the FoodBev SETA has seen 100 learnership bursaries being awarded to qualifying learners. • The partnership between the FoodBev SETA and Sea Harvest produced remarkable results through the bursary scheme of students studying at the University of Western Cape. Approximately twenty (20) bursaries have been successfully administered to deserving students.
FAILURES	
• The Mogale City Municipality, the challenges faced were related to the capacity of the municipality to deliver on the objectives of the partnership. During the finalisation phase of the partnership the municipality realised that it had challenges within the institution that will prevent it from delivering on the requirements of the partnership. Another example is the Small Enterprise Development Agency (SEDA) partnership for the development of SMMEs through the development of business-related skills. The partnership failed at the beginning stages due to disagreement on the costing models used by both partners concerned.	• Institutions of higher education where students sponsored by the FoodBev SETA drop-out or change courses during an academic year. This affects both the partners in negatively as the result is unmet targets and unskilled candidates. Thus, challenging the mandate of the FoodBev SETA.

The above successes and challenges can be strengthened by further consultation meetings with prospective partners and implementation of a continuous monitoring process. The aim of convening such meetings would be to identify the root causes of challenges and consciously deal with those to ensure that partnerships are fit for purpose. Best practice has shown that the following key steps are useful in mitigating and strengthening poor partnerships:

- Engage into a formal agreement
- Ensure equal give and receive
- Set clear expectations and objectives
- Develop a project plan to guide each party
- Allocate adequate resources
- Monitor partnership regularly.

The SEDA partnership is a classic example of the partnerships that have been revived that enabled the FoodBev SETA to deliver on the requirements of national mandate which is to develop and support SMMEs.

4.4. NEW PARTNERSHIPS

The following partnerships were planned or established by FoodBev SETA during the 2018/19 financial year for implementation from the 2019/2020 financial year going forward:

Table 15: New Partnerships

Name of institution/ partner organisation	Gaps that the partnership will be addressing	Objectives of partnership
Chinese Culture and International Education Exchange Centre (CCIEEC)	Artisan development and work experience	To facilitate work integrated learning for unemployed learners
WorldSkills SA and BRICS Skills Working Group	Lack of standardisation of traditional qualifications within the BRICS countries	To create a platform to share and showcase trade qualifications via competitions and challenges.
Operation Phakisa	Shortages of Artisans within ocean related trades	To increase the FoodBev SETA Community Education and Training initiatives and provide skills training to informal businesses based in rural areas
University of Johannesburg	Identified skills related to the 4th Industrial Revolution	To establish a Research Chair for the FoodBev SETA that will assist in identifying the skills need for the 4th Industrial Revolution
Placement in various TVET Colleges	Shortages of Artisans in the trades of Millwright, Electrician, Fitter, Fitter and Turner	To reduce poverty through equipping, building and making the youth not only employable but self-employed and reliable

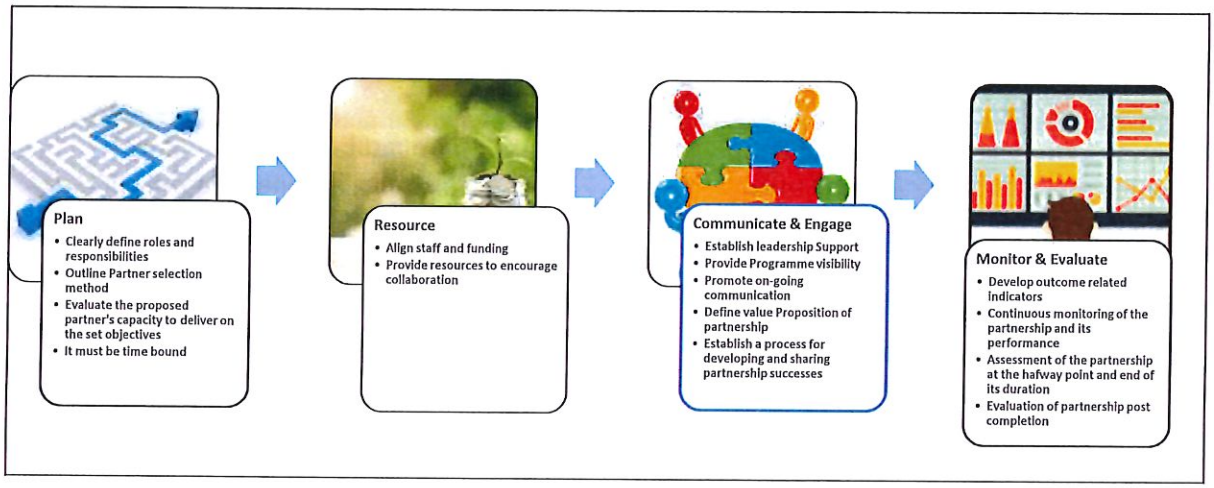
Name of institution/ partner organisation	Gaps that the partnership will be addressing	Objectives of partnership
University of Kwa-Zulu Natal and John Langalibalele Dube and SEDA	Shortage of general skills within the sector	To deliver national development strategies and growing the skills within the sector
SETA partnership with MERSETA, SERVICES SETA	Sectoral priority occupations and hard-to-fill vacancies	To uphold certification of programmes against nationally recognised qualification
Emfundisweni Skills Centre	Shortage of skills in bakery in rural community	To pledge skills development support within baking, cereal confectionery and snacks chamber
The FoodBev SETA intends to forge partnerships with SMMEs, people living with disability and implement projects that support rural development. The SETA ought to forge collaborations with TVET Colleges and Community Colleges across the length and breadth of the South Africa to increase its footprint in all provinces of South Africa, particularly in rural areas.		

4.5. PARTNERSHIP APPROACH

The FoodBev SETA's most successful approach to partnership is informed by a structured strategic approach to effective collaboration that leads to the development of a partnership programme which considers the following key components as follows:

Figure 19: Partnership Approach

The above approach presents previous and currently partnerships model implemented by the



FoodBev SETA to identify potential partnerships, manage existing partnerships and to secure new partnerships.

4.6. CONCLUSION

In conclusion, this chapter allowed the FoodBev SETA to re-examine its existing partnerships for different training interventions within the sector. It is through such initiatives of this magnitude that the FoodBev SETA can concretise collaboration with PSET institutions. Regarding PwD partnership, further interventions will be done by the SETA to drive awareness in the sector on disability and work on strategies to assist employers with getting declarations from their employees. Lastly, the FoodBev SETA will continue to seek more value-adding partnerships that will bring about change within the food and beverages manufacturing sector.

CHAPTER FIVE: SETA MONITORING AND EVALUATION

5.1 INTRODUCTION

The primary purpose of this chapter is to reflect on the role and contribution of Monitoring and Evaluation (M&E) in sector skills planning and to provide an action plan to support future strategic priorities. The increased focus on M&E capacity and effort is a necessity to determine the relevance, credibility and value of skills development interventions funded and facilitated by the FoodBev SETA. M&E supports organisation-wide learning and is a key element to planning, implementation, and continuous improvement.

In 2009 the Department of Planning, Monitoring and Evaluation (DPME) published the Policy Framework for the Government-wide Monitoring and Evaluation System (GWMES), which defines monitoring as 'the continuous collecting, analysing and reporting of data in a way that supports effective management. It usually reports on actual performance against planned or expected.' The DPME further defines evaluation as 'the systematic collection and objective analysis of the evidence on public policies, programmes, projects, functions and organisations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and recommend ways forward'. Mainly, monitoring aims to track whether an intervention is implemented as planned and evaluation determines whether the intervention is the best possible solution to achieve the desired result. The success of M&E thus begins in the planning phase by expressing explicit outputs, outcomes and desired impact, and supports the strategy in providing robust reflections on past results. The National Evaluation Policy Framework (NEPF) further distinguishes between six types of the evaluation presented in the table[8] below.

Table 16: National Evaluation Policy Framework – Types of evaluation

Type of evaluation	Description
Diagnostic	Preparatory research to ascertain the current situation prior to an intervention and to inform intervention design. This enables the drawing up of the theory of change before the intervention is designed.
Design	Used to analyse the theory of change, inner logic and consistency of the programme, either before a programme starts or during implementation to see whether the theory of change seems to be working.
Implementation	Aims to evaluate whether an intervention's operational mechanisms support the achievement of the objectives or not and understand why.
Impact	Seeks to measure changes in outcomes, whether an intervention should be continued or not, and if there are any potential modifications needed.
Economic	The economic evaluation considers whether the costs of a policy or programme have been outweighed by the benefits.

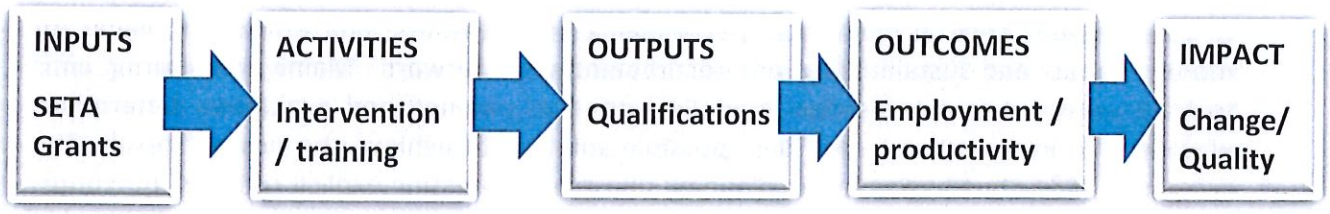
Source: National Evaluation Policy Framework

The GWMES and NEPF provides a foundation and minimum expectations in terms of M&E in the public sector, and thus form the basis for the function within the FoodBev SETA. Work is underway to establish a SETA specific framework for M&E, which also served as an additional data source for this chapter.

5.2 CURRENT FOODBEV SETA APPROACH

The NSDP proposes that the resolutions of national priorities and the demands of the labour market be interpreted into appropriate interventions from education and training institutions. FoodBev SETA uses M&E to ensure that plans translate to desired outcomes and impact. There is a two-fold approach to M&E, which focuses on implementation progress through external moderations and site visits, and evaluation of impact and outcomes through research studies. Hence, the SETA adopts the Result Chain Logic Framework for M&E, as indicated in the schematic diagram below:

Figure 20: FoodBev SETA value chain and application of M&E



Monitoring of any function, first and foremost, starts within the department responsible for the task. Additional monitoring activities serve as internal controls aligned to areas of highest risk and is performed, in part, by the FoodBev M&E department. These monitoring activities relate predominantly to verification of compliance requirements associated with FoodBev SETA discretionary grants and could be expanded in support of the internal audit function. External moderation site visits conducted by contracted subject matter experts aim to monitor the quality and standards of learning programmes before and during implementation and to verify final results. A relatively new research unit predominantly performs the current evaluation activities of the FoodBev SETA. The research agenda is approved by the FoodBev SETA's Accounting Authority annually and includes the compilation of a credible SSP and various evaluative research studies with a focus on diagnostic and impact assessment.

5.3 THE ROLE OF M&E IN RESEARCH AND PLANNING

The FoodBev SETA research agenda constitutes a diagnostic evaluation of the sector and its skills requirements and impact assessment of various skills development interventions. Monitoring focuses on quality of programmes and progress against plans. Results and reports produced inform strategy, planning, implementation and reflection. The cycle of M&E aligns with the core SETA business process to achieve credible results and continuous improvement.

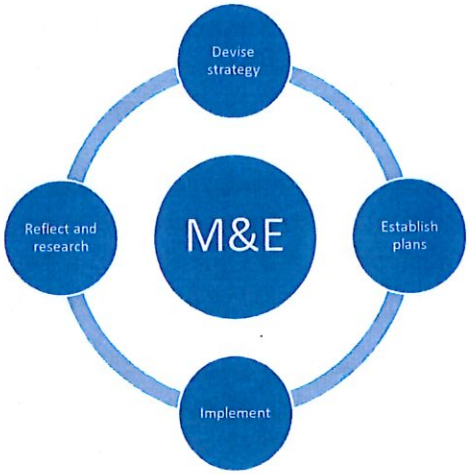


Figure 21: M&E cycle

Monitoring activities, research studies and continuous stakeholder engagement processes highlight a need to consider multiple factors in planning going forward. The objectives of the FoodBev SETA and M&E, at a sectoral and national level, are directed by analysis and consideration of data, findings and trends. Strategic plans derived in response to previous M&E observations and conclusions are subjected to further scrutiny to assess the achievement of outputs and impact, and results used in further planning. The findings and observations from M&E also inform the FoodBev SETA research agenda to determine the effects of past interventions, identify gaps and shortcomings as part of improvement efforts, and to scope external factors which present potential opportunities or its detrimental impact to current initiatives.

Findings and observations emanating from M&E are a valuable tool to inform strategy and planning and direct future research topics and questions. Successful programmes can be continued and improved, and areas of concern addressed going forward.

5.4 PREVIOUS STRATEGIC PRIORITIES

The bulk of the FoodBev SETA's core strategic objectives are encapsulated within programme 3 of the Annual Performance Plan 2019/20. These include support to employed and unemployed learners in various learning programmes to address scarce and critical skills, support for AET interventions, increasing participation of small businesses, and creating awareness amongst youth of careers available in the sector. These priorities were in response to the strategic priorities identified in the previous SSP, which included artisan shortages, low supply of matriculants and graduate learners into the sector skills pipeline, transformation in management, increasing research and innovation, gaps in employee skills, and career awareness amongst the youth.

The FoodBev SETA recently completed a full tracer and impact study on funded learnerships and apprenticeships during the NSDS III period. These two learning programmes were selected based on uptake by employers of all sizes, and relevance to identified scarce skills in the sector. The main findings from the study were:

- Programme dropout rates: 9.7% of unemployed learners on learnerships and 6.4% on apprenticeships dropped out, mostly due to inadequate programme funding.

Employability of unemployed learners: 41% of unemployed learners on learnerships have not been employed post completion of the programme, and almost a third of those have been unemployed for more than two years. Only 11% of artisans were not employed.

The conclusion is that these programmes are successful in addressing the scarce sector skills, but learnerships seem to be less effective in addressing employability of learners. There may be a need to increase targets and direct more funding to artisan development due to the shortages identified and results in a higher probability of securing employment.

Reflecting on the priority of transformation, past efforts have resulted in correcting some of the imbalances over time. There is, however, still inequality at the management level, which require a focused and specific skills development approach. A great deal has also been done to increase research and innovation and career awareness, but the impact of this is not clear. Future M&E efforts will need to determine the value and implications derived from these efforts and should also investigate and propose improvements where required.

In addition to reflecting on the past, information obtained from the recent focus groups provided further insight concerning participation by and support for small businesses and employee skills gaps. The main observations include:

- Small businesses in the sector have highlighted a need for funding of business, management and entrepreneurial knowledge and skills as opposed to technical skills, and this may explain the persistent under-achievement of small business targets;
- There is a need for funding of Non-Pivotal technical training offered by industry associations and the like.
- Dropout rates in funded learnerships for unemployed individuals are high with the main contributing factor cited as low stipends, indicating a need for revised funding allocations.
- Participation by new employers in discretionary grants is relatively small. The appointment of a Senior Manager: Chambers is intended to address this, amongst other stakeholder matters.

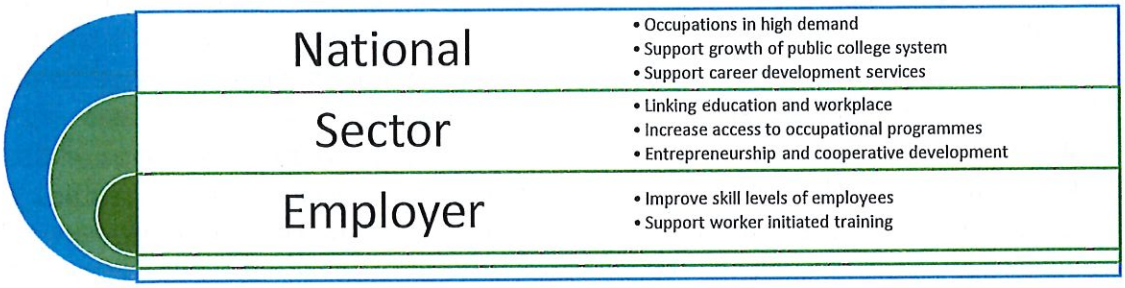
From both quantitative and qualitative perspectives, strategic objectives have been partially realised but can be improved. Research findings have also resulted in the need for further exploration of funding requirements, employer participation objectives, and the quality of programme content. These will be addressed in future to inform planning and further continuous improvement.

5.5 PLAN OF ACTION

There are areas within the FoodBev SETA Monitoring and Evaluation Strategy that can be strengthened. Roles and responsibilities in the M&E value chain across departments should be made explicit. The historical ETQA functions form part of the M&E value chain, and these need reviewing within the context of the QCTO, the draft Framework for M&E from the DPME, and the NSDP. There are also additional anticipated changes emanating from the NSDP with emphasis on the standardisation of grants across SETAs, the M&E role and requirements of the NSA, and the expected establishment of SETAs as permanent structures.

Effective monitoring and evaluation start with effective planning. The skills needs of the sector can only be anticipated and addressed if correctly identified and if relevant interventions crafted in response. Indicators and targets must be in support of the outcome and impact statements, and M&E plans and efforts should align accordingly. Simultaneously, the outcome and impact statements of the FoodBev SETA will have to align with the eight outcomes specified in the NSDP. These outcomes will have to be addressed at an employer, sectoral and national level per the diagram below.

Figure 22: NSDP Outcomes



The FoodBev SETA M&E plan and activities will have to support planning and implementation not only in the short term but also the medium term. Evaluation activities are balanced between areas of high risk, new interventions, and the testing of old assumptions. In response to this, the short to medium term FoodBev SETA research plan contains diagnostic, impact and economic evaluations to inform future planning and participation. The research plan, however, needs to be integrated with a definitive FoodBev SETA M&E Framework and Strategy.

5.6 CONCLUSION

This chapter introduced the current M&E approach within the SETA, identified the strategic skills priorities of FoodBev SETA and reflected on their previous achievement levels, as well as areas of improvement for the achievement of specific priorities that have challenges. The suggested measures include the theory of change which promotes an outcomes-based M&E approach, expansion of current M&E activities and formalising this through the establishment of a framework, strategy and concrete plans aligned to DPME standards and guidelines. Findings to date, through M&E activities, have highlighted successes and areas of improvement considered in addressing the skills needs of the sector at an employer, sectoral and national level. These can be strengthened in future to provide a more holistic and detailed view of past, present and future skills development strategic objectives and plans.

CHAPTER SIX: SKILLS PRIORITY ACTIONS

6.1 INTRODUCTION

This is the final chapter which recapitulate the main findings from the preceding chapters and suggest skills priority actions premised on these findings. Finally, the chapter also considers measures to support national policies and plans.

6.2 KEY FINDINGS

The key findings based on the previous chapters are:

- **Chapter One:** The Food and Beverage Manufacturing sector has remained quite steady in its growth patterns however the lack of transformation is still an issue. The sector is the highest contributor to GDP compared to other manufacturing sectors. It has showed a relatively stable employment rate from year to year and WSPs submission rates have steadily increased. However, the chapter has showed that Africans and particularly African females still lag other racial cohorts in relation to managerial positions. Furthermore, chapter one reveals the current employment of people with disabilities sits at 0.06% and it still falls substantially short of the 4% target. The, skills development programmes should target African females and disabled people in the sector to improve the transformation goals.

- **Chapter Two:** The chapter identified various change drivers within the sector. Global competitiveness, nutritional foods, technology, drought and expansion were cited as significant change drivers in business operations. These factors, amongst others, have forced business to change the way it operates to accommodate prevailing changes. To deal with factors like global competitiveness, nutritional foods, technology and expansion, companies must continually train employees to adapt to the changing landscape. Furthermore, research and innovation are important in developing the sector and promoting business interests beyond South Africa's boarders.
- **Chapter Three:** The shortage of artisans and industry specific occupations in the sector captured in the chapter were derived through an analysis of demand and supply of skills. The analysis revealed that three of the occupations on the 2019-20 Sectoral Priority Occupations list are artisans. Therefore, providing more resources and assistance to stakeholders regarding the alleviation of the shortage of artisans in the sector is required. The quality throughput rate from higher education institutes for learning programmes relevant to the Food and Beverage Manufacturing Sector, as highlighted in this chapter, needs to be addressed. Consequently, bursary provision to high potential students who are eager to enter the sector should be pursued.

- **Chapter Four:** FoodBev SETA as a skills partner in education and training has expanded its collaborations with multiple private and public entities ranging from TVET Colleges to local municipalities, Universities, WorldSkills SA, QCTO as well as employers such as SAB, SEDA, SACGC, amongst others. These organisations have entered into partnerships with FoodBev SETA for the implementation of various skills development projects.

- **Chapter Five:** The chapter identified the FoodBev SETA's Monitoring and Evaluation model is that is in place to ensure that the plans of the SETA translate to the desired outcomes and impact. FoodBev employs a two-fold approach to M&E (i.e. Annually

through AR and APPS as well as, the M&E of training interventions/learning programmes during and post the implementation of training interventions or learning programmes. The chapter also discussed the previous strategic priorities of the SETA, areas of improvement as well as the adopted improvement plan.

6.3 RECOMMENDED ACTIONS

Below are areas that need to be addressed and require further robust deliberation. These areas are linked to the main findings as presented above.

6.3.1 ADDRESSING ARTISAN SHORTAGES AND DEVELOPMENT

The following areas are highlighted for consideration:

- The FoodBev SETA has realised the need to assign higher targets for the training of Artisans, Millwrights, Fitter and Turners and Electricians. As a cohort, the target for the 2017/18 financial year was set at 181 and in 2018/19 it was set at 192. In the 2019/2020 APP the target is set to increase proportionately.
- A multi-pronged strategy is recommended to alleviate the scarcity of Artisans in the Food and Beverage Sector.

6.3.2 IMPROVING QUALITY OF PROVISION OF MATRICULANTS AND GRADUATES INTO THE FOOD AND BEVERAGE MANUFACTURING SECTOR

It is recommended that the FoodBev promotes and funds significantly more bursaries for the sector. The SETA must target varsity students who have performed remarkably well, particularly in Maths and Science to enter the Food Science and Technology learning programmes. Currently, there is very little emphasis placed on bursaries for matriculants to get into tertiary education. Placing more emphasis on bursaries into Food Science and Technology could potentially produce more industry specific occupations in the long run.

6.3.3 TRANSFORMATION

Transformation should be a strategic focus area for the FoodBev SETA. The FoodBev SETA will consider increasing the allocation of bursaries for relevant post-graduate studies targeted at African females. An increase in bursary allocations for post-graduate studies will ensure a pipeline of highly skilled females who have the necessary skills to occupy higher positions. In addition, the FoodBev SETA needs to focus equipping middle and senior management in food and beverage companies with the requisite managerial skills through other forms of training interventions.

In relation to disability the FoodBev SETA should continue to set aside a special grant ring fenced for the training needs of disabled people to augment their presence in the Food and Beverage Manufacturing Sector.

6.3.4 ASSIST THE SECTOR TO BOOST INNOVATION THROUGH RESEARCH

The FoodBev SETA awards bursaries towards Masters and PhD studies in research and innovation to encourage innovation in the sector. The need for innovation in food processing

as highlighted by the crippling nature of the current drought reinforces the need to realise this recommendation.

6.3.5 SKILLS GAPS IN THE SECTOR

Generic management skills, numeracy, literacy, soft skills and industry specific knowledge skills have emerged as significant skills gaps in the sector. The SETA has various training interventions that can address management skills, industry specific knowledge and some soft skills. However, the sector may not know what programmes the SETA funds and it may be beneficial to share with industry the different programmes the SETA funds. This would ensure that employers are knowledgeable about the programmes the SETA funds. In addition, it would assist in tackling some of the skills gaps found in the sector. The SETA could keep the sector abreast of the learning programmes it funds.

6.3.6 CAREER GUIDANCE

Career guidance has emerged as an issue expressed by stakeholders in the broader sector as a reason for graduates not entering the Food and Beverage Manufacturing Sector which results in a shortage of suitable recruits for the sector in tertiary institutions. More aggressive marketing needs to be undertaken by tertiary institutions, industry and the FoodBev SETA. Career exhibitions need to reach matric learners as well to allow them to make informed decisions regarding the courses they choose at tertiary level. In this way, the FoodBev SETA jointly with industry could highlight core and scarce occupations in the Food and Beverage Manufacturing Sector, as well as showcase the differences amongst them.

6.4 MEASURES TO SUPPORT NATIONAL STRATEGIES AND PLANS

The primary measures that could be pursued by the FoodBev SETA to support national strategies and plans are:

- To form partnerships with rural universities to fund students doing qualifications linked to hard-to-fill occupations.
- Explore and collaborate with institutions of higher learning for research and innovation that will help in the production of new products which will be accessible to small and medium enterprises.
- Partner with relevant institutions on mutual skills development areas such as Learnerships and Artisan training.
- Training of women owned rural cooperatives to upgrade themselves from subsistence to commercial.
- Support of TVET Colleges through capacity building projects to improve the quality of graduates and bridge the gap between the supplier (Colleges) and the consumer (sector).
- Provision of funding to projects that are aligned to IPAP, APAP and RAVAC.

- Development of a SMME toolkit to assist small companies in the food and beverage sector to cushion the adverse costs associated with complying with health, safety and quality standards.
- Partnerships with public and private institutions to address skills needs through the provision of relevant training.
- Improve turnaround time for awarding and paying bursaries.
- Training programmes of the Food Bev SETA should focus more on the rural and township economy, specifically supporting cooperatives and SMMEs.
- Establish partnership with a research institution to improve the SSP data.
- Implement the recommendations received from the Public Relations company assisting the SETA with its challenges on visibility, branding and stakeholder management.

6.5 CONCLUSION

This chapter concluded the SSP by covering the key findings and associated areas that need to be addressed. These areas however need to be deliberated further to ascertain the resources, timeframe and conduit of implementation which will occur during the strategic planning process ahead of the finalisation of the Annual Performance Plan and Strategic Plan for 2019-20. In so doing, this will give the Food and Beverage sector a clear direction in the implementation of its strategy in the enhancement of the sector.

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