

Strong Workforce Program

**Cross Sector Advisory Meeting: *Agriculture, Water & Environmental Technology
Manufacturing | Retail, Hospitality & Tourism Business | Business &
Entrepreneurship***
Thursday, November 5, 2020
Virtual - Zoom

Introduction

The Los Rios Community College District, in partnership with Valley Vision, and in collaboration with Sierra College and Yuba Community College District, invests Strong Workforce funding to organize and convene Regional Advisories. The objectives of the Regional Advisories are to build strong relationships between employers, educators, and workforce that:

- Provide timely information on skills gaps and workforce needs, informing partners on major industry trend information;
- Improve the efficiency of the advisory process for educators and employers;
- Reflect a regional view of workforce needs and assets
- Provide opportunities for more systemic, ongoing engagement that includes workforce partners in key industry sectors.

Regional Advisory meetings help inform decisions on needed investments and enhancements for Career Education (CE) programs to help fill the growing demand for middle-skill positions. This meeting proceedings report includes key findings, best practices, and minutes from the Fall 2020 Health Sector Regional Advisory meeting focused on careers in the beverage industry. This particular advisory also compiles testimony from employers from industries including manufacturing, retail & hospitality, agriculture, water, and environmental technology, entrepreneurship, artificial intelligence, and data analytics, as this the beverage industry intersects all of these areas.

Valley Vision supports a robust talent pipeline through our multiple 21st Century Workforce initiatives. We prepare our regional workforce for the future by addressing skills gaps, advancing research, aligning efforts and strengthening systems. Valley Vision's workforce efforts are supported by the Sacramento Employment and Training Agency (SETA), Golden Sierra Workforce Development Board (WDB), North Central Counties Consortium, Yolo WDB, City of Sacramento, local community college districts and others.

The Strong Workforce program provides Career Education opportunities to increase social mobility and fuel regional economies with skilled workers.

Welcome & Overview

This Regional Workforce Advisory meeting is kicked off by Trish Kelly, Managing Director at Valley Vision, who explains that the goal of this meeting is to engage system partners and work with employers to inform community college faculty, high school instructors, and educational administrators about how to best prepare students for the workforce. This meeting focuses on challenges and opportunities in the Greater Sacramento Region's beverage industries. New labor market information from the North Far North Center of Excellence will be covered. This meeting also features discussion with employers presenting various aspects of the beverage manufacturing and supply chain. There will also be community discussion on how to foster good partnerships between education and employers in order to help our region pivot from COVID's devastating impacts, and celebrate the great aspects of our Farm to Fork economy.

Key Findings

- California's agriculture, and its beverage industry play a key role in the overall economy, and a heightened role in our local economy.
- Food-related technology is the way of the future - spurring increased job creation, and allowing the production to become more sustainable, and use less resources.
- COVID-19 had a massive impact on the beverage industry, leading to job loss, as well as tremendous loss to supply industry-wide.
- Employers in the Beverage industry are looking for employees beyond technical skills needed to complete jobs, but also interpersonal skills, and the ability to utilize critical thinking skills.

Meeting Proceedings

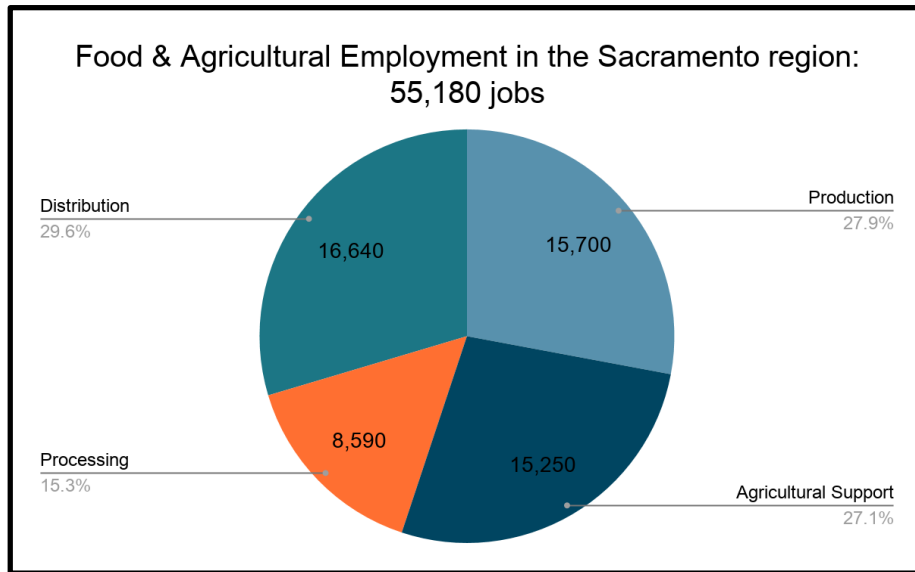
California's Working Landscapes: A Key Contributor to the State's Economic Vitality

Agriculture is a huge and key piece of the California economy, as can be seen in Figure 1. Food and agriculture distribution and tourism is extremely impactful on the Sacramento region - creating a \$12 billion economy with over 55,000 jobs in our area. These jobs cause a ripple effect, due to the fact that agriculture is a foundational industry cluster for the region. Agricultural technologies coming out of UC Davis & entrepreneurial networks are helping growers increase productivity - while reducing water, fertilizer, and energy use by 20-40%. In addition to Agricultural technology, food technology presents an opportunity to scale up these efforts. Food processing is the third largest manufacturing sector in California - and beverage manufacturing is a key part of it. The California Energy Commission is currently investing in the Greenhouse Gas Reduction Fund in technologies that reduce the use of natural gas, electricity, and overall emissions.

Key Food & Agriculture Cluster Facts (2019)

California's Working Landscape makes up more than 6% of the total agricultural economy, and contributes \$328 billion in sales, and 1.5 million jobs. Information about food and agricultural employment in the Sacramento region can be seen below, in Figure 1:

Figure 1 - Food & Agricultural Employment in the Sacramento Region



Strong Workforce Program & Career Education

The Strong Workforce Program is a partnership with four Community College Districts (8 colleges) and 8 Workforce Development Boards. Together, this partnership conducts Labor Market research and organizes convenings with employers and system partners to identify skills gaps, emerging trends and opportunities. For this advisory, the goal is to:

- Develop next generation of farmers, skilled manufacturers & food entrepreneurs
- Address impacts of technology
- Provide career pathways & mobility
- Support employers struggling to find the needed workforce
- Identify skills needed for the 21st Century Digitalization Era
 - As well as address new workforce needs for AgriFood Tech skills

Food & Agriculture Sector AgTech Workforce Assessment: Employer Challenges 2020

| Employer Challenges in 2020 | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Macro Trends | Micro Trends |
| <ul style="list-style-type: none"> ● Climate change ● Immigration status ● State minimum wage increases | <ul style="list-style-type: none"> ● Competition for same pool of workers ● Lack of career pathways in K-12 systems ● Need to market Food and Ag. career |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ● Lack of student interest in farming & ag-related careers ● Lack of career technical education in K-12 ● Aging out of low & middle skills level workforce ● Lack of internet access | <p>opportunities to attract next generation of workers</p> <ul style="list-style-type: none"> ● Lack of awareness for opportunities in more advanced farming industry ● Competition from large-scale distribution employers |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Impacts of COVID-19 on Food Systems

COVID-10 had a hugely detrimental impact on our regional food system. We have had to address the following issues:

- High levels of food insecurity
- Tremendous loss and disruption of our supply chains
- Loss of our food distribution points
- Loss of markets for farmers and food distributors
- High levels of job loss or furloughs in a sector with high ratings for jobs at risk of displacement
- Concern for safety of workers and volunteers

As a result of this, we conducted a study on the Hospitality, Leisure, and Tourism industry, which found that this job area was high risk. Many individuals at the front lines of these industries (and the manufacturing which supports them) are essential workers, whose needs must be addressed - leaving employers with much to grapple with.

Our Path Forward: The Prosperity Strategy

Several of Valley Vision’s partners have created a regional economic strategy over the past year which is qualified to receive federal funding, and serves as a blueprint for the next five years. The Prosperity Strategy provides a framework and bridge to action for the six-county Sacramento region which prioritizes core economic initiatives and will result in a more prosperous, equitable, and resilient region. This strategy serves as our region’s federally designated Comprehensive Economic Development Strategy (CEDS). Additional information on sector initiatives to increase innovation & growth, and increase job and workforce development opportunities can be found below:

- Develop the California Institute for Agriculture, Food and Health Innovation Institute to bridge the innovation gap between research, development, and commercialization
 - Doing so by leveraging the assets of UC Davis, and focusing on sustainable processes and products
- Expand wet lab and greenhouse space across the region
- Support food system infrastructure projects such as technology parks, food hubs, incubators and accelerators
- Advance an institutional procurement strategy to regionalize the food system
- Support scale-up for food manufacturing companies
- Develop a funding strategy, including a health food financing fund

Emerging Opportunities

Consumnes River College receives new USDA grant for Mechanized Agriculture Technology Program for development of dual enrollment

UC Davis's Agriculture and Natural Resources receives \$20 million NSF grant for Artificial Intelligence Institute for Next Generation Food

More regional supply chains & institutional procurement, new beverage products including health focus

Labor Market Information: North Far North Center of Excellence Panel

North Far North Center of Excellence represents the Sacramento region, as well as Butte College near the Oregon border. North Far North works to foster relationships with regional employers in order to ensure that students coming out of the community college system are prepared with the skills they need for the workforce. North Far North also develops pathways for students from K-12 to college.

Regional Directors for North Far North Center of Excellence

- Carrie Peterson - Agriculture, Water, and Environmental Technology
- Jeff Briggs - Advanced Manufacturing
- Josh Sweigert - Retail, Hospitality, and Tourism
- Angela Cordell - Business and Entrepreneurship

❖ **Question: How has COVID-19 affected your sector of the Beverage Industry?**

➤ Agriculture, Water, & Environmental Technology

- Agriculture was considered an essential sector, so little changed with production of food and beverages (dairy, alternative milks, etc.).
- Logistics was the biggest problem. Products were ready for distribution or manufacturing, but some plants closed or weren't operating due to a drop in demand.
- Some products had to be donated or disposed of because it was perishable and could not be saved.
- Other products could be stored until the supply chain could be repaired/redesigned. Many in the agriculture industry had to pivot quickly to find a buyer for their product(s) while still making a profit.

- Advanced Manufacturing
 - The manufacturing sector showed contraction in the early period of pandemic restrictions.
 - Employers furloughed some employees but then had to compete with unemployment benefits when attempting to bring them back.
 - Nearly all manufacturers in the region were able to classify as essential and keep doors open.
 - Challenges included acquiring PPE, modifying the working environment to accommodate social distancing requirements and adjust to new regulations.

- Retail, Hospitality, and Tourism
 - RHT sectors were devastated by the COVID-19 pandemic.
 - Widespread closures/layoffs at bars, wineries, breweries, restaurants, hotels etc.
 - California Job Losses, % change from Previous Year,
 - April 2020-July 2020*:
 - ◆ Arts, Entertainment, Recreation: -41.6%
 - ◆ Food Services & Drinking Places: -25.8%
 - ◆ Accommodation & Food Services: -28.3%
 - Major challenges: re-openings uneven across state, short/medium-term future of industries extremely unclear.
 - Displaced RHT workers may want to consider upskilling via a community college.

- Business & Entrepreneurship
 - Financial services were completely overwhelmed - banks were given the majority of responsibility for the PPP Loans
 - “A national survey found that the overall frequency of alcohol consumption increased by 14% among adults over age 30 (RAND, Sept. 2020).” This is wonderful for business!
 - “Labor availability is limited, and the price for labor is increasing” (State of US Wine Industry, 2020).
 - On-location sales suffered.
 - Innovation and entrepreneurial mindset really kicked in - new delivery services, special pricing, e-commerce and social media ramp ups.

Beverage Industry in Sacramento: Labor Market Trends and Occupations

North Far North Center of Excellence Research Manager, Ebony Benzing, presents data and context information on the types of jobs available within the beverage industry

- Job Sub-Sectors within the Beverage Industry:

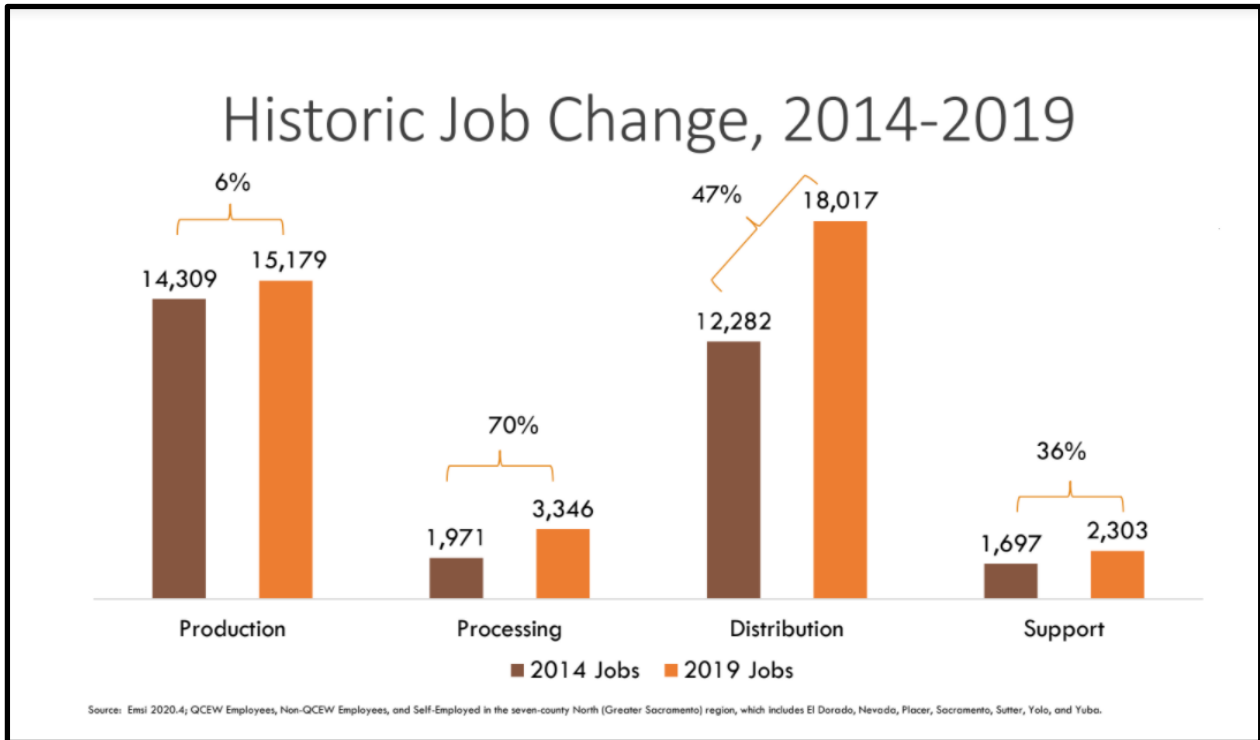
- Production
 - Processing
 - Distribution
 - Support
- Projections for Beverage Industry
 - Beverage Industry is projected to grow by 6%, from 38,845 jobs in 2019 to 41,253 projected jobs in 2024. 1,981 establishments will be offering these jobs, with the average job earning \$57,212 (Figure 2)

Figure 2 - Beverage Industry Snapshot



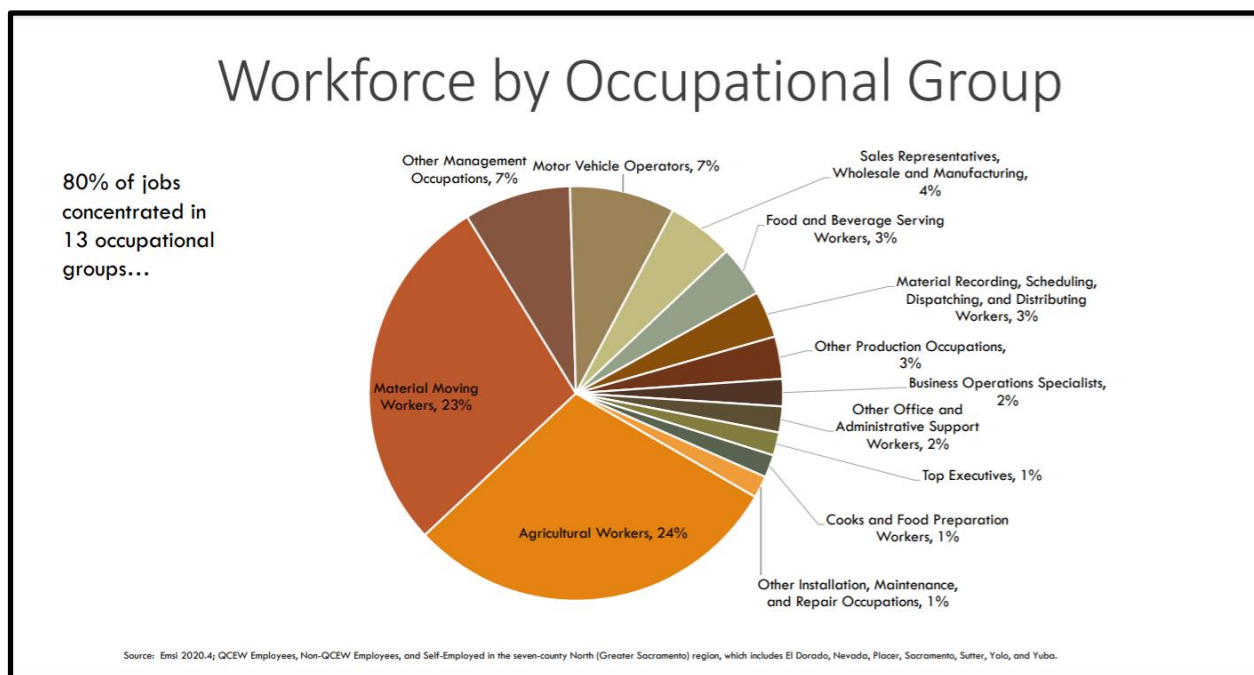
- Historic Job Change
 - Looking at the breakdown of sub-sectors within the beverage industry, we can see how each one has increased between the years of 2014-2019. Production slowly increased, while sub-sectors like Support, Distribution, and most notably, Processing, have increased dramatically within the 5-year period. (Figure 3)
- Projected Job Change: 2019-2024
 - While jobs in sectors like Processing, Distribution, and Support have grown significantly in the last 5 years, this growth is expected to significantly level off in the future, projections show Production sector jobs remaining stagnant, with 0% change; Support sector jobs increasing by 6%; and both Processing and Distribution jobs are expected to increase by 10%. These are noteworthy projected increases - but not nearly as dramatic as the increase in jobs over the past 5 years.

Figure 3 - Historic Job Change in the Sacramento Region Beverage Industry (2014-2019)



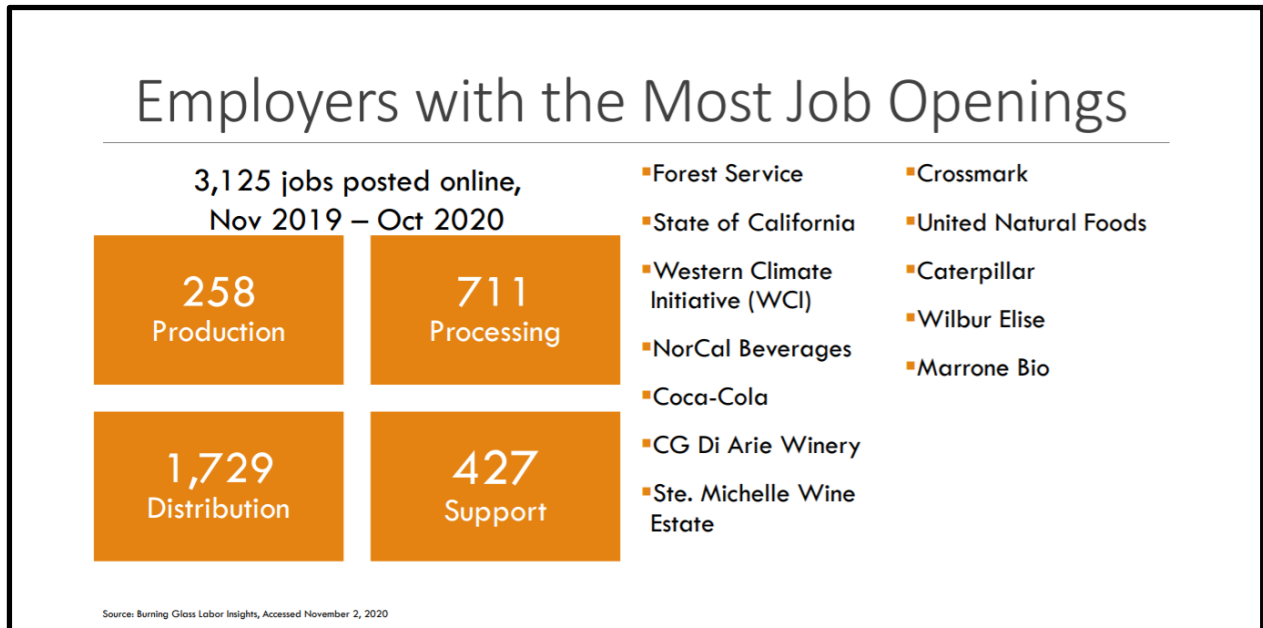
- Beverage Industry Workforce
 - North Far North Center for Excellence also examined the overall Sacramento Beverage Industry Workforce by Occupational Group. 80% of jobs are concentrated into 13 occupational groups, shown below. However, a majority of the workforce is shown to be both Agricultural Workers and Material Moving Workers. (Figure 4)

Figure 4 - Workforce by Occupational Group



- Beverage Industry Job Postings
 - North Far North Center for Excellence pulled data from Burning Glass Technologies' Labor Insight™
 - Labor Insight™ provides job market data in order to show potential opportunities for training programs, job markets, and education
 - Labor Insight™ used an online job posting aggregator to examine new jobs posted online between November 1, 2019 through October 31, 2020. In addition, Labor Insight™ searched industries at a 3 or 4-digit NAICS (North American Industry Classification System) level, and focused on jobs that required training beyond a high school diploma. The number of job postings vary by industry subsector, as do the number of unspecified job postings.
 - Distribution sub-sector had the highest number of job postings online, with 1,729. Following was Processing, with 711 jobs, Support with 427 jobs, and Production with 258. (Figure 5)

Figure 5 - Employers with the Most Job Openings in the Sacramento Region Beverage Industry



- Within the sub-sectors shown in Figure 5 (above), Burning Glass data also found the most desired occupations by employers, shown in Figure 6, below.

Figure 6 - Most Desired Occupations in Processing, Production, Distribution, and Support



- Skills in Greatest Demand
 - For the those applying to work within the Beverage Industry, Burning Glass data found that there are several skill sets which are in the greatest demand by employers - ordered from highest demand to medium level of demand below:

| Specialized Skills | Technical Skills | Soft Skills |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ● Retail Industry Knowledge ● Forklift Operations ● Land Management ● Cryptography ● Repair ● Merchandising ● Sales ● Marketing | <ul style="list-style-type: none"> ● Budgeting ● Scheduling ● Microsoft Office ● Enterprise Resource Planning (ERP) ● SAP ● Sales Force ● SQL ● Oracle ● Adobe | <ul style="list-style-type: none"> ● Customer Service ● Customer Contact ● Personnel Management |

Employer Panel Discussion

- **Kara Sather - Executive Director, El Dorado Winery Association**
- **Anna Gerhardt - Sales Account Executive, Regal Wines**
- **Cyndi Fisher - Senior Human Resources Manager, HP Hood**

Question: What are the highest demanded positions that you see/skills that people have the most difficulty filling?

- Consumer-facing front end workers with customer service skills
 - Not just a broad array of wine knowledge, but the tact to carefully apply it to consumers in tasting rooms - identifying what level wine tasters are at, explaining wines, making sales.
 - Hard to find employees with these soft skills
 - New consumers trying wine - complications with translating wine, beer and liquor knowledge to customers who aren't as knowledgeable
 - Working within beverage industry requires a lot of relationship building, self-motivation and self-organization
- On demand-position that is difficult to fill: maintenance mechanics
 - Fix machines on the production floor, ammonia system, boilers

Conclusion

While the COVID-19 pandemic devastated the beverage industry, there is hope for the future, with food-related technology and sustainable practices opening doors for jobs in this industry. The Sacramento Region's agricultural landscape will continue to be a huge piece in its economy, leading to many jobs in the beverage industry. Employers are actively looking for workers with specialized skills for their workplace, followed by interpersonal skills, and the ability to connect with others.