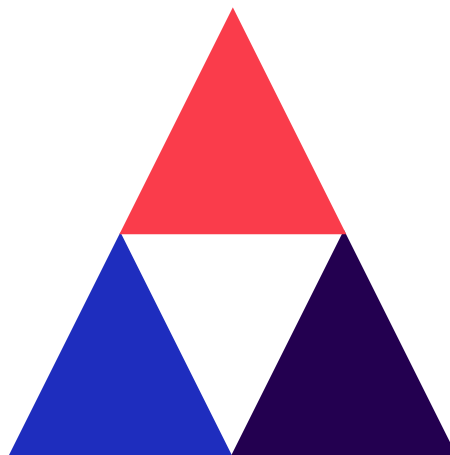




► Promotion of decent work and a just transition, including skills development and lifelong learning, in the food and beverage industry

Report for the Technical Meeting on the Promotion of Decent Work and a Just Transition, Including Skills Development and Lifelong Learning in the Food and Beverage Industry
(Geneva, 27–31 January 2025)





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► Contents

	Page
Abbreviations	5
Background	7
1. Introduction	7
2. Employment trends in the food and beverage sector	8
Employment in the agri-food systems.....	8
Employment in the food and beverage sector	11
3. Trends in food and beverage production	19
4. Employment creation, including skills development and lifelong learning.....	25
5. Labour and social protection	31
Improving conditions of work and ensuring equality and non-discrimination.....	31
Freedom of association and collective bargaining	35
Elimination of forced labour.....	38
Eradication of child labour.....	40
The right to a safe and healthy working environment.....	41
Social protection	44
6. Social dialogue	45
7. Promoting a just transition in the food and beverage sector	47
Food and beverage supply chains and responsible sourcing practices.....	48
Energy and water consumption	48
Food waste	49
Packaging.....	50

List of figures

1. Share of agri-food systems employment by region, 2000–21	10
2. Percentage change in agri-food employment by region, 2000–21	11
3. Food and beverage manufacturing employment by subsector and region, 2022	12
4. Employment growth in the food and beverage sector in Asia and the Pacific, 2015–22 (percentages)	13
5. Share of food and beverage employment in total manufacturing employment and total employment in Asia and the Pacific	14
6. Employment growth in the food and beverage sector in Africa, 2015–2022 (percentages).....	15

7. Share of food and beverage employment in total manufacturing and total employment in Africa	15
8. Share of food and beverage employment in total manufacturing and total employment in Europe and Central Asia.....	16
9. Employment growth in the food and beverage sector in the EU, 2015–22 (percentages).....	17
10. Employment growth in the food and beverage sector in the Americas, 2015–22 (percentages).....	18
11. Share of food and beverage employment in total manufacturing and total employment in the Americas	18
12. Percentage distribution of employment by gender, 2022	19
13. Top 10 food and beverage producing countries in 2021 and percentage change from 2014.....	20
14. Value added of food and beverage sector in 2021 and percentage change from 2014: Top 10 countries	21
15. Percentage change of output and value added of food and beverage sector, by region, 2014 to 2021.	22

► Abbreviations

AfCFTA	African Continental Free Trade Area
ECA	United Nations Economic Commission for Africa
EU	European Union
ETI	Ethical Trading Initiative
FAO	Food and Agriculture Organization of the United Nations
FSBMM	National Federation of Food and Beverage Workers of Indonesia
GDP	gross domestic product
IAIP	integrated agro-processing industrial parks
IFA	international framework agreements
IFPRI	International Food Policy Research Institute
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
MNEs	multinational enterprises
MSMEs	micro, small and medium-sized enterprises
NGG	Gewerkschaft Nahrung-Genuss-Gaststätten/Food, Beverages and Catering Union of Germany
OECD	Organisation for Economic Co-operation and Development
OSH	occupational safety and health
SIPTU	Services Industrial Professional and Technical Union
SMEs	small and medium-sized enterprises
SSE	social and solidarity economy
TVET	technical and vocational education and training
UFCW	United Food and Commercial Workers International Union
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization

► Background

1. At its 350th Session, in March 2024, the Governing Body of the International Labour Organization endorsed the convening of a technical meeting on the promotion of decent work and a just transition, including skills development and lifelong learning, in the food and beverage industry.¹
2. The purpose of the meeting is to discuss challenges and opportunities associated with promoting decent work and a just transition, including skills development and lifelong learning, within the food and beverages industry, with a view to adopting conclusions, including recommendations for future action.
3. This report has been prepared by the International Labour Office as a basis for discussions at the meeting.

► 1. Introduction

4. The food and beverage sector is the cornerstone of national and international food systems and, given its essential role in ensuring food security and nutrition, is fundamentally linked to human existence. As every country is engaged in the production of food and drinks, the sector is also an important source of livelihood, providing direct employment to millions of workers around the globe.
5. For the purposes of this report, the food and beverage sector refers to the processing, manufacturing and packaging of food and beverages and their distribution to retailers. This excludes upstream activities concerned with the production of raw agricultural materials, including livestock, aquaculture and fisheries, and their transportation to processing facilities. It also excludes downstream food and beverage services, including retail and commerce, restaurants, schools and other points of delivery to consumers. The focus of the report is therefore on the midstream processing of raw food materials into intermediate or final products for consumption, while acknowledging that some subsectors, such as the meat-processing and seafood-processing subsectors, may be characterized by a less pronounced division between upstream and midstream activities. A number of examples in the report also refer to the broader agri-food systems and the agri-food sector, of which food and drink manufacturing is an integral part. They highlight the interconnected nature of food production activities and the critical role that the food and beverage industry plays in advancing the transition towards sustainable food systems.
6. The food manufacturing industry encompasses a wide range of subsectors,² including: the processing and preserving of meat, fish and seafood, fruits, and vegetables; the manufacture of dairy products, vegetable and animal oils and fats; the manufacture of grain mill products, starches and starch products; the manufacture of bakery products; the production of sugar, cocoa, chocolate and sugar confectionery; the manufacture of prepared meals and dishes, and

¹ ILO, *Sectoral Meetings Held in 2023 and Proposals for Sectoral Work in 2024–25*, GB.350/POL/3(Rev.1).

² The food and beverage industry is defined in accordance with United Nations, *International Standard Industrial Classification of all Economic Activities, Revision 4*, section C, “Manufacturing”, division 10, “Manufacture of food products”, and division 11, “Manufacture of beverages”, 2008.

farinaceous products. The beverage manufacturing industry covers the distilling, rectifying and blending of spirits, and the production of wine, malt liquors, soft drinks, mineral waters and other bottled waters. Across the above-mentioned subsectors, a diversity of enterprises operate, including large multinational enterprises (MNEs) and national enterprises; micro, small and medium-sized enterprises (MSMEs); and cooperatives and other social and solidarity economy (SSE) entities.

7. The food and beverage sector has undergone important transformations in recent decades and is set to continue facing challenges arising from shifts in supply and demand for its products – due to globalization and demographic changes, environmental degradation and climate change, as well as food price volatility and financialization – while some of the transformations, such as digitalization and automation, may also serve as drivers of growth. These challenges have been amplified by the global health, economic and social crises that have emerged in the wake of the coronavirus disease (COVID-19) pandemic. Furthermore, the Russian Federation's aggression against Ukraine has contributed to rising fuel, fertilizer and food prices, placing additional strain on food supply chains and aggravating the food security crisis.³ At the same time, extreme weather events threaten crops globally as the climate crisis intensifies.
8. All of these forces are driving significant changes in business operations, processes and strategies, with significant impacts on productivity, employment and working conditions. The changes in turn are continuously reshaping the industry, with implications for competitiveness and sustainable business models. Addressing the challenges while seizing the opportunities for advancing decent work and a just transition in the food and beverage sector – building an environmentally sustainable sector in a way that contributes to the goals of decent work for all, social inclusion and the eradication of poverty – requires long-term strategies and effective policies at the sectoral level, both nationally and internationally, which are outlined and discussed in detail below.

► 2. Employment trends in the food and beverage sector

Employment in the agri-food systems

9. The wider agri-food systems, which encompass the food and drink sector as part of other interconnected activities and actors involved in getting food from field to fork, are a major source of employment in many countries, especially in developing and emerging economies. Of the 1.3 billion people engaged in the agri-food systems globally in 2022, 892 million were employed in primary production within the wider agricultural sector, encompassing agriculture, livestock, forestry, fishing, aquaculture and hunting.⁴ Over 400 million people were employed in off-farm employment across the agri-food supply chain, including food processing and services, and the manufacturing of non-food agricultural products.⁵ Women accounted for 26 per cent of workers in agriculture in 2022, compared to 38 per cent in 2000.⁶

³ European Council, "How the Russian Invasion of Ukraine Has Further Aggravated the Global Food Crisis", 27 January 2024.

⁴ ILO estimates based on ILOSTAT data.

⁵ Food and Agriculture Organization of the United Nations (FAO). *Employment Indicators 2000–2022: October 2024 Update*, 2024.

⁶ ILO estimates based on ILOSTAT data.

10. According to the Food and Agriculture Organization of the United Nations (FAO), about 3.83 billion people – or nearly half of humanity – live in households reliant, at least in part, on livelihoods based on the agri-food systems.⁷
11. In recent decades, employment in the agri-food systems has been declining in both absolute and relative terms, due to technological advancements and structural changes. According to the new FAO model developed to estimate the number of people employed in the agri-food systems, which uses ILO modelled estimates and other relevant sources, the share of agri-food systems employment in global employment declined from 52.6 per cent in 2000 to 39.2 per cent in 2021.⁸ However, while the share of agricultural employment in global employment decreased from 39.4 per cent in 2000 to 26.6 per cent in 2021,⁹ non-agricultural employment remained fairly constant at around 13 per cent, having increased in absolute terms by 31 per cent.¹⁰ The first year of the COVID-19 pandemic saw a slight decline in non-agricultural jobs due to the closure of workplaces, while a 1 per cent increase in agricultural jobs may be attributed to urban-to-rural migration.¹¹

► **Global employment in the agri-food systems, 2021**

	Employment (millions)	Share in global employment (%)	Percentage change in employment (2000–21)
Non-agricultural employment	423	12.8	31.17
Agricultural employment	877	26.6	–14.93
Total agri-food systems employment	1 300	39.2	–3.95

Source: FAO, *Employment Indicators 2000–2022: October 2024 Update*, 2024.

12. The Asia and the Pacific region accounts for most agri-food systems employment worldwide. However, its share in total agri-food system employment declined from 70.5 per cent in 2000 to 61.6 per cent in 2021. Over the same period, the share of the Arab States region also declined (from 2 to 0.5 per cent), as did that of Europe and Central Asia (from 7.6 to 6 per cent).
13. The share of global agri-food systems employment in the Africa and the Americas regions increased between 2000 and 2021, from 14.5 to 24 per cent and from 6.7 to 7.8 per cent, respectively.¹² In these two regions, non-agricultural agri-food systems employment, including food and beverage manufacturing, increased by 126 per cent and 23 per cent, respectively.¹³

⁷ Benjamin Davis et al., *Estimating Global and Country-Level Employment in Agrifood Systems*, FAO Statistics Working Paper Series, No. 23/34, 2023.

⁸ FAO, *Employment Indicators, 2000–2022: October 2024 Update*.

⁹ ILO estimates based on ILOSTAT data.

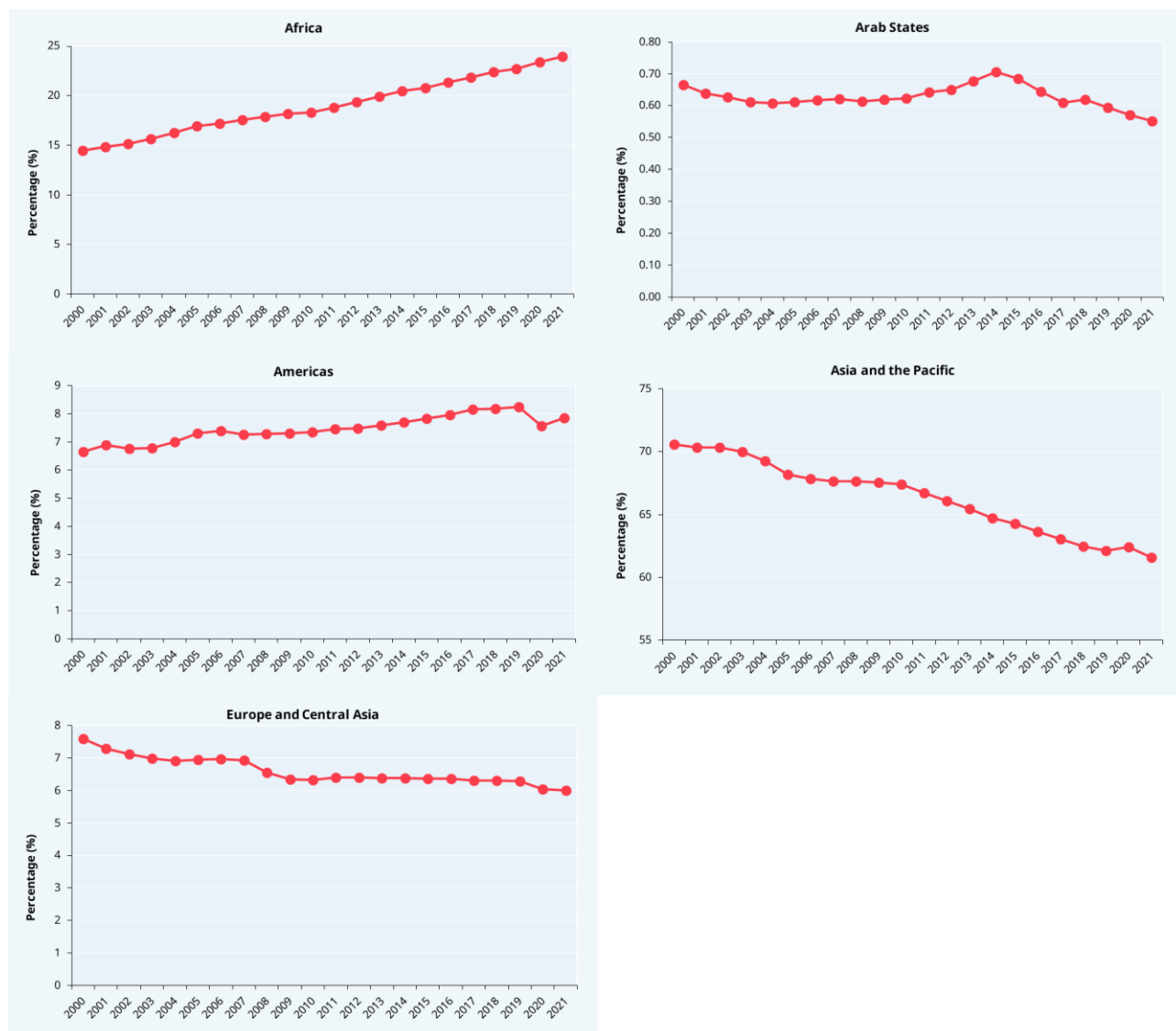
¹⁰ FAO, *Employment Indicators, 2000–2022: October 2024 Update*.

¹¹ FAO, *Employment Indicators, 2000–2022: October 2024 Update*.

¹² FAO, *Employment Indicators 2000–2022: October 2024 Update*.

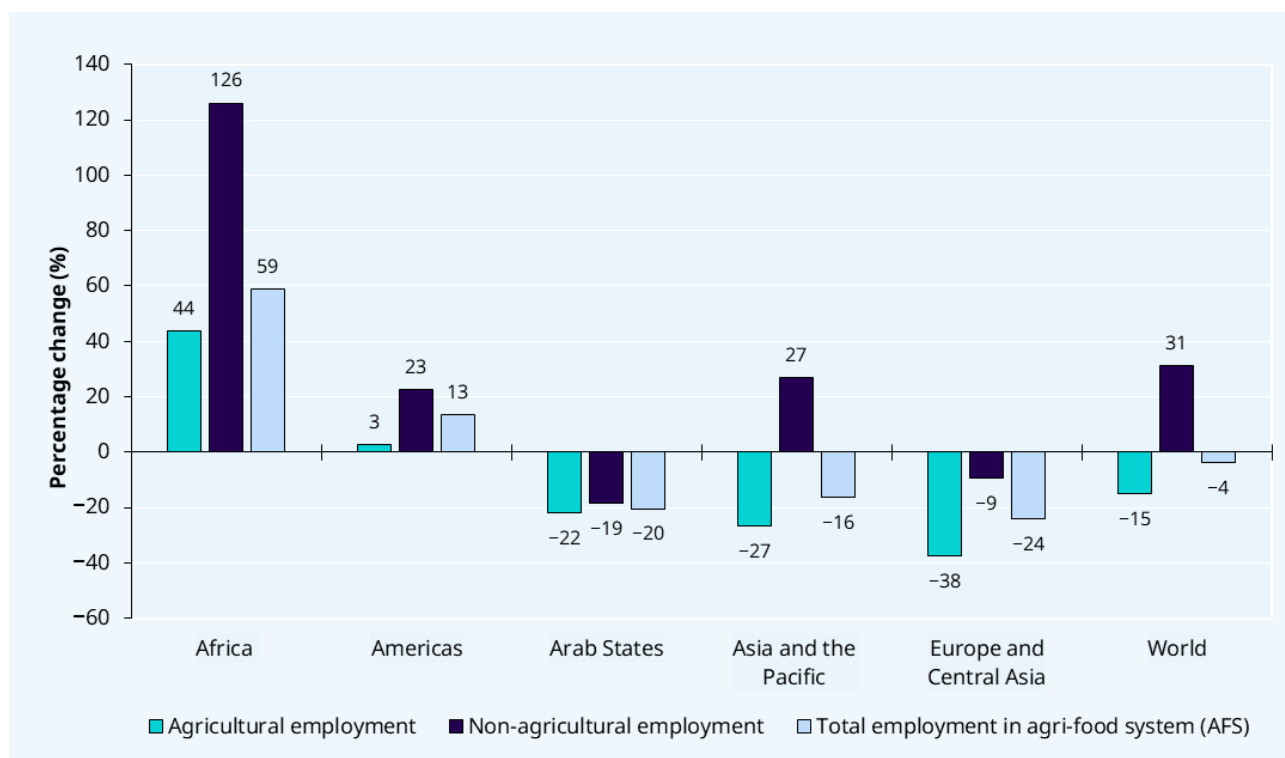
¹³ FAO, *Employment Indicators 2000–2022: October 2024 Update*.

► Figure 1. Share of agri-food systems employment by region, 2000–21



Source: FAO, *Employment Indicators 2000–2022: October 2024 Update*, 2024.

► **Figure 2. Percentage change in agri-food employment by region, 2000–21**



Source: FAO. *Employment Indicators 2000–2022: October 2024 Update*.

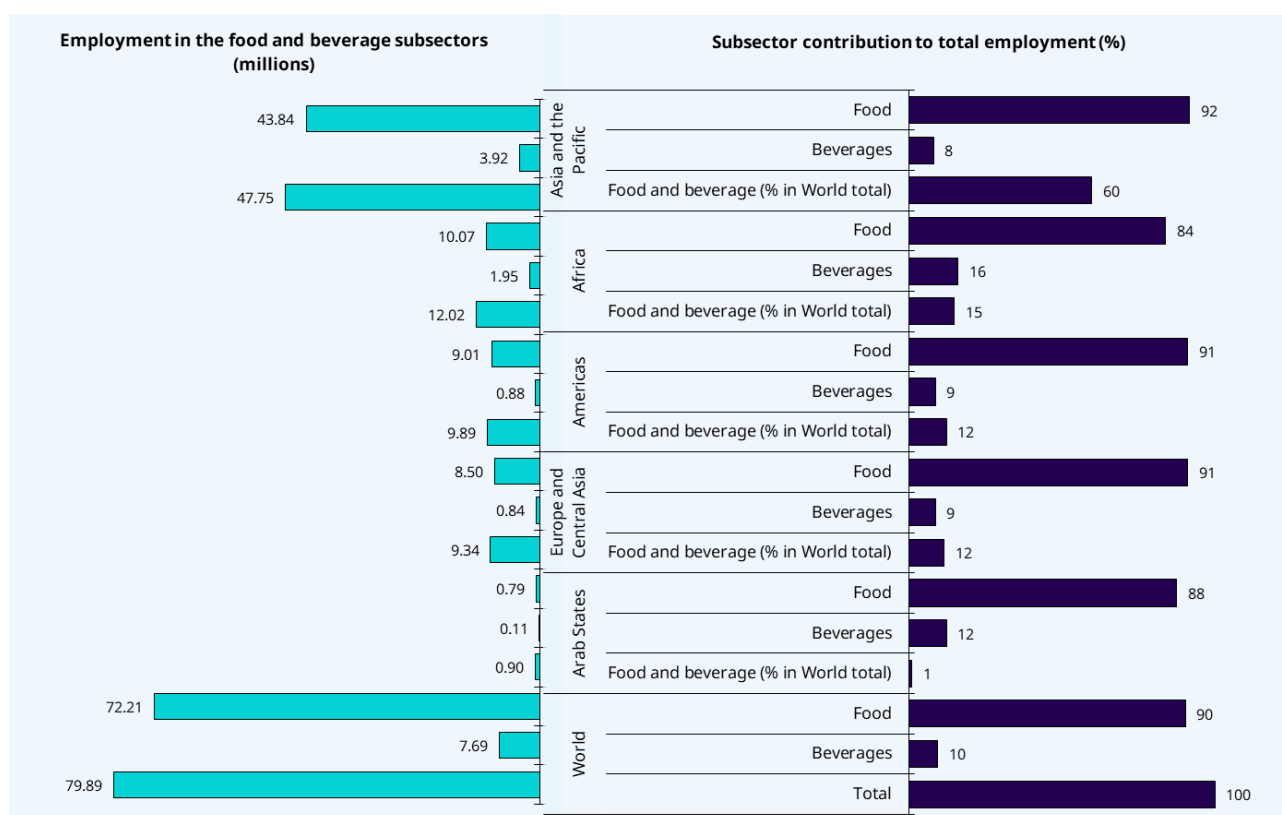
Employment in the food and beverage sector

14. The food and beverage sector is a complex and diverse ecosystem of enterprises of all sizes reflecting the heterogeneity of its activities. At one end of the spectrum are large MNEs that operate across the globe and utilize the latest technologies available to produce a wide range of products. At the other end are microenterprises, which often operate informally and produce a single product using traditional methods. Cooperatives and other SSE entities play an important role, with 35 per cent of the largest cooperatives worldwide operating in the agri-food industry.¹⁴
15. In most countries, the food and beverage industry is one of the largest manufacturing sectors in terms of employment. In 2022, it employed more than 79.9 million people – or 2.3 per cent of the global workforce. Food manufacturing accounted for 90 per cent of these jobs, while beverage manufacturing accounted for 10 per cent.¹⁵ Most of them were concentrated in the Asia and the Pacific region, followed by Africa, the Americas, Europe and Central Asia, and the Arab States.

¹⁴ See International Cooperative Alliance (ICA) and European Research Institute on Cooperative and Social Enterprise (Euricse), *World Cooperative Monitor: Exploring the Cooperative Economy*, 2023, 64.

¹⁵ ILO estimates based on ILOSTAT.

► Figure 3. Food and beverage manufacturing employment by subsector and region, 2022



Source: ILO estimates based on ILOSTAT data.

16. In 2022, the food and beverage sector employed 47.8 million people in the Asia and the Pacific region, comprising 60 per cent of global employment in the sector. The food subsector employed 92 per cent of these workers, while beverage manufacturing employed 8 per cent. Employment in food and beverage manufacturing has been growing in all countries of the region, except Japan (figure 4),¹⁶ and it accounts for a significant share of all manufacturing jobs (figure 5).
17. The ILO estimates that India's food and beverage manufacturing – a fast-growing industry driven by the country's large size and vast, rapidly urbanizing population – employs approximately 5.6 million people. According to the country's *Annual Survey of Industries 2019–20*, there are 2.03 million workers employed in formally registered 41,481 agro-processing factories and this number is expected to reach 2.8 million workers by 2030.¹⁷ A significant number of workers are estimated to be employed in informal food enterprises.¹⁸ Recognizing this challenge, the Government is supporting the transition of informal food-processing microenterprises into the formal economy and promoting the establishment of new formal food-processing microenterprise startups.¹⁹

¹⁶ ILO estimates based on ILOSTAT.

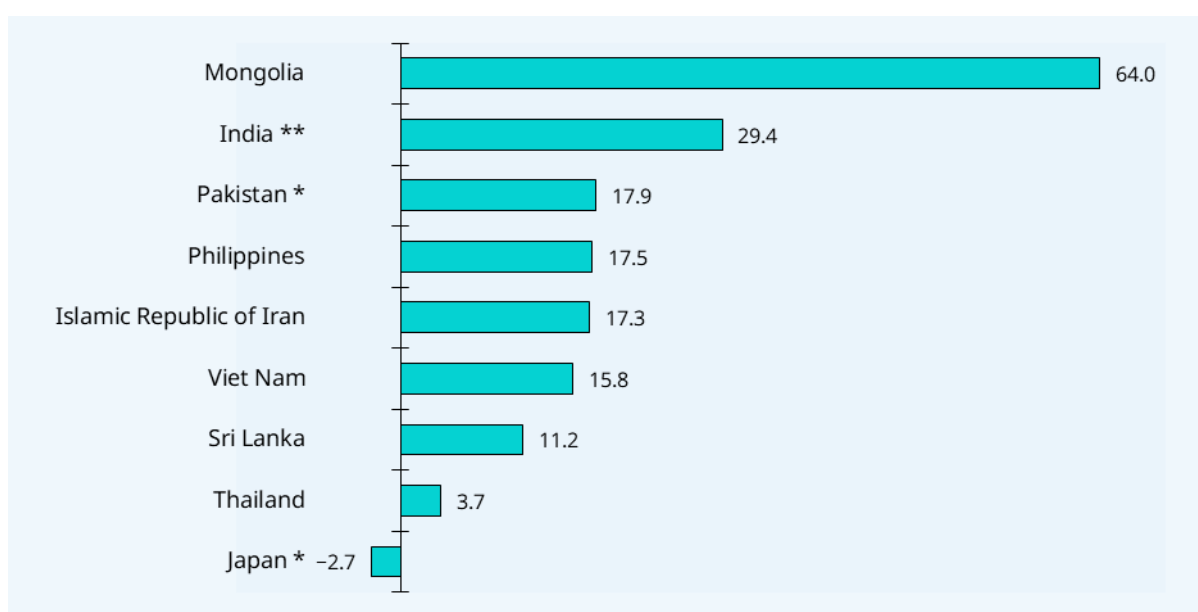
¹⁷ India, Ministry of Commerce and Industry, *Startup India* (blog).

¹⁸ India, Ministry of Food Processing Industries, *Annual Report 2022–2023*, 2023.

¹⁹ See India, Ministry of Food Processing Industries, "Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme".

18. The prevalence of informality in the food and beverage sector is also a serious challenge in Bangladesh, where of the sector's 632,000-strong workforce 85 per cent of workers in food manufacturing and 96.7 per cent of workers in beverage manufacturing were employed informally in 2022.²⁰ As part of its efforts to promote formalization, the Government committed to creating an additional 100,000 formal jobs by 2025.²¹ The sector has seen significant growth in recent years, driven by factors such as increasing domestic demand, exports and increasing labour force participation rates among women, who accounted for 17 per cent and 9 per cent of employment in the food manufacturing and beverage manufacturing subsectors, respectively, in 2022.²²
19. The importance of the food and beverage sector as a major source of jobs in South-East Asian countries cannot be overstated. For example, in the Philippines, Thailand and Viet Nam, the sector employs over 1.073 million, 1.4 million and 1.2 million people, respectively, representing 31.6 per cent, 25 per cent and 12 per cent of all manufacturing jobs, respectively, in those countries.²³

► **Figure 4. Employment growth in the food and beverage sector in Asia and the Pacific, 2015–22 (percentages)**



* 2019–22. ** 2017–21.

Source: ILO estimates based on ILOSTAT.

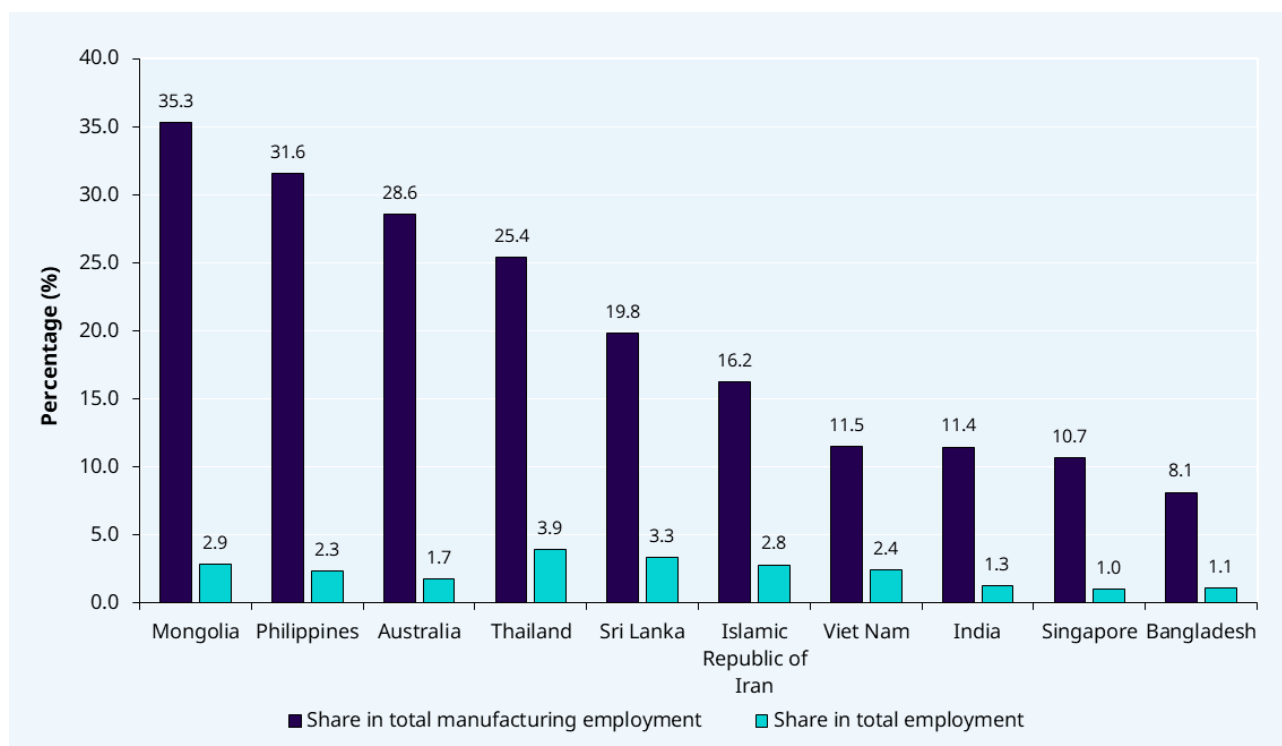
²⁰ ILO estimates based on ILOSTAT.

²¹ Bangladesh, Bangladesh Investment Development Authority, “[Agro Processing](#)”.

²² ILO estimates based on ILOSTAT.

²³ ILO estimates based on ILOSTAT.

► **Figure 5. Share of food and beverage employment in total manufacturing employment and total employment in Asia and the Pacific**



Source: ILO estimates based on ILOSTAT.

20. Employment in the food and beverage sector has been growing in the Africa region. Between 2015 and 2022, employment increased in seven of the nine African countries for which data comparable across countries and over time were available (figure 6). The continent contributed 15 per cent to global employment in the food and beverage sector in 2022. Of the 12 million people employed in the sector, 84 per cent were in food manufacturing and 16 per cent were in beverage manufacturing.²⁴
21. Notwithstanding the important differences in size, structure and stage of development across different countries, the food and beverage sector accounts for a significant share of total manufacturing employment (figure 7). For example, in sub-Saharan Africa, it constitutes 27 per cent of total manufacturing employment in the formal economy.²⁵ In a number of countries, including Burkina Faso, Malawi and Togo, food and beverage manufacturing accounts for more than half of total manufacturing employment. The sector contributes significantly to manufacturing employment in other countries, including Senegal (45 per cent), Zambia (44 per cent), Benin (39 per cent), Mali (37 per cent), and Nigeria (35 per cent). Although the manufacturing industry is relatively developed and diverse in Egypt, food and beverage production remains an important component, accounting for 20 per cent of jobs.²⁶ However, some countries have witnessed a decline in the share of food and beverage manufacturing jobs

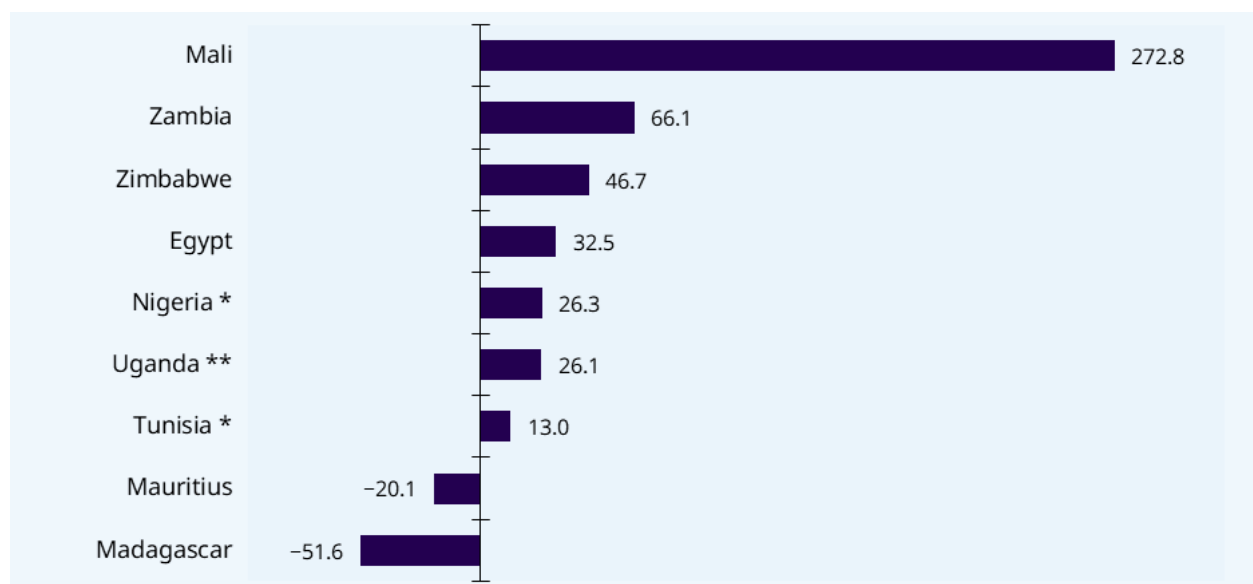
²⁴ ILO estimates based on ILOSTAT.

²⁵ Mia Ellis, Jared Fang and Margaret McMillan, "Agrifood Processing in Africa: Status, Challenges, and Opportunities", in *Agrifood Processing Strategies for Successful Food Systems Transformation in Africa*, eds Chakib Jenane, John M. Ulimwengu and Getaw Tadesse (AKADEMIYA2063 and International Food Policy Research Institute (IFPRI), 2022), 44–58.

²⁶ ILO estimates based on ILOSTAT.

in total manufacturing employment. In Ethiopia and Kenya, for example, the decline was attributed to the initially high share of agro-processing jobs and the growth in other manufacturing sectors.²⁷

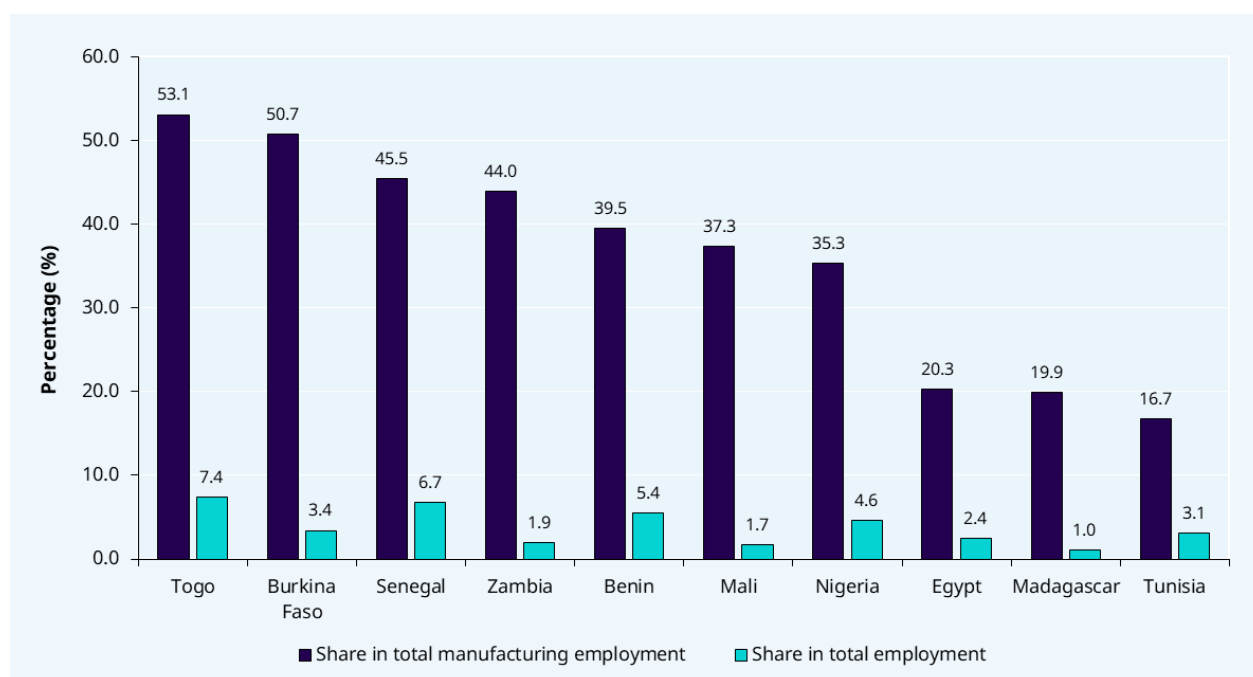
► **Figure 6. Employment growth in the food and beverage sector in Africa, 2015–22 (percentages)**



* 2019–22. ** 2017–21.

Source: ILO estimates based on ILOSTAT.

► **Figure 7. Share of food and beverage employment in total manufacturing and total employment in Africa**

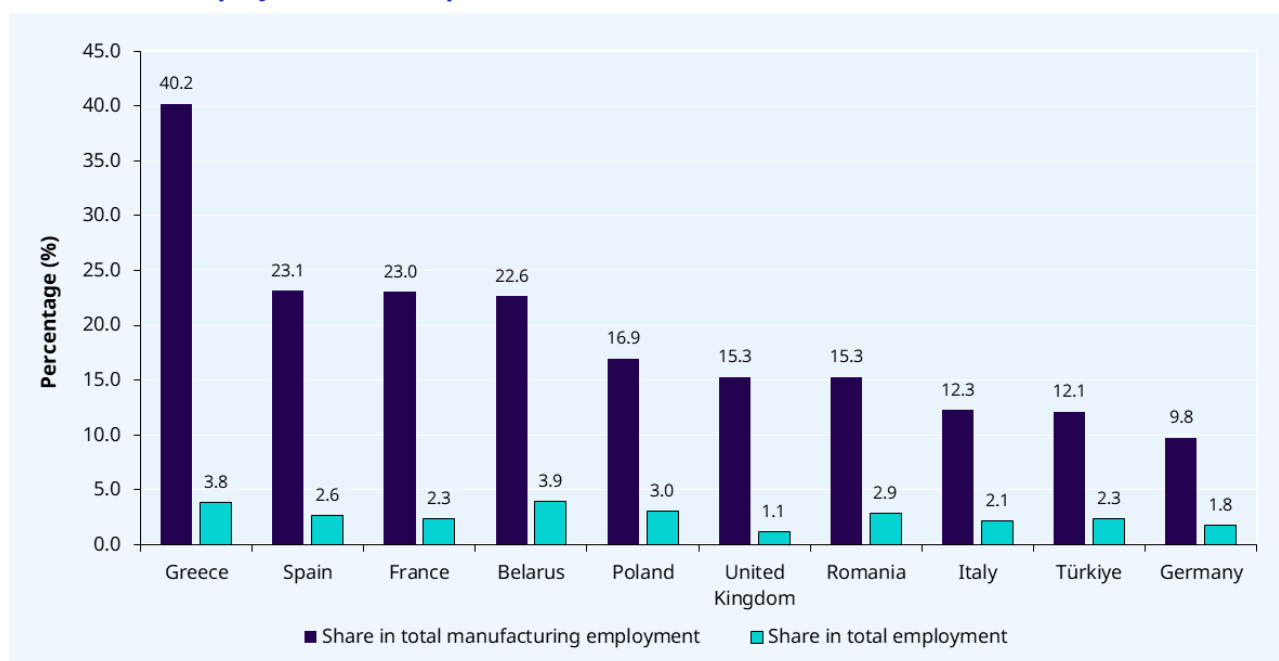


Source: ILO estimates based on ILOSTAT.

²⁷ Ellis, Fang and McMillan.

22. Africa's food and beverage sector is characterized by the prevalence of micro and small enterprises, operating predominantly in the informal economy, with only a small number of large enterprises. For example, the most recent data available for Ghana shows that of approximately 17,000 enterprises in the food manufacturing industry in 2015, 86.3 per cent were microenterprises employing 1 to 4 workers, while 11.6 per cent were small enterprises employing 5 to 49 workers and just 1.7 per cent were medium-sized or large enterprises employing over 50 workers.²⁸ An estimated 79.7 per cent of food manufacturing jobs and 67.5 per cent of beverage manufacturing jobs in Ghana were informal²⁹ and a similar situation can be observed in many other countries of the region.
23. In Europe and Central Asia, the food and beverage sector represents 40 per cent of all manufacturing jobs, which on average account for 2.6 per cent of total employment. The sector is a major employer in the European Union (EU), where it provided direct employment to 4.56 million people in 2022. Between 2015 and 2022, employment grew in 15 of the 27 EU Member States. The largest employment increases were observed in Slovakia, Austria and Greece, while the largest employment declines were observed in Latvia, Malta, Sweden, Germany and Cyprus.³⁰ In half of the EU Member States, the food and beverage industry remains the largest manufacturing employer.³¹ Some 56 per cent of total employment in the sector is in small and medium-sized enterprises (SMEs), which constitute an overwhelming majority of sectoral enterprises. Of the 291,000 enterprises in the sector, 290,000 are SMEs, generating 39.1 per cent of the industry's revenue and 40.7 per cent of the value added.³²

► **Figure 8. Share of food and beverage employment in total manufacturing and total employment in Europe and Central Asia**



Source: ILO estimates based on ILOSTAT.

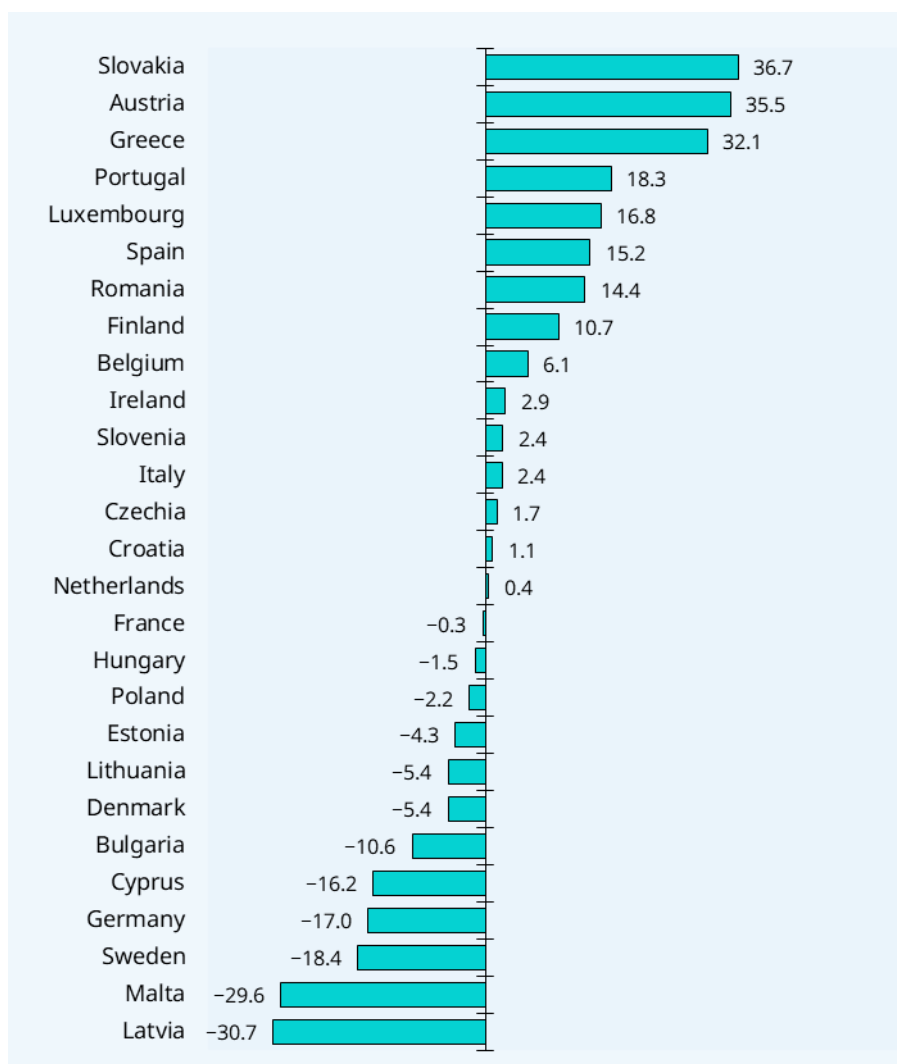
²⁸ The latest available ILOSTAT data is for 2015; see also Timothy Afful-Koomson et al., *Economic and Financial Analyses of Small and Medium Food Crop Agro-Processing Firms in Ghana* (UNU-INRA, 2015).

²⁹ The latest available ILOSTAT data is for 2015.

³⁰ ILO estimates based on ILOSTAT.

³¹ FoodDrink Europe, "Data & Trends: EU Food and Drink Industry – 2023 Edition".

³² FoodDrink Europe.

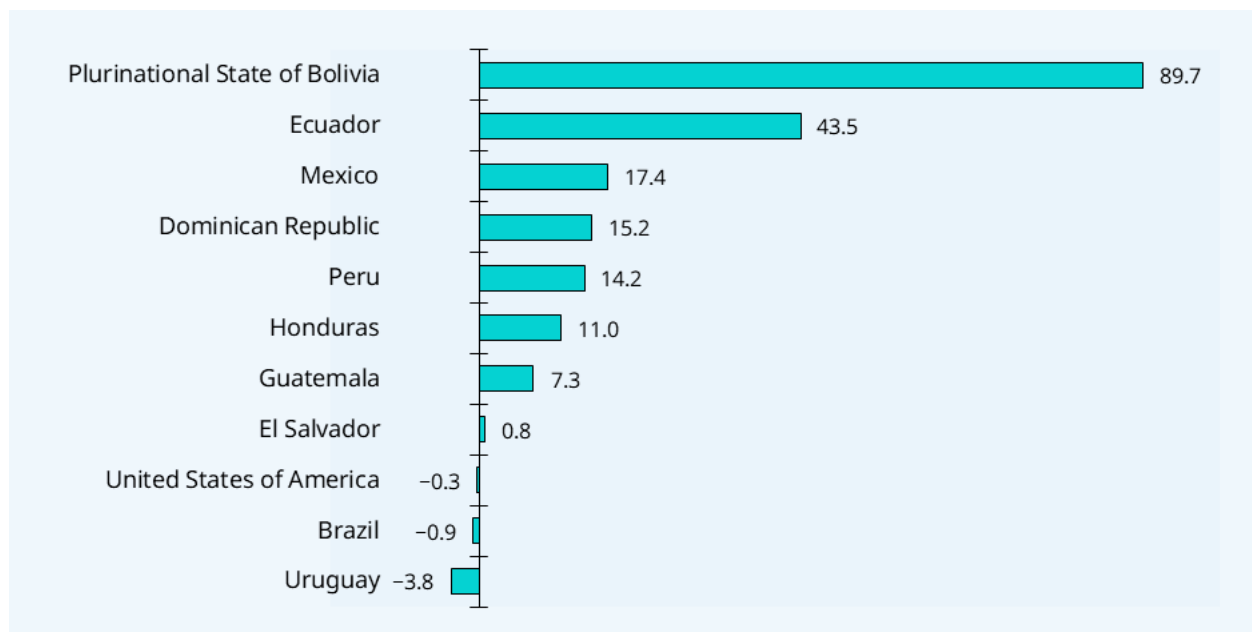
► **Figure 9. Employment growth in the food and beverage sector in the EU, 2015–22 (percentages)**

Source: ILO estimates based on ILOSTAT.

- 24.** In the Americas, the food and beverage sector remains a key source of employment. Over 9.9 million workers in the region overall were employed in the sector in 2022, representing 12.4 per cent of global food and beverage employment, of whom 92 per cent were employed in food manufacturing. For example, the sector accounted for around two thirds of manufacturing jobs in Honduras, Ecuador and the Plurinational State of Bolivia and one third of manufacturing jobs in Guatemala and Peru. It provided over 1.9 million jobs or 18.1 per cent of all manufacturing jobs in Brazil; and more than 1.6 million people jobs or 18.4 per cent of all manufacturing jobs in Mexico.³³

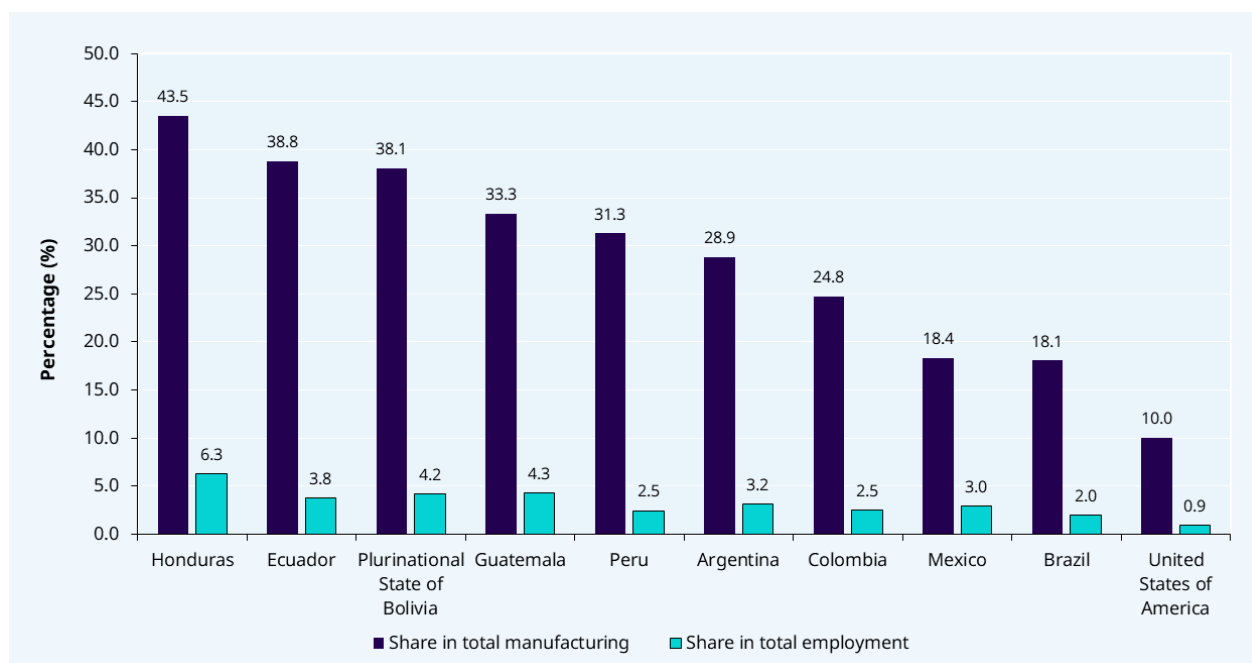
³³ ILO estimates based on ILOSTAT.

► **Figure 10. Employment growth in the food and beverage sector in the Americas, 2015–22**
(percentages)



Source: ILO estimates based on ILOSTAT.

► **Figure 11. Share of food and beverage employment in total manufacturing and total employment in the Americas**



Source: ILO estimates based on ILOSTAT.

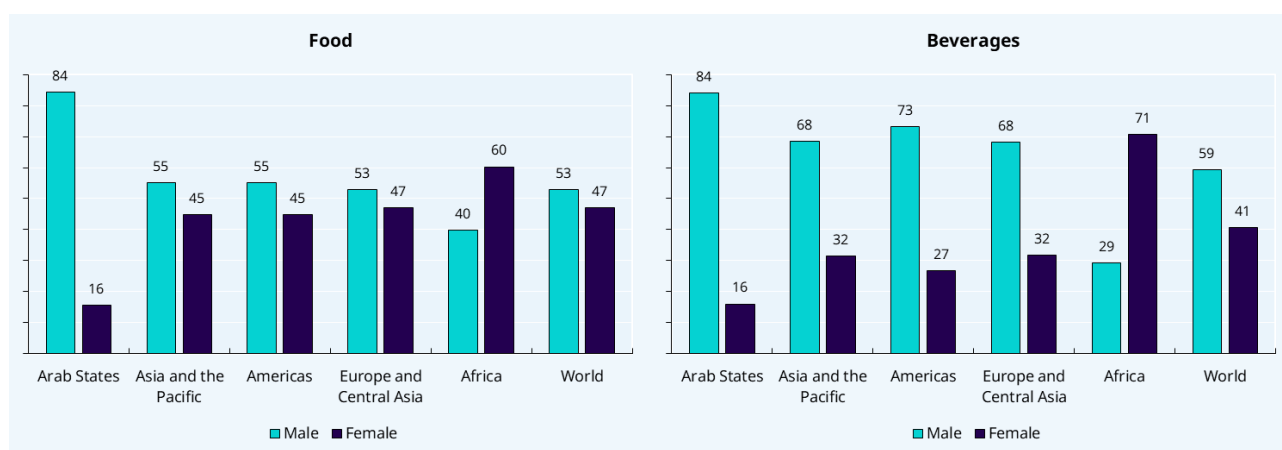
25. The food and beverage industry is also an important source of employment in Canada and the United States. It is the largest manufacturing industry in the former, providing direct employment to 300,000 people across some 8,500 enterprises, the vast majority of which are SMEs.³⁴

³⁴ Canada, "Overview of the Food and Beverage Processing Industry".

According to the United States Department of Commerce's 2021 *Annual Survey of Manufacturers*, the United States food and beverage industry is comprised of 41,080 processing plants and employs 1.7 million workers, representing 15.4 per cent of all United States manufacturing employment.³⁵ In both the United States and Canada, meat processing was the largest subsector in terms of employment, accounting for 30.6 per cent and 21.3 per cent, respectively, of all jobs in the sector.³⁶

26. In the Arab States, the food and beverage sector provided jobs to 900,000 workers in 2022, of which 88 per cent were in food manufacturing.³⁷
27. Globally, men make up the majority of workers in both food manufacturing and beverage manufacturing, accounting for 53 per cent and 59 per cent, respectively, in the two subsectors. The share of men in food manufacturing employment is particularly prominent in the Arab States, where they constitute 84 per cent of the workforce. Africa is the only region in which women's share of employment in the sector exceeds that of men. Women represent two thirds of the workforce in the food manufacturing and 71 per cent of the workforce in the beverage manufacturing subsectors. As women are disproportionately represented in informal employment in the sector, their actual numbers across regions are probably higher.

► **Figure 12. Percentage distribution of employment by gender, 2022**



Source: ILO estimates based on ILOSTAT.

► 3. Trends in food and beverage production

28. The food and beverage industry is a major economic driver, contributing significantly to output and value addition in the manufacturing sector globally. Among countries with available data in the United Nations Industrial Development Organization (UNIDO) database (which does not provide relevant data for China), the United States food and beverage industry accounted for

³⁵ United States, USDA, "Food and Beverage Manufacturing". According to ILO estimates, the size of the United States food and beverages workforce is over 1.4 million, representing 10 per cent of all United States manufacturing employment and 0.9 per cent of total employment.

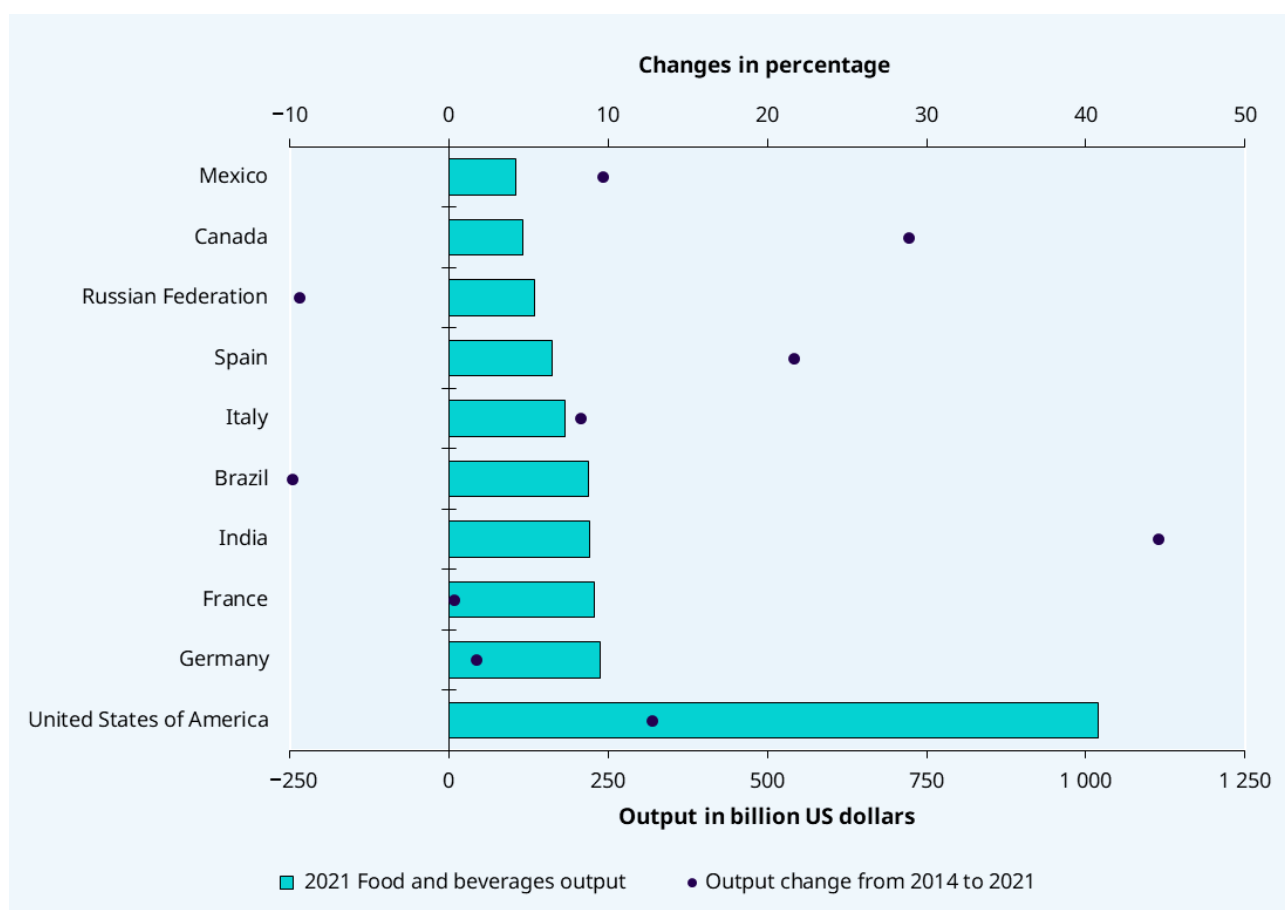
³⁶ Canada, "Overview of the Food and Beverage Processing Industry"; United States, "Food and Beverage Manufacturing"; Canadian Cattle Association, "Canadian Beef Economics".

³⁷ ILO estimates based on ILOSTAT.

nearly US\$1.019 trillion or 16.8 per cent of sales in all manufacturing plants in 2021.³⁸ The food and beverage output also exceeds US\$1 trillion in the EU, with its two largest economies, Germany and France, being among the largest global food and beverage producers. India and Brazil complete the top five. Notably, since 2014, India and Canada experienced the highest growth, at 45 per cent and 29 per cent, respectively, while Brazil and the Russian Federation saw declines of 10 per cent and 9 per cent, respectively.³⁹

29. Based on information from 60 countries with available data in the UNIDO database,⁴⁰ figure 13 shows the top food and beverage producers in 2021, along with the percentage change in the output from 2014.

► **Figure 13. Top 10 food and beverage producing countries in 2021 and percentage change from 2014**⁴¹



Source: ILO, based on UNIDO database.

³⁸ United States, USDA, "Food and Beverage Manufacturing".

³⁹ ILO estimates based on UNIDO, "Industrial Statistics (INDSTAT) Revision 4".

⁴⁰ ILO estimates based on UNIDO, "Industrial Statistics (INDSTAT) Revision 4".

⁴¹ Excluding China, for which data are not available in the UNIDO database.

30. The same countries have the largest food and beverage sectors in terms of value added, the only exception being India. The percentage changes in the sector's contribution in terms of value added from 2014 for these countries closely mirror those observed in their output.

► **Figure 14. Value added of food and beverage sector in 2021 and percentage change from 2014: Top 10 countries**

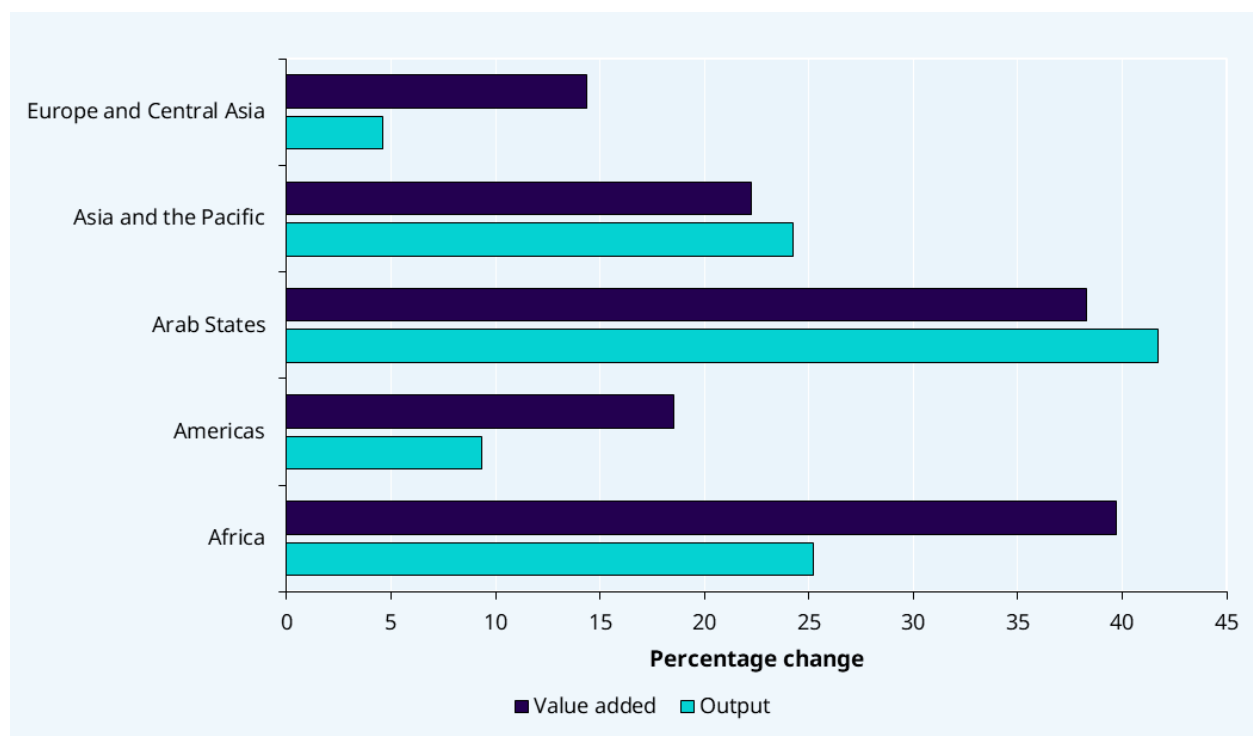


Source: ILO, based on UNIDO database.

31. As illustrated below (figure 15), notable increases in food and beverage output and value added were observed in all regions during 2014–21. The Arab States region recorded the highest output growth: four of its five top food and beverage producing countries (Saudi Arabia, United Arab Emirates, Iraq, Qatar) experienced particularly remarkable output growth, estimated at 39 per cent, 49 per cent, 194 per cent and 110 per cent, respectively.⁴²

⁴² ILO estimates, based on UNIDO, "Industrial Statistics (INDSTAT) Revision 4".

► **Figure 15. Percentage change of output and value added of food and beverage sector, by region, 2014–21**



Source: ILO, based on UNIDO database.

- 32.** As food and beverage manufacturing output and value-added data are readily available for only a few countries in Africa, it may not be possible to establish a comprehensive picture of production trends in the region. However, given the important contribution made by the wider agricultural sector to the African economy, accounting for 35 per cent of its gross domestic product (GDP) and employing the majority of its labour force, as described in section 2 above, the food and drink sector holds significant untapped potential to deliver quality jobs and support sustainable pro-poor growth for the continent's growing population, and therefore deserves particular attention. At present, the linkages between the agricultural sector and the food industry remain weak, with limited value being added on the continent. As such, raw agricultural materials constitute the bulk of Africa's exports. For example, 65 per cent of goods exported by African countries to the EU in 2021 were primary goods, including food and drink, raw materials and energy.⁴³ At the same time, about 85 per cent of the manufactured food consumed on the continent is imported from third countries.⁴⁴ The United Nations Economic Commission for Africa (ECA) estimates that Africa's annual food imports will have increased from US\$15 billion in 2018 to US\$110 billion by 2025.⁴⁵ As has been the trend over recent decades, only one fifth of African countries' food imports today originate from within the continent, with South Africa accounting for over one third of this intra-African food trade.⁴⁶ The successful implementation of the African Continental Free Trade Area (AfCFTA) agreement – adopted in 2018 to enable the free movement of goods and

⁴³ Eurostat, "Africa-EU - International Trade in Goods Statistics" 2022.

⁴⁴ Paul Akiwumi, "COVID-19: A Threat to Food Security in Africa", news item (United Nations Conference on Trade and Development (UNCTAD), 11 August 2020).

⁴⁵ ECA, *Promoting the Production and Consumption of Fertilizer and the Cross-border Fertilizer Trade in Africa*, 2021.

⁴⁶ Louise Fox and Thomas S. Jayne, "Unpacking the Misconceptions about Africa's Food Imports" (Brookings, 14 December 2020).

services across the continent and boost its trading position in the global market – could potentially increase intra-African trade by 52.3 per cent by eliminating import duties. It is estimated that intra-African trade could be doubled if non-tariff barriers were also reduced.⁴⁷ Removing trade barriers and distortions within Africa and beyond is expected to positively impact the growth of agro-processing.⁴⁸

33. Increases in food demand and its changing nature, which are driven by demographic and income changes, present challenges as well as opportunities for Africa's agri-food sector. The population of sub-Saharan Africa is currently growing three times faster than that of the rest of the world and is projected to surpass 2 billion by 2050.⁴⁹ While population growth, urbanization and climate change significantly impact food systems in other regions as well, such as in Asia, the challenge is amplified in the African context as many sub-Saharan countries have been struggling to alleviate various forms of poverty, including extreme poverty afflicting more than one third of the region's population.⁵⁰
34. At the same time, strong economic growth in most African countries since the early 2000s, although it slowed during the COVID-19 pandemic, has raised incomes and led to the expansion of the middle class. As a result, increases in food demand have been accompanied by changing consumer preferences, with diets shifting away from unprocessed staples to higher-value foods, including perishable and processed foods. This trend has stimulated the expansion of agro-processing and other downstream food supply chain segments. Strengthening the capacity of domestic agri-food enterprises to meet consumers' needs, including in terms of product quality and food safety, would further stimulate the sector's growth.⁵¹ This, in turn, will also help absorb the continent's young and growing labour force, particularly in rural areas, which despite rapid urbanization continue to be home to 55.5 per cent of Africa's population and are projected to still host 41.1 per cent of the population in 2050.⁵² Despite the substantial decrease in the percentage of the rural population relative to the total population of Africa in the past three decades, the rural population increased over that period from 374.5 million to 687 million.⁵³
35. A thriving and sustainable agricultural sector is essential for the sustainable growth of agro-processing in Africa, as it provides the raw materials crucial for the industry. Currently, the use of outdated farming practices, limited uptake of modern technologies and yield-enhancing inputs and poor soil management, among other factors, contribute to low productivity in agriculture. Coupled with poor infrastructure limiting access to markets and contributing to post-harvest losses, these factors hinder the development of downstream activities.⁵⁴ Devoting adequate resources to developing sustainable agriculture and rural economies, including by investing in

⁴⁷ AfCFTA, "Purpose of the AfCFTA".

⁴⁸ Emiko Fukasi and Will Martin, "Agro-Processing and Horticultural Exports from Africa", in *Industries without Smokestacks: Industrialization in Africa Reconsidered*, eds Richard Newfarmer, John Page and Finn Tarp (Oxford University Press, 2018), 90–112.

⁴⁹ United Nations, *World Population Prospects 2022: Summary of Results*, 2022.

⁵⁰ Samuel Kofi Tiiteh Baah and Christoph Lakner, "Fragility and Poverty in Sub-Saharan Africa: Two Sides of the same Coin", *World Bank Blogs* (blog), 15 August 2023; Andrew Dabalen, "Africa Still Can: A Call to Create More and Better Jobs to End Poverty", *World Bank Blogs* (blog), 17 October 2023; ECA, *Building Forward Better towards an Inclusive and Resilient Future*, Issues Paper, E/ECA/CSPPG/4/12, 2021; R. Andres Castaneda et al., "March 2024 Global Poverty Update from the World Bank: First Estimates of Global Poverty until 2022 from Survey Data", *World Bank Blogs* (blog), 26 March 2024.

⁵¹ Jenane, Ulimwengu and Tadesse.

⁵² UNCTAD, *Handbook of Statistics 2023*, 2023.

⁵³ InfraCo Africa, "White and Case: Africa's Agricultural Revolution: From Self-Sufficiency to Global Food Powerhouse", 10 August 2023.

⁵⁴ Joachim von Braun et al., "Empowering African Food Systems for the Future", in *Empowering African Food Systems for the Future* (AGRA, 2023), 14–26.

rural infrastructure and agricultural research and ensuring access to decent work in the sector, is critically important for advancing agro-industrial development.

36. Enhanced agro-processing would, in turn, support the expansion and diversification of the agricultural sector and contribute to the productive transformation of rural areas.⁵⁵ Additionally, it has the potential to unlock important employment opportunities, particularly for youth and women.⁵⁶ The food and beverage sector is central to strategies for promoting better incomes and livelihoods for the continent's smallholders, including by improving farm production and productivity and connecting them to markets. Facilitating a progressive shift to higher-value-added activities, including in agro-processing and food and beverage manufacturing, alongside other industries, when complemented with an enabling environment for sustainable enterprises, especially for MSMEs, will improve agricultural incomes and, through increased demand for goods and services, will support off-farm employment creation and contribute to formalization.⁵⁷
37. With its strong upstream and downstream supply-chain linkages, the food and beverage sector can therefore be an important driver of inclusive and transformative growth in Africa. In nearly all African economies, there is untapped potential for increasing production and improving productivity in the food manufacturing sector.⁵⁸ Given its labour-intensive nature, the sector also holds high employment-generating potential, both in absolute terms and compared to other sectors of manufacturing. A study focusing on agro-processing in several African countries showed that the sector exhibited high employment elasticity of output – the percentage change in the number of employed persons in an economy or sector associated with a percentage change in economic or sectoral output – from 0.55 in Ghana and 0.66 in Tunisia to 0.85 in Ethiopia.⁵⁹ Harnessing this potential would enable countries to reduce dependency on food imports, meet the food demand of a burgeoning population from local production, and generate much-needed employment opportunities.
38. Today, in many countries across the continent, agro-processing growth is constrained due to various obstacles enterprises face, including a lack of an enabling environment for sustainable enterprise development.⁶⁰ Common barriers include the cost and limited availability of quality critical inputs and technology; a lack of efficient transport and logistics services; and a lack of skilled workforce. According to World Bank enterprise surveys (for different years), the top three obstacles faced by manufacturing firms in sub-Saharan Africa are access to finance, access to energy and informality. Other important constraints that enterprises identify include high tax rates, political instability and corruption.⁶¹ MSMEs may face greater bureaucratic, legal and administrative challenges than larger farms, reportedly because policies and initiatives do not

⁵⁵ Jenane, Ulimwengu and Tadesse.

⁵⁶ John Mutenyo et al., *Work and Income for Young Men and Women in Africa: The Case of Uganda*, Working Paper GSYE-014 (African Economic Research Consortium, 2022); Anna Twum and Richard Newfarmer, "Employment Creation Potential, Labour Skills Requirements, and Skill Gaps for Young People: A Rwanda Case Study", Policy Brief (IGC Rwanda, 2021).

⁵⁷ ILO, *Report on Employment in Africa (Re-Africa): Tackling the Youth Employment Challenge*, 2020, 43.

⁵⁸ UNCTAD, *Economic Development in Africa Report 2021: Reaping the Potential Benefits of the African Continental Free Trade Area for Inclusive Growth*, 2021.

⁵⁹ Zaneta Kubik et al., *Can the Agroprocessing Sector Create Jobs in Africa? Evidence from Ethiopia, Ghana and Tunisia*, ZEF Working Paper Series, No. 215, University of Bonn, 2022.

⁶⁰ UNCTAD, *Economic Development in Africa Report 2021*, 100.

⁶¹ World Bank, "Enterprise Surveys".

always consider the needs of small enterprises, leaving them confronted with excessive regulations.⁶²

► 4. Employment creation, including skills development and lifelong learning

39. The food and beverage industry holds significant decent and green job creation potential, especially across developing countries, as demonstrated by the example of the African region in the previous section. Tapping into this potential will not only help to produce enough safe and nutritious food for the world's growing population but will also contribute to addressing other important global challenges, including poverty, inequalities, environmental degradation and climate change. At present, however, labour shortages, which have been endemic in the food and beverage manufacturing industry, particularly across advanced economies, where it has traditionally relied on migrant workers, are seen as one of the key impediments to improving productivity and growth in the sector. Agri-food enterprises worldwide face challenges in attracting and retaining qualified and skilled workers for innovation and technology adoption.⁶³ The challenge is exacerbated by the structural and decent work challenges facing the sector that limit incentives for skilled workers, including the often physically demanding and repetitive nature of work, difficult working conditions, low pay and a lack of career opportunities.⁶⁴ In advanced economies, labour shortages in the sector also stem from relatively low unemployment rates and an ageing population. The COVID-19 pandemic had disruptive repercussions on the labour market, further exacerbating the situation.⁶⁵
40. Labour shortages are driving increased interest in labour-saving technologies, including digital technologies, whose development and uptake are particularly prominent in countries with well-developed and competitive agri-food sectors, such as the Netherlands, the United States, China and Japan.⁶⁶ While new technologies can help companies address labour shortages, improve their products and production processes, and increase transparency across their operations, fuelling productivity growth and sustainability through efficiency gains, they also transform the nature of work in the sector. New technologies have the potential to make workplaces safer, relieving workers from dangerous or monotonous tasks. However, the changing nature of these tasks impacts the skill requirements of the workforce. In this context, effective and inclusive skills and lifelong learning systems, encompassing robust skills needs anticipation systems and skilling, reskilling and upskilling programmes, which promote the responsiveness of skills supply to the current and future needs of the food and beverage industry, including equal access to the acquisition of green skills, are at the heart of the future of work in the sector. The active involvement of employers and workers' organizations in skills systems at national, sectoral, enterprise and institutional levels is essential to ensure the relevance and quality of training

⁶² Randy Kwaku Amponsah, Samuel Antwi and Xu Hui, "Unlocking Opportunities in Agro- Industrialization and Agro-Processing for Inclusive Growth in Ghana", *Cognizance Journal of Multidisciplinary Studies* 4/101, No.1 (2024): 357–395.

⁶³ European Training Foundation and European Bank for Reconstruction and Development, *Inclusive Skills for Innovative Enterprise Development in the Aftermath of COVID-19 in the AgriBusiness Sector*, 2021.

⁶⁴ Letizia Palumbo, Alessandra Corrado and Anna Triandafyllidou, "Migrant Labour in the Agri-Food System in Europe: Unpacking the Social and Legal Factors of Exploitation". *European Journal of Migration and Law* 24 (2022): 179–192.

⁶⁵ United Kingdom, Food Standards Agency, "Impact of Labour Shortages: Labour Shortages in UK Food Systems".

⁶⁶ Organisation for Economic Co-operation and Development (OECD), *Innovation, Productivity and Sustainability in Food and Agriculture: Main Findings from Country Reviews and Policy Lessons*, 2019.

programmes and their effectiveness in minimizing skills mismatch. For example, the important role of social partners' engagement in implementing quality apprenticeships was outlined in the recently adopted Quality Apprenticeships Recommendation, 2023 (No. 208).

41. As for other sectors, the roll-out of new technologies in food and beverage manufacturing has hitherto been uneven, with lower adoption rates in low-income countries and among smaller producers and enterprises that tend to lag behind large companies.⁶⁷ The structure and characteristics of the sector, particularly the prevalence of informality and MSMEs operating in low productivity and low investment environments, limit quality job creation and innovation-based transformation – and therefore demand for skilled workers – to larger enterprises.⁶⁸ As climate-friendly technologies proliferate, many enterprises, especially MSMEs, face new barriers to accessing such technologies and pursuing innovation. The challenges associated with technological adoption and use affect most low-income countries, particularly in Africa. A study based on a survey of hundreds of formal enterprises in the food and beverage sector in South Africa, Kenya, Nigeria and Ethiopia found that all companies used power-driven machinery, and approximately half of them employed automation technologies. Several factors such as labour costs, skills, infrastructure and access to machines and spare parts impacted the degree of mechanization and automation in these enterprises.⁶⁹ However, the microenterprises and small enterprises that dominate food processing, many of which are informal, often rely on simple and locally manufactured technology, having gradually moved from traditional to semi-mechanized and then fully mechanized methods.⁷⁰
42. At present, most agri-food workers, including those in processing, are in unskilled or low-skilled jobs.⁷¹ Studies of the food and beverage sector suggest that this is likely to be the case for both low- and high-income economies. For example, in the United Kingdom of Great Britain and Northern Ireland, only one third of food and drink manufacturing jobs are skilled or high-skilled jobs requiring a degree or experience.⁷² A study of the formal food and beverage manufacturing sector in several African countries found that around half of the employees perform low-skilled work, with the remainder equally spread between medium- and high-skilled jobs.⁷³ According to a training needs assessment in Bangladesh's food-processing industry, skilled jobs requiring education or experience account for 30 per cent of jobs. In acknowledging the importance of enhancing workers' skills to boost productivity and efficiency, the factories surveyed highlighted the importance of addressing the skill gaps in the areas of food safety, good manufacturing practices, quality management systems, occupational safety and health (OSH), and production risk assessment.⁷⁴

⁶⁷ European Training Foundation and the European Bank for Reconstruction and Development; World Bank, *Future of Food: Harnessing Digital Technologies to Improve Food System Outcomes*, 2019; FAO, *The State of Food Security and Nutrition in the World 2023: Urbanization, Agrifood Systems Transformation and Healthy Diets Across the Rural-Urban Continuum*, 2023; OECD, *Key Issues for Digital Transformation in the G20*, 2017; Robert Eller et al., "Antecedents, Consequences, and Challenges of Small and Medium-Sized Enterprise Digitalization", *Journal of Business Research* 112 (2020): 119–127.

⁶⁸ European Training Foundation and the European Bank for Reconstruction and Development.

⁶⁹ Heike Baumüller, Zaneta Kubik and Tigabu D. Getahun, *Mechanization and Automation in Africa's Agroprocessing Sector: Implications for Employment Skill Needs*, Working Paper 222, University of Bonn, 2023.

⁷⁰ Nkechi S. Owoo and Monica P. Lambon-Quayefio, "The Agro-Processing Industry and its Potential for Structural Transformation of the Ghanaian Economy", in *Newfarmer*, Page and Tarp, 191–212.

⁷¹ Swiss Foundation for Technical Cooperation (Swisscontact), "Changing Demands for Skills in the Agro-Processing Industry: BYETS Findings"; Mutenyo et al.; Twum and Newfarmer.

⁷² United Kingdom, Food Standards Agency.

⁷³ Baumüller, Kubik and Getahun.

⁷⁴ Swisscontact.

43. In most countries, the lack of a suitably skilled workforce is seen as a key constraint to the growth of the industry, even though the situation varies across countries. A skills assessment of Ethiopia's agro-processing industry conducted by the ILO identified various contributing factors, including a lack of technical and vocational education and training (TVET) programmes delivering technical and other skills required by the agro-processing industry; poorly qualified training staff; the use of outdated equipment and technology in educational establishments; the absence of an adequate system of internships and apprenticeships that could effectively support work-based learning; and lack of the industry's involvement in the development of the curriculum and occupational standards, resulting in a mismatch between actual skills demands and supply.⁷⁵ A similar situation can be observed in other countries of the continent and beyond.⁷⁶ In Rwanda, agro-processing companies note the gap in core skills, including adaptability, relationship-building, organizing and planning, digital literacy, management, and entrepreneurial skills in addition to industry-specific technical skills, such as quality control or machine operation and maintenance.⁷⁷ Industry-specific knowledge and core skills have also been identified as gaps in South Africa's food and beverage sector.⁷⁸ In Jordan, inadequate management practices and a lack of motivation among employees resulted in high labour turnover, discouraging firms from investing in training.⁷⁹ The wider agri-food sector is reported to face important core and technical competency skill gaps across many Organisation for Economic Co-operation and Development (OECD) countries. According to the OECD, it has the highest rate of skills mismatches and the problem is projected to worsen in the future.⁸⁰
44. As the food and beverage sector undergoes digitalization and automation, there is an increasing need for workers to assume knowledge-based production roles rather than to do traditional manual work. The skilling, reskilling and upskilling of workers are therefore crucial to safeguard the sector's sustainability and growth, with decent work at its core.⁸¹ In this context, there is a need to establish sector-specific policies and measures to support businesses to move into higher-productivity operations and formalize, including by improving their access to knowledge, technology and finance; strengthening their capacity for innovation and the ability to comply with relevant environmental, labour, quality and food safety standards; and investing in infrastructure. Skills development initiatives to address the skills needs of the agro-processing industry, including its various subsectors, should be developed and implemented with the active involvement of the social partners and should be at the centre of such policies.

► Skills for trade and economic diversification

To provide strategic guidance and support tripartite constituents in integrating skills development in sectoral policies, the ILO developed the Skills for Trade and Economic Diversification (STED) approach to support growth and decent employment creation in sectors that have the potential to increase exports and to contribute to economic diversification. The approach, which combines an analysis of current skills supply and demand to give an outlook on existing and future skills shortages, was used to conduct skills

⁷⁵ ILO, *Rapid Skills Assessment of the Agro-Processing Industry during the COVID-19 Pandemic – Ethiopia*, 2021.

⁷⁶ European Training Foundation and the European Bank for Reconstruction and Development.

⁷⁷ Private Sector Federation of Rwanda, *Sector Specific Skill Needs Assessment. Agro-Processing*, November 2021.

⁷⁸ South Africa, *Food and Beverages Manufacturing SETA (FoodBev SETA): Final Sector Skills Plan*, 2019.

⁷⁹ Cornelius Gregg, Mohamed Nayef and Bolormaa Tumurchudur, *Skills for Trade and Economic Diversification (STED): Food Processing and Beverage Sector – Jordan* (ILO, 2015).

⁸⁰ Michael Ryan, *Labour and Skills Shortages in the Agro-Food Sector*, OECD Food, Agriculture and Fisheries Paper No. 189, 2019.

⁸¹ European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and FoodDrink Europe, *New Professions and Career Paths in the Food and Drink Industry: Delivering High-Level Food Industry Skills in the Digital Economy*, 2023.

needs assessment and anticipation in the food and beverage sector in Bangladesh, Cambodia, Egypt, Ethiopia, Ghana, Jordan, Malawi, North Macedonia and Tunisia. With major differences in products, production processes, market and skills requirements, it highlights the importance of skills needs analysis at the subsector level. *

* ILO, “Skills for Trade and Economic Diversification (STED)”.

45. Targeted strategies and measures to support skills development in the sector have been implemented in many countries. For example, in the EU, with support from the European Commission, the agricultural and food industry has launched a skills partnership under the EU Pact for Skills bringing together multiple stakeholders including EU social partners.⁸² In many countries, such targeted strategies also often include the introduction of institutional structures, such as sectoral skills councils, which facilitate collaboration and coordination between public and private actors in the development of national skills frameworks for agribusiness. As is the case in Georgia and Serbia,⁸³ such councils are often composed of representatives of government, employers and workers’ organizations, educational institutions, and the private sector, and they play a broader coordinating role, including developing sectoral skills strategies, monitoring skills shortages, supporting quality-assurance processes, developing and delivering TVET programmes, and establishing qualifications and apprenticeship standards.⁸⁴ Establishing a direct connection between training institutions and labour market opportunities through strong partnerships and the active participation of employers in such initiatives is critical to ensure that the skills of agri-food professionals respond to labour market needs.⁸⁵ In this context, the important role that MNEs can play in the promotion of skill formation, lifelong learning and development as well as providing vocational guidance deserves attention.
46. Skills development and lifelong learning often constitute a critical part of the integrated sectoral initiatives launched by countries in support of the agro-processing industry. One example of such initiatives is the establishment of special industrial areas dedicated to agro-processing, such as agro-industrial parks and agri-clusters, which can be an effective tool for attracting much-needed investments to support value addition and job creation, enhance production capabilities and technological change, facilitate market access and increase exports and tax revenues.⁸⁶ Often set in rural or peri-urban areas, agro-industrial parks contribute to rural economy development and structural transformation. In addition to ensuring a reliable supply-chain infrastructure, including roads, warehouses and cold storage facilities, they provide essential supporting services, such as waste management, logistics, finance and information and management services, as well as services specific to the industry, including laboratory testing, certification and research and development. By enabling the clustering of enterprises, agro-industrial parks have the potential to strengthen forward and backward linkages by facilitating access to service providers, buyers and skilled workforce and supporting innovation through technology transfer to farmers and domestic enterprises, including across the supply chain. They can be particularly beneficial to

⁸² European Commission, “[Commission Supports Creation of Skills Partnership in Agri-Food Ecosystem](#)”, news item, 18 February 2022.

⁸³ European Training Foundation and the European Bank for Reconstruction and Development; depending on the country, such institutional structures may be called sectoral skills councils, sector skills bodies or industry skills councils.

⁸⁴ European Training Foundation and the European Bank for Reconstruction and Development.

⁸⁵ Oliver K. Kirui, “Policies and Investments to Support the Development of Technical Skills, Leadership, and Management in Agrifood Enterprises”, in Jenane, Ulimwengu and Tadesse, 110–112.

⁸⁶ Chakib Jenane and John M. Ulimwengu, “Agro-Parks as Drivers of the African Food Processing Sector: Review of Conditions for Success”, in Jenane, Ulimwengu and Tadesse, 92–106.

MSMEs, which prevail in the sector but tend to face significant financial and human capital constraints that hinder their capacity to improve business practices, innovate and upgrade their operations in order to enhance their productivity and access to new markets.⁸⁷

47. Agro-industrial parks (or similar establishments) have emerged in recent decades in many countries, although they have produced mixed results in their impact on economic and social development. In South-East Asia, agro-industrial parks exist in China, Thailand and Viet Nam and other countries. They are also common in the Americas, including Brazil, Canada, Peru and the United States. Some 22 parks have been established in India as part of the Mega Food Park programme. Denmark's Agro Food Park in Aarhus and the Netherlands' Greenport Venlo Park are examples of such initiatives in Europe.⁸⁸
48. Although agro-industrial parks represent a relatively new trend in Africa, their emergence across the continent in recent years signifies the importance that African countries attach to this concept as a tool for transforming Africa's agriculture into a high-value-added thriving industry. Agro-industrial parks have been set up in Gabon, Kenya, Madagascar and Morocco, among others. To boost the AfCFTA, in 2019, the African Union, in the framework of its Agenda 2063 and the Comprehensive African Agricultural Development Programme, adopted the Common African Agro-Parks initiative aimed at attracting private investments in establishing transboundary large-scale agro-industrial hubs on the continent. One of the specific objectives of the initiative is to generate employment opportunities in the agri-food system for at least 30 per cent of Africa's youth. A new private sector-focused Alliance for Special Agro-Industrial Processing Zones was launched in 2023 by the African Development Bank, the African Export-Import Bank, ARISE Integrated Industrial Platforms, the Islamic Development Bank and the UNIDO. To bridge the financing gap and complement existing initiatives promoting value addition on the continent, the Alliance announced US\$3 billion in new investment to support the transformation of Africa's underdeveloped rural areas into agro-industrial corridors of prosperity.⁸⁹
49. To harness the agri-food sector's potential and accelerate the economic transformation, the Ethiopian Government has embarked on a policy to establish integrated agro-processing industrial parks (IAIPs). Closely connected to IAIPs are rural transformation centres, which collect and aggregate agricultural raw materials and provide training and other services to farmers and rural communities. IAIPs are expected to attract about 400 local and foreign firms, thereby directly creating job opportunities for more than 16,000 people and indirectly contributing to creating job opportunities for 3 million skilled and low-skilled workers across other agri-food supply chain segments.⁹⁰ Skills training provided by IAIP-based companies is expected to not only strengthen the skills of their workers but also increase the skills pool available to the agro-processing industry in general. Technology transfer to local enterprises linked with these companies should boost the productivity and competitiveness of the industry as a whole. The Ethiopian Government has taken other important steps to create an enabling environment for the sector's growth, including by revising investment legislation to improve the investment climate.⁹¹
50. Initiatives to put in place dedicated sectoral strategies, including for specific commodities, and investment-friendly environments are being undertaken in other countries in Africa. For example,

⁸⁷ Jenane and Ulimwengu.

⁸⁸ Jenane and Ulimwengu.

⁸⁹ African Development Bank Group (AfDB), "New Alliance for Special Agro-Industrial Processing Zones commits \$3 bn investment to boost African agriculture and food production", news item, 9 November 2023.

⁹⁰ ILO, *STED Strategic Skills Recommendations for the Agro-Processing Industry in Ethiopia*, 2022.

⁹¹ ILO, *STED Strategic Skills Recommendations for the Agro-Processing Industry in Ethiopia*.

the world's largest cashew nut producer, Cote d'Ivoire, formulated a clear strategy to build its domestic processing capacity and export of processed cashews. This included the establishment of the Cotton and Cashew Council to promote and regulate the development of the sector, as well as the Centre for Cashew Innovation and Technology to support companies in raw cashew nut processing. Four industrial parks with large-scale processing capacity have been established, with support from the World Bank. To upgrade skills across the supply chain, the Government invested in vocational training centres. It also took steps to improve investor incentives by offering time-limited exemptions from customs duties, corporate taxes and VAT on imported processing equipment.⁹²

51. In South Africa, the Government and social partners were joined by other key stakeholders to formulate the Agriculture and Agro-processing Masterplan as a sectoral growth strategy aimed at coordinating and guiding investment, infrastructure and programmatic interventions in the agri-food sector. The overall objective is to accelerate the sustainable transformation of the sector, including by enhancing decent employment and entrepreneurship opportunities through technological innovation and innovative financing models, improving access to local and export markets, and promoting the sustainable management of natural resources.⁹³ Among other areas, the masterplan identifies interventions for employment creation and skills development for increased productivity and addresses the need to enhance compliance with labour laws and to improve the social and labour protection of workers on farms and in agro-processing. A sector skills plan has also been developed for the food and beverage sector.⁹⁴ The importance of investing in skills for increased productivity and worker development is also addressed in strategies for individual commodities such as poultry and sugar. To stimulate investment in agro-processing and agribusiness enterprises, the Government also put in place a support scheme for potential investors, requiring them to demonstrate each project's impact on employment, its use of modern machinery and equipment, its competitiveness and its productivity improvement.⁹⁵
52. Earlier studies on decent work outcomes in export processing zones, which share characteristics with industrial parks, show that while helping enterprises innovate and drive economic progress, incentives to attract investment can impact workers' rights and welfare, particularly in cases in which labour legislation, monitoring and inspection do not ensure adequate protection.⁹⁶ Government policies regulating such establishments should therefore ensure that workers' rights are protected and that, at a minimum, the fundamental principles and rights at work are not compromised in any policy or strategy put in place to attract investors. The labour law provisions must apply equally to all workers and workplaces, including those in the informal economy, the rural economy and agriculture, as well as special industrial zones.⁹⁷ Effective labour administration and inspection are crucial for promoting and enforcing decent working conditions and respect for fundamental principles and rights at work.

⁹² Daouda Yao and Liz Kirk, "Africa's Lack of Food Processing Capacity is a Missed Economic Opportunity", *African Business*, 14 July 2023; Centre for the Promotion of Imports from developing countries (CBI), "CBI Helps Côte d'Ivoire Become World's Second-Largest Cashew Kernel Exporter", news item, 15 February 2024.

⁹³ South Africa, Department of Agriculture, "Agriculture and Agro-Processing Masterplan: 'Social Compact'", May 2022.

⁹⁴ South Africa, *Food and Beverages Manufacturing SETA (FoodBev SETA): Final Sector Skills Plan*.

⁹⁵ South Africa, Department of Trade, Industry and Competition, "Agro-Processing Support Scheme".

⁹⁶ ILO, *Promoting Decent Work and Protecting Fundamental Principles and Rights at Work in Export Processing Zones*, MEWEPZ/2017, 2017; ILO, *Conclusions to promote decent work and protection of fundamental principles and rights at work for workers in EPZs*, MEWEPZ/2017/2, 2017.

⁹⁷ ILO, *Resolution and conclusions on labour administration and labour inspection*, International Labour Conference, 100th Session, 2011.

► 5. Labour and social protection

Improving conditions of work and ensuring equality and non-discrimination

53. The COVID-19 pandemic, which saw frequent virus outbreaks in food processing plants worldwide, exposed and exacerbated employment and labour-related challenges in the agri-food sector. It also brought unprecedented attention to the conditions of food production and generated political will to improve the work and living conditions of agri-food workers. The impacts of climate change serve as an additional stressor on the conditions of work and have major implications for productivity. For instance, heat stress is projected to reduce total working hours worldwide by 2.2 per cent and global GDP by US\$2,400 billion in 2030.⁹⁸
54. In recent decades, globalization and vertical integration within food chains spurred a structural shift from small-scale to consolidated large-scale production for competitiveness, driven by efficiency and economy-of-scale considerations, which resulted in an increasing demand for workers on production lines for standardized routine tasks. In advanced and emerging economies, structural transformation, demographic shifts and other changes in the wider economy and society have often rendered employment in the agri-food and other labour-intensive industries unattractive to local workers, who opt for more secure, higher-skilled jobs in other sectors. For example, in the past two decades, the national workforce in agriculture and the food industry in the EU countries has largely been replaced by migrant workers.⁹⁹ In the United States, a significant 62.8 per cent of all meat, poultry and fish-processing workers are migrants, with the share of foreign-born workers among hand-packers and packagers and all other food-processing workers standing at 48.1 and 47.5 per cent, respectively. Intra-regional labour migration within Africa is also common and mainly characterized by the migration of low-skilled workers, often linked to agri-food production. For example, in recent years, South Africa has witnessed a regular flow of labour migration from neighbouring countries that seek opportunities in different sectors, including agriculture and manufacturing.¹⁰⁰ Migrant workers represent a significant share of the food and beverage industry workforce in many countries and in specific subsectors, such as meat processing in Australia and the United Kingdom or fish and seafood processing in Norway, Iceland and Thailand.¹⁰¹
55. Migrant workers' disproportional weight in the food industry is characterized by the challenges they face in exercising their rights. The informal or temporary work arrangements in which they are often engaged, language barriers and their limited participation in union activity render migrant workers less likely to effectively challenge the terms and conditions of employment. Moreover, their "dual frame of reference" (whereby they compare opportunities and conditions in their home countries and the limited options in the host-country labour market) makes them

⁹⁸ ILO, *Working on a Warmer Planet: The Impact of Heat Stress on Labour Productivity and Decent Work*, 2019.

⁹⁹ International Organization for Migration (IOM), *Mapping Risks to Migrant Workers in Supply Chains in Europe: Case Studies and Best Practices from the Agriculture, Food-Processing, Manufacturing and Hospitality Sectors*, 2022.

¹⁰⁰ South Africa, Statistics South Africa, *Migration Profile Report for South Africa: A Country Profile 2023*, 2024.

¹⁰¹ British Meat Processors Association, "Labour in the Meat Industry", June 2020; Rachel Gjelsvik Tiller et al., "Work Segmentation in the Norwegian Salmon Industry: The Application of Segmented Labor Market Theory to Work Migrants on the Island Community of Frøya, Norway", *Marine Policy* 51 (2015): 563–572; Jonathan Wong, "Meat Processing Labour" (Australia, Department of Agriculture, Fisheries and Forestry).

more willing to take on low-skill, physically demanding and poorly remunerated jobs.¹⁰² In some countries, a deterioration in labour practices was underpinned by the wide use of subcontracting and recruitment agencies, which allowed some companies to circumvent their responsibilities under national law, as described below.

56. The COVID-19 crisis, which underscored the essential role of agri-food workers and exposed supply chain bottlenecks, prompted important legal and policy changes towards improved working conditions and access to rights in the sector.
57. The EU meat industry, which is a source of employment for nearly 1 million people, including a significant share of migrant workers, illustrates this point. Multiple COVID-19 outbreaks in major meat-producing countries in Europe and beyond, including in Argentina, Australia, Brazil, Canada, the United Kingdom and the United States, drew public attention to the question of conditions of work in the sector. In Germany, Europe's largest meat producer, migrant workers, who represent 60.5 per cent of the sector's 160,000-strong workforce, were until recently largely employed through subcontractors who were located in their home country, and they could not enjoy the robust labour protection afforded to locally employed workers. Given that service contracts, as practised in the German meat industry, placed the responsibility for managing pay, working time and other conditions of employment solely on the subcontracting agency, meat-processing companies were released from any liability for labour rights violations.¹⁰³ The availability of a low-cost workforce enabled the German meat industry to increase its competitive advantage over its counterparts in other countries. Reports of substandard working conditions in meat processing had come to public attention long before the COVID-19 pandemic and referred to low wages, excessive and unpaid overtime, unjust deductions for living and travel costs, lack of social security, inadequate accommodation facilities, and violence and harassment.¹⁰⁴ Already in 2015, the Food, Beverages and Catering Union of Germany (NGG), representing workers in the food and beverage sector, and the country's six largest meat companies had attempted to improve labour and social standards, especially for migrant workers, through a voluntary agreement.¹⁰⁵ However, with the continued use of subcontracting, practised at that time through agencies based in Germany, reports of the use of exploitative labour practices persisted. The breakthrough occurred in December 2020, when the Bundestag passed the Occupational Health and Safety Inspection Act, which banned subcontracting for core areas of the industry and limited temporary agency work, and also introduced a digital working-time recording system and a minimum workplace inspection rate.¹⁰⁶ The new legislation led to important improvements, including the direct hire of 35,000 formerly subcontracted workers and the disappearance of service companies. In May 2021, the social partners also signed a nationwide collective agreement on an industry-specific minimum wage, which was to be implemented in several stages, achieving an almost 30 per cent increase by December 2023 over the initial statutory minimum wage of €9.50.¹⁰⁷ Although challenges remain, the legislation represents a key policy reform with a strong potential to

¹⁰² Johan Fredrik Rye and Sam Scott, "International Labour Migration and Food Production in Rural Europe: A Review of the Evidence", *Sociologia Ruralis* 58, No. 4 (2018): 928–952; Jon H. Friberg and Arnfinn H. Midtbøen, "Ethnicity as Skill: Immigrant Employment Hierarchies in Norwegian Low-Wage Labour Markets", *Journal of Ethnic and Migration Studies* 44, No. 9 (2018): 1463–1478.

¹⁰³ ILO, "COVID-19 and its Impact on Working Conditions in the Meat Processing Sector", ILO Sectoral Brief, January 2021.

¹⁰⁴ Institute for Social Research, "Changing Regulations, Changing Practices? The Case of the German Meat Industry", 2017, 5–6.

¹⁰⁵ Bethany Staunton, "Change a Long Time Coming for Subcontracted Slaughterhouse Workers", *HesaMag* 23, Spring 2021; Eurofound, "Stricter Regulations for the Meat Industry", 2021.

¹⁰⁶ Jan Schneider and Malte Götte, "Meat Plants and Strawberry Fields Forever? Precarious Migrant Labour in the German Agri-Food Sector before and after COVID-19", *European Journal of Migration and Law* 24 (2022): 265–286.

¹⁰⁷ "Hard Fought!", NGG, 1 June 2021.

sustainably improve work conditions and access to rights in the sector.¹⁰⁸ The commitment of the social partners has been key in pushing these reforms and the new law is being cited as a model for establishing new binding measures in other major meat-producing countries at the EU level and beyond, including in the United States.¹⁰⁹

58. In the Netherlands, the EU's largest meat exporter, approximately 90 per cent of production floor workers are EU mobile workers, primarily from Central and Eastern Europe.¹¹⁰ Most of them are employed through specialized temporary agency firms that recruit workers specifically for the meat industry, and their terms and conditions of employment are governed by the collective agreement for the meat sector.¹¹¹ Although concerns regarding the conditions of work of EU mobile workers in the Dutch meat-processing industry were raised more than a decade ago, a concerted government response was initiated following COVID-19 outbreaks in meat plants. This response centred on improving information on migrant workers in the sector, strengthening social dialogue mechanisms, enhancing enforcement capacity and introducing new housing legislation. The Migrant Workers Protection Task Force, set up by the Government, made important recommendations to reduce EU mobile workers' dependency on recruitment agencies, including through the development of a new public-private certification scheme for recruitment agencies, improved worker registration methods and the dissociating of employment and housing contracts. A new collective agreement concluded in 2022 represented an important step towards enhanced protection of EU mobile workers,¹¹² although challenges reportedly remain due to loopholes that allow for its circumvention.¹¹³ The effective monitoring of compliance is constrained due to low unionization rates among migrant workers and the dependence of unions on permission from factory management to enter meat plants.¹¹⁴ While meat-processing and other food-processing workers remain vulnerable to unfair labour practices, including those related to subcontracting, in other countries in Europe and other regions,¹¹⁵ there are also some promising practices.
59. In the Nordic countries, the situation in the sector is shaped by the characteristics of the labour market model based on the dominance of self-regulation (through collective bargaining), which requires a high rate of unionization and a high density of employers' organizations.¹¹⁶ For instance, meat industry workers in Denmark, including migrants, are covered by the sector-wide

¹⁰⁸ EFFAT, "The Reorganization of the German Meat Industry since the Labour Protection Control Law", 2023.

¹⁰⁹ EFFAT; Human Rights Watch, "Germany to Protect Meatpacking Workers Better: US Should Emulate Germany's Workers-First Response", 2020.

¹¹⁰ Lisa Berntsen et al., "State of Care for EU Mobile Workers' Rights in the Dutch Meat Sector in Times of, and Beyond, COVID-19", *International Journal of Sociology and Social Policy* 43, No. 3/4 (2023): 356–369.

¹¹¹ Berntsen et al.

¹¹² Voedingsindustrie, "Two-year Contract Deal for Dutch Meat Sector", 30 May 2022.

¹¹³ "German-Dutch Border: Media Reports Describe Exploitative Living and Working Conditions Experienced by Migrant Workers in the Meat Processing Industry", Business and Human Rights Resource Centre, 18 April 2023; Netherlands, Advisory Council on Migration, "Summary. Third-Class Citizens by Posting Practices: The Risks for Posted Labour Migrants and Dutch Society", 14 March 2024; European Labour Authority, "Labour Exploitation in the Meat Industry Revealed in Cross-Border Inspections", 2 December 2022.

¹¹⁴ Berntsen et al.

¹¹⁵ Piera Campanella and Davide Dazzi, eds, *Meat-Up Ffire: Fairness, Freedom and Industrial Relations Across Europe – Up and Down the Meat Value Chain* (FrancoAngeli, 2020); Ella McSweeney and Holly Young, "The Invisible Migrant Workers Propping Up Ireland's €4 bn Meat Industry", *The Guardian*, 28 September 2021; Migrant Rights Centre Ireland, *Working to the Bone: The Experiences of Migrant Workers in the Meat Sector in Ireland*, 30 November 2020; Aidan Fortune, "Irish Police Raid Meat Processing Plant in Immigration Investigation", *Food Navigator Europe*, 18 February 2020.

¹¹⁶ Anders Kjellberg, *The Nordic Model of Industrial Relations: Comparing Denmark, Finland, Norway and Sweden – New Trends and Challenges in Nordic Industrial Relations* (Lund University, 2023).

collective agreement, which helped to withstand tendencies towards segmentation,¹¹⁷ although the industry was not unaffected by the industry developments in neighbouring countries.¹¹⁸ The sector-wide application of collective agreements also serves as an effective tool for ensuring the equality of treatment in terms of pay and other employment conditions for all workers, including temporary and posted workers, in Norway's fish-processing industry. This approach has been commended by employers as helping to prevent unfair competition in the wider labour market, ensuring a level playing field and strengthening the reputation of the industry.¹¹⁹ Despite generally high levels of compliance, workplace inspections by "A-crime" centres – established by the Norwegian Government in 2015 to facilitate the joint work of the Labour Inspection Authority, the Labour and Welfare Administration, police and tax authorities –¹²⁰ have uncovered violations of state regulations and collective agreements, ranging from minor deficiencies to more substantial violations, including forced settlement with excessively high rents and illegal housing; payment below the collectively agreed rate; excessive working hours without overtime pay; lack of reporting of occupational accidents; and so on.¹²¹

60. In developing countries, stark differences in terms of working conditions and access to rights in the sector may be observed between formal larger enterprises, especially those that produce for export, and smaller businesses, particularly those that operate informally.
61. Several studies have highlighted the decent work challenges in India's shrimp production, in both formal and informal settings,¹²² which impact an estimated 1.2 million families who directly and indirectly depend on it for income. Such challenges reportedly include low wages that risk entrapping workers in debt bondage; excessive working hours without overtime pay and leave; restrictions of movement through guarded and overcrowded company housing; and discrimination and harassment.¹²³
62. Arduous working conditions and limited access to rights are also endured by seafood-processing workers in many other countries in Asia,¹²⁴ the region which is home to 95 per cent of all aquacultural production worldwide. A recent study of Indonesia's shrimp processing found that due to the widespread use of informal employment arrangements and short-term contracts on a rolling basis, workers were not able to benefit from the protections and entitlements that are afforded to permanent staff. The lack of access to health and employment injury insurance and

¹¹⁷ Bjarke Refslund and Ines Wagner, "Cutting to the Bone: Workers' Solidarity in the Danish-German Slaughterhouse Industry", in *Reconstructing Solidarity: Labour Unions, Precarious Work, and the Politics of Institutional Change in Europe*, eds V. Doellgast, N. Lillie and V. Pulignano (Oxford University Press, 2023), 67–82.

¹¹⁸ Ann Reus, "Pork Producer Danish Crown to Cut 350 Jobs", *Feed Strategy*, 16 September 2022; Simon Harvey, "Skare Meat Packers 'Files for Bankruptcy as Staff Told to Stay Home'", *Just Food*, 2 February 2023; Vicky Lewis, "800 Jobs at Risk after Danish Crown Restructure", *Pig World*, 24 April 2023.

¹¹⁹ Brian Kuns et al., "From Panic to Business as Usual: What Coronavirus Has Revealed about Migrant Labour, Agri-Food Systems and Industrial Relations in the Nordic Countries", *Sociologia Ruralis* 63, No. 4 (2023): 907–927; Anne Mette Ødegård, "Labour Migration to Norway", *Friedrich Ebert Stiftung*, 16 October 2020.

¹²⁰ Björn Lindahl, "Renewed Drive to Fight Work-Related Crime in the Nordics", *Nordic Labour Journal*, 25 March 2022.

¹²¹ Edgar Henriksen, "Tilgang på arbeidskraft til fiskeindustrien med og uten EØS-avtalen", in *Sjømatnæringen og Europa: EØS og alternativene*, Universitetsforlaget, eds Arne Melchior and Frode Nilssen (Universitetsforlaget, 2020): 213–231.

¹²² Martha Mendoza, Mahesh Kumar and Piyush Nagpal, "AP Finds Grueling Conditions in Indian Shrimp Industry that Report Calls 'Dangerous and Abusive'", *AP News*, 20 March 2024; ILO, *Value Chain Analysis of the Food Processing Sector in Andhra Pradesh and Odisha*, 2023; Raju J. Das, *Critical Reflections on Economy and Politics in India: A Class Theory Perspective* (Brill, 2020); Humanity United, *Exploitative Labor Practices in the Global Shrimp Industry* (MotherJones.com, 2013), 78.

¹²³ Corporate Accountability Lab, *Hidden Harvest: Human Rights and Environmental Abuses in India's Shrimp Industry*, March 2024; Mendoza, Kumar and Nagpal.

¹²⁴ Oxfam International, "Behind the Seafood in our Markets: Stories of Human Suffering".

protection was of particular concern, given the strenuous work and poor safety and health practices.¹²⁵

63. The availability of up-to-date information on the production and employment trends in the specific subsectors of the food industry and in-depth knowledge about the structural features that impact labour practices, including the impact of accelerating efforts on a green transition and the ongoing digitalization, are essential for the formulation of policies and measures that could effectively address the challenges facing workers and enterprises in the sector.
64. Some modern technologies, such as algorithmic management systems, can have important effects on work organization, job quality and industrial relations. While algorithmic management can increase efficiency, productivity and service quality, it may pose workplace risks related to worker monitoring and surveillance and job quality, particularly in the absence of robust regulatory safeguards. Establishing a regulatory framework to guide and regulate the scope of use of such technology and ensure genuine and effective dialogue on the use of technology in the workplace, with the participation of adequately trained worker representatives, would be essential to ensure the effective protection of workers.¹²⁶ In addition to potentially posing risks to workplace safety and health and the right to organize or leading to loss of autonomy and privacy due to the types of data monitored or processed, data-driven technologies may disproportionately impact the categories of workers who fall outside the protective scope of labour legislation or are particularly vulnerable to socio-economic risks.¹²⁷ They may also not take into account the implications of climate change and environmental impacts and aspects such as heat stress, thereby posing further challenges related to working conditions. Considering that these technologies may not always be backed by solid scientific research or be adequately tested not only exacerbates the potential of their harmful impact on workers but may also lead to inadequate management decisions, because such monitoring systems capture only a partial picture of a given event or set of actions.¹²⁸ With strong worker protections in place, new technology can be leveraged to create a vibrant and productive economy that is built on safe, equitable and discrimination-free workplaces.

Freedom of association and collective bargaining

65. In view of the legislative and implementation gaps that exist in many countries, agri-food workers face barriers in exercising their right to organize and bargain collectively. Only 9 per cent of workers in food systems belong to a trade union, significantly below the average of 17.6 per cent for all employees.¹²⁹ Although the challenge is especially pronounced in agricultural production, in which unionization rates remain particularly low, union density typically remains low in food and beverage manufacturing as well. For instance, in the United States in 2018, only 8.6 per cent of manufacturing workers were members of a union, compared to 11.3 per cent of workers across all sectors.¹³⁰ A recent food and beverage benchmark report highlights a lack of effective support

¹²⁵ Michele Ford, Benni Hasbiyalloh and Wayne Palmer, *Labour Rights in Indonesia's Seafood Sector* (University of Sydney, Humanity United and The Freedom Fund, 2024).

¹²⁶ Joe Atkinson and Philippa Collins, *Algorithmic Management and a New Generation of Rights at Work* (Institute of Employment Rights, 2024).

¹²⁷ Atkinson and Collins.

¹²⁸ Annette Bernhardt, Lisa Kresge and Reem Suleiman, *Data and Algorithms at Work: The Case for Worker Technology Rights* (University of California Berkeley Labor Center, 3 November 2021).

¹²⁹ ILO, *World Employment and Social Outlook 2023: The Value of Essential Work*, 2023.

¹³⁰ United States, Bureau of Labor Statistics, "Union Membership Rate 8.6 Percent in Manufacturing, 23.4 Percent in Utilities, in 2019", *TED: The Economics Daily*, 3 February 2020.

among the largest 60 food and beverage companies for freedom of association and access to effective grievance mechanisms, with only 8 per cent of them reporting engagement with local or global unions to support freedom of association in their supply chains.¹³¹

66. Within food and beverage manufacturing, the union density rate tends to be higher among skilled and permanent workers in formal enterprises. However, the prevalence of MSMEs in the sector, the overwhelming preponderance of informality and a growing diversification in work arrangements make it increasingly difficult for workers in the sector – most of whom are informal, temporary, seasonal and subcontracted – to form or join a union. Migrant workers, who are typically engaged in such work arrangements and exposed to intersecting vulnerabilities, face additional challenges in exercising their fundamental labour rights. For instance, in Thailand, despite important Government reforms to address labour rights violations in at-risk sectors such as food-processing, in particular through strengthened monitoring and inspection, laws continue to bar migrant and non-permanent workers from forming a trade union or serving as union committee members.¹³² Given that the sectoral workforce consists predominantly of migrant and often informal workers, with only a few Thai-born nationals, such restrictions prevent unionization in the sector and limit migrant workers' ability to effectively defend their interests and contribute to the elimination of exploitation and abuse.¹³³
67. Language barriers and lack of information about labour laws and rights, as well as a lack of awareness of trade union functions and practices, constitute major constraints in organizing migrant workers. The fear of reprisal on the part of employers, especially the fear of losing their jobs and having their migration status revoked, inhibits migrant workers from seeking out trade unions. The barriers they face in accessing justice and judicial remedies against violations of their labour rights, coupled with the fear that their case will not be treated impartially by authorities, further discourage their desire to be part of the workers' movement or seek representation at the negotiating table.¹³⁴
68. In addition to various factors of a political, socio-economic, and cultural nature that impact unions' access and support to migrant workers, their ability to carry out their lawful activities is often affected by the barriers to physical access to production sites, either due to the restrictions imposed by employers or the isolated locations of workplaces, impacting their work with both migrant and local workers.¹³⁵
69. Therefore, even in countries in which the rights of workers to organize and bargain collectively are recognized in law, there may be important implementation gaps that would limit their exercise in practice.
70. Anti-union discrimination, which may take various forms, including threats of dismissal, change in work assignments and denial of entitlements, remains a concern in the sector. Union-busting and intimidation weaken unions' capacity to effectively engage in industrial relations and advocate on behalf of their members. In recent years, cases of unions and their leaders in the food and beverage sector being subjected to intimidation and threats were reported to have occurred in, among other countries, Argentina, Bangladesh, Brazil, Indonesia and the United

¹³¹ KnowTheChain and Business and Human Rights Resource Centre, *2023 Food and Beverage Benchmark Findings Report*, 2023.

¹³² ILO, "IRLEX Legal Database on Industrial Relations".

¹³³ ILO, *Migrant Workers' Rights to Freedom of Association and Collective Bargaining*, 2023.

¹³⁴ ILO, *Migrant Workers' Rights to Freedom of Association and Collective Bargaining*.

¹³⁵ ILO, *Migrant Workers' Rights to Freedom of Association and Collective Bargaining*.

States.¹³⁶ There are also examples of trade unions and employers successfully addressing such challenges. For example, in June 2023, following a 22-month-long campaign to secure workers' collective rights, a union representing workers at a multinational beverage manufacturing enterprise in Bangladesh, with the support of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) in the region and internationally and the IUF Bangladesh Food and Beverage Workers Union Council, reached an agreement with the management of the company. The collective agreement included clauses on basic trade union rights, including non-discrimination, and consultation on any changes impacting working conditions. Particular attention was given to ensuring gender equality and transparency in recruitment. A clause on gender equity required the company to ensure that at least 30 per cent of the workforce were women. Prior to that, there were no women employed at the factory.¹³⁷ In Indonesia in 2023, following over a decade of continuous efforts to build industrial relations, unions that are part of the National Federation of Food and Beverage Workers of Indonesia (FSBMM) and the management of a major MNE signed a national framework agreement that covers such issues as OSH, fair pay scale, fair wages, medical benefits and pensions.¹³⁸ In recent years, there have been similar positive developments in ensuring access to the rights to organize and bargain collectively in a multinational beverage and snack enterprise in Guatemala, India and Pakistan.¹³⁹

71. As shown by a study on unionization in the seafood-processing industry in Indonesia, one of the factors that hinders unions' efforts to strengthen their membership base is workers' concern about unions' ability to effectuate a real change in working conditions and wages.¹⁴⁰ The prevailing informality and casualization of employment relationships in the sector present additional challenges to finding effective strategies to organize the workforce.
72. In Europe, the cross-border recruitment practices that were facilitated by the EU's free movement of workers put pressure on national industrial relations systems, which were faced with rapidly changing labour markets, the weakened capacity of labour inspectorates (due to dwindling resources and weak cross-border monitoring mechanisms) and declining trade union strength.¹⁴¹ For instance, before the legislative reform of 2021, posted workers¹⁴² in the German meat industry were largely excluded from industrial relations. While German unions' main focus was on the protection of local workers in regular employment,¹⁴³ they also lacked a viable strategy and faced barriers in expanding their outreach to migrant workers, as did their counterparts in the Netherlands. In addition to not being covered by collective agreements, posted workers' reluctance to join German unions stemmed from their fear of losing their jobs and income, language barriers, a lack of trust in authorities and a limited understanding of the role that unions play.
73. In the Nordic countries, the sector-wide application of collective agreements has proven to be an effective strategy for ensuring protection for workers in diverse employment relationships.

¹³⁶ Various news articles from Business and Human Rights Resource Centre.

¹³⁷ IUF Asia-Pacific, "[Defending the Rights and Livelihoods of Food Systems Workers](#)".

¹³⁸ IUF Asia-Pacific.

¹³⁹ IUF Asia-Pacific.

¹⁴⁰ Ford, Hasbiyalloh and Palmer.

¹⁴¹ Berntsen et al.

¹⁴² For the definition of a posted worker, see European Commission, "[Posted Workers](#)".

¹⁴³ Bettina Wagner and Anke Hassel, "[Posting, Subcontracting and Low-Wage Employment in the German Meat Industry](#)", *European Review of Labour and Research* 22, No. 2 (2016): 163–178.

Nonetheless, language barriers, and a lack of knowledge about workplace culture, trade unions, and regulations limited migrant workers' willingness to unionize.¹⁴⁴ For example, only 23 per cent of migrant workers in Norway are union members, compared to approximately 50 per cent of the total workforce. The Norwegian Government has prioritized improving unionization in its action plan to combat social dumping and work-related crime.¹⁴⁵

74. The need to develop new and innovative mobilization strategies is being increasingly recognized in different countries. For example, one of the strategies of unions in the United Kingdom focused on the key role that supermarkets play in the supply chain, including due to their demands for cost pressure, highlighting the importance of responsible purchasing practices in addressing conditions of work and labour rights in the sector. For example, Unite partnered with the Ethical Trading Initiative (ETI), whose membership includes most supermarkets, to bring to their attention the challenges in the meat industry. They also acquired shares in one of the supermarkets, which enabled them to participate in and influence the shareholder meeting.¹⁴⁶
75. Employers in the sector have also actively pursued organizing. For instance, in the United States and Canada, food and beverage employers are organized in a large number of sectoral and subsectoral associations operating at national and subnational levels. Regional and national food and beverage industry associations are also active across Asia, Latin America and other regions.

Elimination of forced labour

76. According to the latest global estimates, there are 27.6 million people in situations of forced labour on any given day. Of the 17.3 million adults and children in forced labour imposed by private actors in sectors other than commercial sexual exploitation, 12.3 per cent of all adult forced labour cases, involving 2.1 million people, occur in agriculture and 18.7 per cent, involving 3.2 million people, occur in the manufacturing sector, with most cases occurring in production in the lower tiers of domestic or global supply chains.¹⁴⁷
77. Workers in the broader agri-food sector, including those in processing, are at an elevated risk of forced labour. The challenge is linked to a wide range of possible determinants. These include the underlying root causes of forced labour, such as poverty, informality and discrimination, as well as the characteristics and decent work deficits prevalent in the sector – in particular inadequate labour and social protection, the physically demanding and labour-intensive nature of the work, piece-rate and low pay, remote and isolated work and living environments, low levels of literacy and lack of awareness of rights among workers – although none of these factors by themselves necessarily constitutes a determinant of forced labour. Migrant workers are more than three times as likely as non-migrant workers to be engaged in forced labour.¹⁴⁸
78. Labour exploitation and abuse have been reported to occur in food processing in some countries, especially relating to meat, fish and fruit and vegetable processing. According to the Bureau of International Labor Affairs (ILAB) of the United States Department of Labor, which maintains a list of goods and their source countries that it has reason to believe are produced by child labour or

¹⁴⁴ Johanne Stenseth Huseby and Anne Mette Ødegård, *Fagorganisering av arbeidsinnvandrere: tid, tillit og trygghet*, Fafo Institutt for arbeidslivs- og velferdsforskning, 2024; Ødegård.

¹⁴⁵ Huseby and Ødegård; Ødegård; Norway, *Action Plan to Combat Social Dumping and Work-Related Crime*, October 2022.

¹⁴⁶ Johanna Kuhlmann and Colette S. Vogeler, "United against Precarious Working Conditions? Explaining the Role of Trade Unions in Improving Migrants' Working Conditions in the British and German Meat-Processing Industries", *Journal of Public Policy* 41 (2021): 515–531.

¹⁴⁷ ILO, Walk Free and IOM, *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, 2022.

¹⁴⁸ ILO, *Policy Guidelines for the Promotion of Decent Work in the Agri-Food Sector*, 2023.

forced labour, there are 159 such goods from 78 countries and areas, and many of them are part of the food supply chain.¹⁴⁹

79. According to the latest ILO estimates, the Asia and the Pacific region has the highest number of people engaged in forced labour. Despite relatively strong legislative frameworks to combat forced labour based on the ratification of relevant fundamental ILO instruments – the Forced Labour Convention, 1930 (No. 29) and the Protocol of 2014 thereto, and the Abolition of Forced Labour Convention, 1957 (No. 105) – challenges persist in food-processing sectors in many countries across the region. Dried fish production in Bangladesh provides a livelihood opportunity for many people of different social and ethnic origins engaged in this activity under a diverse mix of employment relationships, mostly informally and including under the threat of physical violence and largely with limited socio-economic outcomes.¹⁵⁰ Nearly 80 per cent of workers involved in processing are women and children.¹⁵¹ Women are reported to often receive their wages in kind in the form of fish-processing by-products, although some may also receive a cash piece-rate for certain tasks. Based on their ethnicity and status, women and girls also face a high risk of sexual violence and exploitation.¹⁵²
80. Although research and data on forced labour in the sector are limited, it is likely that challenges exist in food manufacturing in many countries, as forced labour is a concern in countries of all income levels. For example, in the United Kingdom in 2016, 13 per cent of all potential forced labour victims referred to services came from the agri-food industry, including agriculture (2 per cent), food processing (6 per cent) and non-residential catering (5 per cent).¹⁵³ In addition, a recent study estimated that 62 per cent of the forced labour risk in the United States food supply, excluding seafood, stemmed from domestic production or processing.¹⁵⁴ Brazil's Ministry of Labour and Employment reported that as a result of 422 labour inspections across the country in 2022, 2,575 workers were removed from forced labour conditions, including in the agri-food sector.¹⁵⁵
81. Since agriculture is a high-risk sector for forced labour, food and beverage enterprises have an important role to play in addressing this severe human rights violation. A recent benchmark report notes that currently most of the 60 largest food and beverage companies demonstrate limited efforts to address forced labour risks in their supply chains.¹⁵⁶ To support efforts aimed at the eradication of forced labour, some Governments have introduced new legislation and enforcement actions that prevent goods made with forced labour from entering their markets. For example, the EU parliament voted in favour of the Forced Labour Regulation in April 2024, banning products made with forced labour from the EU single market.¹⁵⁷ This Regulation

¹⁴⁹ United States, ILAB, “List of Goods Produced by Child Labor or Forced Labor”, 2024.

¹⁵⁰ Ben Belton, Mostafa A.R. Hossain and Shakuntala H. Thilsted, “Labour, Identity and Wellbeing in Bangladesh’s Dried Fish Value Chains”, in *Social Wellbeing and the Values of Small-Scale Fisheries*, eds Derek S. Johnson et al., (Springer, 2017), 217–241.

¹⁵¹ Shamsuddin Illius, “Bonded Labour at Dry Fish Units Robbing Children of their Youth”, *The Business Standard*, 23 January 2020; Mahmudul Hoque, “A Critical Review of Bangladesh’s Child Labor Regulations and Policies”, *World Development Sustainability* 5 (2024); “Child Labour is on Wane in Dry Fish Processing Zones”, *BSS News*, 23 March 2024; Mostafa A. R. Hossain, Ben Belton and Shakuntala Haraksingh Thilsted, *Dried Fish Value Chain in Bangladesh*, WorldFish, Bangladesh and South Asia Office, 2015.

¹⁵² Belton, Hossain and Thilsted.

¹⁵³ United Kingdom, “Modern Slavery: A Briefing for the Food Industry”.

¹⁵⁴ Nichole Tichenor Blackstone et al., “Forced Labour Risk is Pervasive in the US Land-Based Food Supply”, *Nature Food* 4 (2023) 596–606.

¹⁵⁵ Fair Labor, “Addressing Forced Labor in Brazil”, 21 August 2023.

¹⁵⁶ KnowTheChain and Business and Human Rights Resource Centre.

¹⁵⁷ European Parliament, “Products Made With Forced Labour To Be Banned From EU Single Market”, press release, 23 April 2024.

complements the EU's Corporate Sustainability Due Diligence Directive, which entered into force in July 2024 and requires companies of a certain size and turnover to identify and address the human rights and environmental impacts of their activities inside and outside the EU.¹⁵⁸

82. Forced labour imposed by private actors occurs overwhelmingly in the informal economy, with informal workers among the most vulnerable and least protected groups. The Protocol of 2014 to the Forced Labour Convention, 1930, and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), contain provisions in many areas of relevance to formalizing informal work, including the promotion of freedom of association and collective bargaining, basic social security guarantees forming part of the national social protection floor, and skills training.¹⁵⁹

Eradication of child labour

83. The universal ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182) and the wide ratification of the Minimum Age Convention, 1973 (No. 138), by 176 of the 187 ILO Member States, reflect a global commitment to the eradication of child labour, starting with its worst forms. While most children in the world now have legal protection to be free from child labour, millions of them are still unable to exercise this fundamental right in practice. The latest global estimates indicate that 160 million children are engaged in child labour, with 112 million or 70 per cent of them in agriculture and many of them performing hazardous work. There is a lack of data and research on child labour in this sector. However, individual reports suggest that child labour is also a challenge in food processing. For example, according to the United States Department of Labor's Wage and Hour Division, which is tasked with enforcing federal child labour laws, some 12,000 – or more than 75 per cent of all child labour violations that occurred in the United States in the period 2018–22 – were in the food sector, across the different stages of the food supply chain, including midstream.¹⁶⁰
84. In 2024, the United States Department of Labor removed Thai shrimps from its "List of Goods Produced by Child Labor or Forced Labor", of which they had been part since 2009.¹⁶¹ The Government of Thailand has introduced important reforms to address the challenge, including the enactment of the Ministerial Regulation Prohibiting Children in Seafood Processing and the Royal Ordinance on Fisheries, which enhanced traceability systems of aquatic resources in the country. Notwithstanding the steady progress that the Asia and the Pacific region has made in addressing this challenge in recent decades, child labour reportedly continues to be an issue in

¹⁵⁸ European Commission, [Directive \(EU\) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive \(EU\) 2019/1937 and Regulation \(EU\) 2023/2859](#), July 2024.

¹⁵⁹ ILO, [Ending Forced Labour by 2030: A Review of Policies and Programmes](#), 2018.

¹⁶⁰ Teresa Cotsirilos, "The Child Workers Who Feed You: Why The Nation's Food Sector Has the Most Child-Labor Violations", *Food and Environment Reporting Network*, 18 April 2023; Dan Flynn, "Child Labor is a Serial Offense, and Does Not Bode Well for Food Safety", *Food Safety News*, 16 April 2024. See also United States, Department of Labor, "Data: Enforcement".

¹⁶¹ US Department of Labor, "Notice of Initial Determination to Remove Shrimp from Thailand and Garments from Vietnam from the List of Products Requiring Federal Contractor Certification as to Forced or Indentured Child Labor Pursuant to Executive Order 13126", 10 May 2024.

food processing in many countries of the region, including in Cambodia, Myanmar and Viet Nam,¹⁶² as well as in Bangladesh and India's seafood-processing subsector as discussed above.¹⁶³

85. Child labour is a pressing problem in many other developing countries. In sub-Saharan Africa, which is the region with the highest prevalence and the largest number of children in child labour, most children work as unpaid labourers in small-scale and family-owned agricultural enterprises. According to research conducted with ILO support in East Africa, children's participation in fisheries and aquaculture activities, including small-scale and artisanal informal processing activities, accounts for approximately 40 per cent of all employment in the sector.¹⁶⁴
86. Given the importance of mitigating the poverty and economic uncertainty that underpin child labour in any sector, along with other important strategies such as those relating to social protection and access to quality education, harnessing the high potential of the food and beverage sector to generate decent and productive jobs, including through investments in technology and skills development for improved productivity, production and incomes, could make an important contribution to efforts in the fight against child labour, especially in Africa.

The right to a safe and healthy working environment

87. Data on occupational injuries in food and beverage manufacturing, while available only for a limited number of countries, illustrate important long-term trends in the sector. Based on all available data from the most recent ILO sources, the non-fatal occupational injury rate per 100,000 workers in food and beverage manufacturing has remained stable at about 11,500 over the past two decades.¹⁶⁵ Notably, this injury rate is 13.3 per cent higher than the national average for all sectors combined and reflects a significant increase compared to the early 2000s, when it was only 2.34 per cent higher than the national average. While there has been a general decline in non-fatal occupational injury rates across the studied countries, this improvement has not been mirrored in the food and beverage sector, where injury rates have remained largely unchanged.
88. For example, over the past two decades, Switzerland's food and beverages manufacturing has seen a steady increase in the rate of non-fatal occupational injuries, reaching 12.2 per cent in 2022. While this injury rate is lower than the national average by 3.06 per cent, the sector exhibited an even lower rate in the early 2000s, when the rate was 9.17 per cent lower than the national average for all sectors combined. Similar trends can be observed in the sector in other countries. For example, non-fatal occupational injury rates increased in Bangladesh, Chile, Panama, Pakistan and Uganda and were higher than the national average by 32.3, 24.5, 80.8, 28 and 20.6 per cent, respectively. The promotion of a preventive OSH culture – including through the effective implementation of regular risk assessments to identify potential hazards and to eliminate or minimize risks, improved ergonomic methods for the handling of materials and tools, and

¹⁶² ILO, "Analysis of Selected Value Chains of Handicraft and Food Processing in Hanoi", Hanoi, 2018; Su-Ann Oh, "Drudges or Providers? Working Children in Myanmar", Yusof Ishak Institute, 24 May 2016; ILO, *Agricultural Sub-Sector Child Labour Surveys: Children Working in the Cultivation and Processing of Inland Fishing Stocks, Sugarcane, and Beans and Pulses in Myanmar*, 2017; The Centre for Child Rights and Business, *Assessment of Human Rights Risks in the Production and Processing of Rice in Cambodia*, May 2023; Alyssa Augustus, "Child Labour in Myanmar", Ballard Center for Social Impact Issue Brief, 2022.

¹⁶³ Adil Mahmood, "Children of Sharankhola Collecting Shrimp Fry for Survival", *Dhaka Tribune*, 12 June 2018; Rashad Ahamad, "Poverty Drives Bangladesh Coastal Children to Toil in Shrimp Industry", *New Age Bangladesh*, 28 May 2018; Belton, Hossain and Thilsted; Corporate Accountability Lab.

¹⁶⁴ ILO, *The Future of Work in Aquaculture in the Context of the Rural Economy*, TMFWA/2021, 2021.

¹⁶⁵ ILO estimates are derived from labour force surveys or similar household surveys available in the ILO Harmonized Microdata Collection, containing 26.6 million respondents from 59 country-year waves.

effective and timely instruction and training on OSH measures – is therefore critical in the industry's ongoing efforts towards lowering the incidence of injuries and work-related ill health.

89. The rapid mechanization and digitalization that have characterized the food and beverages sector's development in recent years led to important increases in productivity and created the potential to enhance workplace safety by integrating OSH considerations and ergonomic features into their development and design. At the same time, new technologies may bring new or additional risks to the workplace. The widespread use of sophisticated tools and machinery, such as cutters, choppers, slicers, grinders, mixers, evaporators, freezers, dryers and so on, if not managed properly, exposes workers to increasing risks of burns, lacerations, sprains and strains, bruises and fractures. Proper risk assessment and management practices, including regular safety audits, are essential for mitigating the risks associated with new technologies. This would require enterprises to ensure the integration of these technologies into a broader OSH management system, as outlined in the ILO Guidelines on occupational safety and health management systems, of which hazard identification, risk assessments and adequate worker training are core elements.¹⁶⁶
90. Notwithstanding technological advances, many operations continue to be performed manually, especially in the processing of meat, poultry, fish and farmed seafood. In addition to the risk of musculoskeletal disorders, which are the most common occupational diseases in the sector because of the monotonous work performed at an increased speed using only certain parts of the body, high line speeds have been shown to be a critical factor impacting workers' health and safety, including as an important source of stress.¹⁶⁷ The adoption of task rotation systems and improved ergonomic tools should be considered as essential measures to alleviate these risks. Line speeds, while important for productivity, must be managed carefully to balance worker well-being and efficiency. Therefore, regular reviews of OSH measures should include assessments of line speeds and their impact on worker health.
91. Repeated exposure to high levels of noise and extreme temperatures contributes to stress. In addition to impairing hearing, excessive noise can negatively impact concentration, increasing safety risks, and decrease productivity. Declining dexterity associated with working in cold temperatures, which are a natural environment for such industries as the meat-, poultry- and fish-processing industries, also increases the risk of accidents.¹⁶⁸ A recent ILO study has observed that 2.41 billion workers – or 70 per cent of the working population – are exposed to excessive heat, resulting in 22.85 million non-fatal injuries and 18,970 deaths annually.¹⁶⁹ In addressing heat stress and the impact of cold or wet conditions that can potentially lead to impairment of health or extreme discomfort, preventive measures, including robust monitoring systems, training, routine medical surveillance and the provision of personal protective equipment, play a key role. Establishing hearing conservation programmes and regular health checkups for workers exposed to extreme temperatures is also essential.
92. As with any industrial plant, food-processing plants face high risks of explosions and fires, particularly because of the wide use of gas and other highly flammable and hazardous substances

¹⁶⁶ ILO, *Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001)*, 2001.

¹⁶⁷ Narintohn Luangrath, Korinne Dunn and Saba Mengesha, "Workplace Hazards for Meat and Poultry Workers", *The Regulatory Review*, 6 April 2024; Sarah Berger Richardson, "From Slow Food to Slow Meat: Slowing Line Speeds to Improve Worker Health and Animal Welfare in Canadian Abattoirs", *Alberta Law Review* 59, No.1 (2021); ILO, "COVID-19 and its Impact on Working Conditions in the Meat Processing Sector".

¹⁶⁸ Shizue Tomoda, *Occupational Safety and Health in the Food and Drink Industries* (ILO, 1993); Shizue Tomoda, *Safety and Health of Meat, Poultry and Fish Processing Workers*, Working Paper (ILO, 1997).

¹⁶⁹ ILO, *Heat At Work: Implications For Safety And Health*, 2024.

and cooking equipment, boilers, autoclaves and ovens. Although countries may not collect data on fires that occur specifically in food-processing facilities, fire-related incidents that result in serious injuries and fatalities appear to be common in both industrialized and developing countries. According to the United States National Fire Incident Reporting System, 5,300 fire incidents were recorded in all manufacturing or processing enterprises across the United States in 2019, while more than 2,000 fires occurred in agricultural, grain and livestock and refrigerated storage facilities, which may also include food-processing operations.¹⁷⁰ Reports of fire-related incidents from different parts of the world appear regularly in the media. In July 2021, the world learned about a tragic incident that occurred at a juice factory outside Dhaka, killing at least 52 people, many of whom were reportedly young children working there.¹⁷¹ In the first months of 2024, fire-related incidents in food-processing plants, some of which resulted in the loss of lives, were reported from Australia, Canada, France, India, Pakistan, the Republic of Korea, the United States and other countries across the globe.¹⁷² The effective implementation of fire-prevention strategies, especially in high-risk facilities, which require food-processing plants to conduct regular fire drills and update fire response protocols based on evolving best practices, is therefore essential. The importance of addressing this challenge as part of the efforts to build a safety culture is recognized by the industry. For example, the ILO and the Federation of Bangladesh Chambers of Commerce and Industry agreed in 2022 to work jointly to enhance workplace safety culture and practices in ten priority economic sectors, including food processing, by investing in strong and functional safety units, safety committees and safety representatives, among other things.¹⁷³

93. In 2022, the International Labour Conference included a safe and healthy working environment in the ILO framework of fundamental principles and rights at work, designating the Occupational Safety and Health Convention, 1981 (No. 155), and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), as fundamental Conventions. This decision reaffirmed the constitutional obligation of ILO Members to promote, respect and realize the principles contained in these two Conventions and to ensure that all workers, irrespective of their sex, employment or legal status, have the right to work in safe and healthy conditions. To address the ongoing OSH challenges in the sector, it is essential to align national OSH policies and workplace programmes with the principles outlined in the ILO's two OSH fundamental Conventions, both of which emphasize prevention as a central goal. The high injury rates in certain countries and the disparities in injury rates across different regions also suggest a need for stronger labour inspection systems, in alignment with the Labour Inspection Convention, 1947 (No. 81). The informal economy, in which safety regulations are largely not enforced, requires particular attention.

¹⁷⁰ Angelo Verzoni, "Nothing to See Here: Recent Fires at Food Processing Facilities Have Some Claiming There's More Going On than Meets the Eye. Experts Aren't Convinced", *NFPA Journal*, 2 May 2022.

¹⁷¹ "Statement by UNICEF Representative in Bangladesh, Tomoo Hozumi, on Child Deaths in Factory Fire", press release, 11 July 2021.

¹⁷² Nick McLaren and Romy Gilbert, "Grain Silo Continues to Burn at Bomaderry, Fire Crews Work to Limit Explosion Risk", *Australian Broadcasting Corporation*, 28 May 2024; "Delhi: 3 Workers Dead, 6 Injured in Fire in Narela Food Processing Unit", *The Economic Times*, 8 June 2024; Derek Haggett, "Early Morning Fire Destroys N.B. Fish Processing Plant", *CTV News*, 10 July 2024; "Food Factory Fire in Karachi Doused", *Associated Press of Pakistan*, 23 February 2024; Kristen Kazarian, "Meat Processing Plant Fire Causes 2 Deaths", *Powder and Bulk Solids*, 1 February 2024; "Incendie sur l'usine Saipol de Sète", *Saipol*, 10 April 2024.

¹⁷³ ILO, "Stronger Workplace Safety Targeted in Key Bangladesh Industrial Sectors", information note, 17 August 2022.

Social protection

94. The COVID-19 crisis highlighted the critical role of social protection in effectively addressing both its health dimension and its socio-economic repercussions. With 3.8 billion people globally lacking any form of social protection, the crises revealed the urgency of ensuring universal access to social protection systems that provide comprehensive and adequate benefits that meet people's needs, including for a just transition to environmentally sustainable economies and societies.¹⁷⁴
95. A recent ILO study shows that food system workers are among those who frequently lack any form of social protection.¹⁷⁵ The elevated use of informal work and a growing diversification in work arrangements in the sector are among the factors that limit agri-food workers' access to social protection. Moreover, the low coverage rate is distinct from that of workers in other sectors.¹⁷⁶ For example, the 2019 Cambodia Labour Force Survey estimated that 95 per cent of agro-processing workers were not covered by social security. This was driven by informal sector workers, 100 per cent of whom were estimated to be uninsured, compared to 72 per cent of formal sector workers.¹⁷⁷ Although permanent workers in the formal economy generally have access to social protection, the seasonality of work, which also extends to the food-processing sector, adds to the challenge of extending social protection coverage to workers who, in many countries, are often excluded from national labour and social security laws.¹⁷⁸
96. The COVID-19 pandemic exposed the legislative and practical barriers that migrant workers, including those in food processing, face in accessing social protection. In many countries, migrant workers' legal exclusion from the social security systems of destination countries (such as working injury insurance, social health protection, sick leave, unemployment and old-age benefits), coupled with the fear of losing employment, income or residence status, rendered them less willing to report illness or self-isolate. For example, in Thailand, despite significant strides to provide coverage to migrant workers, they continue to face challenges in registering and accessing social security benefits.¹⁷⁹ In Ireland, nine out of ten workers in the meat-processing industry did not have the right to a sick pay scheme until recently,¹⁸⁰ significantly contributing to the spread of COVID-19 at the workplace. To address this issue, the Services Industrial Professional and Technical Union (SIPTU) launched a campaign that resulted in the signing of a national safety protocol agreement with Meat Industry Ireland and new legislation on occupational sick pay provisions was enacted in September 2022.¹⁸¹ COVID-19 outbreaks in meat and other food-processing plants in different parts of the world spurred action towards improved workplace safety and access to social protection. For example, the number of socially insured workers in the meat industry in Germany increased significantly with the enactment of new legislation in 2021 and the signing of a collective agreement, described earlier.¹⁸² In North

¹⁷⁴ ILO, *World Social Protection Report 2024–26: Universal Social Protection for Climate Action and a Just Transition*, 2024.

¹⁷⁵ ILO, *World Employment and Social Outlook 2023*.

¹⁷⁶ ILO, *World Employment and Social Outlook 2023*.

¹⁷⁷ ILO, "Overview of Workers in the Manufacture of Beverages & Food Products Sectors (Agroprocessing)", Statistical Brief, July 2023.

¹⁷⁸ ILO and OECD, *Responsible Business Conduct in the Thailand Agri-Food Sector*, January 2023.

¹⁷⁹ ILO, "Social Protection in Action: Building Social Protection Floors for All", Country Brief: Thailand, December 2021; ILO, *Social Protection for Migrant Workers In ASEAN: Developments, Challenges, and Prospects*, 2018. IOM, *Thailand Social Protection Diagnostic Review: Social Protection for Migrant Workers and Their Families in Thailand*, 2021.

¹⁸⁰ Migrant Rights Centre Ireland.

¹⁸¹ "Unions Team Up to Dignify Meat Workers in Europe", *The Brussels Times*, 30 June 2022.

¹⁸² Clara Albrecht, Yvonne Giesing and Britta Rude, "Posted Workers in Germany – Developments and New Legislations", CESifo Forum 23 (2022): 8–14.

America, the United Food and Commercial Workers International Union (UFCW) successfully conducted a campaign to increase wages and improve safety standards in meat processing. Nonetheless, significant and concerted efforts, including financial investments,¹⁸³ are needed to ensure that all workers, in particular the most disadvantaged, have access to comprehensive, adequate and sustainable social protection. In contexts in which the informal economy is pervasive, cooperatives and other SSE entities can play a crucial role in facilitating access to social protection by providing an accessible path to formalization due to lower capital and registration requirements.¹⁸⁴

► 6. Social dialogue

97. The impact of recent and ongoing global crises has been felt by workers and enterprises across most sectors, with some countries reporting that the food and beverage sector has been affected more than other sectors, including other manufacturing sectors, owing to supply-chain issues, increasing costs and labour shortages.¹⁸⁵ Social dialogue can help the food and beverage sector to develop long-term strategies to emerge from the crises, address the jobs and skills gaps and negotiate fair incomes for workers in the face of inflation and uncertainty. It can also help to develop strategies that ensure digital readiness and promote a just transition while finding win-win solutions for workers and employers and increasing the attractiveness of work in the sector.
98. Social dialogue and negotiations in the sector mostly take place at the company level. For instance, the IUF – an international union federation with many of its members in food processing – has a number of international framework agreements (IFA) with MNEs.¹⁸⁶ Those agreements establish recognition of the IUF by the company and allow the IUF and its affiliates to ensure that the space to fully and fairly exercise those rights remains open throughout the company's operations. That then allows workers and their unions at national and local levels in those companies to meaningfully negotiate decent wages and benefits, including improving working conditions. That can be particularly effective in instances where national or local barriers to union membership and union recognition may otherwise prevent meaningful negotiations. For example, in 2010, an agreement reached between the IUF and a transnational beverages company resolved a long conflict over employment and trade union rights at the company's manufacturing facility in Pakistan, with a plant-level collective agreement signed the following year. Three years later, six plant-level unions formed a national union affiliated with the Pakistan Food Workers Federation and signed their first national collective agreement in 2015, ensuring basic trade union rights, job security for casual workers, and maternity leave, among other important areas. In Indonesia, unions – members of FSBMM – representing workers in a multinational beverage manufacturing company in Indonesia formed a national independent union. The union signed their first collective agreement in April 2024. The agreement specifically strengthens workers' rights to freedom of association, addresses the issue of job security, and includes clauses on restructuring, and safe and healthy work environment, including protection against workplace violence and harassment.

¹⁸³ Umberto Cattaneo et al., *Financing Gap for Universal Social Protection: Global, Regional and National Estimates and Strategies for Creating Fiscal Space*, ILO Working Paper 113 (ILO, 2024).

¹⁸⁴ ILO, *The Informal Economy and Decent Work: A Policy Resource Guide – Supporting Transitions to Formality*, 2013.

¹⁸⁵ United Kingdom, Office for National Statistics, "Recent Challenges Faced by Food and Drink Businesses and their Impact on Prices", 4 April 2022.

¹⁸⁶ IUF, "Agreements".

After securing national union recognition, the union has given priority to the recruitment and organizing of women.¹⁸⁷

99. While across Africa, Asia and the Pacific, and the Americas, company- and subsector-level dialogue and negotiations (that is, covering specific commodities) are far more commonplace than dialogue at the sectoral level, there are good practice examples of national-level social dialogue in the sector, particularly in the European context, that show an important path for the industry in navigating changes in the world of work following the current global crises. As described earlier, the collective agreement in the German meat industry, and the legislative reform that prompted it, represented key milestones in addressing major challenges facing the sectoral workforce.
100. Social dialogue in the food and beverage sector in the Nordic countries presents another example of how sectoral dialogue mechanisms can effectively contribute to fair working conditions and sectoral development. National food workers' unions in these countries represent between 50 and 70 per cent of the active workforce of the sector. Collective agreements negotiated with national employers' organizations establish minimum working conditions for the sector and cover such areas as wages, working hours, paid leave and overtime pay, pensions, terms of employment, the promotion of permanent employment, and conditions for termination of employment. Depending on the national context and collective bargaining terms, some agreements may cover maternity and paternity leave, apprenticeships and training, systems of payment, personal protective equipment, and professional associations. These agreements apply to most employers, in particular large-sized enterprises. However, ensuring coverage for workers in MSMEs may be challenging. In Denmark, for instance, around 90 per cent of workers in large companies are organized, but this falls to under 50 per cent for MSMEs. Smaller enterprises are also less likely to be part of the employers' organization in Sweden.¹⁸⁸
101. If in Denmark or Sweden, a single agreement covers the entire sector, in Finland, separate agreements are concluded for food workers, meat workers, bakery workers, dairy workers and beverage and brewery workers, allowing them to negotiate and cover specificities in each subsector.¹⁸⁹ In preparing for new negotiations food unions discuss the state of the national and global economy to ensure that their demands are embedded in the overall economic context, thereby helping to navigate challenges in the industry and avoid disruption to work and production. In Denmark and Sweden, good industrial relations have helped to avoid strikes since the late 1990s. In 2018, approximately 20 per cent of the employees covered by the Finnish Food Workers' Union's collective agreements in the food industry went on a strike to put pressure on the Government to withdraw a proposal that the union felt undermined the protection of workers with employees of fewer than 20 workers.¹⁹⁰
102. While wage setting and other terms of employment remain the main focus, social dialogue mechanisms are being increasingly used to deal with other challenges facing the sector, such as the need to close the skills gap, including to deliver on green and digital transitions. For example, since 2018, Türkiye's social partners in the sugar subsector – unions, represented by Şeker-İş, and

¹⁸⁷ IUF Asia-Pacific, "Defending the Rights and Livelihoods of Food Systems Workers".

¹⁸⁸ ILO, "Enhancing Social Dialogue in the Food and Beverages Sector for Decent Work and Social and Economic Progress: A Research Study", unpublished.

¹⁸⁹ Livsmedelsföretagen and Livsmedelsarbetareförbundet, *Livsmedelsavtalet med tilläggsavtal: 1 April 2023 – 31 March 2025*, 2023; Danish Food and Allied Workers' Union and Confederation of Danish Industry, "Collective Agreement and Agreements for the Food Industry: 2020–2023", 2020; and Elintarviketeollisuusliitto ry Suomen Elintarviketyöläisten Liitto SEL ry, *Leipomoiden työntekijöitä koskeva TYÖEHTOSOPIMUS 13.2.2023–31.1.2025*, 2023.

¹⁹⁰ Finnish Food Workers' Union, "More than 4,500 Food Industry Employees Will Defend Legal Protection against Dismissal by Going on a Political Strike Next Wednesday", 27 September 2018.

the employers represented by Türkşeker – jointly approached the Vocational Qualifications Authority to work on national occupational standards and vocational qualifications in the sector. In 2023, Şeker-İş established an authorized vocational qualification centre, which provides training and certification of professional qualifications, including on OSH, with certified workers being re-examined every five years to ensure that they are adequately trained to deal with an ever-changing sector. The union believes that, through the centre, it has improved opportunities to attract potential union members.¹⁹¹

103. An OSH training initiative was launched by social partners in 2009 in Romania to promote a safe and healthy work environment and attractive work conditions in the food sector. Some 160 entrepreneurs and managers received training on OSH management, and more than 450 workers developed OSH-related skills.¹⁹² In France, workers seeking food industry jobs have the opportunity to receive a 6-month training through the Pass'IFRIA programme. First established in 2005, Pass'IFRIA is a joint initiative of the Ministry of Agriculture and social partners, operating at both the sectoral and company levels and promoting the harmonization of standards and certification, while increasing the attractiveness of work in the sector. Workers receive a nationally recognized certification upon completion of the programme, which has enhanced trainees' ability to find work in the labour market.¹⁹³
104. In Sweden, companies play a key role in shaping curricula of "*teknikcollege*" – a network of competence centres for quality standards in training – while national-level social partners, alongside education providers and municipalities, are engaged in steering committees. Initiatives involving active participation of national unions also take place at the enterprise level, such as a Danish training and upskilling programme in the dairy sector.¹⁹⁴ The 2008 collective agreement negotiated between Denmark's dairy industry employer organization and trade unions provided for the establishment of a mutual training fund for the country's dairy workers. It was based on a common understanding shared by social partners that every worker should have an opportunity to improve their employability, thereby also contributing to the competitiveness of their companies and the entire dairy sector. The Danish Dairy Training Fund receives contributions from dairy companies in a form of a levy for every of their employees and public funds for adult education. This enables enterprises to develop and implement extensive skills development and upskilling programmes.

► 7. Promoting a just transition in the food and beverage sector

105. The food and beverage industry faces considerable environmental challenges throughout its supply chain, from raw material production to consumption. To mitigate these impacts, a focus on responsible sourcing, energy and water efficiency, food waste reduction and sustainable packaging, among other measures, is essential. In implementing these measures to establish sustainable food systems, particular attention should be paid to their impacts on the workforce, as well as to the subsectors and regions most affected by transition processes.

¹⁹¹ Şeker-İş, "Ageing Workforce and Skilling", presentation to the European Commission Sugar Social Dialogue Committee, November 2023.

¹⁹² EFFAT, "Implementing The Occupational Safety And Health Directive in the Romanian Food Industry", 2023.

¹⁹³ EFFAT and FoodDrink Europe, *Case Study Report: Pass'IFRIA*, 2023; and EFFAT and FoodDrink Europe, *Toolbox: Good Practices and Tools from the Food and Drink Industry in Europe*, 2023.

¹⁹⁴ EFFAT and FoodDrink Europe, *Toolbox: Good Practices and Tools from the Food and Drink Industry In Europe*, 51–78.

- 106.** This will include developing, through social dialogue, policy frameworks that incentivize businesses to undertake the decarbonization of operations and the greening of enterprises, in line with the ILO's Guidelines for a just transition towards environmentally sustainable economies and societies for all. The implementation of such policies will require awareness among the enterprises that operate in the sector with respect to new regulations and standards in the environmental domain, and will require them to build their capacity to adapt to a change. Public policies will also be needed to support and encourage sustainable business models and social innovation in the sector, while providing an ecosystem for enhancing productivity and competitiveness. In this regard, the engagement between this sector and the domain of climate policies will be important, given that climate policies increasingly have cross-sectoral implications that affect enterprises and employment. There is therefore a need for a just transition that takes into account the social dimensions of climate impacts and actions and can serve to promote sustainable enterprises and decent work in the sector. The role of social protection in cushioning the impact of green transition on workers and equipping them with knowledge and skills for employment in green and low carbon sectors deserves particular attention.

Food and beverage supply chains and responsible sourcing practices

- 107.** The environmental impacts of the food and beverage industry extend beyond manufacturing processes to both upstream and downstream activities, in particular the production of raw materials, which is directly tied to agriculture.¹⁹⁵ Primary agricultural production contributes approximately one third of the total carbon footprint of the food chain, with another third generated by processing, manufacturing, distribution and food retail. The remaining third is linked to consumer-related activities.¹⁹⁶ By embedding sustainability into procurement decisions, the food and beverage industry can contribute to reducing its overall carbon footprint, while promoting fair labour practices and decent working conditions throughout its supply chains. In addition, enterprises can support a just transition through responsible business practices. They can ensure that considerations for decent and productive work are integrated into their climate and environmental actions and due diligence measures.¹⁹⁷ The move towards more sustainable sourcing should benefit not only the environment but also the food system workers who produce the food we consume. As such shifts require ensuring the adequate performance of suppliers – especially the suppliers of raw agricultural materials – the move towards sustainable sourcing needs to be accompanied by measures to improve labour practices, including by promoting decent wages and safe working conditions while preserving the environment. For example, small-scale farmers may need support and training to meet sustainability standards and these efforts should be paired with responsible purchasing practices. Cooperatives and other SSE entities also deserve attention, as they can be an effective way of promoting the uptake of environmentally sustainable practices.

Energy and water consumption

- 108.** Reducing energy and water consumption are two of the most significant environmental challenges faced by the food and beverage industry. Despite the diversity of raw materials and

¹⁹⁵ K. Grekova et al., "Extending Environmental Management beyond the Firm Boundaries: An Empirical Study of Dutch Food and Beverage Firms", *International Journal of Production Economics* 152 (June 2014), 174–187.

¹⁹⁶ Marco Dri et al., *Best Environmental Management Practice for the Food and Beverage Manufacturing Sector* (European Union, 2018).

¹⁹⁷ For more information, see ILO, "ILO Helpdesk: Business and a Just Transition".

products processed, various subsectors within the industry share common environmental pressures related to water and energy.

- 109.** Energy-intensive processes (such as sterilization, pasteurization, drying and refrigeration, including during distribution, storage and retail), while they are critical for maintaining product quality, contribute heavily to energy consumption. For example, heating processes account for about 29 per cent of total energy use in the sector, while cooling and refrigeration contribute an additional 16 per cent.¹⁹⁸ It is estimated that in African countries, the agri-food industry consumes up to 55 per cent of national energy use, compared to just 15.7 per cent in the United States.¹⁹⁹ Enhancing energy efficiency is crucial for improving environmental sustainability and operational efficiency. Technological adaptation is a prominent approach, which includes upgrading to more eco-friendly machinery, optimizing lighting systems and transitioning from fossil fuels to renewable energy sources, including biomass or energy from organic waste. The transition to more energy-efficient technologies should be accompanied by efforts to retrain and upskill the workforce to handle new technologies, while ensuring job security and creating new job opportunities.
- 110.** Water is an essential element in the food and beverage industry, where it serves multiple critical functions, whether as a key ingredient or an integral part in cleaning and manufacturing operations, such as washing, boiling, steaming and so on. While 70 per cent of all extracted freshwater is used for agricultural production, a further 20 per cent is used in food and beverage manufacturing,²⁰⁰ which underscores the need for effective strategies for water use across the sector. Water consumption varies significantly across subsectors and every product has its own unique footprint. Increased automation that encompasses systems that optimize the use of resources in specific processes, coupled with the optimized use of equipment such as cooling systems and pumps, are important aspects of modern technology that can reduce the industry's environmental impact. The use of sensors and meters can help generate the data needed to optimize processes. Improving wastewater treatment can further limit the environmental footprint, while also reducing operational costs. Water stress mitigation measures, such as risk assessments and sustainability programmes, can help reduce water consumption and protect local water resources. Food and beverage companies are increasingly adopting strategies to manage water quality and reduce consumption, demonstrating that significant improvements are possible and can contribute to securing sustainable food systems.²⁰¹

Food waste

- 111.** Food waste is another major environmental and social challenge in the food and beverage industry, with significant implications for sustainability across the entire supply chain. Roughly one third of all food produced globally is wasted, contributing to greenhouse gas emissions, resource depletion and inefficiencies in food production. Food waste occurs at multiple stages, including during production, processing, distribution, retail and consumption. Addressing the food waste challenge is critical for reducing the industry's carbon footprint and creating a more just and sustainable system that benefits both the environment and workers.

¹⁹⁸ ILO, "ILO Helpdesk: Business and a Just Transition".

¹⁹⁹ Rodrigo Valle Espinosa et al., "Challenges of Implementing Cleaner Production Strategies in the Food and Beverage Industry: Literature Review", in *Advances and Applications in Computer Science, Electronics and Industrial Engineering: Proceedings of CSEI 2020*, eds Marcelo V Garcia, Félix Fernández-Peña and Carlos Gordón-Gallegos (Springer, 2021).

²⁰⁰ Alexandra Howe, "Water Management in the Food and Drink Industry", IChemE Green Paper, 2014.

²⁰¹ Bethan Grylls, "3 Ways of Improving Your Factory's Water Efficiency", *Food Manufacture*, 29 February 2024.

112. Advanced technologies can generate real-time data and forecasting analytics across the supply chain to enhance supply and demand matching. In production and processing, food waste can also be minimized through improved storage and processing techniques. Measures to enhance operational efficiency must be accompanied by efforts to ensure that people receive the necessary training and advance fair labour practices and inclusive economic opportunities. Techniques such as redistributing surplus food, extracting valuable by-products (such as essential oils and fibres) and using the remaining materials for animal feed are effective ways to minimize waste. Food and beverage manufacturers are increasingly focused on maximizing the use of agricultural resources by finding new uses for by-products and co-products, such as repurposing them as animal feed, fertilizers, cosmetics, lubricants and pharmaceuticals. This approach significantly reduces waste, with 85 million tonnes of by-products generated annually in the EU alone, representing 3.25 per cent of food-processing residues.²⁰² In addition, optimization methods such as total productive maintenance, Kaizen (continuous improvement),²⁰³ and value-stream-mapping can significantly reduce waste by engaging workers in identifying and addressing inefficiencies.
113. Beyond the production stage, significant volumes of food waste are generated at the retail and consumer levels, often as a result of overproduction, mislabelling and spoilage. Addressing waste at these stages requires improved coordination across the supply chain, from suppliers to retailers, as well as improved inventory management. Consumer education also plays a crucial role in addressing food waste.
114. For workers, efforts to reduce food waste offer some direct benefits, including the creation of new employment opportunities. Food waste recovery initiatives, such as redirecting surplus food to food banks, can lead to job creation in areas such as logistics and distribution, while also contributing to social welfare by addressing food insecurity.
115. Finally, the increasing adoption of life cycle assessment methodologies further supports these waste-reduction efforts by providing a comprehensive framework for assessing the environmental impacts of products and production systems. These methodologies enable companies to identify opportunities for reducing food waste and optimizing resource use, thereby promoting a holistic approach to waste management and sustainability across the food and beverage industry.²⁰⁴

Packaging

116. Packaging waste in the food and drinks sector contributes to substantial carbon emissions, resource use and waste throughout the product life cycle. As the food and beverage industry is one of the largest users of packaging materials, which are predominantly made from petroleum-based plastics that remain in the environment for many years and thereby pose a significant threat to ecosystems and human health, the need for sustainable solutions is critical. The industry is increasingly adopting strategies that optimize packaging, such as lightweighting, eco-design tools and the use of recycled and bio-based materials. While these strategies offer substantial environmental benefits, such as reducing packaging weight and energy use, they also have

²⁰² Dri et al.

²⁰³ Kaizen philosophy/strategy is based on the idea that small incremental changes can reap significant results and strives to engage workers from different levels and functions to work jointly towards achieving sustained continual improvement in targeted activities and processes of an organization; see United States Environmental Protection Agency, "[Lean Thinking and Methods](#)".

²⁰⁴ Dri et al.

implications for workers, leading to changes in production processes and job roles, necessitating targeted training and upskilling opportunities. In addition, the shift towards using recycled content and eco-design tools may affect the demand for certain types of materials and manufacturing processes, potentially impacting jobs in those sectors. Moreover, as the industry integrates more recycled and bio-based materials, it is crucial to ensure that workers in recycling facilities and bio-material production sectors are supported with fair labour practices and safe working conditions. Efforts to encourage packaging return and reuse, particularly in shorter supply chains, can create new employment opportunities but may also require rethinking traditional logistics and distribution roles.

117. Addressing packaging waste through a just transition approach means balancing environmental goals with fair labour practices. This involves ensuring that the benefits of reduced packaging waste do not come at the expense of workers' livelihoods. It requires the adoption of proactive measures to support workers through training and job transition programmes, thereby fostering a sustainable industry that values both environmental and social outcomes.