

# Scotland Food & Drink – Skills Action Plan

Report  
Food and Drink Federation Scotland  
9<sup>th</sup> December 2025

## Foreword

FDF Scotland Executive Committee agreed that the results of the skills research, undertaken by Optimat Ltd, to inform the refreshed Skills Action Plan form an accurate picture of the CURRENT skills need of the sector. Further work, however, is still required to identify future skills needs.

Many larger companies are already investing in technology and reducing jobs and this trend will continue.

The FDF Scotland Executive Committee noted that to undertake this research, support is required from specialist organisations, academia and research facilities to enable, for example, the implementation of automation, AI, and digital skills. It is, therefore, recommended that further detailed research in this area be considered.

## Table of Contents

1	Introduction .....	1
2	Overview of Relevant Policies and Labour Market Intelligence .....	2
2.1	Sector Overview and Labour Market Intelligence .....	3
2.2	Industry Attractiveness and Marketing .....	5
2.3	Apprenticeships .....	7
2.4	Workforce Diversity and an Ageing Population .....	8
2.5	Upskilling and Reskilling.....	8
2.6	Skills Management and Tools .....	9
2.7	Key Policy Developments.....	9
2.8	Conclusion.....	11
3	Industry Insights on Skills Needs for the Food and Drink Sector.....	12
3.1	Sector Image and Attractiveness .....	13
3.2	Staff Recruitment and Retention .....	15
3.3	Current and Future Skills Needs .....	18
3.4	Addressing Skills and Training Needs.....	21
3.5	Conclusions from Stakeholder Engagement .....	22

## References

**Appendix A: Members of the Food & Drink Scotland Skills Advisory Group (SAG)**

**Appendix B: Stakeholders Consulted**

**Prepared By:** Mark Morrison and Ed Leigh

**Date:** 04.11.2025

**Approved By:** Hayley Welsh

**Date:** 04.11.2025

## 1 Introduction

The Scotland Food and Drink Partnership Skills Advisory Group (SAG) launched a Food and Drink Skills Action Plan in 2020, with the following five thematic areas:

1. Industry image and attractiveness
2. Apprenticeships
3. Upskilling and reskilling
4. Management and leadership
5. Fair work

This document is a refresh of the 2020 Action Plan, combining a review of the state-of-the-sector through desk-based research and stakeholder engagement.

The desk-based research involved a review of:

- available literature regarding the food and drink sector in Scotland, in terms of labour market intelligence (LMI)
- skills needs and apprenticeship provision for the food and drink sector
- government policies and strategies affecting the sector

It was supported by engagement with members of the SAG, who represent sector-specific industry membership organisations that provide a range of services such as public sector engagement, policy, training and marketing), economic development agencies, education providers, career influencers and skills providers for the food and drink sector. In addition, senior executives representing different companies in Scotland’s food and drink sector were interviewed and surveyed.

For this study, the food and drink sector has been divided into five industry sub-sectors:

- Agriculture and land-based
- Aquaculture
- Brewing and distilling
- Food processing and manufacturing
- Seafood

The following sections summarise the desk-based research and stakeholder engagement. This document concludes with a Skills Action Plan in section 4.

## 2 Overview of Relevant Policies and Labour Market Intelligence

Industry reports and relevant strategic material were reviewed to understand any change in labour market dynamics since the publication of the previous Food and Drink Skills Action Plan (2020). This review considered the themes of the previous action plan and consolidated these with thematic areas that emerged from our review of relevant strategies, policies, tools and LMI.

This review draws on key background documents including the Scotland Food & Drink Industry Strategy (2023)<sup>1</sup>, *Sustaining Scotland. Supplying the World*, the Withers Review (2023), *Fit for the Future: Developing a Post-school Learning System to Fuel Economic Transformation*<sup>2</sup>, the Hayward Review (2023), *It's Our Future - Independent Review of Qualifications and Assessment*<sup>3</sup>, and the *Tertiary Education and Training (Funding and Governance) (Scotland) Bill (2025)*<sup>4</sup> which are central to shaping the reform of the wider education and skills landscape, and will have implications for different sectors including food and drink.

The Withers Review (2023) examined Scotland's post-school skills system, calling for a simpler, more coherent, and employer-focused landscape. It highlighted fragmented responsibilities, duplication, and some misalignment between education and industry needs. Key recommendations included the creation of a single funding body; strengthening regional and sectoral partnerships; embedding employer input; and introducing modular, flexible learning pathways with a digital learner record.

The Hayward Review (2023) focused on qualifications and assessment in the Senior Phase of education. It proposed a new Scottish Diploma of Achievement, combining traditional learning with project-based and personal pathways to recognise wider skills and achievements. The review proposes a reduction of exam prominence, promoting continuous assessment, and valuing vocational and academic learning equally.

The *Tertiary Education and Training (Funding and Governance) (Scotland) Bill* is a key element of the reform of post-school education and skills in Scotland. The purpose of the Bill is to make provision for the Scottish Funding Council (SFC) to take full responsibility for the delivery of National Training Programmes (NTPs), apprenticeships and work-based learning, thus bringing responsibility for all forms of post-school education and skills provision under the remit of SFC.

The Scotland Food & Drink industry strategy (2023), sets out a collaborative 10-year vision to grow the sector's value, resilience, and sustainability. It focuses on boosting productivity, innovation, exports, and workforce skills while supporting the transition to net zero. Developed with industry and government partners, the strategy aims to make Scotland the best place to own, operate, and work in a food and drink business through sustainable growth, a skilled workforce, and strong global reputation.

To place this in a wider context, Scottish Enterprise has identified four key megatrends set to shape the economy from 2025: the race for security, the skills squeeze, environmental tipping points, and breakthrough technology<sup>5</sup>. These trends cut across all sectors and underscore the importance of effective skills planning. There is also a growing demand for digital skills and sustainability knowledge as core elements of both transferable and specialist capabilities<sup>6</sup>.

## 2.1 Sector Overview and Labour Market Intelligence

Scotland’s food and drink sector is a major employer supporting 129,000 jobs across agriculture, fishing, aquaculture, and manufacturing<sup>7</sup>. The Scotland Food & Drink Partnership estimates that, in 2024, Scotland’s food and drink sector generated £16bn in turnover, contributing £5.3bn in GVA, with £8.1bn in exports and accounting for 10% of total enterprises<sup>1</sup>. As an industry, it is the third largest sectoral employer and the largest manufacturing employer in Scotland. Food and Drink Federation (FDF) Scotland highlights Scotch whisky, Scottish seafood, and Scottish beef as significant contributors to Scotland’s strong export market, with regenerative farming and sustainability practices evolving to secure a future in high quality food production<sup>8</sup>.

At a sector level, the economic output of food and drink fell by 4.5% in 2023 and 2.8% in 2024<sup>9</sup>. Skills Development Scotland (SDS) published two sectoral skills assessment reports in October 2025 for the Scottish food and drink industry, separating analysis for ‘primary production’ and ‘manufacturing’. Primary production was estimated to generate £59,000 in GVA per job<sup>10</sup>, while manufacturing contributed £76,600, compared to the Scottish average of £57,700<sup>11</sup>.

The food and drink sector, however, is experiencing a declining workforce. Manufacturing employment declined by 18.9% and primary production by 18.6% between 2015 and 2025. During the same period, the overall Scottish workforce grew by 5.5%<sup>11</sup>. At a UK-level there are sustained job vacancy rates in food and drink. In Q1 2025, there was a 3.9% vacancy rate in UK food and drink manufacturing compared to 2.4% for the UK average and 2.1% for general manufacturing<sup>12</sup>. SMEs faced the most significant recruitment challenges, with an average vacancy rate of 4.8% across all sectors. This lower-than-average performance highlights an ongoing recruitment and retention challenge for the sector. This is supported by the observation that job postings in the food and drink sector (both primary production and manufacturing) have remained higher than pre-pandemic levels<sup>11</sup>. One of the reasons for this has been the historic reliance of the food and drink sector on workers from the EU, and in particular from Eastern Europe, for permanent as well as seasonal staff. Following the UK’s withdrawal from the European Union (Brexit), many of these individuals returned to their home countries and the flow of new staff from the EU has reduced<sup>13</sup>.

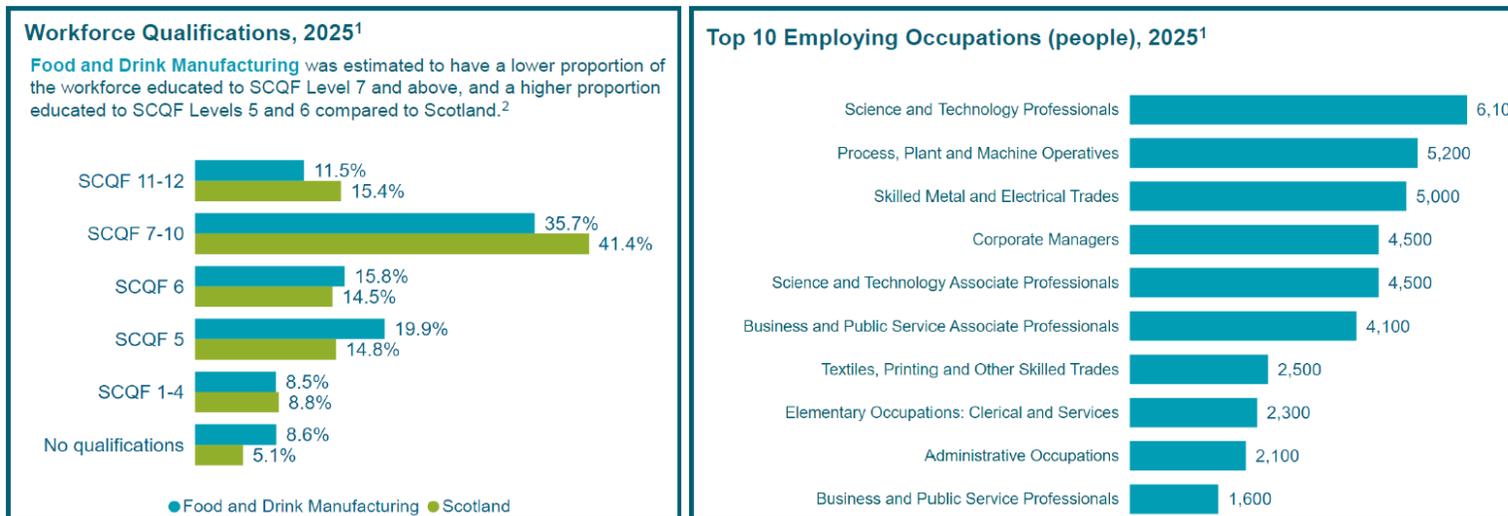
Absolute employment counts within the food and drink sector varies, based on methodological assumptions of the data sources. The SDS Sectoral Skills Assessment reports are based on standard industrial classification (SIC) codes and estimate the 2025 workforce at 29,800 for primary production and 45,200 for manufacturing. In contrast, Scottish Agricultural Census data estimates a considerably higher 66,800 for primary production<sup>14</sup>. The variance is likely due to the self-declaration of SIC codes, which do not always align with sectors, and in the census data. Additionally, the census methodology includes part-time seasonal workers and owner-occupier smallholder farmers.

Data from the SDS sectoral skills assessments illustrate differences in qualifications (based on the Scottish Credit and Qualifications Framework, SCQF) and employment by occupation for primary production (Figure 1) and manufacturing (Figure 2) in the food and drink sector. Figure 1 shows that primary production has a lower proportion of the workforce educated to SCQF Level 6 and above, and a higher proportion educated to SCQF Level 5 and below compared to the whole of Scotland. Skilled agricultural trades and elementary occupations dominate primary production with 14,000 and 4,700 respectively, or 63% of the total workforce. In

contrast, manufacturing has a lower proportion of the workforce educated to SCQF Level 7 and above and a higher proportion educated to SCQF Levels 5 and 6 compared to the whole of Scotland. It also shows the importance of science and technology professionals and associate professionals, as well as operatives, tradespeople and managers to food and drink manufacturing. This indicates the nuanced specialist skills requirements that differ across segments of the food and drink sector.



**Figure 1: SDS Food and Primary Production<sup>10</sup> (1: data from Oxford Economics Forecasts)**



**Figure 2: SDS Food and Drink Manufacturing<sup>11</sup> (1: data from Oxford Economics Forecasts)**

## 2.2 Industry Attractiveness and Marketing

Food and drink spans several industrial sectors, with many different occupational roles, as indicated in Figures 1 and 2. Scotland has a strong contingent of small and micro size businesses spanning numerous sectors within food and drink, contributing to a dynamic business environment that can result in competing skills requirements<sup>8</sup>. The industry has an opportunity to develop more cohesive and engaging marketing to better showcase its strengths and opportunities across the wide range of sectors and roles<sup>1</sup>. However, this needs to reflect that many food and drink businesses operate in rural locations where there is low unemployment and there are other industries that are currently more attractive to job seekers<sup>13</sup>.

Direct engagement with schools and young people, such as through careers fairs, site visits and increasing visibility of the sector has been viewed as vital for raising awareness of the sector’s diverse opportunities, especially in more technologically advanced roles that are not always visible<sup>15</sup>. Much work has been delivered to date to achieve these aims, but more can be done.

The previous Skills Action Plan highlighted the need to secure a pipeline of talent and attract people into the sector to address skills shortages. Actions delivered as part of the previous plan include: establishing a [Scottish Food and Drink Ambassadors network](#); delivering a series of communications; and developing a hub to direct employers to help attract, recruit and retain their workforce ([Feeding Workforce Skills](#)). There is also a group of Food Education partners, from a variety of food and drink sector associations and key stakeholders, including SDS, DYW and Education Scotland. These bodies work individually and in partnership to develop and deliver food education activity and resources and programmes that can be used by educators, career influencers and industry, using food as a context to deliver the curriculum and to promote careers in the sector This information is hosted on a [signposting and resources](#) site. However, more could be done collectively and funding for joint activity is limited.

This collective work, undertaken on behalf of the Scotland Food & Drink Partnership, has been useful, however, thematic challenges highlighted in the previous action plan, such as engaging with education, challenging perceptions of careers in the sector, and engaging with industry, are ongoing<sup>15</sup> and more could be done to strengthen this partnership approach.

The Good Food Nation Plan<sup>9</sup> and the ongoing curriculum reform<sup>3</sup> offer opportunities to effect change in terms of embedding food education in the curriculum and should be seen as opportunities to engage to ensure career influencers and educators understand the skills required by the sector and deliver these through the revised curriculum.

New technology focused areas and sustainable practices have been discussed as potentially useful attributes for marketing the sector as being progressive and innovative<sup>9</sup>. Such practices include vertical farming, new process formulations and greater automation across the sector in general, which require a range of technical and legislative roles to optimise integration and growth. These changes necessitate both the reskilling of the existing workforce and attracting new specialised skillsets<sup>16</sup>. For example, to receive agricultural payments in Scotland, ‘The Whole Farm Plan’ now requires a review of current land and livestock practices including

(where relevant) animal health and welfare plan, biodiversity audit, carbon audit, integrated pest management plan, and soil analysis<sup>17</sup>. In this instance, specialist, including environmental, skills will be required to meet a more comprehensive legislative environment. Where such examples highlight potential skills gaps, they can also promote opportunities for the industry to market attractive and innovative opportunities.

The varied roles required and the wealth of different product categories across the sector can make it challenging to consolidate the right message in an effective and attractive manner. The sector in Scotland, however, is built on strong foundations with initiatives that can provide the basis for further work to market the sector as an attractive career path and secure a pipeline of interest from younger generations.

### 2.3 Apprenticeships

Apprenticeships continue to be recognised as a vital mechanism for attracting and developing talent across a range of age groups and skill levels. With 1 in 4 people of a working age in Scotland economically inactive, there is a need to unify the fragmented skills provisions and support mid-career apprenticeships as well as youth practical experiences<sup>18</sup>. Apprenticeships can play a significant role in recruitment and retention, as figures suggest that 92% of individuals completing their modern apprenticeship (MA) in Scotland remain in work<sup>19</sup>. However, MA starts in food and drink have continued to be proportionally low, representing only 4.1% of all starts in 2024/25 (1,036 from a total of 25,507 MA starts across all sectors), decreasing from 4.2% in 2023/24 (1,075 from a total of 25,365 MA starts across all sectors). The percentage of MAs currently in training in the food and drink sector was even lower, at 2.4% in 2024/25 (921 from a total of 39,043 MAs in training across all sectors), decreasing from 2.6% in 2023/24 (1,010 from a total of 38,607 MAs in training across all sectors)<sup>20</sup>. Nevertheless, MA achievement rates in the food and drink sector were the third highest by occupational grouping in Q1 2025/26 at 84.2%, above the average of 77.4%<sup>21</sup>. Considering Foundation Apprenticeships (FA), a 2022 study found that, in general across Scotland, closer collaboration is needed between schools and providers as FA programme requirements are inconsistent and vary significantly across subject frameworks<sup>22</sup>. There is concern that vocational courses and apprenticeships are not a key focus for schools that instead prioritise getting young people into university<sup>15</sup>.

More generally, funding for education and training in Scotland is allocated in different ways across colleges, universities, and apprenticeships, creating inconsistencies and inefficiencies, and sometimes inhibiting an institution's ability to be more responsive to local economic needs<sup>2</sup>. The Tertiary Education and Training Bill was introduced in Scotland in 2025 and aims to unify the £3.2 billion post-school education budget, joining up universities, colleges, and wider skill provisions<sup>4</sup>. Closer ties between industry and skills/funding providers were emphasised at a meeting organised by industry bodies<sup>4</sup>. This could enable training programmes that are responsive to current and emerging needs, ensure better routes into employment and account for regional and sectoral variances.

It should be noted that the apprenticeship system differs across the nations within the UK. England's apprenticeship system is employer-led, based on standardised frameworks from Level 2 to Level 7<sup>23</sup>, and funded through a levy<sup>24</sup> that gives employers direct control. In contrast, Scotland's education-led model comprises

Foundation, Modern, and Graduate Apprenticeships aligned to the Scottish Credit and Qualifications Framework (SCQF)<sup>25</sup>. While this offers a range of entry points, it can be complex to navigate.

## 2.4 Workforce Diversity and an Ageing Population

Scotland’s population is ageing<sup>26</sup>. In 2021, 22% of the workforce was over 50 with the number of people aged 65 and over projected to rise by almost a third by 2045<sup>27</sup>. Compounded with a historical reliance on employment of migrant workers (16% in food and drink in 2019, compared to a national average of 8.3%), the sector faces a skills squeeze exacerbated by retirements and tighter immigration laws<sup>27</sup>. SDS has forecast that, from 2024 to 2027, there will be a total requirement of 10,800 additional people to support the primary production workforce, primarily driven by replacement demand for those leaving the workforce<sup>10</sup>. Manufacturing figures are lower at a total requirement of 1,600, but with a higher replacement demand over the same period<sup>11</sup>.

In terms of planning, The British Chamber of Commerce found that less than a quarter of Scottish businesses had any written annual plans to prepare for people exiting the workforce<sup>27</sup>. A lack of planning inhibits the forecasting of skills gaps and the requirement for strategic upskilling and reskilling initiatives to mitigate losses. Whilst gaps could be supported by a better pipeline of talent, better provision for internal skills development and management can reduce the impact of retirement of highly skilled and senior personnel<sup>28</sup>. Research by the Scottish Government identified a decline in off-the-job training and formal career progression opportunities with increasing age, highlighting the need to rebalance skills investment to ensure continued development across all career stages<sup>26</sup>. The Scotland Food & Drink Partnership Recruitment and Retention Toolkit specifically suggests that businesses should consider the range of people they could attract, including those returning to work after a having a child or from a caring role<sup>29</sup>. By building diverse and inclusive workforces, businesses can develop a more agile and resilient model that evolves training provision with industry needs.

In line with this, the previous Skills Action Plan also identified Fair Work as one of the key themes for action. In Scotland, a recent parliamentary note identified that 90.6% of employees are paid the real living wage in the food and drink sector<sup>15</sup>. However, statistics indicate an increased gender pay gap in food and drink manufacturing at 14.5% in 2024 compared to 9.7% in all manufacturing and 2.2% in all industries and services<sup>9</sup>. The National Good Food Action Plan references the Fair Work Nation 2050 policy to promote fair work practices across the labour market in Scotland to reduce pay gaps and intersectional barriers<sup>30</sup>. As a key economic sector, food and drink has been heavily impacted by the cost-of-living crisis and rising costs in energy, manufacturing, and production. Despite this, the statistics indicate strong performance in meeting the living wage element of Fair Work.

## 2.5 Upskilling and Reskilling

Levercliff, in their analysis of future skills reports, emphasises that role requirements are evolving, and increasingly demand skillset combinations that span multiple trades or technical areas<sup>31</sup>. For example, manufacturing operation roles may require both engineering knowledge and management training. With the integration of

AI and automation, workforces will likely require new digital skills in both specialist and generalist roles<sup>6</sup>. To support technology adoption, existing workforces will need to be upskilled to bridge gaps between current skills development and future operational needs, particularly in lean manufacturing and cost optimisation<sup>32</sup>. However, the UK-wide FDF State of Industry Report Q1 2025 found that only 23% of businesses were planning on boosting spending on skills and training, whereas 50% intended to invest more in plant and machinery automation<sup>12</sup>. Without the necessary skills to digitalise manufacturing processes, efficiencies are unlikely to be fully realised.

The Scottish Government identifies key transferable skills in a report focused on the land-based and aquaculture sectors to include technical and digital proficiency, environmental sustainability and awareness, communication and soft skills, as well as business and entrepreneurial skills<sup>6</sup>. These skills can be developed through ongoing learning and upskilling alongside role-specific requirements, underpinning a mobile workforce that can operate across food and drink industries. Identification and support for transferable skills was highlighted as essential in both the Scottish Government’s Agricultural Reform Programme<sup>17</sup> and the Land Use Strategy<sup>33</sup>.

The Withers Review (2023) highlighted a need for flexible and modular learning pathways that cater to the diverse needs of both learners and industries<sup>2</sup>. Flexibility to respond to short- and medium-term needs, of often geographically dispersed businesses, are key drivers; as well as inclusion of those wanting to undertake learning and training in more flexible ways. The Scottish Government’s review of transferable skills in Scotland’s land-based and aquaculture sectors, clusters industries with similar skillsets to approach the coordination of skills training such as: Agri-Environment, Animal and Logistics, and Natural Resources and Conservation<sup>6</sup>. This method utilises transferable skills to highlight the opportunity to transition between careers within occupational clusters.

Skills changes are also being observed across Europe. FoodDrinkEurope reports similar challenges, citing barriers to addressing EU skills gaps such as limited funding access, regional disparities in training, misalignment with industry needs, and low levels of digital readiness<sup>34</sup>.

## 2.6 Skills Management and Tools

The skills landscape can be supportive but themes of complexity, fragmentation, and the need for greater coherence are repeated frequently. The previous Skills Action Plan identified a ‘packaging-up’ of existing support to enable businesses to better identify and utilise support mechanisms. Progress has been made to address this but there is still much work to do.

Across the food and drink sector there are numerous organisations that represent different sub-sectors developing their own campaigns to attract new recruits. Whilst this is appreciated in raising awareness, there is a risk of duplication and confusion that inconsistent messaging across campaigns can obscure the sector’s collective identity and reduce clarity for potential recruits and a unified sector-wide communication strategy.

With approximately 90% of Scottish food and drink businesses classified as SMEs, capacity constraints are a recurring theme. SMEs often lack the resources to navigate complex skills systems, limiting their ability to access and utilise available tools, and there is a need for simplified pathways and tailored guidance aligned with strategic communication of availability.

## 2.7 Key Policy Developments

Monitoring key policy developments is essential for forecasting, managing, and developing workforce skills. Policy decisions influence trade relations, labour supply, skills demand, and sectoral support mechanisms, meaning that shifts in policy can reshape skill requirements and labour distribution in response to economic changes such as restructuring, contraction, or growth.

In April 2025, the President of the United States, Donald Trump, announced 10% tariffs on nearly all UK products, including food and drink. For Scotch Whisky this has been estimated to have cost businesses £4 million per week<sup>35</sup>. According to the Browne Jacobson analysis, tariffs have increased costs for UK food and drink exporters, particularly affecting products such as whisky and dairy, while contributing to inflationary pressures across the supply chain<sup>36</sup>. The Food and Drink Federation (FDF) reports that, despite these challenges, UK businesses are finding new opportunities, with food and drink exports growing by 7.2% in early 2025 and non-EU exports rising by 10.6% as firms target new markets beyond Europe<sup>37</sup>.

The recent UK-EU trade deal between the UK Government and the European Union, completed on the 19<sup>th</sup> May 2025, targeted an easing of the trade barriers around sanitary and phytosanitary (SPS) rules including the removal of certain routine checks on animal and plant goods<sup>38</sup>. As part of the deal, the trade of food and drink with Europe should flow more freely with a reduced compliance burden and some restoration of access to EU markets for certain products such as burgers and sausages. Discussions around a proposed re-introduction of a youth mobility scheme may also improve access to seasonal workers, however, this will likely not affect the skills requirements or provisions in Scotland in the short-term, and securing a pipeline of talent into food and drink must still be prioritised. In response to the recent UK Government’s Immigration Whitepaper, the Scottish Government indicated that planned reduction in Seasonal Worker visas threatens labour supply for Scotland’s agriculture, food, and drink sectors, where smaller producers cannot easily afford automation<sup>39</sup>. The Scottish Government proposes that the UK Government should match visa numbers to seasonal demand and offer financial support to help producers invest in automation.

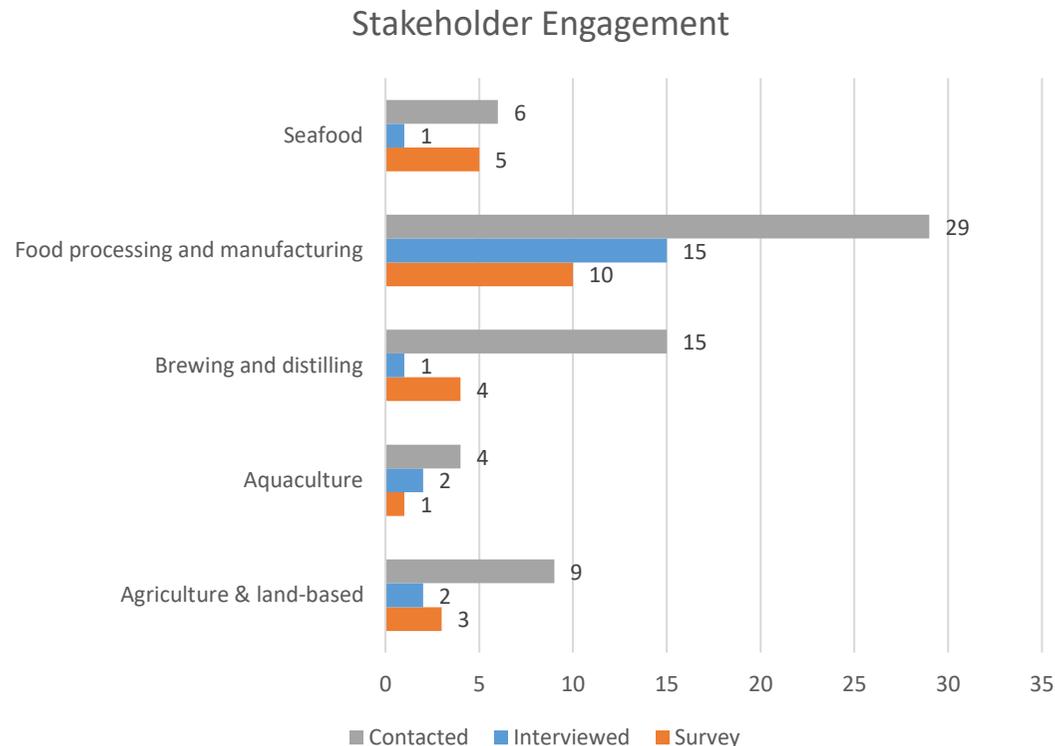
A rise in National Insurance Contributions (NIC) and National Minimum Wage (NMW) alongside increased energy and facility costs has increased costs for employers and tightened already squeezed margins in the food and drink sector<sup>32</sup>. Johnston Carmichael found 58% of companies surveyed across Scotland and the UK remain optimistic about future growth in 2025, a 10% drop on the previous year<sup>32</sup>. The rise in operating costs is driving risk in employment alongside a skills shortage.

## 2.8 Conclusion

This LMI and literature review has identified ongoing challenges that have persisted since the previous Skills Action Plan, as well as key policy developments that will continue to shape future skills needs and distribution. It has also highlighted the strengths of Scotland's food and drink sector, including its strong identity, which is not always effectively marketed to attract new recruits. Apprenticeships remain a vital mechanism for the sector, for developing a talent pipeline equipped with essential vocational skills and opportunities for upskilling. However, data shows a shrinking workforce partly driven by an ageing demographic across the whole of Scotland. Despite this, the sector demonstrates strong advantages such as a high proportion of employers paying the Real Living Wage and significant opportunities for upskilling and reskilling to address skills gaps through transferable skills. This LMI and literature review formed the basis of the stakeholder consultation and refresh of the Skills Action Plan.

### 3 Industry Insights on Skills Needs for the Food and Drink Sector

A total of 63 companies were contacted as part of this study, of which 21 were interviewed and a further 23 completed an online survey that was widely promoted by SAG members. In total this represented 43 unique companies, as different individuals in one company were interviewed and completed the online survey. The interview and survey programmes ran between mid-June and the end of August 2025. Figure 3 provides an overview of company responses from different food and drink sub-sectors. All sub-sectors responded, with the majority from the food processing and manufacturing sub-sector (the largest within the food and drink sector).



**Figure 3: Number of companies contacted (63), interviewed (21) and completing surveys (23)**

In addition to companies, members of the Scotland Food & Drink Skills Advisory Group (SAG) were engaged, through interviews, two regular meetings of the SAG (in July and October) and a dedicated workshop (in September). Members of the SAG are listed in Appendix A, while company stakeholders are listed in Appendix B.

This section provides an overview of findings from the interview programme and surveys, undertaken with representatives of companies in Scotland’s food and drink sector. This sets the context for the Scotland Food and Drink Skills Action Plan. It is important to remember that the food and drink sector is highly diverse with companies ranging from micro enterprises with less than ten employees and limited resources, to multi-national companies with over a thousand employees and very well-developed programmes for staff recruitment, training and retention. What this means in practice is that many of the larger companies have the internal resources to develop bespoke recruitment and training programmes, as well as offering benefits and incentives to retain existing staff. That said, there were many examples of smaller companies also developing new approaches to address these issues, albeit with more limited resources. In addition, the sector is comprised of companies engaged in many different processes and operating in both rural and urban locations, all of which affects the nature of the work and the environment in which it takes place. This makes comparisons across the whole sector challenging and so, where possible, observations for specific parts of the food and drink sector are provided.

The study identified several themes and issues that affect the wider food and drink sector. Of note, many are the same or similar to those identified in the previous Food and Drink Skills Action Plan (2020), in particular: **sector image and attractiveness**, **career pathways**, **apprenticeships**, and **management & leadership**. New issues that have been identified are **staff recruitment and retention**, and **new skills needs**, which are **increasingly multi-disciplinary and have a strong digital element**.

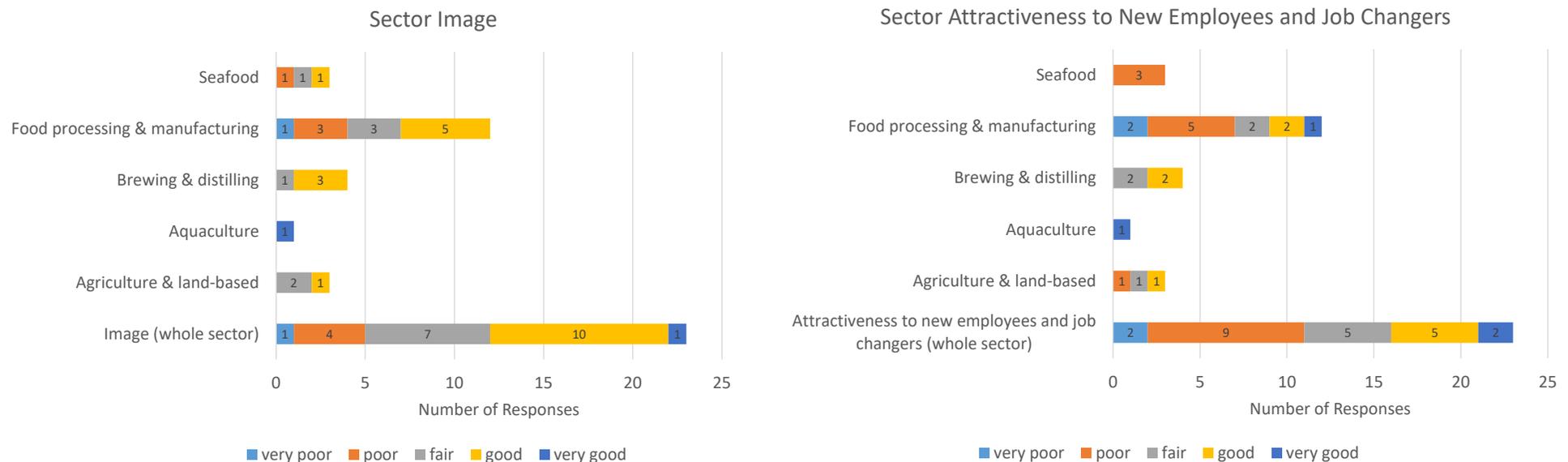
The draft skills action plan that is outlined later in this document takes account of these factors, presenting options that address issues identified by the majority of those interviewed or surveyed.

### 3.1 Sector Image and Attractiveness

While, in general, most companies interviewed or surveyed for this study believe that the food and drink sector is seen positively by people already employed in the sector, there is widespread belief that people outside of the sector perceive it to be low-paid, unattractive, and offering poor working conditions. This is particularly true for the seafood industry and aspects of the agricultural and land-based industries. Despite a concerted effort by the sector to raise awareness, the broad consensus from companies in different food and drink industries is that the wider population has poor awareness of the breadth of jobs available and the varied career opportunities in the sector. The opinion of several interviewees is that those outside the sector ‘*see it as a job, not a career*’, and that this perception comes from influencers such as parents, guardians and teachers. However, this was not a universal opinion. Some of the larger companies, in particular, believe the sector to be attractive. Discussion during interviews with such companies suggests that this may be a result of greater resource available to engage with their potential workforce and to better articulate career pathways.

For the wider sector, image and attractiveness remain the most pressing challenges, which businesses will need to overcome to ensure the influx of new staff that is needed to not only grow but continue to operate. The general opinion is that there needs to be better presentation of the whole sector, which contributes so much to Scotland’s economy and international image, rather than individual companies celebrating their own success. Potential employees should be able to understand what it is like to work in different food and drink companies and in different subsectors. This will require highlighting skills required, their transferability and the range of jobs and career pathways available across the whole sector. Concerted engagement with educators, career influencers, sector bodies and the industry should be undertaken to address this need. Messaging should be underpinned by the fact that food and drink is a fast moving sector, offering a range of opportunities at different levels, with excellent career progression and salaries regardless of an individual’s initial qualifications and skills.

Responses to the survey reinforce the feedback from interviews, with 11/23 respondents believing sector **image** (for those already employed within the sector) to be good or very good, compared with 5/23 considering it to be poor or very poor. In contrast, 11/23 believe sector **attractiveness** to new employees and job changers to be poor or very poor compared with 7/23 considering it to be good or very good (Figure 4).



**Figure 4: Survey responses to sector image and attractiveness (23 respondents)**

Several interviewees were of the opinion that a **regional approach** should also be built into improving sector attractiveness to new employees and job changers. This would reflect the different industrial make-up and education provision in different parts of Scotland, which will affect both the supply of and competition for skilled staff.

Finally, most of those interviewed believe that society as a whole needs to be better at **preparing young people for the world of work**. What this means in practice is that parents and guardians need to discuss what jobs and careers mean with the young people they are responsible for; teachers and lecturers need to be supported to better **connect the education curriculum with the world of work**; and businesses need to provide opportunities for young people to experience the working environment while still in education, in a more structured way than currently available through ad hoc work experience.

Companies for their part also recognise that employees' attitudes to work-life balance have changed, and that they need to adapt, where possible, to this. For example, more people nowadays are looking for flexible working, which could involve different shift patterns to accommodate other responsibilities, part-time employment to allow other interests to be pursued, and greater remote working.

### 3.2 Staff Recruitment and Retention

There are **significant and persistent workforce challenges** across the sector in relation to recruitment and the retention of staff, but particularly in the agriculture and land-based, food processing and manufacturing, and seafood sectors. This has also been reported by FDF in their 2021 submission to the UK Government<sup>40</sup>. These tend to be entry-level, operational roles, but also extend to roles that are in demand across many different sectors, such as engineers, financial officers, and IT specialists. Most interviewees reported significant difficulties in attracting UK nationals to the sector and recruiting people with the right work ethic and general aptitude for such roles.

As a result, many businesses are struggling to attract and retain the skilled staff they need to operate. This is due to different factors including sector image and attractiveness, issues associated with rural locations (such as lack of affordable housing, and poor transport links), and competition with other sectors that can offer higher pay and/or better employment packages. Some companies indicated in interviews that in many rural locations there is low unemployment, further compounding these issues.

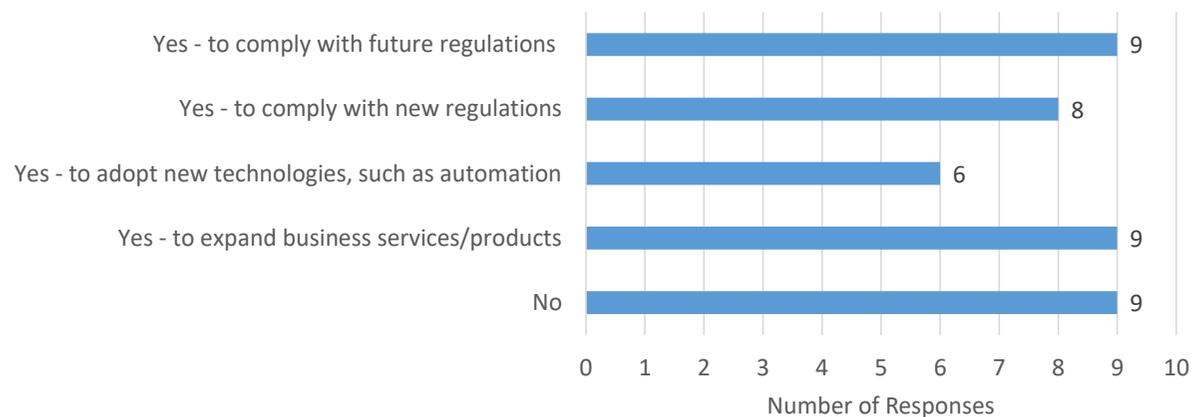
Government policies regarding increased employer National Insurance costs and changes to work visa conditions have added additional pressures to businesses. Across many of the businesses interviewed there is a **high turnover of staff** (which has been noted by recruitment agencies engaged in the food and drink sector<sup>41</sup>), particularly in entry level production line roles, with companies that were interviewed in the food processing and manufacturing, and seafood industries, in particular, reporting a need to recruit far more staff than they need for these roles, with the expectation that as many as half of these new employees will leave within a short space of time.

While back-office staffing is generally more stable, companies still have difficulties in recruiting for these roles as they are sought after across many different industry sectors, not just food and drink. Several companies that were interviewed reported having to use recruitment agencies to source or head-hunt individuals for back-office roles including senior management, finance and new product development.

Results from the survey underline these challenges, with 18/23 of respondents having issues with staff recruitment, 15/23 with filling specific roles and 12/23 with staff retention (Figure 5A). In addition, 16/23 survey respondents had issues finding people with specific skills (Figure 5B). Of note is that 9/23 companies responding to the survey had no changes to skills needs in the last 5 years. Of those that did, 8 needed new skills to comply with new regulations, 9 to comply with future regulations, 9 to expand their business services and/or products, and 6 needed new skills to adopt new technologies (Figure 6).



**Figure 5: (A) Staffing issues in the last 5 years (other issues identified were for training and recruitment during peak season) (B) Skills issues in the last 5 years (online survey, 23 respondents)**



**Figure 6: Changes to business skill needs in the last 5 years (online survey, 23 respondents)**

In common with all other industry sectors, the food and drink sector has an **ageing workforce**<sup>40</sup>, and faced with the issues highlighted above, some companies that were interviewed have significant concerns as to how retiring staff will be replaced, although only 4/23 of those surveyed had concerns regarding staff nearing retirement (Figure 5A). Nevertheless, the interviews indicated concern regarding the transfer of knowledge from staff nearing retirement to those that are mid-career, such that in some cases companies are actively moving staff into **mentoring roles** (if they agree) to address this issue. This appears to have been useful in retaining expertise and experience for additional time and ensuring that capabilities in less-experienced staff are improved. This is, however, mainly in larger companies. Mentoring in smaller companies is more ad hoc and determined by immediate operational demands.

As a result, many companies report **persistent vacancies** that constrain their day-to-day operations (usually addressed by bringing in temporary agency staff) and their growth ambitions. In general, these issues are more pressing for smaller than larger companies. Most companies are, however, **taking steps to address retention issues** through introducing staff benefits including, for example, increased pension, holidays, discount schemes, altered shift patterns to accommodate caring responsibilities, etc.

Of note is that most companies who were interviewed have either implemented **Fair Work practices** or are actively working towards these. They have done so because they believe that employees now expect such standards. However, many are struggling, and others will struggle to fully implement Fair Work requirements because of tight operating margins, affected by factors such as increased employer NI contributions, increased energy and raw material costs, and being pressured to keep prices low by their customers, which are often supermarkets.

### 3.3 Current and Future Skills Needs

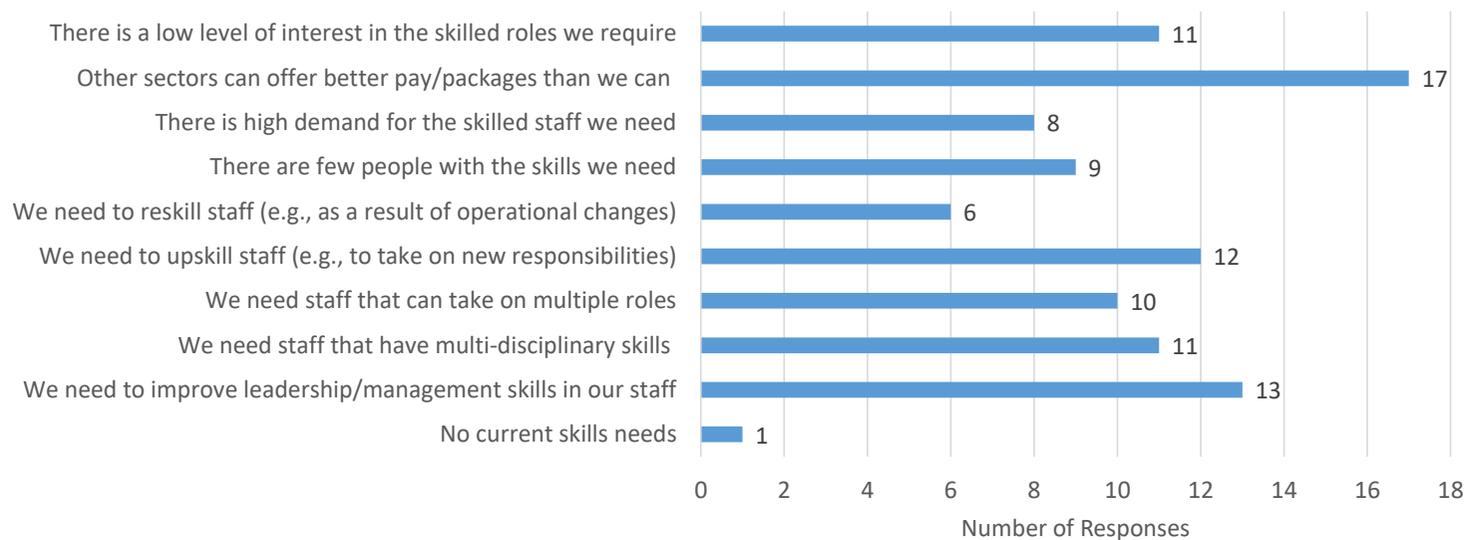
Most changes in reported skills needs are due to **changes in regulations** with which companies need to comply, including: health and safety, quality assurance, employment laws, and any changes to regulations that affect their customers. For processing and operative roles, several companies have the view that there is no need to upskill or reskill, with the exception of where **automated production lines** are being introduced. In these cases, there is increased demand for a range of **digital skills**, so that staff can understand how to operate and troubleshoot equipment that is usually controlled via a digital interface. This is particularly true for older members of staff who may be shifting from manual to automated production lines. Of note, is that many companies have introduced automation to their operations not just to improve efficiencies, but because they can no longer recruit people to undertake these traditionally manual roles. Furthermore, there is recognition that while some members of staff do not seek progression from operative to other roles, opportunities and clear career pathways need to be available for those that do, otherwise there is a risk that these individuals will leave.

Some businesses are looking to **higher level digital skills**, for example, to exploit data analysis and AI to improve their operational efficiencies. Some businesses reported that, in this regard, the training on offer in further and higher education exceeded the level of skills they need, and a tiered approach was required, for example modular courses for staff to supplement their existing capabilities.

Most businesses that were interviewed report a **range of skills gaps** but particularly in **leadership and management**, where many believe that some of those already in supervisory and middle management roles, and those being developed for such roles, lack the skillsets to perform the role effectively. In all sectors, **technical skills shortages** were identified, some are specific to individual sectors, such as chefs, bakers, butchers, new product development (NPD) and vets; while others affect multiple sectors such as engineers, health and safety, regulatory, quality control, IT and finance. There was a widely held view that many people coming from further and higher education have significant theoretical knowledge but lack practical, hands-on experience that companies need. In fact, many companies place higher emphasis on the **right work ethic and work experience** over qualifications, as a result.

Several companies make use of **apprenticeship frameworks** to bring in new employees and to upskill existing employees. This is particularly true of the aquaculture sector, and in several agriculture and land-based companies as well as in food processing and manufacturing. However, many of those interviewed feel frustration with the current apprenticeship frameworks. This ranges from these not being specific enough for the food and drink sector (e.g., engineering) or absent completely (quality assurance), to the costs of taking on apprentices (apprentices need to be paid the living wage). For those that do, most of the engagement with the accredited skills organisation is assessing competences in the workplace rather than providing training. This is partially due to employers wanting to keep apprentices in the workplace where they are contributing economically, and partly that the funding available to the training provider has been significantly reduced and was considered to compare poorly with support available in England, for example.

Many continue to **employ foreign nationals because they cannot source skilled people that are UK nationals**. This appears to be a combination of people not interested/aware of careers in food and drink, and the perception that pay and conditions are better in other sectors. This feedback from interviews was mirrored in survey responses, with 17/23 respondents believing that other sectors offer better pay/employment packages, and 11/23 that there is a low level of interest in the skilled roles they require. The survey also underlines that around half of respondents believe there is a need to upskill staff and to have staff with multi-disciplinary skillsets (Figure 7).



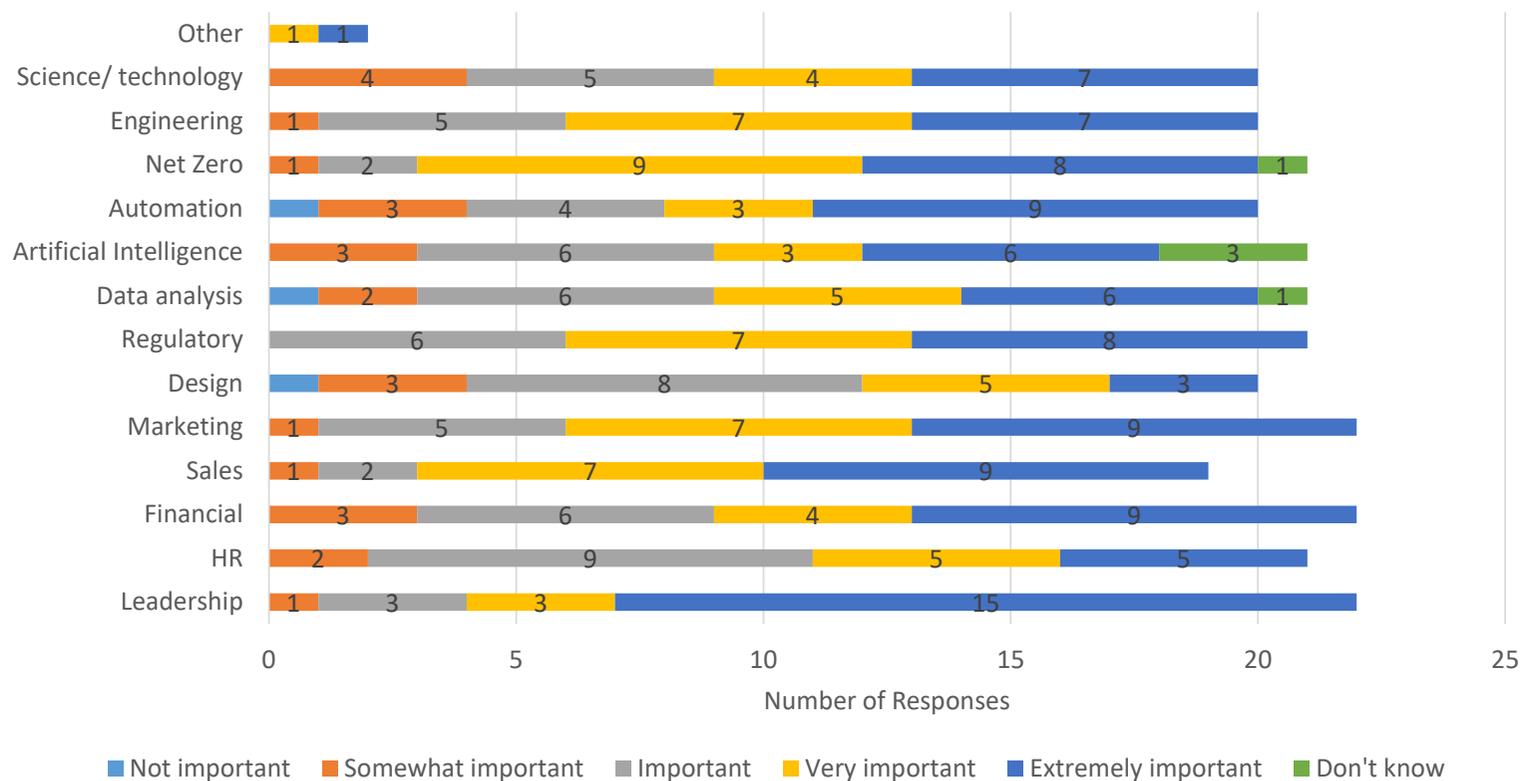
**Figure 7: Current skills needs and issues (online survey, 23 respondents)**

The interview and survey programmes indicate that upskilling and reskilling are important to many, but not all, companies. Several companies stated that they will either train people up in skills that they need, if that person has the right attitude, or bring in semi-skilled people and train them up. This was particularly true of management, engineering and QA roles. Most companies will look to promote internally, should a position become vacant, and then backfill rather than hire directly into more skilled jobs, as these individuals have a better understanding of the organisational culture.

Most companies, particularly smaller ones, are looking for **multi-skilled people** from engineers that have competences in both electrical and mechanical, to individuals that are prepared to ‘muck-in’ to ensure that the business operates as efficiently as possible. As mentioned earlier, there is an **increasing need to combine**

**existing skills with digital skills and capabilities**, and, in addition, some mentioned a need for **creativity and critical thinking**, over and above traditional skills. Training providers also confirm that companies are requesting more digital and AI content in the courses they deliver.

In terms of the future, the survey responses indicate an ongoing need for a range of skillsets, and in particular leadership, sales, marketing, regulatory, and engineering. Of interest is the recognition of **how important net zero skills will be to businesses**, with 17/21 survey respondents (answering this question) indicating these to be very or extremely important to their businesses going forward. Of note is that some respondents are unsure of the importance of AI, data analysis and net zero skills to their businesses in the future (Figure 8).



**Figure 8: Importance of different skillsets to business in the future. Other – technical, aquaculture and staff reliability (online survey, 23 respondents)**

Companies that were interviewed would like to see **greater flexibility in how this upskilling and reskilling is supported and delivered**. While a lot may be done in-house through mentoring, there is a need for external providers to deliver modular courses, available at a time and frequency that does not interfere with business operations. This is particularly true of those companies that have peak periods during the year, where there is no capacity to undertake training. Many also wanted to see some form of **formal recognition or accreditation** of both in-house training and those completing modular courses. This increases recognition of an employee's skill set, and hence skills transferability, and, as a result, is seen as another means to attract individuals into the sector and company.

In addition to company needs, there was feedback regarding the **long-term skills challenges facing the public agencies** responsible for ensuring health and safety across the food and drink sector, particularly in agriculture and land-based and aquaculture. This relates to expected future difficulties in recruiting vets, meat hygiene officers and environmental health officers into these agencies. This will have ramifications for businesses in these sectors as their operations must be regularly inspected by such individuals to ensure that they are fully compliant with current regulations.

### 3.4 Addressing Skills and Training Needs

Most of those companies interviewed use **in-house training and mentoring** to upskill staff, and most companies surveyed and interviewed use private skills providers, particularly for compulsory training. Many, particularly in the butchery, bakery and land-based industries make use of training provided by sector associations. Larger companies will typically have links to further and higher education establishments, and some have graduate programmes. The general consensus, however, is that much of the cost for such training is paid from internal resources, as companies find it too difficult or administratively over-burdensome to apply for public funding and note that it takes too long to get a decision. **Many simply do not know where they should look**. The exception is for those using apprenticeship programmes and those making use of sector association training, often provided free to members. In this regard, the loss of the Flexible Workforce Development Fund was seen as a real blow to many companies.

Given that many companies face similar skills challenges, it was perhaps surprising that few have considered collaborating with others from within the sector and in their local area to see how they might address this. For example, identifying common, core skillsets that are lacking and engaging skills and training providers collectively to see how these might be addressed, such as digital, numeracy and language skills. The reasons for not doing so were given as day-to-day activities getting in the way, and so being unable to find the time, as well as concern that others might steal their ideas or staff. That said, many were enthusiastic about the approach, should the opportunity arise.

Most businesses engage with sector associations or education providers (mainly local schools) to raise awareness of opportunities in their companies. This, however, tends to be done unilaterally. Feedback indicates that human resource managers interact with their counterparts at careers events and some on a more regular basis to keep each other aware of workforce changes within the sector and the region they are based in.

Overall, feedback suggests that there needs to be **greater flexibility and clarity as to what training is available** (and equally what is not) and how this is delivered, including access to colleges for short term, modular, low-cost and local training. There was also demand for easier access to funding, where several reported that they receive differing advice from different public sector agencies. Several mentioned the need to incorporate more **work-based learning into curricula**, particularly secondary schools and colleges, and one had done so through their local school. For companies that operate across UK national borders, there was frustration that funding levels, application processes and skills outcomes differ between the different UK nations. Having sufficient financial resources to fund non-essential training also remains a challenge for many smaller companies. Feedback was that the NI increase had largely been addressed through using training budgets.

### 3.5 Conclusions from Stakeholder Engagement

The stakeholder consultations revealed that sector image and attractiveness remain key issues affecting recruitment. This can only be addressed through concerted and collaborative effort across the sector to ensure that, in particular, young people and their influencers are aware of the breadth of rewarding career opportunities in the food and drink sector. In this regard there was widespread agreement that those entering the workforce would benefit from exposure to real working environments during their studies.

High staff turnover in some roles and some sub-sectors also remains an issue, with this constraining day-to-day operations and business growth. Several companies are addressing this through employing Fair Work practices and seeing increased staff satisfaction and retention as a result.

There are skills shortages across a range of roles and sub-sectors, as can be expected for such a broad sector, however, this offers opportunities for upskilling and reskilling and to attract people from other sectors into food and drink. In this regard, modular and flexible courses would be of benefit. Many companies have addressed domestic skills shortages through employing foreign nationals, however, changes to the skilled worker visa conditions are a concern.

Apprenticeships remain an important route into the wider food and drink sector, however, there needs to be discussions with industry regarding how access can be improved and whether new frameworks are required. Many make use of in-house training and mentoring but would benefit from greater support through shared best-practices, and signposting to different training opportunities and funding to support access.

Based on the above insight from the stakeholder engagement, we have identified four overarching themes that should be the focus of the revised Skills Action Plan:

1. Sector image and attractiveness
2. Staff recruitment and retention
3. Current and future skills needs
4. Addressing skills and training needs

## References

---

- <sup>1</sup> [Sustaining Scotland, Supplying the World. A Strategy for Scotland’s Food and Drink Industry](#) (Scotland Food & Drink Partnership, 2023)
- <sup>2</sup> [Fit for the Future: developing a post-school learning system to fuel economic transformation](#) (Scottish Government, 2023)
- <sup>3</sup> [It’s Our Future - Independent Review of Qualifications and Assessment](#) (Scottish Government, 2023)
- <sup>4</sup> [Tertiary Education and Training \(Funding and Governance\) \(Scotland\) Bill](#) (Scottish Government, 2025)
- <sup>5</sup> [Megatrends 2025](#) (Scottish Enterprise, 2025)
- <sup>6</sup> [Review of transferable skills in Scotland’s land-based and aquaculture sectors](#) (Scottish Government, 2025)
- <sup>7</sup> [Business in the Parliament Conference 2025](#) (FDF Scotland, 2025)
- <sup>8</sup> [Powering Communities. UK Food & Drink Manufacturing: Regional Report 2025](#) (FDF, 2025)
- <sup>9</sup> [National Good Food Nation Plan](#) (Scottish Government, 2025)
- <sup>10</sup> [Sectoral Skills Assessment. Food and Drink Primary Production](#) (SDS, 2024)
- <sup>11</sup> [Sectoral Skills Assessment. Food and Drink Manufacturing](#) (SDS, 2024)
- <sup>12</sup> [State of Industry Report Q1 2025](#) (FDF, 2025)
- <sup>13</sup> Feedback from Scotland Food & Drink SAG members
- <sup>14</sup> [Scottish Agricultural Census](#) (Scottish Government, June 2025)
- <sup>15</sup> [Business in Parliament 2025 Panel 5 - Looking to the Future: Skills in the Food and Drink Industry](#) (FDF Scotland, 2025)
- <sup>16</sup> [Upskilling the Workforce: Scotland's Food Manufacturing Future](#) (Eden Scott, 2025)
- <sup>17</sup> [Agricultural Reform Route Map](#) (Scottish Government, 2025)
- <sup>18</sup> [Skills for the Future: Unlocking Potential Through Apprenticeships](#) (CMS Law, 2025)
- <sup>19</sup> [Modern Apprenticeships](#) (SDS)
- <sup>20</sup> [Modern Apprenticeship Statistics 2024/25](#) (SDS, 2025)
- <sup>21</sup> [Modern Apprenticeship Statistics Q1 2025/26](#) (SDS, 2025)
- <sup>22</sup> [Foundation Apprenticeship Provision in Scotland](#) (Education Scotland, 2022)
- <sup>23</sup> [Become an Apprentice](#) (UK Government)
- <sup>24</sup> [Pay Apprenticeship Levy](#) (UK Government)
- <sup>25</sup> [Apprenticeships in Scotland](#) (SDS)
- <sup>26</sup> [Adult lifetime skills: a literature review](#) (Scottish Government, 2023)
- <sup>27</sup> [Skills for Today and Tomorrow](#) (Fraser of Allander Institute, 2024)
- <sup>28</sup> [Preparing for a changing workforce: A food and drink supply chain approach to skills](#) (The Food and Drink Sector Council, 2019)

- 
- <sup>29</sup> [Recruitment and Retention. A practical guide for employers](#) (Scotland Food & Drink Partnership, 2023)
- <sup>30</sup> [Fair Work Action Plan: Becoming a leading Fair Work Nation by 2025](#) (Scottish Government, 2022)
- <sup>31</sup> Future Skills: Net Zero and Sustainability (Levercliff for Scotland Food & Drink, 2025)
- <sup>32</sup> [Annual Food & Drink Industry Report](#) (Johnston Carmichael, 2024)
- <sup>33</sup> [Scotland's Third Land Use Strategy 2021-2026](#) (Scottish Government, 2021)
- <sup>34</sup> [Data & Trends. EU Food and Drink Industry](#) (FoodDrinkEurope, 2024)
- <sup>35</sup> [Scotch whisky wants a pass on US tariffs. But why should Trump give it?](#) (September 2025)
- <sup>36</sup> [US tariffs: Implications for the food and drink sector in UK and Ireland and practical steps for businesses](#) (April 2025)
- <sup>37</sup> [Food exports show green shoots of growth, as UK businesses target non-EU markets](#) (September 2025)
- <sup>38</sup> [PM secures new agreement with EU to benefit British people](#) (UK Government, 2025)
- <sup>39</sup> [UK Immigration White Paper 2025 - Scottish Government Proposals](#) (Scottish Government, 2025)
- <sup>40</sup> [FDF Submission to the Business, Energy and Industrial Strategy \(BEIS\) Committee post-pandemic economic growth inquiry: UK Labour Markets](#) (2021)
- <sup>41</sup> [Overcoming the talent shortages in Scotland's food and drink sector](#) (Eden Scott, 2025)

## Appendix A: Members of the Food & Drink Scotland Skills Advisory Group (SAG)

1. Developing the Young Workforce (DYW)
2. Education Scotland (ES)
3. Food and Drink Federation (FDF) Scotland
4. Food Standards Scotland (FSS)
5. Glasgow Caledonian University
6. Highlands and Islands Enterprise (HIE)
7. Hoolet
8. Lantra
9. National Skills Academy Food & Drink
10. Polaris Training
11. Quality Meat Scotland (QMS)
12. Scotch Whisky Association (SWA)
13. Scotland Food & Drink
14. Scotland's Rural College (SRUC)
15. Scottish Bakers
16. Scottish Enterprise (SE)
17. Scottish Funding Council (SFC)
18. Seafish
19. Seafood Scotland
20. Skills Development Scotland (SDS)
21. South of Scotland Enterprise (SoSE)
22. The King's Foundation
23. The Royal Environmental Health Institute of Scotland (REHIS)
24. The Royal Highland and Agricultural Society of Scotland (RHASS)

## Appendix B: Stakeholders Consulted

1. ABP UK
2. Aldomak
3. Ardgay Game
4. Arran Brew
5. Auchrannie Resort
6. Bakkafrost
7. Baxters Food
8. Braehead Foods
9. Brownings the Bakers
10. Cadzow Bakehouse
11. Café Thyme
12. Chivas Brothers
13. Crossroads Community Hub
14. Deans of Huntly
15. Diageo
16. Edrington
17. Elixir Distillers
18. Eyemouth Freezers Ltd
19. Glenrath Farms Ltd
20. International Fish Canners
21. JG Ross
22. JK & C Bone
23. Kaia
24. Lossie Seafoods
25. Macleans Highland Bakery
26. Macphie
27. Macsween
28. Matthew Algie
29. Mossgiel Dairy
30. Nairn's
31. National Farmers Union Scotland
32. Natural Fruit & Beverage Co
33. Reids of Caithness
34. Salar Smokehouse
35. Scottish Association of Meat Wholesalers
36. Scottish Craft Butchers
37. Scottish Sea Farms
38. Scottish Seafood Association
39. SRUC Digital Dairy Chain
40. Taste of Arran
41. Thistle Seafoods
42. Uin Foods
43. Anonymous (survey) – agriculture and land-based

Business  
Growth

Economic  
Development

Technology  
Commercialisation

**Head Office:**

Optimat Limited  
100 West George Street,  
Glasgow,  
G2 1PP, United Kingdom

**Tel:** +44 (0)141 260 6260

**Email:** [resource@optimat.co.uk](mailto:resource@optimat.co.uk)

**Web:** [www.optimat.co.uk](http://www.optimat.co.uk)