

Sectoral Skills Assessment

Food and Drink Manufacturing

October 2025



Sectoral Skills Assessments

First launched in 2017, Sectoral Skills Assessments (SSAs) provide a robust and consistent evidence base to support strategic skills investment planning. Skills Development Scotland (SDS) has worked with key partners and stakeholders to produce SSAs, ensuring an inclusive approach to their development, dissemination and utilisation.

SSAs include published data sets. Inevitably, when using published data there is a time lag, but the data contained is the most up-to-date available at the time of writing. SSAs also include forecast data commissioned through Oxford Economics.

The Technical Note¹ provides full detail on the caveats that must be applied when using forecast data, but broadly, it should be noted that:

- Forecasts are based on what we know now and include past and present trends projected into the future.
- The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be.
- Their value is in identifying likely directions of travel rather than predicting exact figures.
- The forecasts do not account for national or sectoral activities, initiatives or investments that are planned.

Industries and occupations used in the SSAs are defined by Standard Industrial Classifications (SIC)² and Standard Occupational Classifications (SOC).³

This SSA report is for the Food and Drink Manufacturing sector. The sector includes Manufacture of Food Products and Manufacture of Beverages. Please see Appendix 1 for the SIC definition used in this report.

The SSAs are part of a suite of Labour Market Insight publications by SDS. Other products in the suite include:



Economy, People and Skills report which provides succinct and up-to-date evidence on Scotland's economy, businesses and people. It is published monthly.



Regional Skills Assessments provide a coherent, consistent evidence base to inform future investment in skills, built up from existing datasets and forecasts for College regions, Rural Scotland and all City and Growth Deals regions. These are published annually.



The **Data Matrix** is an interactive tool, offering more detailed data from a variety of sources in a visually engaging format. It is updated frequently.

Alongside the suite of Labour Market Insight publications, SDS also produces a wide range of reports such as statistics on Modern Apprenticeships and the Annual Participation measure for 16-19 year olds. This includes a wide range of data related to equalities. Further information can be found on the [Publications and Statistics](#) section of the SDS website.



We value user feedback on the Sectoral Skills Assessments.

If you would like to provide feedback, please do so [here](#).

For any further information or queries on the SSAs or any of our other products, please contact: RSA@sds.co.uk

1. SSA Technical Note (2025).

2. Office for National Statistics UK Standard Industrial Classification (SIC) 2007.

3. Office for National Statistics UK Standard Occupational Classification (SOC) 2010.

The Context for Scotland's Labour Market

Over the past decade, the Scottish economy has experienced disruption driven by changes in the global political landscape, the cost-of-living crisis and conflicts in the Middle East and Ukraine. In addition, megatrends in demography, technology, and the environment have continued to shape Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers that are expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of both structural and cyclical factors.

The Economy

Scotland and the UK experienced weak economic growth of 1.1% in 2024, with inflation also staying above the 2.0% target. Forecasters expect economic growth to remain at around 1.0% in 2025, with inflation also expected to remain elevated. The effects of rising prices and high interest rates continue to impact Scottish households and businesses. This contributes to the Scottish labour market being cooler in 2025, following a period of sustained tightness in recent years.



Demographic Change

Scotland's population is projected to grow until mid-2047, largely driven by positive net migration, which will offset the anticipated natural decline due to a falling fertility rate. However, whilst the population is growing, it is also ageing. Around one-fifth of Scotland's residents were aged 65 or over in 2024. By 2047, the number of people of pensionable age is expected to increase by 21%. This demographic change has implications for the economy and labour market, by affecting caring responsibilities, tax revenue, and productivity.



Inclusion and Equality

There is a lingering effect from the cost-of-living crisis, which began in 2021, with rising energy prices and financial pressures continuing to have a disproportionate impact on low-to-middle income households. Poverty, including in-work poverty, persists; however, the Fair Work policy agenda aims to reduce labour market inequalities. Barriers to accessing the labour market remain for disabled people and minority ethnic groups, and gender equality still requires progress.



Technology and Automation

Artificial Intelligence (AI) continues to be the core driver in technology transformation. Scotland has a strong technology sector, underpinned by extensive academic and business presence in AI and related fields. The adoption of AI is rapidly increasing among Scottish businesses, particularly in optimising workflows. However, the implications of AI for the labour market remain uncertain. Scotland's strong base in digital and data skills could provide an advantage, but maintaining a skilled workforce will be essential.



Climate Change and Net Zero

The transition to net zero will directly impact the labour market as actions are taken to meet net zero targets. This shift offers significant opportunities for job creation in Scotland, particularly in the clean energy sector. Scotland has strong natural assets, and existing sectoral strengths provide a strong foundation for a green economy. However, upskilling will be crucial for transition to net zero. Especially in the construction, manufacturing, agriculture, energy and transport sectors.



A fuller report on Scotland's Labour Market Drivers can be found [here](#).

Sectoral Insight¹

The Food and Drink Manufacturing sector is responsible for the manufacture of food products and beverages, with food and drink viewed as one of Scotland's unique strengths.

In June 2023, the Scotland Food & Drink Partnership published their industry strategy: [Sustaining Scotland. Supplying the World](#). This strategy has three missions:

- Build resilience
- Drive responsible growth
- Lead the way in environmental sustainability

The strategy remains the key document for guiding the priorities and growth of the sector.

Food and Drink Federation Scotland lead on the delivery of the People and Skills Priority for the industry strategy, aiming to tackle workforce challenges across the sector and ensuring businesses can access skilled employees.

To help achieve the sector's ambitions, the Scotland Food & Drink Partnership's [Feeding Workforce Skills](#) is an online platform that signposts employers to resources around retaining, recruiting, upskilling and reskilling their workforce.

In September 2024, the partnership also published a toolkit for those considering working in Food and

Drink in Scotland. [Find your Future in Food & Drink](#) highlights the different jobs roles available, including in manufacturing, and shares success stories of those working in the sector.

In September 2025, the partnership published a paper on [Levers for Growth and Sustainability](#), which identifies 12 key levers for growth in the sector, including addressing labour and skills shortages. This highlights actions that will help address labour and skills shortages in the sector, including actions for government and industry.

One of the key workforce challenges for the sector remains recruitment. Tied in with this, fair work and positioning itself as a 'sector of choice' are key aims for the sector. For employers in the sector, the Scotland Food & Drink Partnership have an online [recruitment & retention toolkit](#) which outlines 'ten ways to make yourself an employer of choice'.

The Skills Action Plan for the sector is currently being refreshed and due to be published in the coming months. This refresh is considering current skills challenges in the sector and priority actions for the sector to take forward.

The Scottish Government laid the proposed [Good Food Nation Plan](#) before parliament in June 2025. This sets out the vision for Scotland to be a 'Good

Food Nation', which would include the food & drink sector being excellent employers and careers in the sector being seen as attractive options with widely available apprenticeships and training programmes to prepare people for careers in the sector.

Earlier in 2025 the ONE SeedPod food & drink innovation hub was launched, a £27 million project creating a regional innovation hub for the sector in the North East.

It is important to note that the forecasts used in this Sectoral Skills Assessment are policy and investment neutral.



This means the figures present a baseline outlook that takes into account historical trends and external economic conditions, but the figures do not reflect investment or policy that is unconfirmed or at planning/development stage.

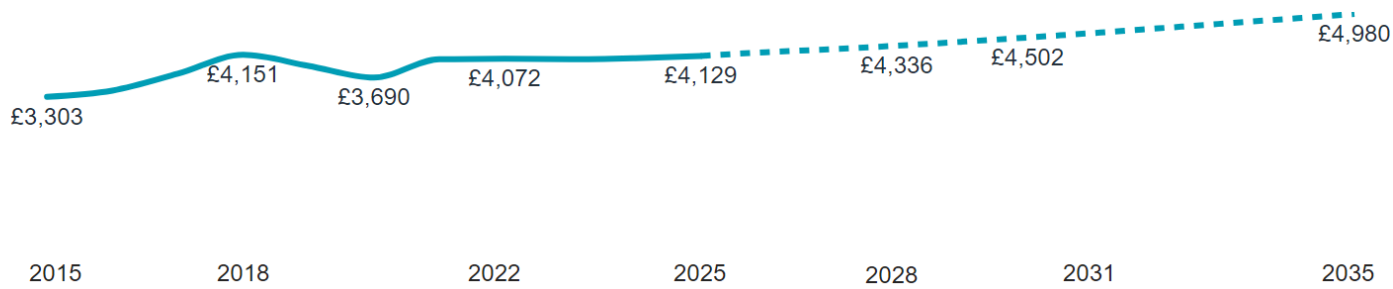
This would include, for example, actions that come out of the Good Food Nation Plan, and opportunities created through ONE SeedPod.

Therefore, the forecasts should be used in conjunction with other sources, and readers are encouraged to overlay these with their own local and sectoral knowledge.

1. Insight from the sector gathered via Skills Development Scotland (2025).

The Economy

Gross Value Added (GVA, £m) (2015-2035)^{1, 2}



In 2025, GVA in the Food and Drink Manufacturing sector was estimated to be £4,129m, generating 2.4% of Scotland's total economic output. Between 2015 and 2025, GVA in the sector was estimated to have increased by 2.4% on average each year, compared to equivalent annual growth of 0.9% across Scotland.

Looking ahead, GVA in the Food and Drink Manufacturing sector is forecast to grow on average by 1.9% each year between 2025 and 2035, which is slightly above Scotland's average (1.7%). In 2035, the Food and Drink Manufacturing sector is forecast to account for 2.5% of Scotland's total economic output.



1. SDS (2025). Oxford Economics Forecasts.
2. GVA is the measure of the value of goods and services produced within the economy and is an indicator of the sector's health.

Productivity (GVA per job)^{1, 3}

In this report, we have used Oxford Economics' measure of productivity, which is calculated by dividing total sectoral GVA by total sectoral employment (measured by jobs). Please note, there are different ways of calculating productivity, and caution is needed when interpreting productivity data presented in this report. It must be considered in the context of other data and insight.

In 2025, productivity in the **Food and Drink Manufacturing** sector was estimated to be **£76,600**. In comparison, the Scottish average was £57,700.



3. Productivity is the measure of goods and services produced per unit of labour input. The Oxford Economics forecasts of productivity shown here have been calculated by dividing total sector GVA by total sector

employment (measured by jobs).

Current Demand



Workforce size 2025: **45,200** people¹

This was estimated to account for **1.7%** of Scottish employment.

The sector's workforce was estimated to have **declined** by **18.9%** (or **-10,600** people) between 2015 and 2025.

This compares to a Scotland wide increase of **5.5%** or **141,500** people between 2015 and 2025.

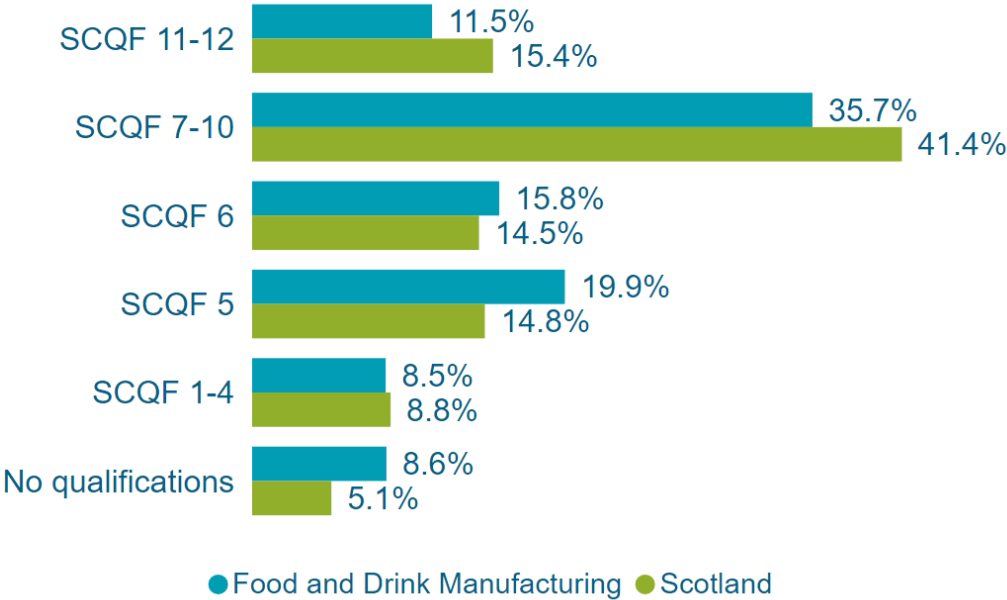
Employment by Region (people), 2025¹

The greatest number of people employed in **Food and Drink Manufacturing** were estimated to be in:

Lanarkshire	Highlands and Islands	Aberdeen City and Shire	Glasgow College Region*
7,200	6,500	6,200	5,900

Workforce Qualifications, 2025¹

Food and Drink Manufacturing was estimated to have 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 Scotland.²



Top 10 Employing Occupations (people), 2025¹



1. SDS (2025). Oxford Economics Forecasts.
2. See [SCQF Framework](#) for further information on SCQF qualification levels.

*Glasgow College Region covers East Dunbartonshire, East Renfrewshire and Glasgow City local authorities.

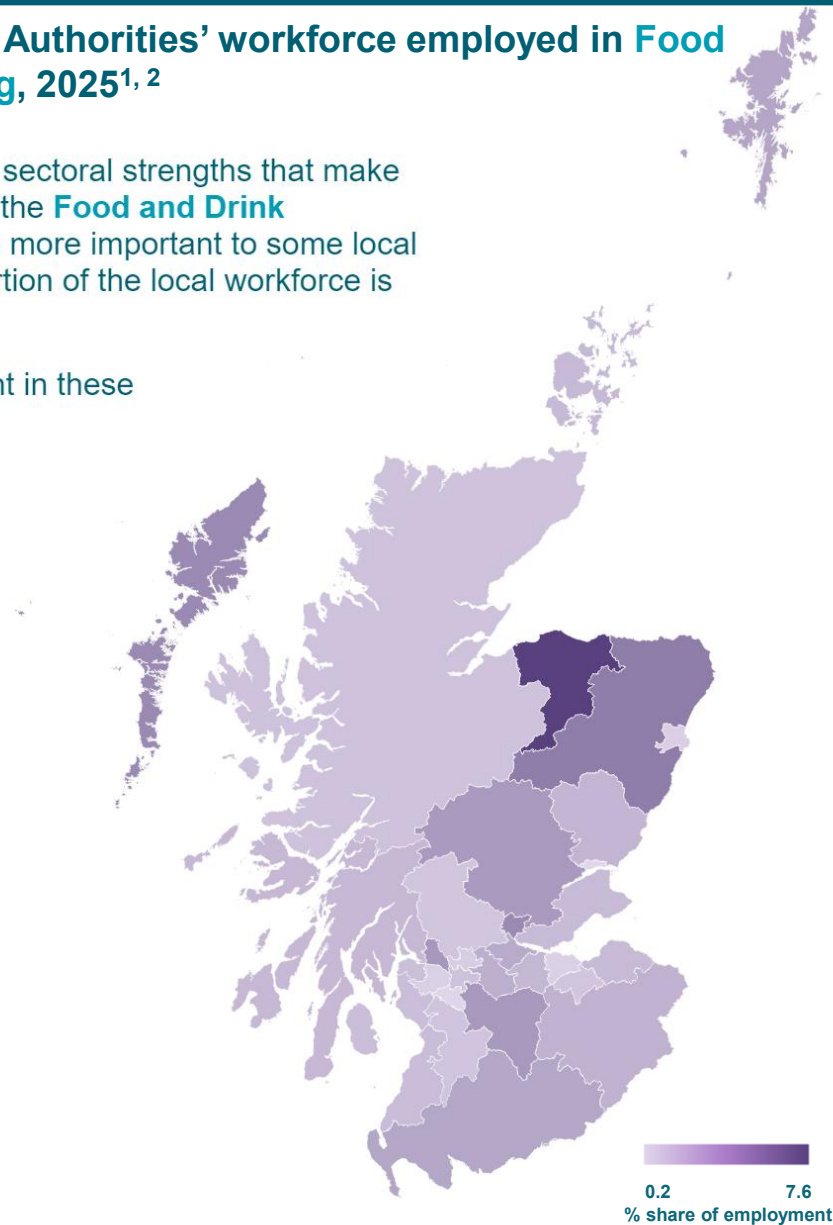
Current Demand

The proportion of Local Authorities' workforce employed in Food and Drink Manufacturing, 2025^{1, 2}

Scottish local authorities have sectoral strengths that make them unique. This means that the **Food and Drink Manufacturing** sector may be more important to some local economies, as a higher proportion of the local workforce is employed in the sector.

The sector was most prominent in these local authorities:

- Moray
7.6%
- Aberdeenshire
4.7%
- Clackmannanshire
4.0%
- Na h-Eileanan Siar
4.0%



Real Living Wage and Gender Pay Gap³

Individuals earning Real Living Wage or more:

In April 2024, the real living wage rate for employees who did not work in London was £12.00.



Manufacturing

2023: **90.8%** 2024: **89.1%**

All sectors

2023: **89.8%** 2024: **88.6%**

Gender Pay Gap for median full-time hourly earnings:



Manufacturing

2023: **15.7%** 2024: **9.7%**

Scotland

2023: **1.4%** 2024: **2.2%**

Due to data availability, a 'best fit SIC code approach' has been used, so sectors definitions here may not fully match key sector definitions.

Modern Apprenticeships⁴



MA starts for Food and Drink Manufacturing*:

Q4 2023/24: **846** Q4 2024/25: **809**



MA in training for Food and Drink Manufacturing*:

Q4 2023/24: **719** Q4 2024/25: **648**

For the latest quarterly MA statistics, please click [here](#).

* Includes the following frameworks: Food and Drink Operations and Spirits Operations.

For data on FAs and GAs please see the Publications section of our [website](#). For data on colleges and universities please see [Scottish Funding Council](#) and [Higher Education Statistics Agency](#).

1. SDS (2025). Oxford Economics Forecasts.

2. The proportion of the workforce in the Local Authority employed in the sector is calculated by dividing the sectoral employment in the area by total employment in the area.

3. Scottish Government (2025). Annual Survey of Hours and Earnings: 2024. The figures for 2023 have been revised. Due to data availability, a 'best fit SIC code approach' has been used, so the sectoral definitions and totals in this section may vary from those we have used elsewhere.

4. SDS (2025). Modern Apprenticeship Statistics.



Job Postings in Food and Drink Manufacturing³

Online job postings data provides a useful barometer for the health of the jobs market, real-time employer demand and can indicate changing skills demands. It is important to note that the data does not capture all activity, so it should be considered as an estimate only.

Between July 2024 and June 2025, there were **505,200** job postings in Scotland. The labour market across the country has cooled following a peak in job postings in 2022, and since the end of 2023 the number of jobs postings each month has been broadly stable.

Between July 2024 and June 2025, there were **3,460 job postings** in Food and Drink Manufacturing. The number of job postings has increased by **0.2%** compared to the period between July 2023 and June 2024 (**8.0%** decline across all occupations comparatively).

Top Locations between July 2024 and June 2025 were:

-  **North Lanarkshire**
500 job postings
-  **Glasgow City**
450 job postings
-  **Edinburgh City**
430 job postings
-  **Fife**
270 job postings
-  **South Lanarkshire**
210 job postings
-  **Perth and Kinross**
140 job postings

Top Job postings between July 2024 and June 2025 included:

-  **Sales Related Occupations**
-  **Kitchen and Catering Assistants**
-  **Assemblers and Routine Operatives**
-  **Plant and Machine Operatives**
-  **Warehouse Operatives**
-  **Managers and Directors in Retail and Wholesale**

Specialised skills and knowledge requested (July 2024 - June 2025) included:

-  **Food Safety and Sanitation**
-  **Machinery**
-  **Auditing**
-  **Production Line**
-  **Customer Relationship Management**
-  **Warehousing**



Median real-time advertised salary July 2024 – June 2025:
£25,500

1. Lightcast 2025.
2. Job postings are rounded to the nearest 10. Figures may not sum due to rounding.

3. Please note, the data provided is for SIC 10 and SIC 11 for the whole of Scotland. Median salary based on 41% of records that contain salary information.

Spotlight: Digital Practitioners in Food and Drink*

Digital Practitioners in Scotland



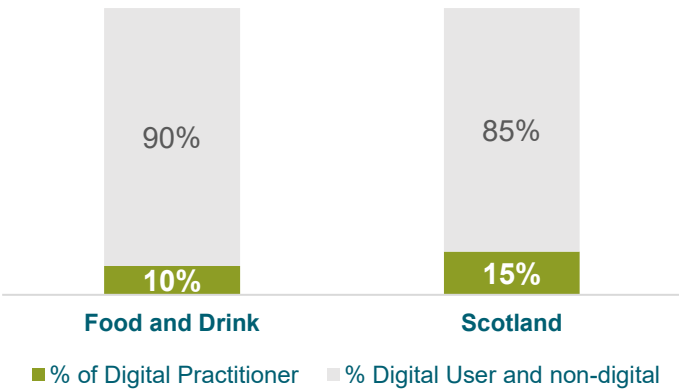
Recognising that digital skills permeate roles across all sectors and are no longer confined to traditional technology roles, SDS has undertaken research to define Scotland’s Digital Economy in 2025, building on the [Digital Economy Skills Action Plan](#).

This definition strengthens the evidence base and ensures SDS and partners can understand the spread of digital jobs across Scotland’s key sectors and identify how digital transformation is shaping skills demand, productivity and sectoral growth. More information on this research is available in Appendix 2.

This spotlight focuses on the presence of **Digital Practitioner** roles within the Food and Drink sector. Digital Practitioners are occupations that utilise technical and professional digital skills, either within the traditional digital sector or integrated into other roles outside the sector. Digital Practitioner roles include occupations like **Managers in Logistics** and **Data Analysts** in the Food and Drink sector.

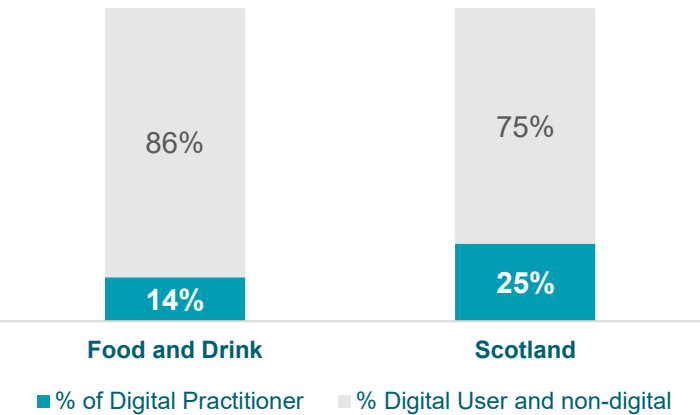
Employment ¹

In 2022, **10%** of people employed in the Food and Drink sector were employed in Digital Practitioner roles. This was lower than the Scottish average of **15%**.



Gross Value Added (GVA)²

Digital Practitioner roles within the Food and Drink sector make a sizeable contribution to the GVA of the whole sector (**14%** in 2022), lower than the average in Scotland.



Digital Insight for Food and Drink Manufacturing³



The Food and Drink Manufacturing sector recognises the potential opportunities that digital practitioner roles can bring. A UK wide report published in 2024 found that the sector has the potential to unlock £7-14bn of extra value to the UK economy through investment in automation, digitisation and sustainable practices.⁴

However, there are challenges in implementing new digital technologies in the sector, particularly due to skills shortages. Recruiter Eden Scott highlighted that there are acute shortages in areas including technology and automation.⁵ It suggests that skills like operating automated systems, implementing quality control technologies, and interpreting production data are becoming essential across roles in the Food and Drink Manufacturing sector, and upskilling will be required to futureproof the workforce.

*Food and Drink definition captures both Food and Drink Manufacturing and Food and Drink Primary Production

1. SDS analysis of Lightcast Labour Market Data (2022, accessed in 2024).

2. SDS analysis of Annual Business Survey Data (2022, published in 2024).

3. Insight from the sector gathered via Skills Development Scotland (2025).

4. Food & Drink Federation. Future Factory: Supercharging digital innovation in food and drink manufacturing.

5. Eden Scott. Upskilling the Workforce: Scotland’s Food Manufacturing Future (2025).

Future Demand: Mid-term (2025-2028)¹

In the mid-term (2025-2028), **the number of people in employment is forecast to decline by 5.3% (-2,400 people)** in the **Food and Drink Manufacturing** sector. This is in contrast with the growth that is forecast overall across Scotland where employment is anticipated to rise by 2.5% (68,000 people).

By 2028, the regions forecast to have the greatest level of sectoral employment are **Lanarkshire and the Highlands and Islands**, the same as in 2025. The top employing occupations are forecast to be **Science and Technology Professionals (5,900 people)**, and **Skilled Metal and Electrical Trades (4,700 people)**.

Forecasts for the mid-term (2025-2028) suggest there could be demand for **900 people in the sector**, as a result of the **need to replace workers** leaving the labour market. Whilst positive, caution is needed as a wide range of factors may impact the labour market over this period.

Workforce (people), 2028¹



Workforce size 2028: **42,900** people



The sector's workforce is expected to **decline** by **5.3%** (or **-2,400** people) between 2025 and 2028



Compared to a Scotland wide increase of **2.5%** or **68,000** people

Total Requirement^{1,2}



Total requirement:
900 people

=



Replacement demand:
3,300 people

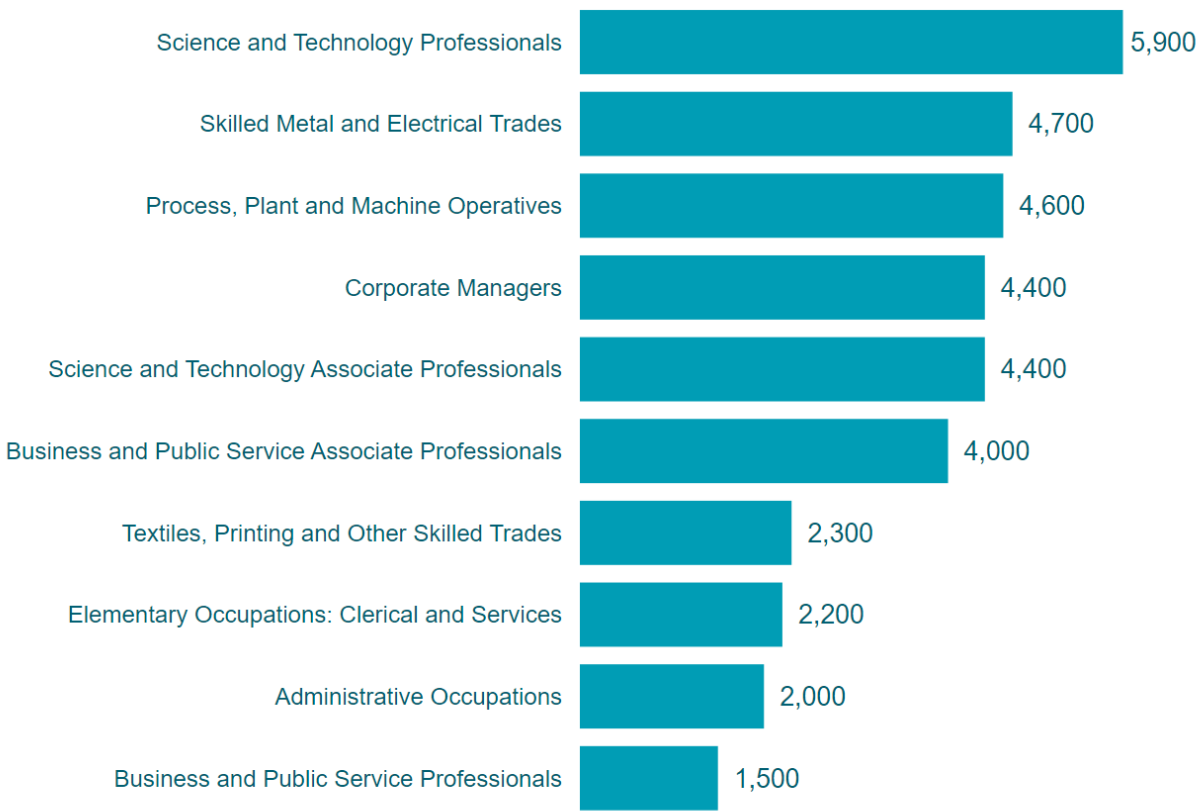
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Expansion demand:
-2,400 people

Food and Drink Manufacturing is forecast to account for **0.2%** of Scotland's total requirement for people in the mid-term (2025-2028)

Top 10 Employing Occupations (people), 2028¹



1. SDS (2025). Oxford Economics Forecasts.

2.Total requirement for people is made up of expansion and replacement demand.

The expansion demand is the number of people required as a result of economic growth or contraction.

The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

Future Demand: Long-term (2028-2035)¹

Employment contraction in the **Food and Drink Manufacturing** sector is forecast to continue, with a **decline of 11.5% (-4,900 people)** in the long-term (2028-2035). This is in contrast with the growth that is anticipated overall across Scotland where employment is forecast to rise by 4.0% (112,500 people).

By 2035, the regions forecast to have the greatest level of sectoral employment are **Lanarkshire and the Highlands and islands**. The top employing occupations are forecast to be **Science and Technology Professionals (5,500 people)**, and **Science and Technology Associate Professionals (4,200 people)**.

Forecasts for the long-term (2028-2035) estimate that **1,700** people could be required in the sector. This will be driven by **the need to replace workers** leaving the labour market.

Workforce (people), 2035¹



Workforce size 2035: **37,900** people



The sector's workforce is expected to **decline** by **11.5%** (or **-4,900** people) between 2028 and 2035



Compared to a Scotland wide increase of **4.0%** or **112,500** people

Total Requirement^{1,2}



=



+



Total requirement:
1,700 people

Replacement demand:
6,600 people

Expansion demand:
-4,900 people

Food and Drink Manufacturing is forecast to account for **0.2%** of Scotland's total requirement for people in the long-term (2028-2035)

Top 10 Employing Occupations (people), 2035¹



1. SDS (2025). Oxford Economics Forecasts.

2. Total requirement for people is made up of expansion and replacement demand.

The expansion demand is the number of people required as a result of economic growth or contraction.

The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

Appendix 1: Food and Drink Manufacturing Sector Definition (SIC 2007)

SIC	Name
10	Manufacture of food products
11	Manufacture of beverages

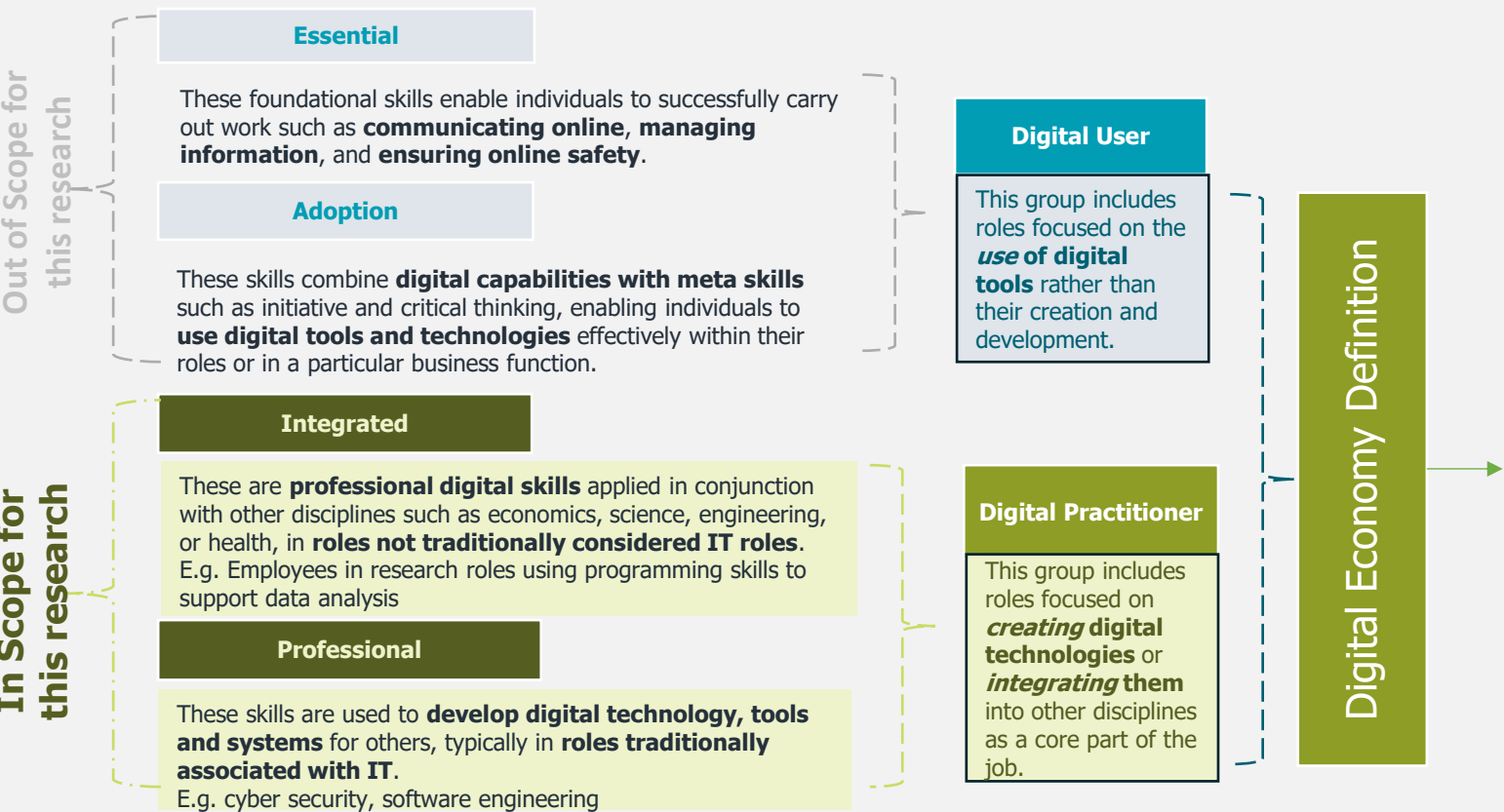
Project Background

In March 2023, SDS released the [Digital Economy Skills Action Plan](#) (DESAP), which emphasised the increasing importance of digital skills across all sectors in Scotland. While the Digital Tech Sector is well-defined and focuses on activity related to the production of digital technologies, the DESAP noted a lack of comparable data for the wider Digital Economy (which encompasses all economic activity that is enabled by digital technology) due to an unclear definition. To address this, SDS worked collaboratively with stakeholders to define the Digital Economy with the aim of improving the understanding of related jobs and skills.

Methodology

Following a literature review and stakeholder consultations, a final definition of the digital economy was produced (see below). This was then used to identify jobs (based on SOC^s) and skills (from the Lightcast Skill Taxonomy) that were considered part of the Digital Economy. The research focused on Digital Practitioners as a particular area of interest to understand how skills that create or integrate digital technologies are permeating across occupations. This list of Digital Practitioner jobs and skills was then applied to the Scottish Labour Market to assess the economic value of Digital Practitioner jobs in Scotland.

Definition of the Digital Economy



Key Findings for Scotland



Estimated at almost 400,000, Digital Practitioner jobs in Scotland account for **15% of the total workforce.** This is comparable to the size of the Human Health and Social Work sector.



Digital practitioner roles contribute £34.6 billion in GVA to Scotland's economy, which represents around **25% of Scotland's GVA.**



At least **half** of all Digital Practitioner job postings require a **bachelor's degree or equivalent.**



The median advertised salary for Digital Practitioner job postings in Scotland was **£38,627. This was 35% higher than the average median advertised salary across all Scottish job postings.**

For further information or queries on the SSAs or any of our other products, please contact: [**RSA@sds.co.uk**](mailto:RSA@sds.co.uk)