

FOOD PROCESSING

THE MAGAZINE OF THE FOOD INDUSTRY



2026 MANUFACTURING OUTLOOK SURVEY

WILL COST CONTROL SINK GROWING OPTIMISM?

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More plant operators feel optimistic about 2026 than they did in 2025, but will cost control issues — which remain a top priority for many plants — hold back growth in the new year?

After a one-year hiatus, it appears that hope has made a comeback among food & beverage plant operators. That said, controlling costs remains the top priority for plant operations people surveyed in our annual Manufacturing Outlook Survey for the second year in a row, setting up a potential hurdle to growth for some.

Indeed, after a “Debbie Downer” type of outlook for 2025, a much larger number of plant operators

ILLUSTRATION: VECTORMINE / SHUTTERSTOCK

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feel more positive heading into the new year: 70% of respondents to our survey said they were either very optimistic (32%) about 2026 or somewhat optimistic (38%). That's up from 18% and 40% last year, respectively.

That positive mindset trickled its way into respondents'

predictions about their companies forecasted production plans in 2026. More plant operators (40%) expect their companies to expand production this coming year by opening or adding lines or plants, up from 30% last year.

Meanwhile, the number of survey takers who thought their companies

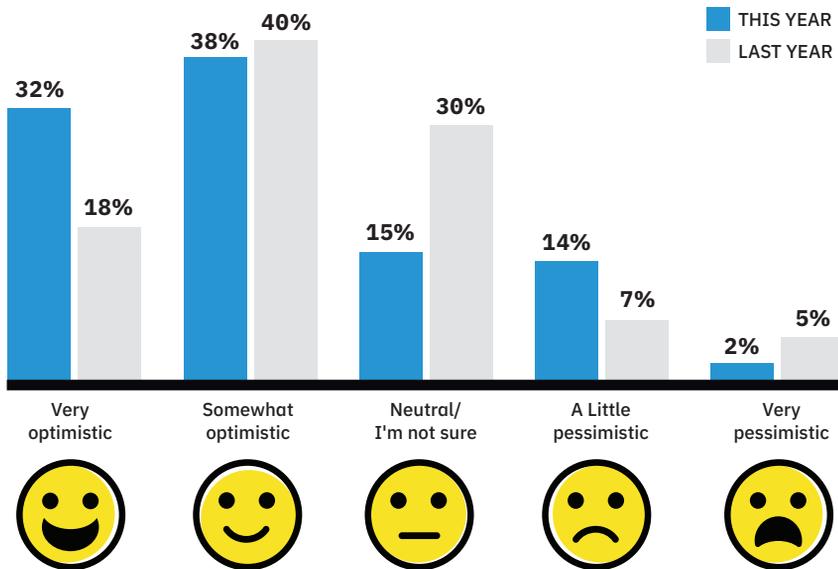
would shut down lines or plants in the new year slid by 9 percentage points — from 16% to 7% — and the group who believes things will stay the same dropped 11 percentage points, from 47% to 36%.

Overall, 16% shared some type of pessimism about the 12 months ahead (compared to 12% last year) — though it should be noted that the “very pessimistic” group shrank by a few percentage points this year versus last (2% vs. 5%).

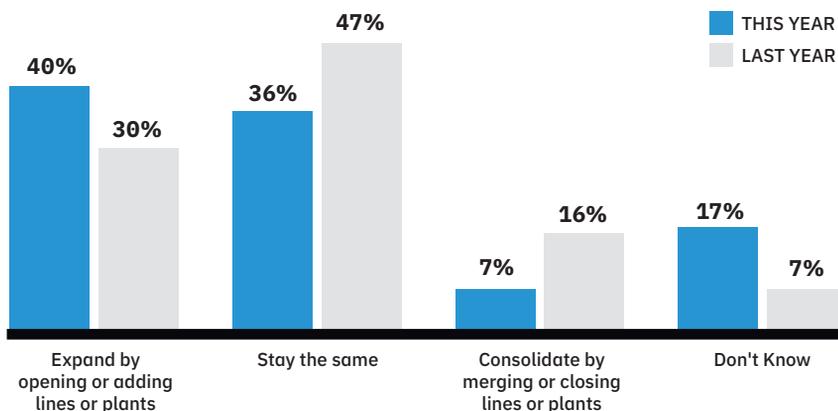
Two things appear certain from these results, however: change and conviction. Fewer respondents think 2026 will be a straight continuation of 2025, with only 15% saying they felt neutral or unsure about what 2026 will bring (way down from 30% a year ago).

Our 25th annual Manufacturing Outlook Survey was conducted online from September through November of last year. There were 96 responses.

→ How do you feel going into 2026?



→ In terms of production for 2026, is your whole company planning to:



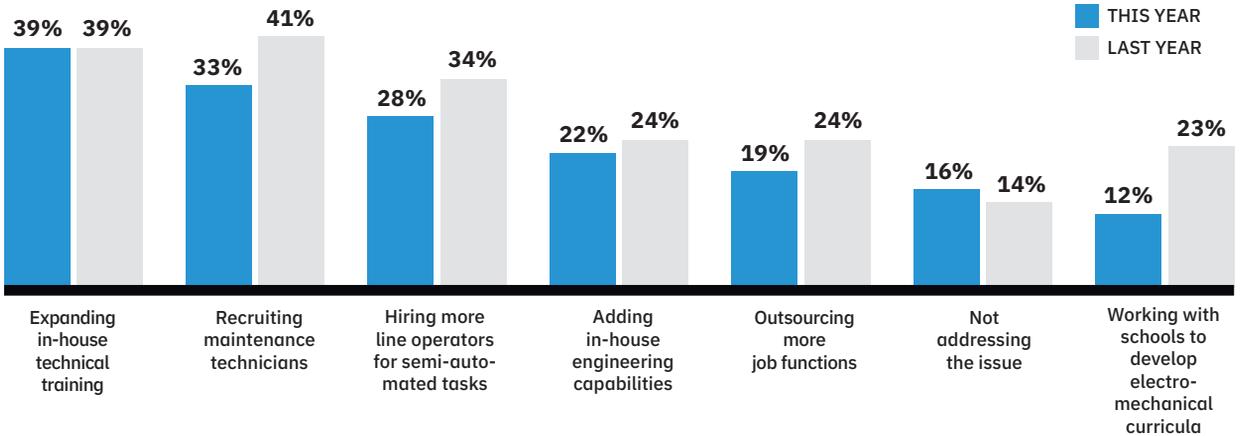
Continuing to control costs

Cost control maintained its place atop the list of priorities driving plant operations for 2026 for the second year in a row (and for only the second time in the survey's 25-year history). Until last year, food safety held the top spot for respondents, who were

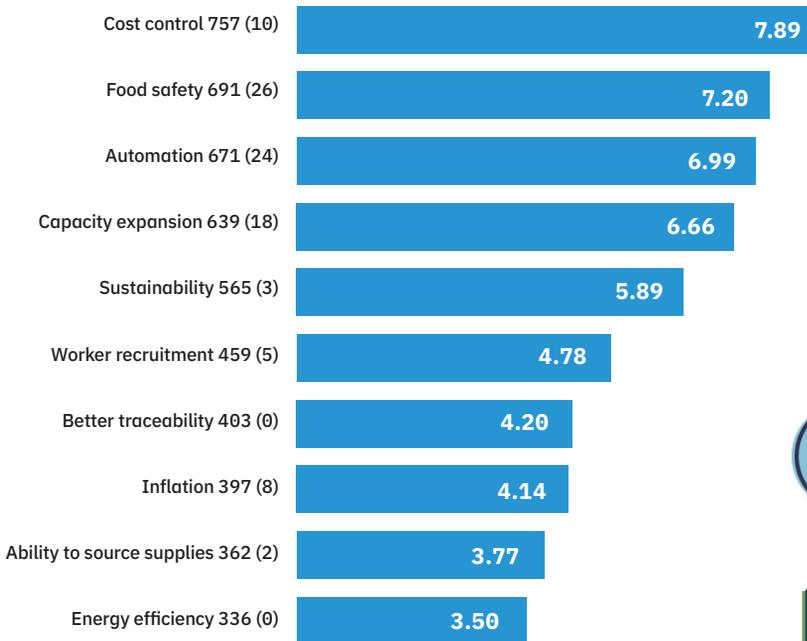


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→ How is your organization addressing staffing needs?



→ Rank 1st place through 10th place the importance to your plant of each of the following manufacturing issues



asked, “Please rank ... the importance to your plant of each of the following manufacturing issues.”

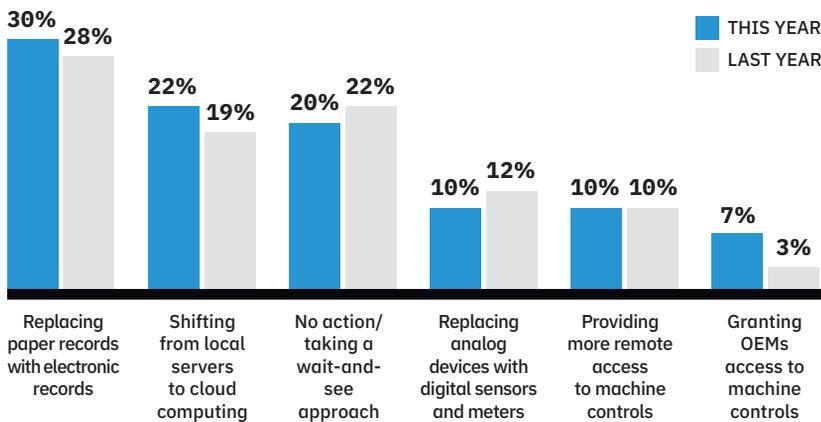
Food safety still ranked second on weighted score and racked up the most first-place votes (26 this year, compared to only 10 first-place votes for cost control). So, while cost control may not be the most important issue for most plants, it is very important for almost all of them; and food safety is the most important issue for about a quarter of those surveyed but maybe not as high a priority as it is for other respondents.



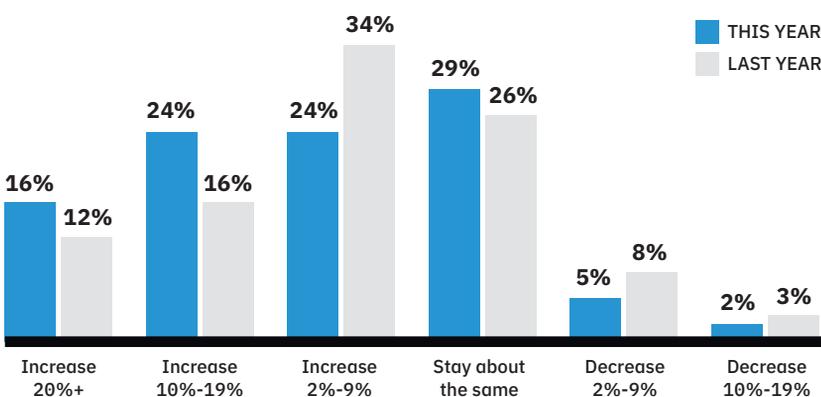
Answers were scored 10 pts for a first-place vote, 1 pt for a 10th-place vote, etc. The first number (757, etc.) is total score, the number in parentheses is the number of first-place votes. Number at the end of the bar (e.g. 7.89) is the average score.

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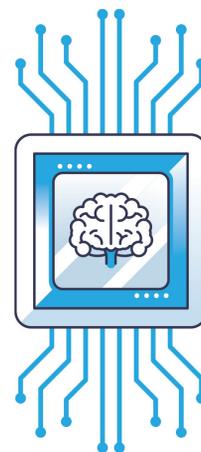
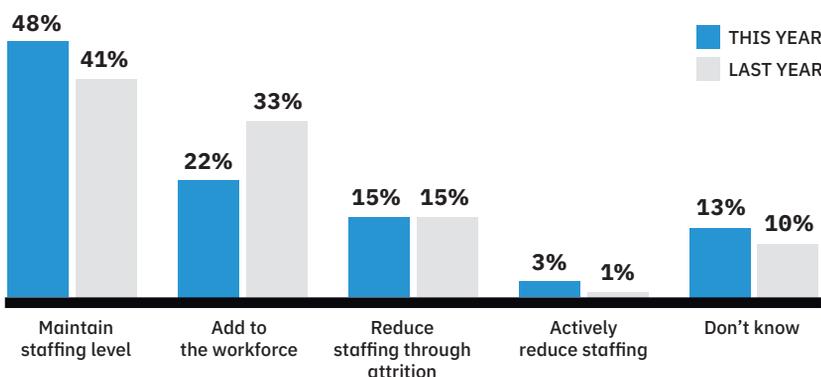
→ How is digital tech impacting your facility?



→ How will your plant's production change in 2026?



→ What are your plant's plans for staffing in 2026?



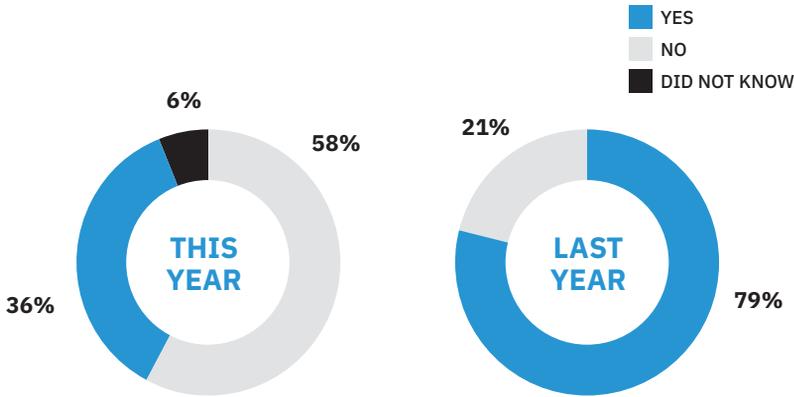
Automation and capacity expansion ranked third and fourth respectively again this year, and each had higher weighted scores and more first-place votes than last year. Sustainability made the top five this year, showing last year's drop to eighth may have been a blip — although energy efficiency repeated last year's last-place finish.

Despite plenty of talk and often handwringing over the economy and tariffs, the issues of inflation and ability to source supplies didn't seem to have many respondents super concerned, placing eighth and ninth this year. That said, inflation did pull in eight first-place votes, so it's pestering some.

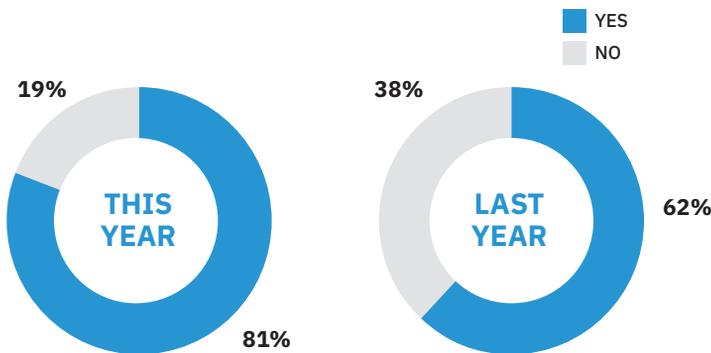
When we asked respondents what vital issues were not included in the 10 we supplied, about a dozen specifically listed tariffs, imports or cost/price of goods as critical. Other issues ranged from worker safety, recruitment and motivation to finding and affording parts for equipment. Another few mentioned addressing the skills gap in the workforce, and at least one was concerned with how artificial intelligence compared to human skills.

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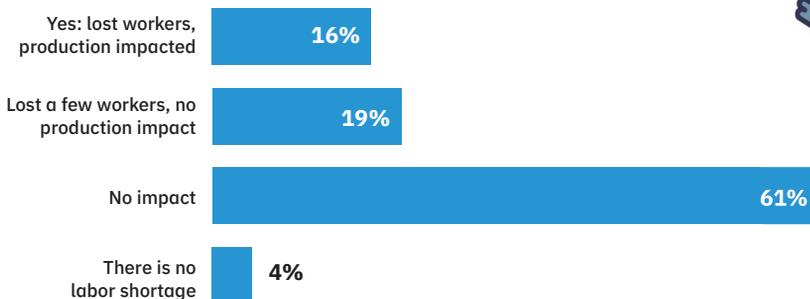
→ Is your facility pursuing any artificial intelligence or machine learning initiatives?



→ Do you think your facility is prepared for FSMA 204, the food traceability rule?



→ Has immigration enforcement impacted your plant?

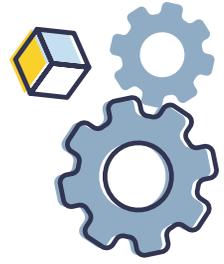


Working on workforce

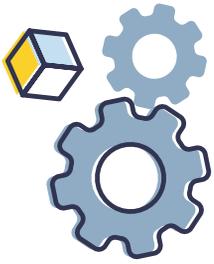
Speaking of humans, for those looking for plant work, 2026 appears to be another year in which most processors will hold steady rather than add workers. Although this isn't a structural change from last year, nearly half of respondents (48%) plan to maintain staffing levels in 2026, up from 41% last year.

We asked what plants would be doing to optimize asset use, and about half said they'd be adding on-the-job training programs to expand maintenance workers' skill sets — so plant operators remain committed to improving efficiency through investment in their workers. To that end, at least one respondent noted they were implementing Total Productive Maintenance (TPM) principles around autonomous maintenance as part of their overall training of staff.

Only 22% plan to add to the workforce this year, a drop of 11 percentage points from last year. When asked how their organizations were addressing staffing needs, 33% said they were recruiting maintenance technicians, 28%



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were planning to hire line operators for semi-automated tasks, and 22% were adding

in-house engineering capabilities. All three of those groups, however, were smaller than last year.

Meanwhile, 15% believe their workforce will be reduced through attrition. Three percent said they'd be actively reducing staff sizes at their plants.

Filling the gaps

To fill the workforce gaps, 39% plan to expand in-house technical training, which is in line with last year's plans. Fewer respondents said they were outsourcing more job functions this year than last (19% vs. 24%), and only 12% were putting in the effort to develop technical curricula with nearby schools to start the recruitment and training process earlier.

This year, we changed how we asked about the influence of AI and machine learning (ML), from a simple yes/no to an open-ended question. A subjective count of the answers we received showed that roughly 15% more respondents this year than last were somewhere along the curve of pursuing and implementing AI into their plants. Confirmations ran the gamut from "some, cautiously" to "yes, make AI make money."

Others were using AI and ML for inspection via enhanced vision technologies or planning and administrative work, while others mentioned supply-chain monitoring tasks and employee identification as well. ■

→ What strategies, tactics and tools does your organization use to optimize asset use?

	This year	Last year
Adding on-the-job training programs to expand maintenance workers' skill sets	49%	52%
Assigning routine maintenance duties to machine operators	43%	41%
Using condition monitoring tools to drive preventive maintenance efforts	38%	34%
Using third-party maintenance services to complement in-house personnel	33%	23%
Hiring additional maintenance technicians	26%	44%
Increased role for CMMS and asset-management programs in managing maintenance activities	20%	17%
Recruiting personnel skilled in electromechanical systems	16%	19%
Outsourcing responsibilities for replacement-part inventories	9%	16%

Methodology

This is our 25th annual Manufacturing Outlook Survey. The survey was conducted online from September through early December of 2025. There were 96 responses from mostly manufacturing professionals in all categories of the food & beverage industry, with most coming from the fruits & vegetables category (20%). Respondents also represented all sizes of companies, with the highest number (35%) in the 101-500 employee range.