Data & Trends

EU Food and Drink Industry

2021

FOODDRINK EUROPE

EU FOOD AND DRINK INDUSTRY FIGURES

Turnover
€1,093 billion
A leading manufacturing sector

Value added
1.9%
of EU gross value added

Consumption
21.5%
of household expenditure on food and drinks

Employment
4.5 million people
Leading employer in the EU

Number of companies
289,000

R&D expenditure
€1.9 billion

Sales within the Single Market
88%
of food and drink turnover

Small and medium-sized companies

40.5%
of food and drink turnover

58.4%
of food and drink employment

External trade

€145 billion
Exports

€78 billion
Imports

€67 billion
Trade balance

#1
exporter of food and drinks

Sources: Eurostat; Joint Research Centre; UN COMTRADE

CONTENTS

INTRODUCTION

The 2021 edition of the 'Data & Trends of the EU Food and Drink Industry' report offers a comprehensive picture of the structure and economics of Europe's food and drink sector, one of the largest manufacturing industries in the EU in terms of turnover, value added and employment.

The report provides in-depth analysis of the Single Market, world markets, and a global ranking of food and drink companies. Most of the data related to the structure of the food and drink sector date back to 2018 and 2019. To find out more about the impact of the Covid-19 pandemic on the sector, you are invited to join our mailing list to receive Quarterly Economic and Trade Bulletins.

This report covers the whole EU27 food and drink industry, which is identified by the NACE Rev2 codes C10 (food products) and C11 (drinks). Therefore, unless otherwise stated, the UK is no longer included in the EU data presented in this report.

All figures presented here come from official sources and have been reviewed by FoodDrinkEurope.

CONTRIBUTION TO THE EU ECONOMY

A leading manufacturing sector in terms of turnover and value added

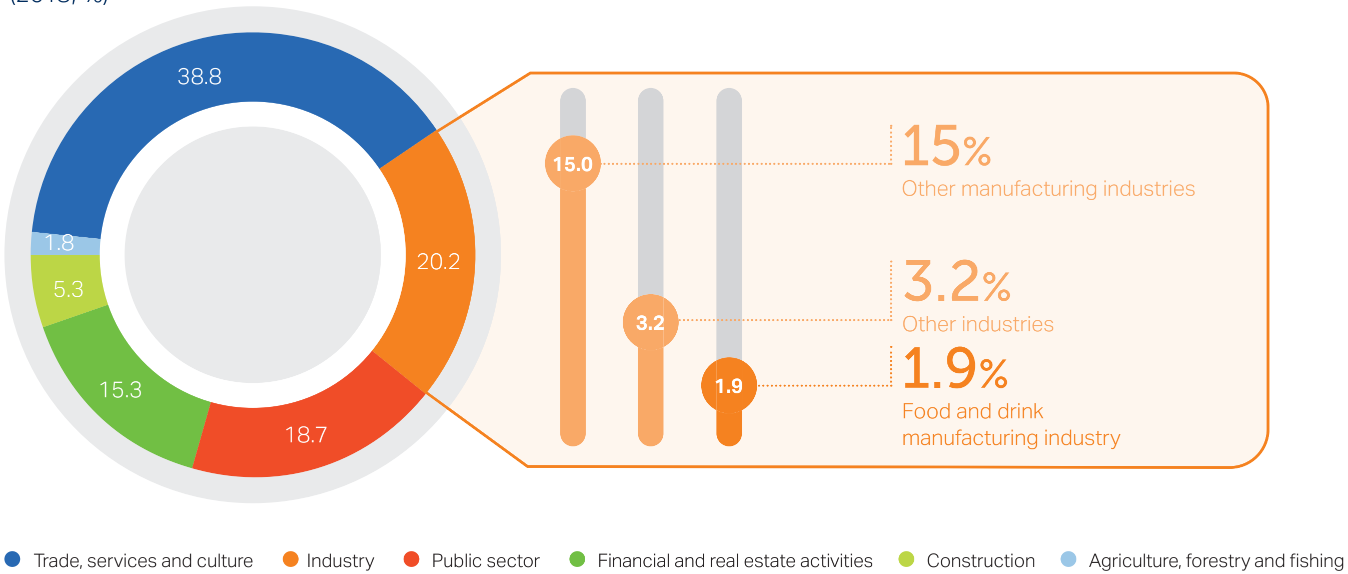
1.9%
Contribution of the food and drink industry to EU gross value added

14.2%
Share of food and drink turnover in manufacturing

11.4%
Share of food and drink value added in manufacturing

- The food and drink industry is a major contributor to Europe's economy, together with the automotive and machinery and equipment industries.
- In 2018, the EU food and drink industry generated a turnover of €1,093 billion and a value added of €222 billion.
- With €41 billion invested in 2018, the food and drink industry is the manufacturing sector with the highest capital spending.
- The industry maintains the characteristics of a stable, resilient and robust sector.

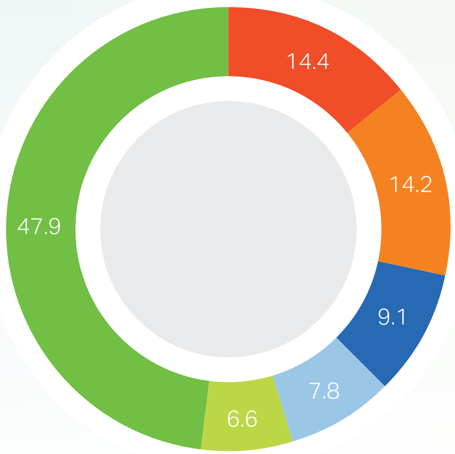
CONTRIBUTION OF THE FOOD AND DRINK INDUSTRY TO THE EU ECONOMY
(2018, %)



Source: Eurostat (National Accounts)

TURNOVER IN THE EU MANUFACTURING INDUSTRY
(2018, %)

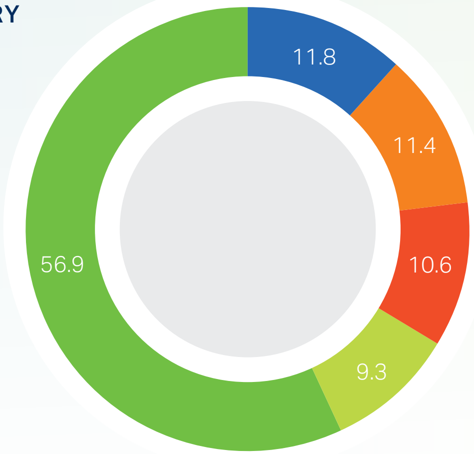
14.2%
Food and drink industry



Source: Eurostat (SBS)

VALUE ADDED IN THE EU MANUFACTURING INDUSTRY
(2018, %)

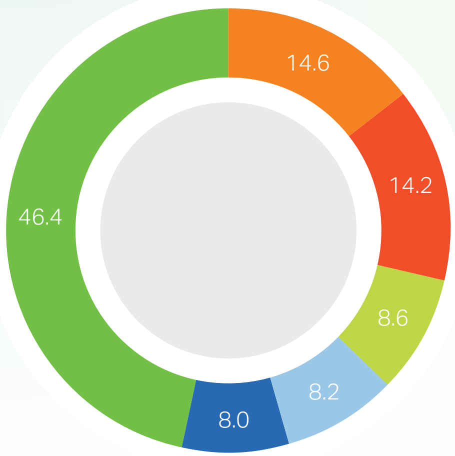
11.4%
Food and drink industry



Source: Eurostat (SBS)

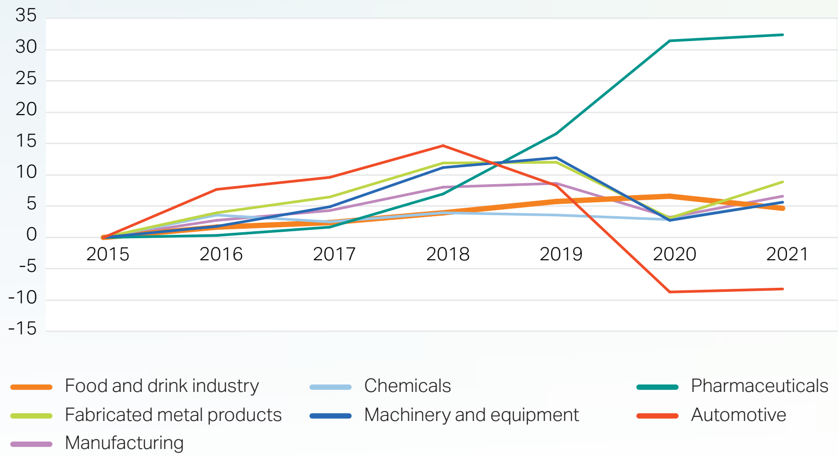
INVESTMENT IN THE EU MANUFACTURING INDUSTRY
(2018, %)

14.6%
Food and drink industry



Source: Eurostat (SBS)

VOLUME OF PRODUCTION IN THE EU MANUFACTURING INDUSTRY
(% change relative to the first quarter of 2015)



Source: Eurostat (STS)

EMPLOYMENT

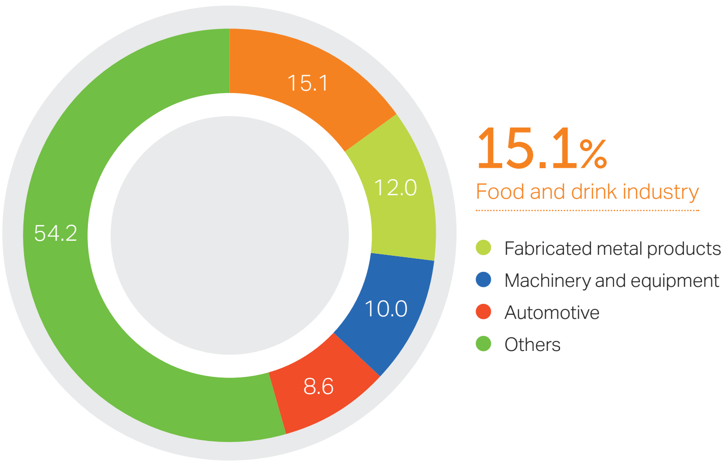
A leading employer in the EU

4.52 million
Total number of persons employed in the food and drink industry

€105 billion
Wages and salaries paid by the food and drink industry

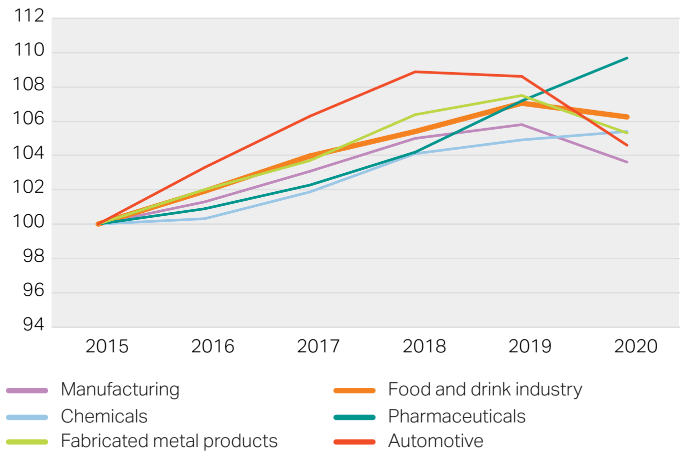
- Compared to other manufacturing sectors, the EU food and drink industry is a key job provider and a stable employer.
- On average, labour productivity in the food and drink industry is lower than in the manufacturing sector as a whole.
- A food and drink company employs on average 16 persons, i.e. 1 more than the average manufacturing company.

EMPLOYMENT IN THE EU MANUFACTURING INDUSTRY
(2018, %)



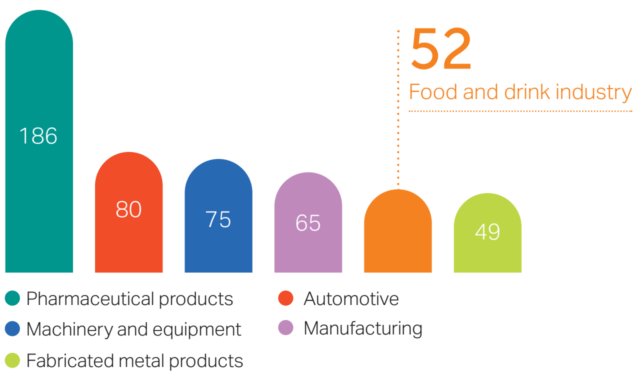
Source: Eurostat (SBS)

EMPLOYMENT IN THE EU MANUFACTURING INDUSTRY
(index, 2015=100)



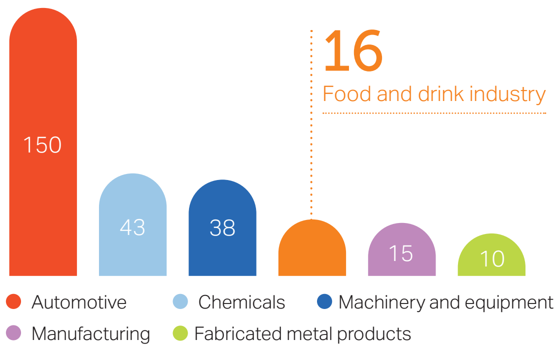
Source: Eurostat (STS)

LABOUR PRODUCTIVITY IN THE EU MANUFACTURING INDUSTRY (2018, €1,000/person)



Source: Eurostat (SBS)

AVERAGE NUMBER OF PERSONS EMPLOYED PER COMPANY IN THE EU (2018)



Source: Eurostat (SBS)

SECTORS AT EU LEVEL

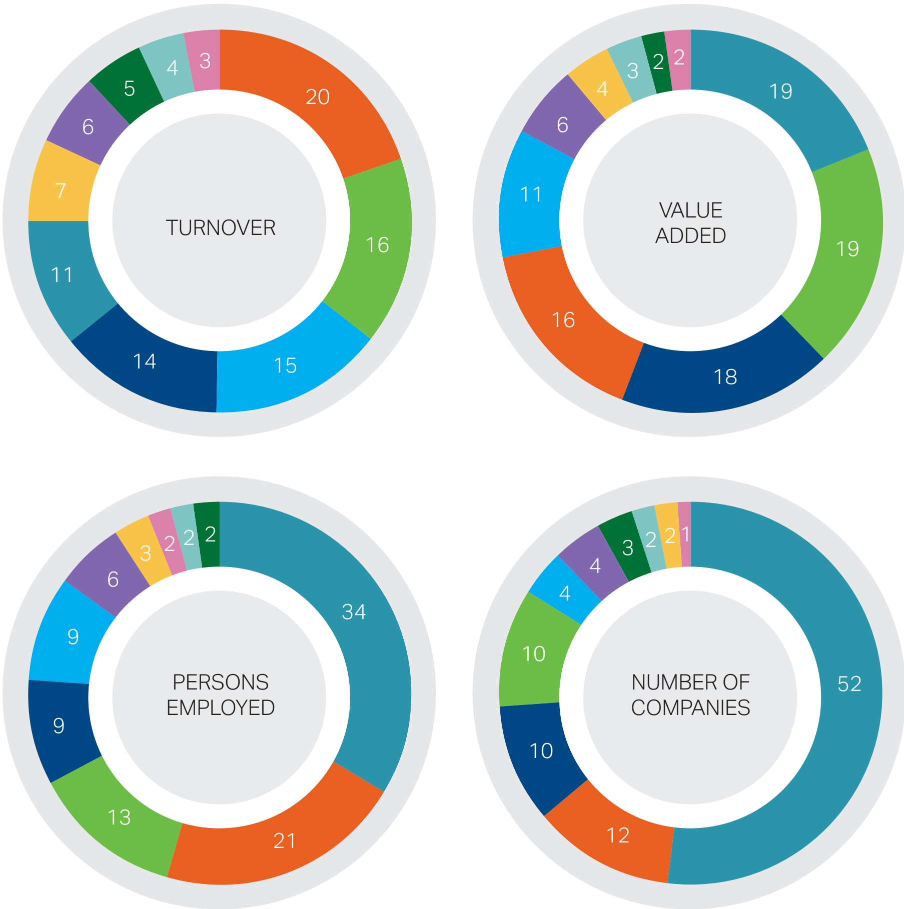
Offering a wide variety of food and drinks to consumers

20%
Share of the food and drink industry's turnover attributed to the meat sector

34%
Share of the food and drink industry's employment attributed to the bakery and farinaceous sector

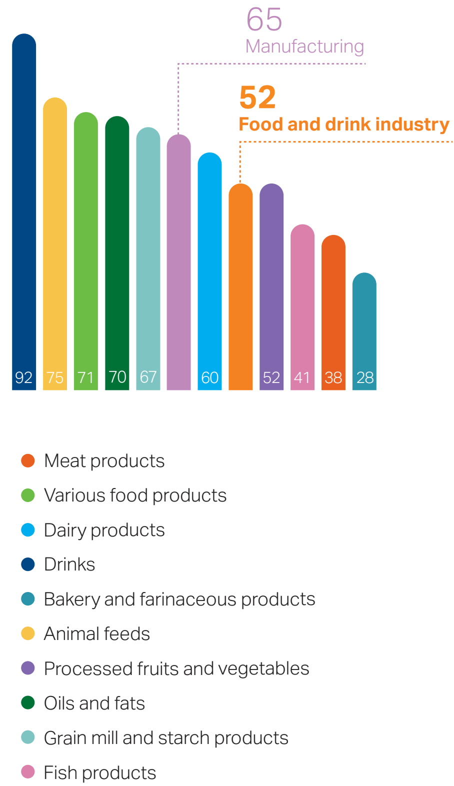
- The EU food and drink industry is diverse, with a variety of sectors ranging from fruit and vegetable processing to dairy production and drinks.
- The top 5 sub-sectors (bakery and farinaceous products, meat products, dairy products, drinks and the "various food products" category) represent three-quarters of the total turnover and more than 80% of the total number of employed persons and companies in the industry.
- Labour productivity varies by sub-sector. Drinks and animal feeds generate the highest value in the food and drink sector.

TURNOVER, VALUE ADDED, PERSONS EMPLOYED AND NUMBER OF COMPANIES IN FOOD AND DRINK INDUSTRY SECTORS (2018, %)



Source: Eurostat (SBS)

LABOUR PRODUCTIVITY
(2018, €1,000/person)



SMALL AND MEDIUM-SIZED ENTERPRISES

Small scale, big impact

€443 billion
Turnover

€94 billion
Value added

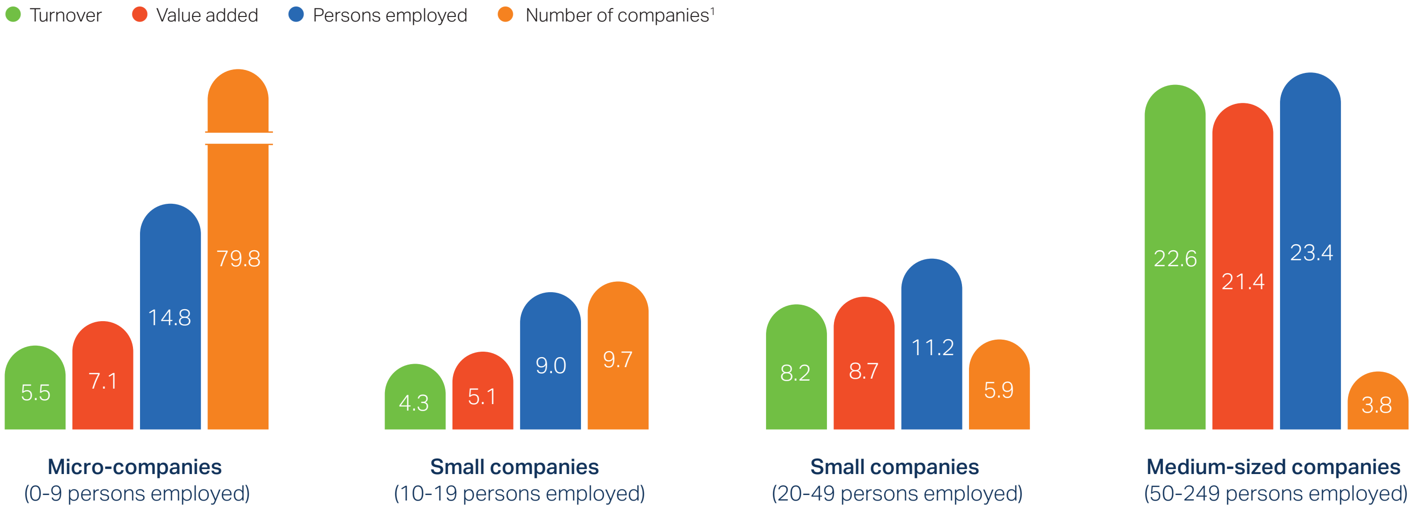
2.6 billion
Persons employed

99.2%
of food and drink companies[1]

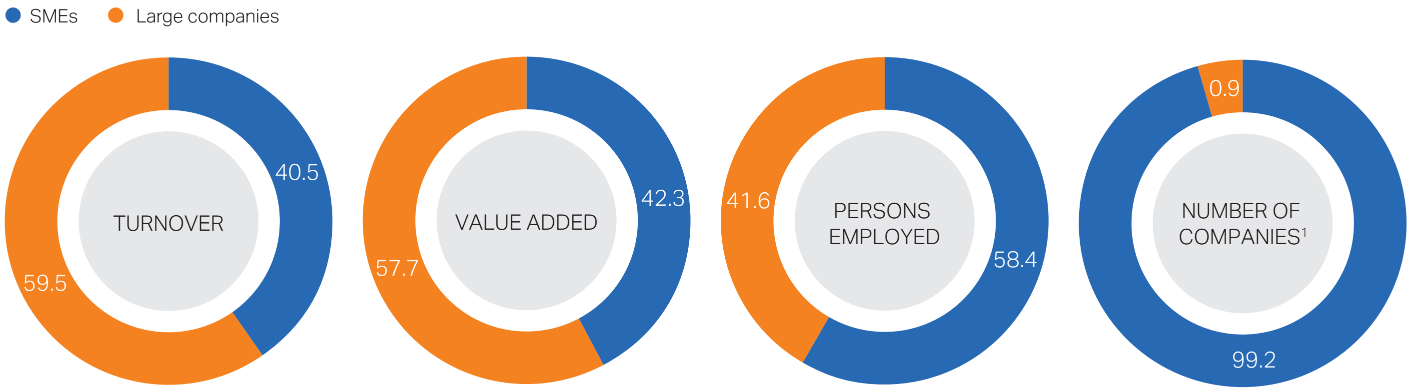
- The food and drink industry is a highly diversified sector with many companies of different sizes.
- SMEs generate more than 40% of the food and drink industry turnover and value added and provide more than half of jobs in the sector.
- The food and drink industry accounts for almost 290,000 SMEs.

[1] EU28 data for 2017

SMES IN THE FOOD AND DRINK INDUSTRY (2018, % by company size)



CONTRIBUTION OF SMES AND LARGE COMPANIES TO THE EU FOOD AND DRINK INDUSTRY (2018, %)



Source: Eurostat (SBS)

THE NATIONAL PICTURE

A key industry in the economies of the EU Member States

#1 employer

The food and drink industry is the biggest employer in manufacturing in half of the Member States

63%

Share of turnover of the EU's 4 largest food and drink producers

- The food and drink industry ranks among the top three manufacturing industries in terms of turnover and employment in most Member States.
- France, Germany, Italy and Spain are the largest EU food and drink producers by turnover.

FOOD AND DRINK INDUSTRY DATA BY MEMBER STATE[1] (2019)

	Employment ranking in manufacturing	Turnover (€ billion)	Value added (€ billion)	Number of employees (1,000)	Number of companies
Austria[2]	1	25.1	6.4	88	3,870
Belgium	1	54.9	8.9	94.6	4,239
Bulgaria	1	6.6	1.3	93.7	6,160
Croatia	1	5.7	-	51	2,533
Czechia	4	14.7	3.3	112	11,182
Denmark	2	23.5	4.3	54	1,604
Estonia	2	2	0.3	14.8	723
Finland	4	11.2	2.6	38	1,793
France[3]	1	213.1	-	674.8	54,260
Germany[3]	4	185.3	47.2	618.7	6,123
Greece[4]	1	15.5	3.3	134	16,265
Hungary[5]	3	11.5	2.8	79.6	4,413
Ireland[6]	1	27.5	8.4	54.9	1,966
Italy	2	145	34.6	385	56,000
Luxembourg[3]	1	1	0.3	5.8	154
Netherlands	1	76.2	14	138.7	6,520
Poland	1	57.7	13.1	397.5	17,640
Portugal	1	17.5	3.4	118.8	11,589
Romania[7]	1	13.1	9.3	178.6	10,142
Slovakia	3	4.9	0.9	52.9	4,225
Slovenia[8]	5	2.3	0.6	14.6	745
Spain	1	119.2	26.4	436.7	30,730
Sweden	3	18.9	4.4	50.8	4,779

[1] As published by FoodDrinkEurope National Federations or Eurostat
[2] Number of companies from 2018
[3] All data from 2018
[4] Data for companies with more than 20 employees; value added from 2018
[5] All data from 2018; small food and drink producers and family businesses included in the number of companies
[6] Source: National Tax and Customs Administration of Hungary
[7] Turnover from 2018
[8] Value added from 2018
[9] Only limited liability companies, joint stock companies or similar
No data available for Cyprus, Latvia, Lithuania and Malta

BIOECONOMY

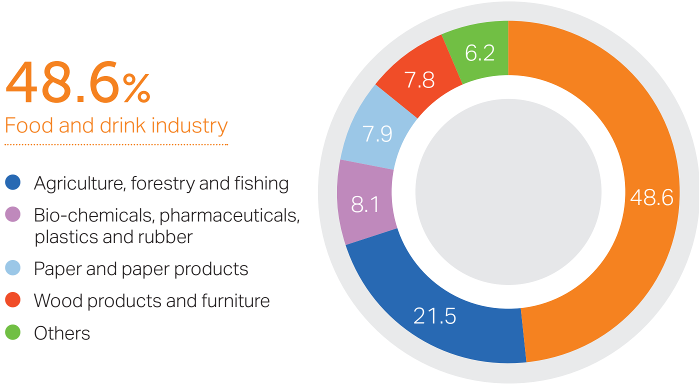
The food and drink industry: a main contributor to the bioeconomy

5.3%
Contribution of the bioeconomy to EU gross value added

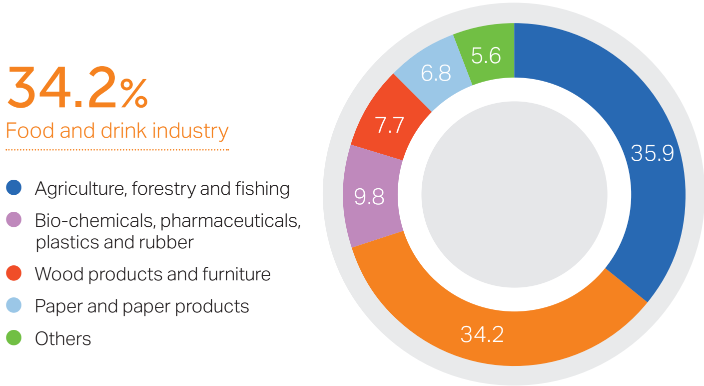
8.9%
Share of the bioeconomy in EU employment

- The turnover of the bioeconomy amounts to €2.2 trillion and the value added to €613 billion. The food and drink industry contributes to roughly half and one-third respectively.
- In 2017, the bioeconomy employed 17.5 million people in the EU, of which one-quarter was in the food and drink industry.
- The Horizon Europe Research and Innovation programme of the European Commission will invest €8.95 billion in the Cluster 6 of the programme, dedicated to Food, Natural Resources and Agriculture in the next 7 years (2021-2027).

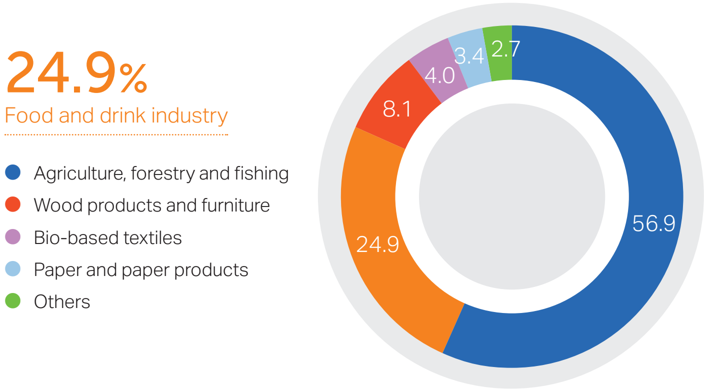
TURNOVER IN THE EU BIOECONOMY (2017, %)



VALUE ADDED IN THE EU BIOECONOMY (2017, %)



EMPLOYMENT IN THE EU BIOECONOMY (2017, %)



Source: Joint Research Centre

THE EU BIOECONOMY IN FIGURES (2017)

	Turnover (€ billion)	Value added (€ billion)	Persons employed (1,000)
Agriculture	417	189	9,273
Forestry	49	25	518
Fishing and aquaculture	13	7	167
Food and drink industry	**1,084**	**210**	**4,363**
Bio-based chemicals, pharmaceuticals, plastics and rubber	180	60	397
Paper and paper products	175	42	590
Wood products and furniture	173	47	1,425
Bio-based textiles	76	21	693
Bio-electricity	19	4	23
Liquid biofuels	14	3	21
Others	31	6	36
EU Bioeconomy	**2,231**	**613**	**17,506**

FOOD SUPPLY CHAIN

Diverse economic operators with specific business models

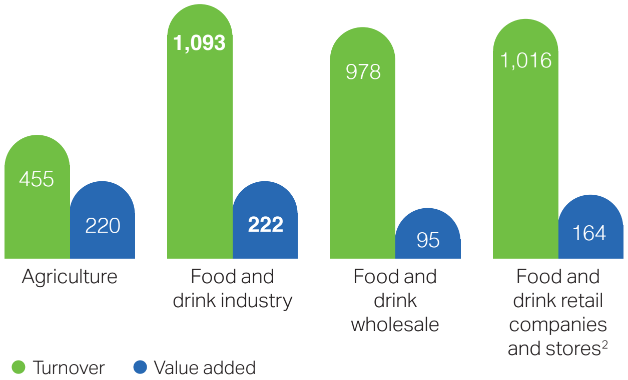
5.8%
Share of the food supply chain in EU gross value added

10.8%
Share of the food supply chain in EU employment

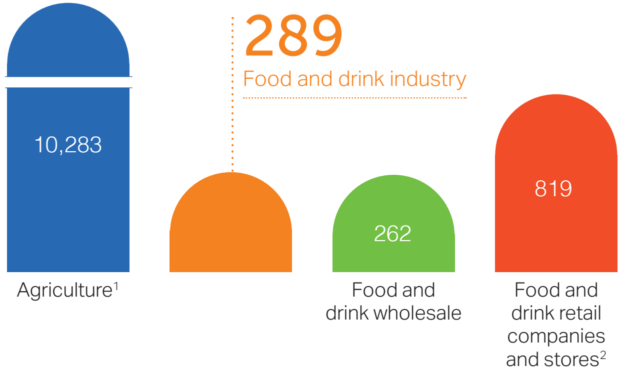
- The food supply chain employs 21 million people.
- The total turnover amounts to €3.5 trillion and the value added to €701 billion.
- The EU extensive food supply chain, from agriculture and the input industry to food and drink services, employs 30 million workers.

[1] 2016
[2] Specialised and non-specialised stores with food and drinks predominating
[3] 2017 data for fertilisers and pesticides industries

TURNOVER AND VALUE ADDED IN THE EU FOOD SUPPLY CHAIN (2018, € billion)

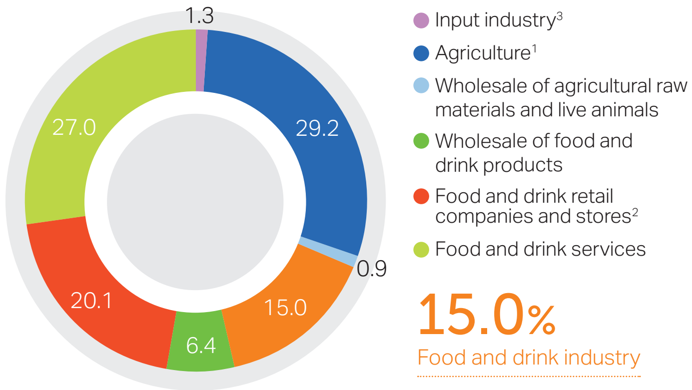


NUMBER OF COMPANIES IN THE EU FOOD SUPPLY CHAIN (2018, 1,000 units)



PERSONS EMPLOYED IN THE EU FOOD SUPPLY CHAIN (2018, million)

EMPLOYMENT IN THE EXTENSIVE EU FOOD SUPPLY CHAIN (2018, %)



Source: Eurostat (Agriculture, National Accounts, SBS)

CONSUMPTION

Food and drinks[1]: the second largest household expenditure

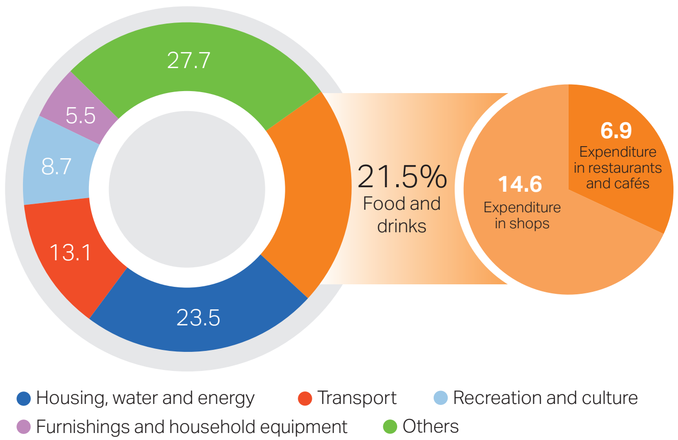
€1,580bn
EU household expenditure on food and drinks

21.5%
Average share of EU household expenditure on food and drinks

- In 2019, EU consumers spent €1,580 billion, or 21.5% of their budget, on food and drinks, either purchased in shops or consumed in restaurants and cafés. Out-of-home consumption represents one-third of consumer spending on food and drink products.
- Across Member States, the share of overall household expenditure on food and drink products varied from 17% to 29% (11% to 25% when considering only food and drinks purchased in shops).

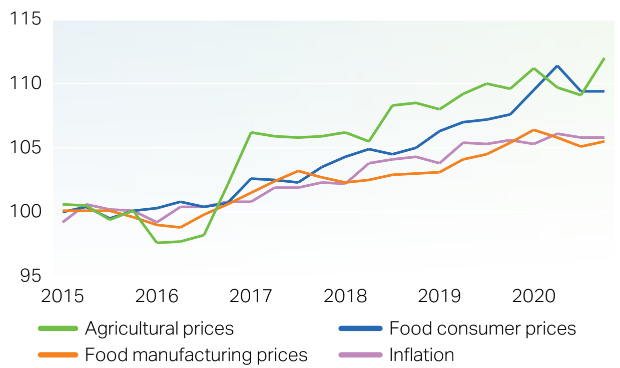
[1] Either purchased in shops or consumed in restaurants and cafés

BREAKDOWN OF EU HOUSEHOLD CONSUMPTION EXPENDITURE (2019, % of total expenditure)



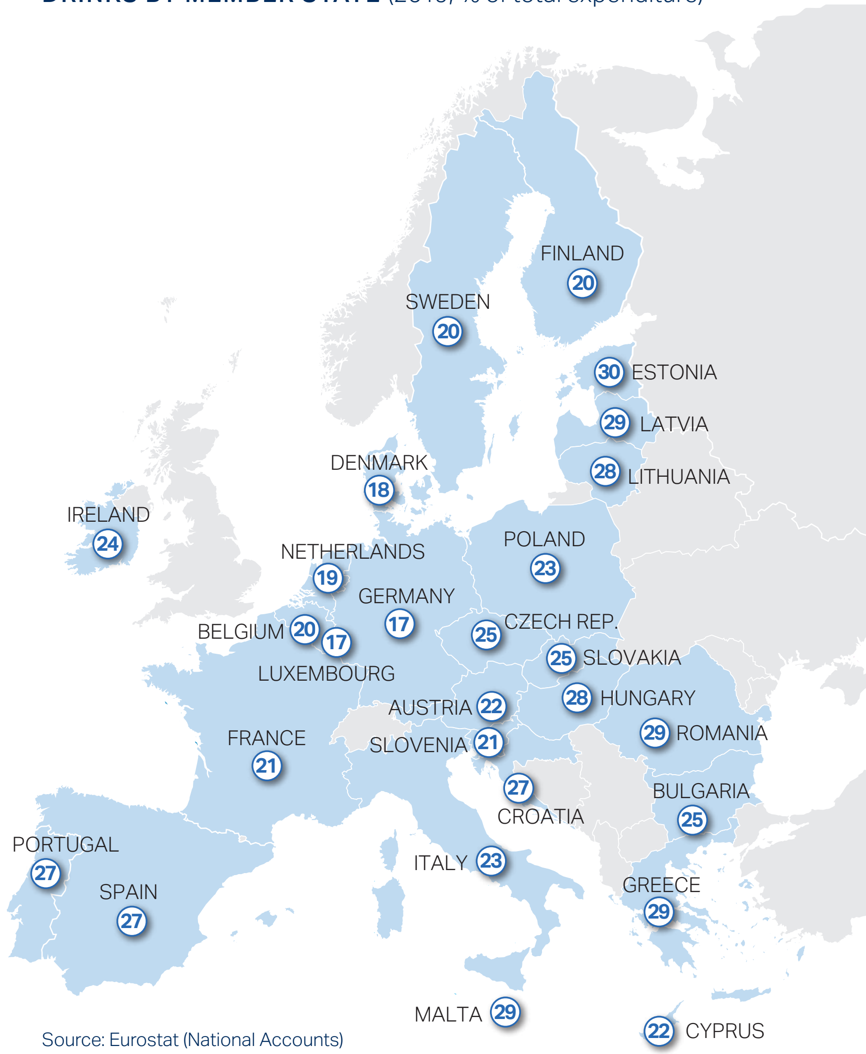
Source: Eurostat (National Accounts)

PRICE DEVELOPMENTS IN THE EU FOOD SUPPLY CHAIN (index, 2015 = 100)



Source: Eurostat (Prices); DG Agriculture and Rural Development

HOUSEHOLD CONSUMPTION EXPENDITURE ON FOOD AND DRINKS BY MEMBER STATE (2019, % of total expenditure)



Source: Eurostat (National Accounts)

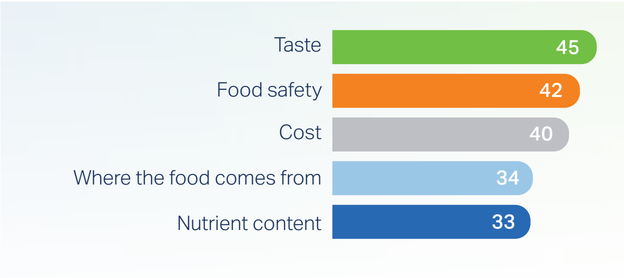
CONSUMER EXPECTATIONS

Public knowledge of the current food system and consumer appetite for change

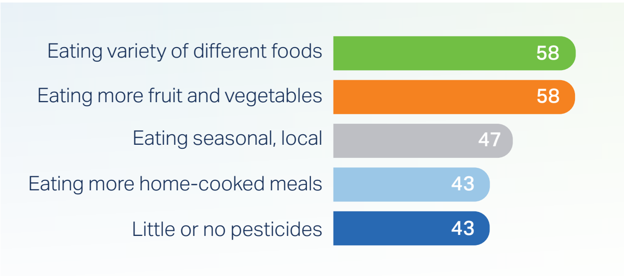
45% taste
The main factor influencing consumer purchases

- Taste (45%), food safety (42%) and cost (40%) are the main factors influencing Europeans' food purchases.
- Europeans consider food being healthy for them (74%) as the most important aspect of a sustainable diet, far above all other aspects such as minimising waste.
- Two-thirds of Europeans say that they eat a healthy and sustainable diet most of the time (56%) or always (10%).
- Affordability of healthy and sustainable options (49%), having healthy food choices available where they usually shop for food (45%) and clear information on food labelling regarding a product's impact (41%) would help citizens in adopting a healthier and more sustainable diet.
- Almost 9 out of 10 Europeans consider that farmers and food companies should themselves take action to raise their products' sustainability standards.

TOP 5 FACTORS INFLUENCING FOOD PURCHASES (%)[1]



SUSTAINABLE DIET FOR CONSUMERS (%)[2]



ASPECTS OF SUSTAINABLE DIET IMPORTANT FOR THE CONSUMERS (%)[2]

[1] Maximum 3 answers
[2] Multiple answers possible

KEY ACTORS IN MAKING FOOD SYSTEMS SUSTAINABLE (%)[2]

65% Farmers and fishers

58% Food manufacturers

47% National governments

43% Consumers

38% EU Institutions

Source: Special Barometer 505, European Commission

EU[1] QUALITY SCHEMES

Protecting and promoting the geographical origin as well as traditional know-how of food and drinks[2]

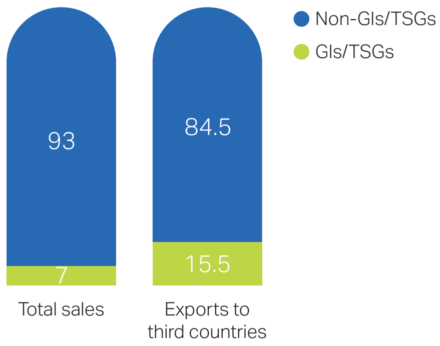
7%
The share of GIs and TSGs in the overall sales of European food and drinks

15.5%
The share of GIs and TSGs in the overall European food and drink exports to third countries

- In 2017, 3,207 product names were protected in the EU. Each Member State produced Geographical Indications (GIs) and Traditional Specialities Guaranteed (TSGs) foodstuffs.
- GIs and TSGs all together accounted for an estimated sales value of €77.1 billion in 2017. More than half of this value derived from wines.
- The national market was the first outlet for GIs and TSGs. Exports to third countries amounted to €17 billion, representing 22.1% of the total GIs and TSGs sales.
- The sales value of GIs and TSGs was, on average, double the sales value for similar products without a certification. The value premium rate stood at 2.9 for wines, 2.5 for spirits and 1.5 for agricultural products and foodstuffs.

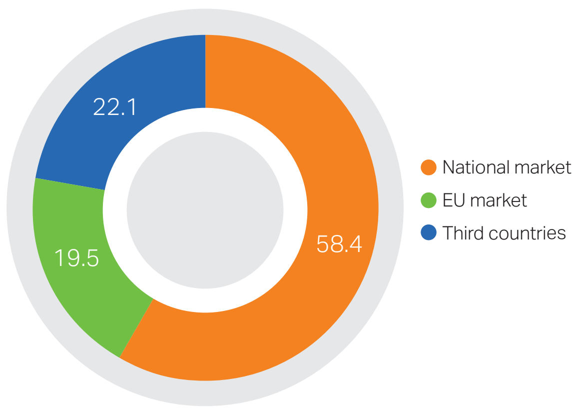
1 EU28
2 Under the EU quality policy, product names can be granted with a Geographical Indication (GI) if they have a specific link to the place where they are made. GIs include Protected Designation of Origins (PDO) and Protected Geographical Indications (PGI). Traditional Speciality Guaranteed (TSG) highlights the traditional aspects such as the way the product is made or its composition, without being linked to a specific geographical area.

SHARE OF GIS/TSGS IN TOTAL AGRI-FOOD PRODUCTS (2017, %)

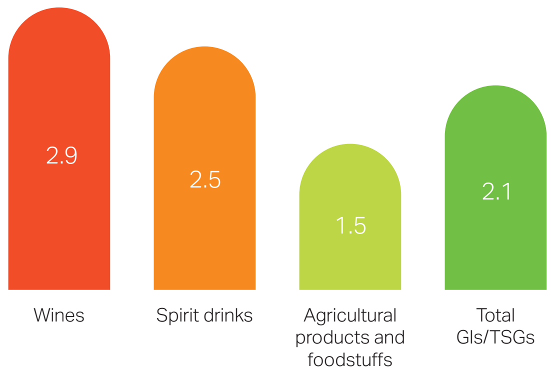


GIS/TSGS BY SECTOR (2017)

GIS/TSGS SALES BY DESTINATION (2017, %)



GIS/TSGS VALUE PREMIUM RATE BY SECTOR (2017)



Source: AND study for the European Commission, 2019

SUSTAINABILITY

Delivering more sustainable food systems

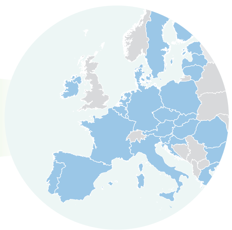
5th
Rank of the food and drink industry[1] in terms of GHG emission in manufacturing

- The EU food and drink industry emits 85Mt CO_2e per year (2015). Most of these emissions are associated with energy use. From the electricity grid, 62% of energy use is consumed as heat and 38% as power.
- In the EU, an estimated 20% of total food produced each year is lost or wasted. Households generate more than half of total food waste in the EU (47 million tonnes).
- In 2019, almost 8.5% of the EU's agricultural area was farmed organically, 2.5 percentage points more than in 2015. Austria leads with 25% of its agricultural area farmed organically, followed by Estonia and Sweden.
- In the EU, 41% of plastic packaging waste was recycled in 2018, 10 percentage points more than in 2008. In eight Member States, more than half of the plastic packaging waste was recycled.

[1] Including tobacco industry

The EU food and drink industry emits

85Mt CO_2e
Per year



It represents

11% of the emissions of the food supply chain

Source: Decarbonisation road map for the European food and drink manufacturing sector, Ricardo, July 2021

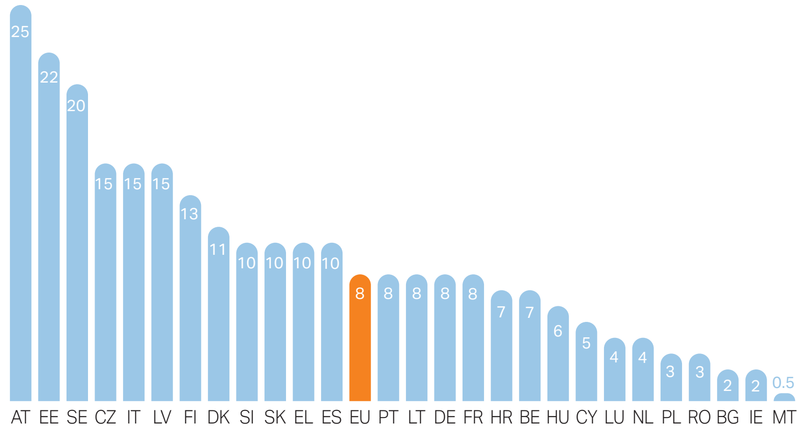
FOOD WASTE IN THE EU

88 million tonnes
or 173kg/person of food is wasted each year

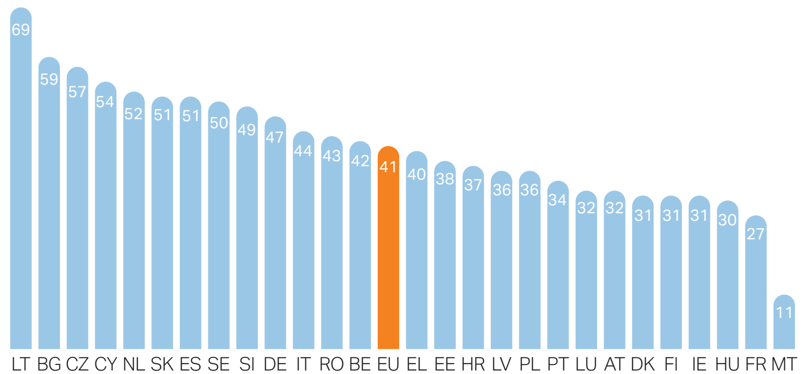
Estimated costs:
€143 billion

Source: European Commission

AREA UNDER ORGANIC FARMING BY MEMBER STATE
(2019, % of utilised agricultural area)



RECYCLING RATE OF PLASTIC PACKAGING WASTE BY MEMBER STATE (2018, %)



Source: Eurostat

INNOVATION AND CONSUMER TRENDS

Innovation key to greater consumer choice

Pleasure

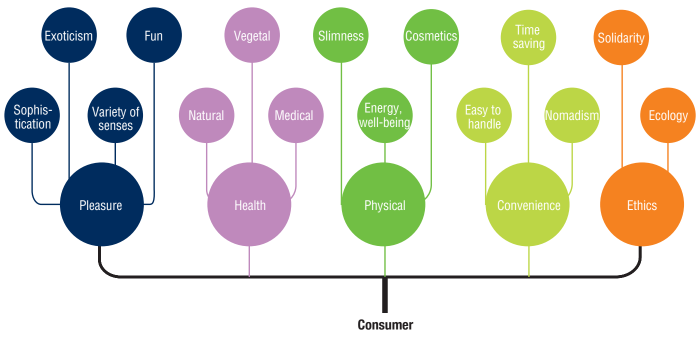
Leading driver of food innovation in Europe

#1

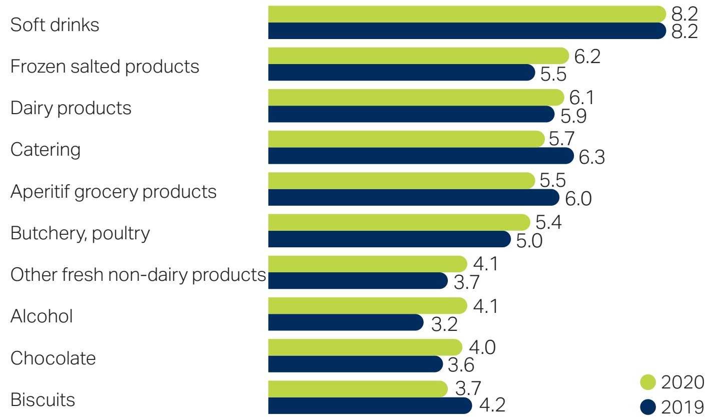
Soft drinks are the world's most innovative food sector

- Drivers of innovation can be divided into 15 trends, grouped along five axes, corresponding to general consumer expectations: pleasure, health, physical, convenience, and ethics.
- Pleasure was the leading driver of food innovation with a 46.5% share in 2020.
- Health, which ranked second, is slightly declining while Ethics continues to grow and gained 3.7 percentage points, driven by the Ecology trend.
- In 2020, soft drinks were the world leaders in innovation, with frozen salted products ranking second. The dairy products category came in a close third place and took the place of catering products.

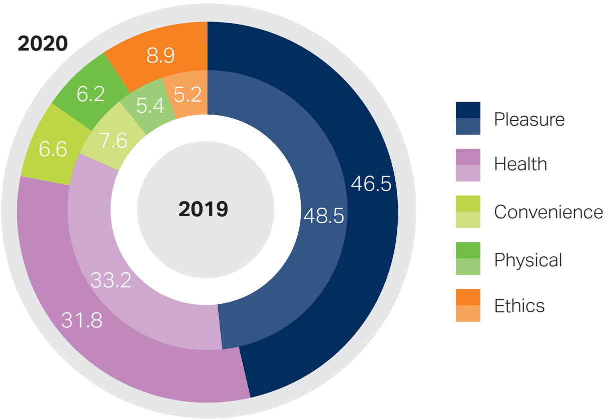
FOOD INNOVATION TRENDS



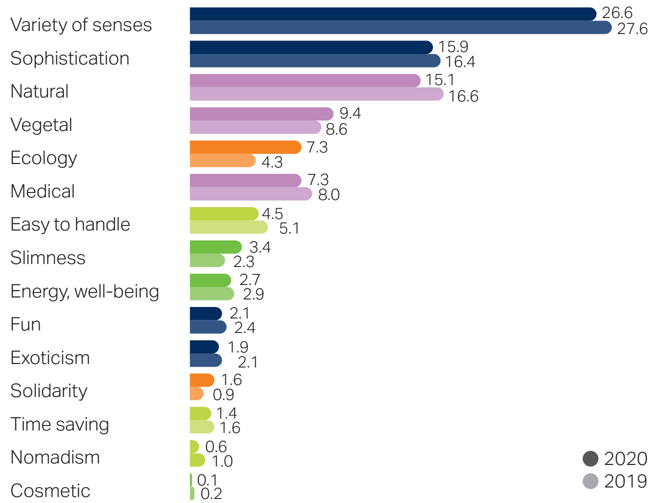
THE WORLD'S 10 MOST INNOVATIVE FOOD SECTORS (%)



DRIVERS OF INNOVATION IN EUROPE (%)



FOOD INNOVATION TRENDS IN EUROPE (%)



Source: World Food Innovation Barometer by ProtéinesXTC

TRADE WITHIN THE SINGLE MARKET

The first market for EU food and drinks

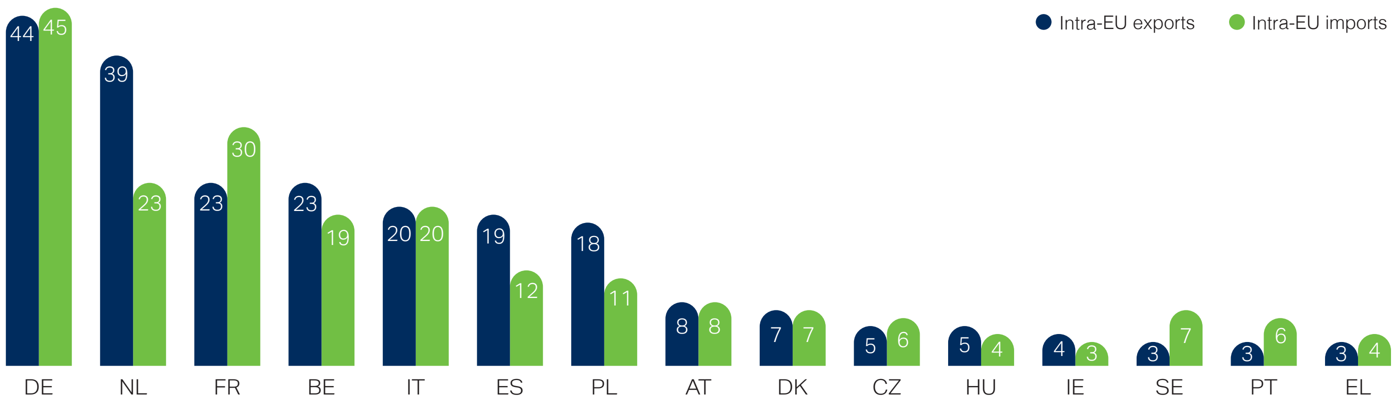
€236 billion
Intra-EU exports

€145 billion
Extra-EU exports

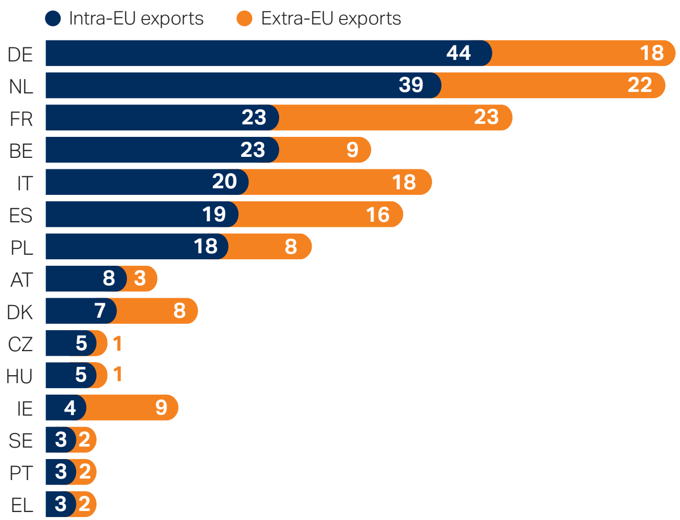
€381 billion
Total EU exports

- More than 60% of EU food and drink exports are destined for the Single Market.
- Germany is the EU Member State with the highest value of intra-EU trade in food and drinks.
- Except for drinks, the exports of most sectors to the Single Market exceed those to third countries.

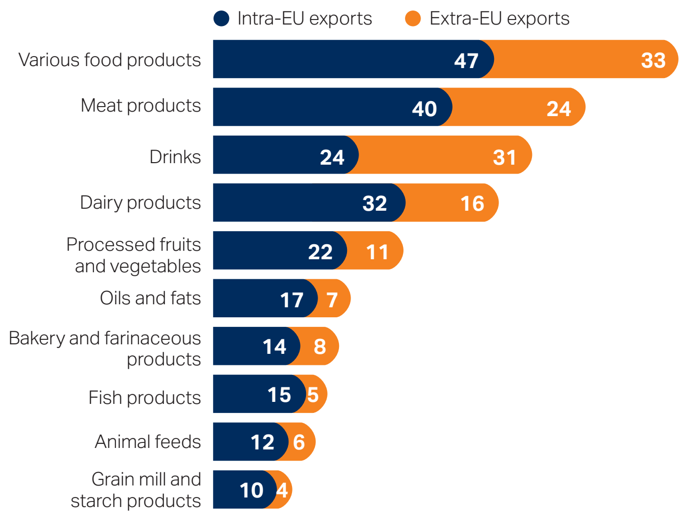
INTRA-EU FOOD AND DRINK TRADE FOR THE TOP 15 EXPORTERS (2020, € billion)



INTRA AND EXTRA-EU FOOD AND DRINK EXPORTS FOR THE TOP 15 INTRA-EU EXPORTERS (2020, € billion)



INTRA AND EXTRA-EU FOOD AND DRINK EXPORTS OF MAIN SECTORS (2020, € billion)



Source: Eurostat (Comext)

TRADE FIGURES

International trade: providing opportunities for growth and jobs

€145 billion Exports

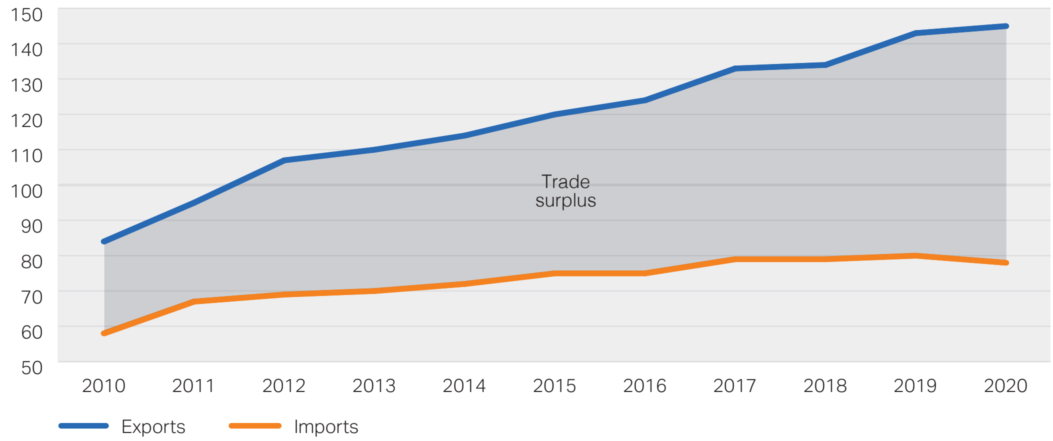
€78 billion Imports

€67 billion Trade balance

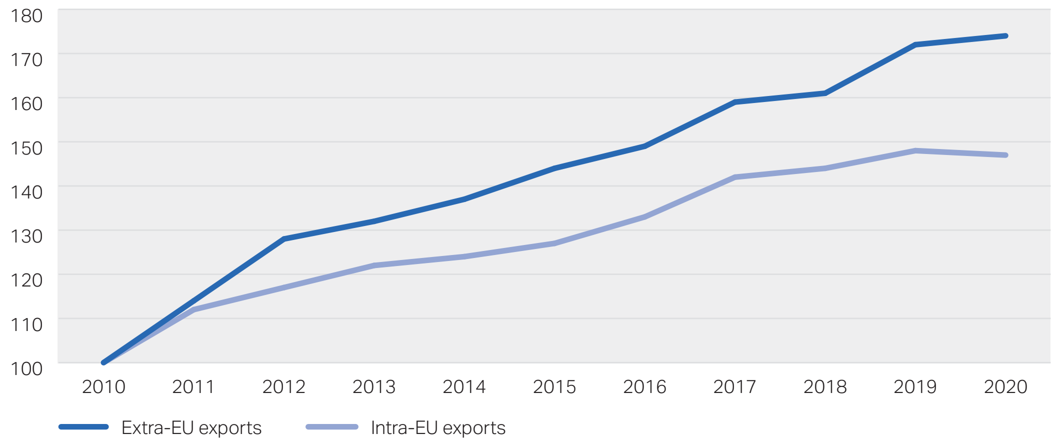
- Close to 40% of Member States' total food and drink exports were sold to non-EU markets. During the 2010-2020 period, extra-EU exports increased on average by 5% per year, compared to 3% per year for intra-EU exports.
- EU food and drink exports increased for the 11th consecutive year (+1% compared to 2019), representing 7.5% of total EU exports of goods. Imports amounted to €78 billion (+2% compared to 2019). This makes the EU a net exporter with a trade balance of €67 billion.
- Exports to China reached a 2nd consecutive year of double-digit growth and also increased with several other key trading partners. Meanwhile, exports towards Japan, Russia, and the US declined (2019-2020 period).
- USMCA countries (US, Canada, Mexico) remain by far the EU's largest trading partner by region, followed by the Greater China region.

[1] Exports and imports refer to extra-EU trade, unless otherwise specified

EVOLUTION OF EXTRA-EU FOOD AND DRINK TRADE (€ billion)

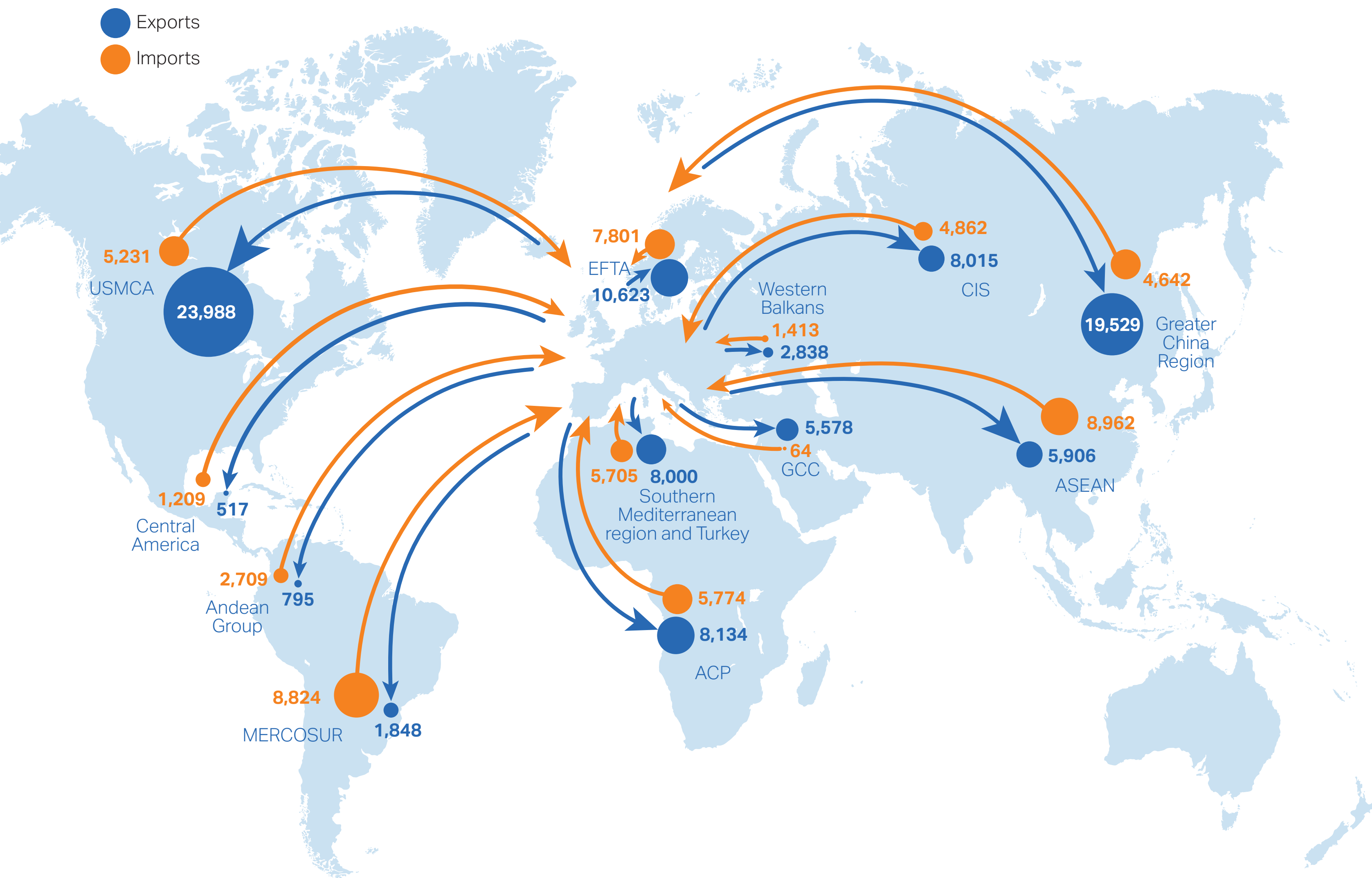


EVOLUTION OF EXTRA AND INTRA-EU EXPORTS (index, 2010=100)



Source: Eurostat (Comext)

EU FOOD AND DRINK TRADE FLOWS WITH KEY REGIONS (2020, € million)



TOP EU TRADING PARTNERS

Export markets

	2020 € million	% change 2019-2020
UK	33,281	0
US	19,665	▼1
China	16,032	▲22
Switzerland	6,526	▲7
Japan	5,149	▼9
Russia	4,779	▼3
Norway	3,776	▲9
Canada	3,359	▲7
Australia	3,032	▲6
Korea	2,791	▲4

Import origins

	2020 € million	% change 2019-2020
UK	13,545	▼8
Brazil	4,722	▼6
China	4,508	▼9
Switzerland	4,421	0
US	3,764	▼6
Argentina	3,516	▼8
Indonesia	3,249	▲13
Ukraine	2,749	▲5
Turkey	2,688	▲9
Norway	2,381	▲4

Source: Eurostat (Comext)

TRADE FIGURES BY SECTOR

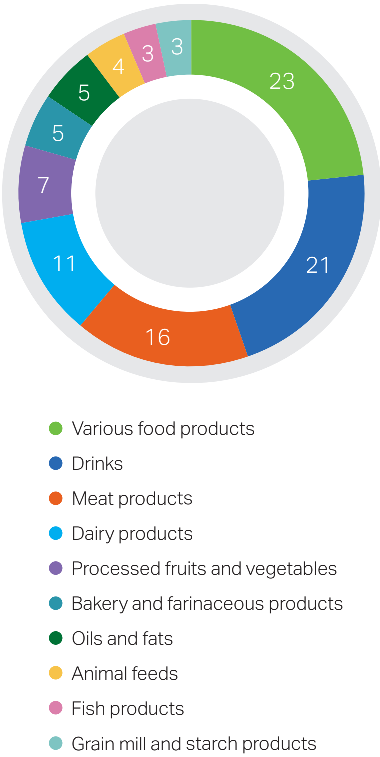
International trade success backed by strong EU food and drink sectors

48%
Combined export market share of the drinks, meat and dairy sectors

54%
Combined import market share of fish products, oils and fats and processed fruits and vegetables sectors

- Sectors with the highest growth in exports: animal feeds, oils and fats, and meat products.
- Sectors with the highest growth in imports: animal feeds, grain mill and starch products, prepared meals and dishes.
- The combined exports of the EU drinks, meat, and dairy sectors totalled €70.6 billion in 2020. The "various food products" category, which includes goods like chocolate, biscuits, confectionery and food preparations, generated exports worth €32.7 billion.

SECTORS IN EU FOOD AND DRINK EXPORTS
(2020, %)



Source: Eurostat (Comext)

EXPORTS AND IMPORTS BY SECTOR
(2020, € million)

	Exports		Imports	
	2020 € million	% change 2019-2020	2020 € million	% change 2019-2020
Drinks	30,688	-9	6,869	-9
of which: wine	13,025	-9	1,731	-1
spirits	6,809	-19	3,063	-14
beer	3,626	-1	562	-11
mineral waters and soft drinks	5,650	2	1,432	-7
Various food products	32,710	2	14,058	0
of which: chocolate and confectionery	9,110	-2	4,073	1
prepared meals and dishes	5,255	5	1,377	5
processed tea and coffee	3,052	3	2,655	2
Meat products	23,767	9	6,205	-14
Dairy products	16,203	3	2,159	-6
Processed fruits and vegetables	10,761	0	8,693	2
Bakery and farinaceous products	7,950	4	1,475	-4
Oils and fats	7,246	11	16,092	4
Animal feeds	5,738	12	2,207	12
Fish products	5,042	-5	17,216	-9
Grain mill and starch products	4,479	0	2,756	5

TRADE FIGURES BY PRODUCT

Providing high-quality, value-added food and drinks worldwide

>100
EU food and drink product categories exported

>200
Export markets

- Wine and pork meat are the EU's key exports, with each exceeding a value of €10 billion in 2020.
- On the export side, double-digit growth was registered for pork meat and animal feeds, and pet food. In contrast, spirits encountered a double-digit percentage decline in exports followed by lower levels observed for other key products such as wine and chocolate. This fall in exports is most likely due to the challenges of Brexit and the Covid-19 pandemic.
- On the import side, palm oil, food preparations, prepared and preserved fruits and nuts, and coffee (decaffeinated or roasted) increased while imports of spirits, juices, several categories of fish products, and wine declined.

TOP 10 EU FOOD AND DRINK EXPORTS AND IMPORTS BY DESTINATION AND ORIGIN (2020)

Exports

	€ million	% change 2019-2020	Top 3 destinations
Wine	13,024	-9	US, UK, Switzerland
Pork meat fresh, chilled and frozen	10,062	27	China, Japan, UK
Infant food and other preparations	7,797	3	China, UK, Saudi Arabia
Food preparations, not specified	7,388	5	UK, US, Switzerland
Animal feeds, pet foods	7,355	11	UK, Russia, Norway
Spirits	6,809	-19	US, UK, China
Bread, pastries and biscuits	6,416	0	UK, US, Switzerland
Cheese	6,204	2	UK, US, Japan
Chocolate	5,807	-3	UK, US, Russia
Offal, poultry meat	4,986	-2	China, UK, Hong Kong

Imports

	€ million	% change 2019-2020	Top 3 origins
Fish fillets	4,883	-7	China, Norway, US
Palm oil	4,450	15	Indonesia, Malaysia, Papua New Guinea
Spirits	3,063	-14	UK, US, Mexico
Prepared and preserved fish	2,729	-3	Ecuador, Morocco, China
Food preparations, not specified	2,672	5	UK, US, Switzerland
Frozen fish	2,125	-5	Norway, Russia, Greenland
Fruit and vegetable juices	1,979	-6	Brazil, UK, Turkey
Prepared and preserved fruits and nuts	1,807	6	Turkey, China, US
Wine	1,729	-1	Chile, UK, US
Coffee (decaffeinated or roasted)	1,703	4	Switzerland, UK, Vietnam

Source: Eurostat (Comext)

EU POSITION IN GLOBAL FOOD AND DRINK TRADE

A leading player on the world stage

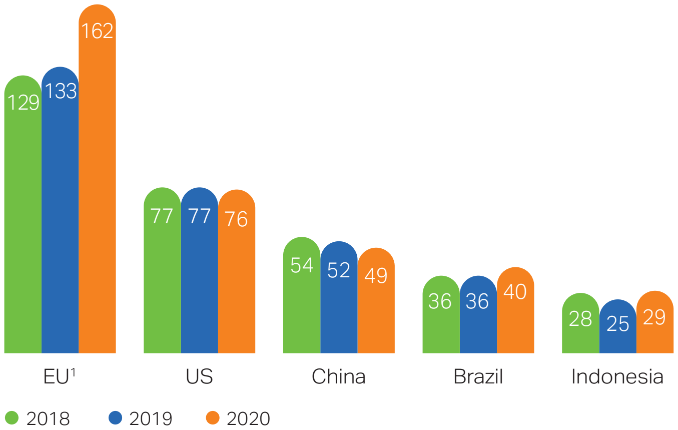
#1
Exporter of food and drinks

#3
Importer of food and drinks

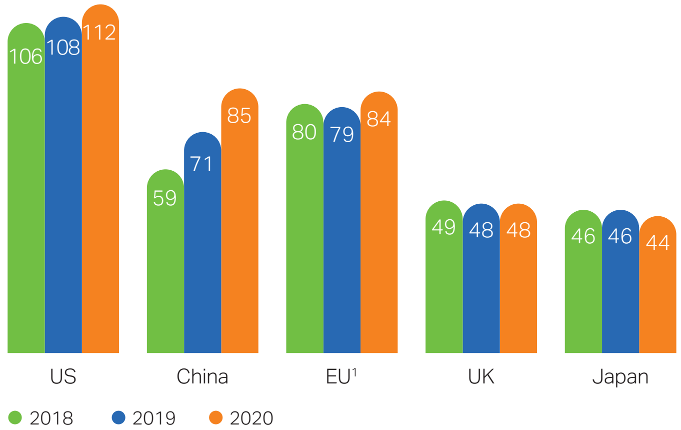
- With the departure of the UK from the EU, the EU has become an even larger exporter of food and drinks than before.
- The EU now ranks in third place in terms of imports from the rest of the world, behind China and the US and ahead of the UK and Japan.
- The recent five-year performance of EU products imported by selected third countries was mostly positive, particularly the growth of the EU share in food and drink imports by Brazil (+5.4%), Switzerland and Australia (+3%), Korea (+2.4%), Canada (+2.3%) and Norway (+1.5%).

[1] Takes into account the change in Member State composition of the EU.
[2] No data for Russia, year 2020

MAIN GLOBAL EXPORTERS OF FOOD AND DRINK PRODUCTS ($ billion)

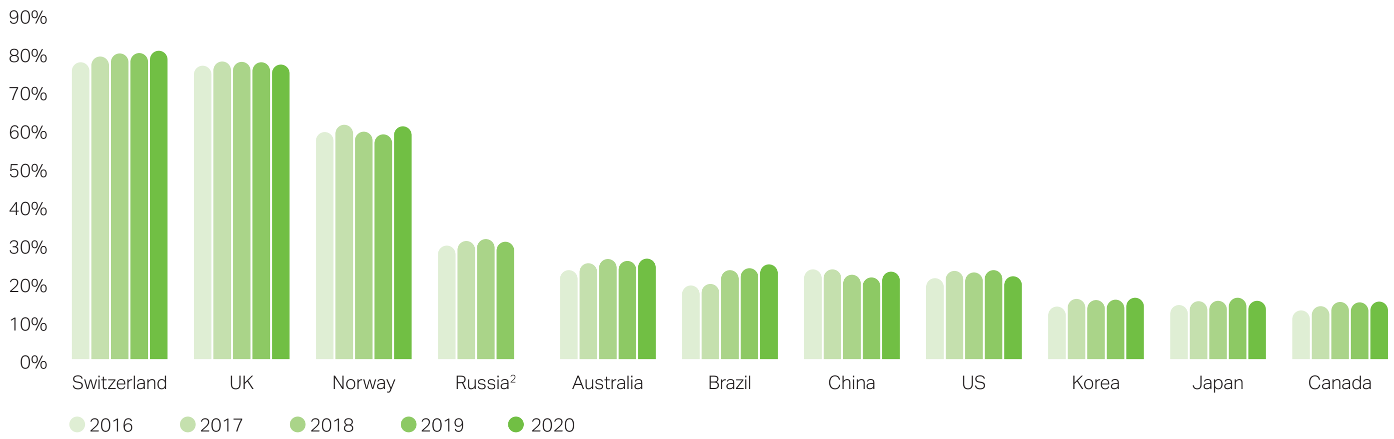


MAIN GLOBAL IMPORTERS OF FOOD AND DRINK PRODUCTS ($ billion)



Source: UN COMTRADE

EU PRODUCTS IN TOTAL FOOD AND DRINK IMPORTS OF SELECTED COUNTRIES (2016-2020, %)



EU-UK TRADE

Major trading partners with closely integrated supply chains

€33.3 billion
EU food and drink exports to the UK

€13.5 billion
EU food and drink imports from the UK

€19.8 billion
EU-UK trade balance

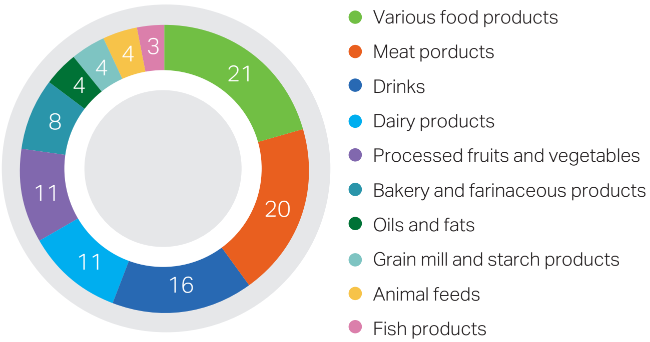
- EU exports of food and drinks to the UK amounted to €33.3 billion in 2020. The UK ranks first in terms of export market, ahead of the US (€19.7 billion) and China (€16 billion).
- Among the EU Member States, Ireland has by far the strongest trade link with the UK. Close to 35% of Ireland's food and drink exports are destined for the UK and more than 50% of its imports come from the UK.
- Wine is the EU's most prominent product exported to the UK, while distilled spirits lead the imports of food and drinks from the UK.

KEY MEMBER STATE EXPORTERS OF FOOD AND DRINKS TO THE UK (2020)

Member State	Exports to UK (€ billion)	Share of Member States' total exports[1] (%)	Rank of UK as export destination
Netherlands	5.3	8.7	4
France	4.6	10.1	3
Ireland	4.4	34.6	1
Germany	4.3	7.0	5
Italy	3.3	8.9	4
Belgium	2.9	9.2	4
Poland	2.5	10.0	2
Spain	2.2	6.3	5
Denmark	1.3	8.6	4
Greece	0.4	8.9	3

[1] Intra and extra-EU exports

EU EXPORTS TO THE UK BY SECTOR (2020, %)



TOP EU-UK FOOD AND DRINK EXPORTS AND IMPORTS (2020, € million)

Product	Exports	Imports	Trade Balance
Wine	2,526	307	2,220
Bread, pastry and biscuits	2,386	709	1,677
Chocolate	2,025	592	1,434
Cheese	1,901	560	1,341
Animal feed, pet foods	1,686	1,009	678
Prepared and preserved meat	1,466	257	1,209
Offal, poultry meat	1,341	268	1,073
Soft drinks	1,223	332	892
Food preparations	1,210	777	432
Bovine meat fresh, chilled and frozen	1,129	406	723
Pork meat fresh, chilled and frozen	969	234	735
Fruit and vegetable juices	785	128	656
Sausages	710	26	684
Fat, meat smoked	692	52	641
Sauce, condiments	684	284	400
Prepared and preserved vegetables	669	69	600
Malt extract, other food preparations	603	175	428
Pasta	595	69	526
Spirits	586	1,872	-1,286
Beer	505	239	266

Source: Eurostat (Comext)

FOOD FUTURE

Achieving the United Nations Sustainable Development Goals

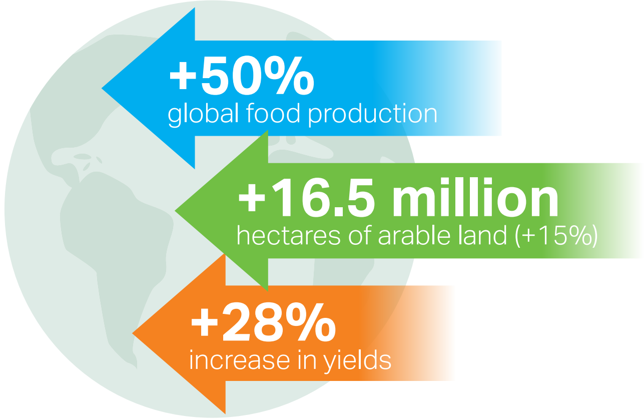
9.7 billion
Global population in 2050

50%
Increase in global food production by 2050[1]

- Population and income growth will continue to drive food demand. Meeting the additional demand will depend on the availability and productivity of resources.
- Addressing hunger, malnutrition in all its forms and food production are key to meeting the goals of the 2030 Agenda for Sustainable Development. The UN Food Systems Summit, held on 23 September 2021, aims to contribute to these objectives by transforming global food systems.
- Food production and nutritional security were the highest priority areas for adaptation identified in the national contributions of countries within the Paris Climate Agreement context.
- Forests cover a third of the world's land but are in serious danger from deforestation and forest degradation. Since 1990, the world's forests shrank by 1.3 million square kilometres, an area larger than South Africa.

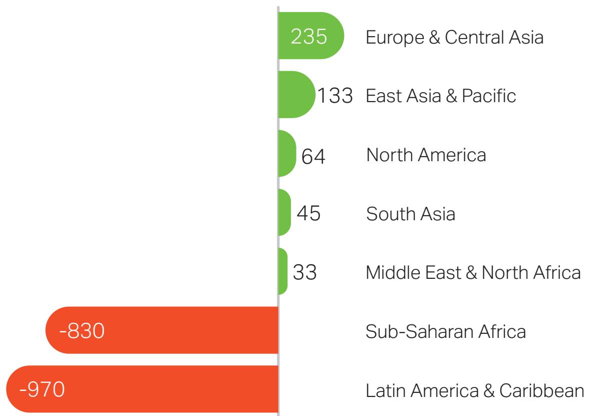
[1] Under business as usual scenario, base year, 2012 =100

MEETING GLOBAL DEMAND FOR FOOD BY 2050[1]



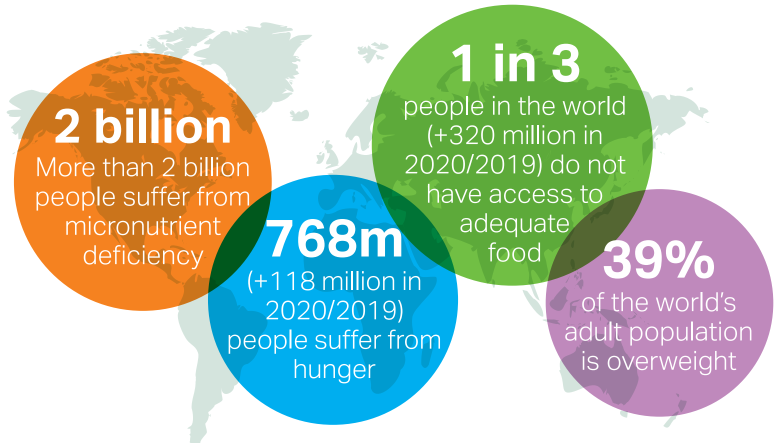
Source: FAO

CHANGE IN FOREST AREA
(1990-2015, CHANGE IN THOUSANDS OF KM²)



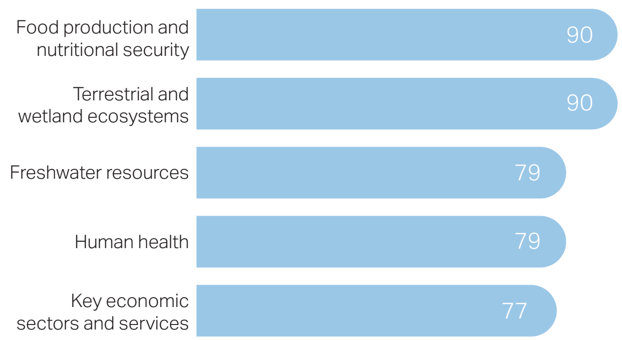
Source: the World Bank

GLOBAL FOOD AND NUTRITION SECURITY CHALLENGE, INCLUDING THE EFFECT OF THE COVID-19 PANDEMIC (2020)



Source: The State of Food Security and Nutrition in the World 2021 (SOFI 2021), FAO; WHO

NATIONAL CONTRIBUTIONS TO THE PARIS CLIMATE AGREEMENT: TOP 5 PRIORITY AREAS IDENTIFIED FOR ADAPTING TO CLIMATE CHANGE, 2020
(% of countries that included adaptation information)



Source: United Nations

GLOBAL TRENDS IN R&D

Sustained levels of R&D investment

0.16%

EU[1] R&D private investment intensity

- Out of the world's top 2,500 companies for R&D private investment, 60 operate in the food and drink industry. Together, these companies invested €9.5 billion in R&D in 2019, €1.9 billion of which was invested by 11 food and drink companies based in the EU.
- These 11 EU companies are located in the Netherlands (3), France, Ireland and Germany (2), Belgium and Denmark (1).
- The EU[1] food and drink industry[2] has a lower R&D investment intensity when compared with several food and drink industries worldwide.
- Across EU Member States[1], R&D investment intensity varies from 0.50% to 0.01%.

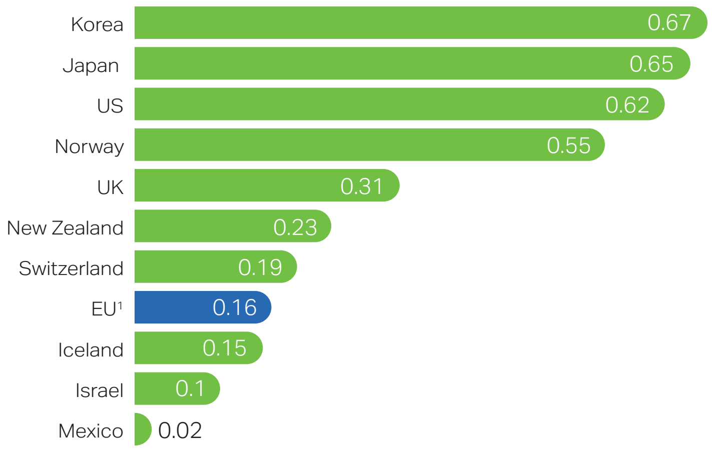
[1] Based on available data
[2] Including tobacco

R&D PRIVATE INVESTMENT OF FOOD AND DRINK COMPANIES LISTED IN THE WORLD'S TOP 2,500 COMPANIES BY R&D (2019)

	R&D investment (€ billion)	R&D investment (% of total)	Number of companies
US	2.0	20.5	13
EU	**1.9**	**20.5**	**11**
Japan	1.9	20.0	17
Switzerland	1.9	19.9	2
UK	1.0	10.7	5
China	0.5	5.7	8
New Zealand	0.1	1.1	1
South Korea	0.1	1.1	2
Norway	0.05	0.5	1
TOTAL	**9.5**	**100**	**60**

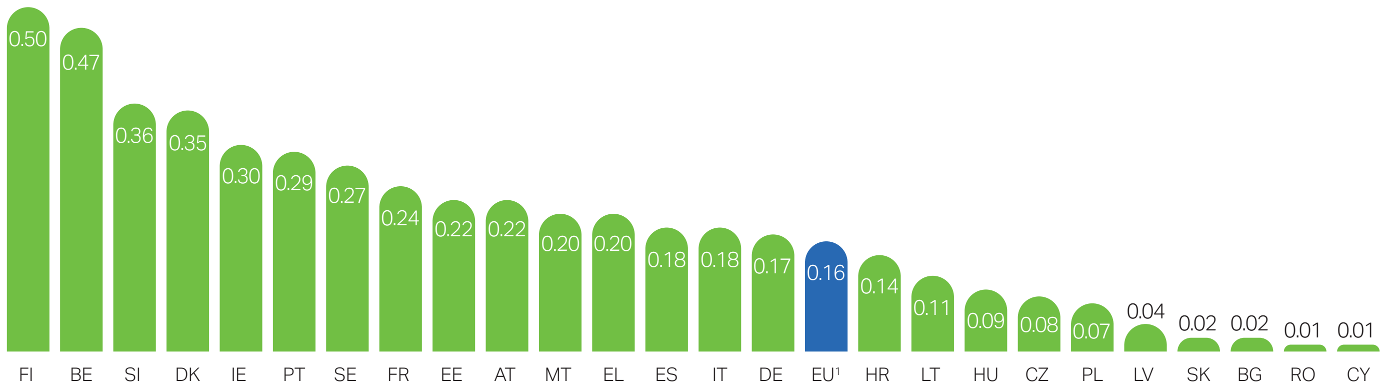
Source: Joint Research Centre

R&D PRIVATE INVESTMENT OF THE FOOD AND DRINK INDUSTRY[2] (Average 2015-2017, % of output)



Sources: Eurostat (BERD, National Accounts); OECD (STAN)

R&D PRIVATE INVESTMENT OF THE FOOD AND DRINK INDUSTRY[1,2] BY MEMBER STATE (Average 2015-2017, % of output)



Source: Eurostat (BERD, National Accounts)

KEY FOOD AND DRINK COMPANIES

Ranking of agri-food companies by global agri-food sales[1]

Name	Headquarters	Sales (€ billion)[2]	Operations in the EU[3]	Main sectors
Cargill	US	113.3	✓	multi-product
Nestlé	CH	78.8	✓	multi-product
PepsiCo, Inc.	US	65.7	✓	beverages, snacks
Archer Daniels Midland Company	US	60.1	✓	multi-product
JBS	BR	46.3	✓	meat, dairy
AB InBev	BE	43.8	✓	beer
Tyson Foods	US	38.7	-	meat
Bunge	US	38.2	✓	multi-product
Mars	US	35.2	✓	prepared foods, confectionery, pet food
Olam International	SG	33.5	✓	multi-product
The Coca-Cola Company	US	30.8	✓	beverages
Mondelēz International	US	24.8	✓	confectionery, biscuits, snacks, dairy
Kraft Heinz	US	24.5	✓	multi-product
WH Group	CN	23.9	✓	meat
Heineken	NL	23.8	✓	beer
Danone	FR	23.6	✓	dairy & plant-based, water, baby & medical nutrition
Lactalis	FR	21.1	✓	dairy
CHS	US	20.7	-	multi-product
Unilever	NL/UK	19.1	✓	multi-product
Suntory	JP	15.7	✓	(alcoholic) beverages and foods
General Mills	US	15.3	✓	prepared foods
Diageo	UK	14.3	✓	alcoholic beverages
Grupo Bimbo	MX	13.6	✓	bakery
Kellogg Company	US	12.9	✓	prepared foods, snacks, cereals
Yili Group	CN	12.3	-	dairy
Ferrero	IT	12.3	✓	confectionery
Fonterra	NZ	11.7	✓	dairy
Marfrig Group	BR	11.7	-	meat

Name	Headquarters	Sales (€ billion)[2]	Operations in the EU[3]	Main sectors
Pilgrim's Pride	US	11.3	✓	meat
FrieslandCampina	NL	11.1	✓	dairy
Arla Foods	DK	10.6	✓	dairy
Asahi Group	JP	10.2	✓	(alcoholic) beverages and foods
China Mengniu	CN	9.6	-	dairy
NH Foods	JP	9.6	-	meat, processed foods, fish products, dairy
ConAgra Brands	US	9.5	-	prepared foods
DSM	NL	9.0	✓	multi-product
Hormel Foods	US	8.6	-	meat, grocery products, refrigerated and specialty foods
Pernod Ricard	FR	8.4	✓	alcoholic beverages
Meiji Holdings	JP	8.1	-	dairy, chocolate
Danish Crown	DK	8.1	✓	meat
Carlsberg	DK	7.9	✓	beer
Campbell's	US	7.9	-	soups, sauces, snacks, beverages
Yamazaki Baking	JP	7.8	-	bread, confectionery, snacks
Kirin Holdings	JP	7.6	-	alcoholic and non-alcoholic beverages
Associated British Foods	UK	7.6	✓	sugar, starch, prepared foods
Hershey Company	US	7.6	-	chocolate, confectionery
Kerry Group	IE	7.0	✓	multi-product
BRF	BR	6.8	✓	meat
Oetker Group	DE	6.7	✓	multi-product
McCain Foods	CD	6.7	✓	frozen potato products, prepared foods
Barry Callebaut	CH	6.4	✓	chocolate, cocoa
Südzucker	DE	6.1	✓	sugar, multi-product
DuPont	US	5.7	✓	nutrition & biosciences
Savencia	FR	5.2	✓	dairy

[1] Based on the most recent complete fiscal year
[2] Figures have been converted to Euro with ECB bilateral annual exchange rates series, but only figures in the original currency are relevant
[3] Operations in the EU refer to the presence of processing plants in one or more Member States

GLOSSARY

Gross value added (GVA)
The gross value added is the value of goods and services produced by a sector minus the cost of the raw materials and other inputs used to produce them. GVA measures the contribution to the economy of each individual sector.

Investment
Investment is defined as investment during the reference period in all tangible goods. Investments in intangible and financial assets are excluded.

Labour productivity
Labour productivity provides a measure of the efficiency of the workforce to produce goods and services. Labour productivity is calculated as the gross value added (GVA) divided by persons employed.

Persons employed
The number of persons employed includes the total number of persons who work in the observation unit (including of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams).

Small and medium-sized enterprises (SMEs)
For Eurostat's Structural Business Statistics database: micro = less than 10; small = 10 to 49; medium-sized = 50 to 249; large = more than 250 persons employed. The SBS size-class data are solely based on the definition relating to the number of persons employed and not to the turnover level.

Value added
The value added at factor costs is the gross income from operating activities after adjusting for operating subsidies and indirect taxes.

Wages and salaries
Wages and salaries are defined as the total remuneration, in cash or in kind, payable to all persons counted on the payroll (including homeworkers), in return for work done during the accounting period regardless of whether it is paid on the basis of working time, output or piecework and whether it is paid regularly or not.

Abbreviation of world regions

ACP
African, Caribbean and Pacific countries

Andean Group
Bolivia, Colombia, Ecuador and Peru

ASEAN (Association of Southeast Asian Nations)
Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

Central America
Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua

CIS (Commonwealth of Independent States)
Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

EFTA (European Free Trade Area)
Iceland, Liechtenstein, Norway and Switzerland

EU
EU refers to EU27, unless otherwise specified

GCC (Gulf Cooperation Council)
Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

Greater China region
China, Hong Kong, Macau and Taiwan

Mercosur
Argentina, Brazil, Paraguay and Uruguay

Southern Mediterranean region and Turkey
Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey

USMCA countries
US, Mexico, and Canada

Western Balkans
Albania, Bosnia-Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia

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