

ECONOMIC BULLETIN Q1 2023

**Increase in production, turnover and manufacturing prices –
and continuous growth in international trade**

Food and drink industry

Increase in production, while turnover and manufacturing prices continued their upward trend

- In Q1 2023, EU food and drink industry production increased by 1.4% compared to the previous quarter.
- EU food and drink industry turnover increased by 2.3% compared to the previous quarter.
- The year-on-year comparison shows an increase in both food and drink industry production and total manufacturing production (0.5% and 1.4% respectively, compared to Q1 2022). There is a marked increase in food and drink industry turnover and total manufacturing turnover (16.3% and 8.1% respectively, compared to Q1 2022).
- Food manufacturing prices increased by 2.5% compared to the previous quarter and were up by 19.4% compared to Q1 2022.

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Employment slightly up in food industry and in total manufacturing, down in drink industry

- In Q1 2023, employment levels in total manufacturing and in food manufacturing slightly increased (0.6% and 0.1% respectively) compared to the previous quarter, while drink manufacturing employment decreased (-0.3%).
- Year-on-year, employment levels increased in the food industry (1%), the drink industry (4.3%) and in total manufacturing (1.3%).

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Low confidence levels in the food and drink industry and in manufacturing

- Food industry confidence declined for Q2 2023 (-0.8 points) and for the sixth consecutive quarter. Drink industry confidence showed a significant drop-down (-2.5 points) compared to the previous quarter. The decrease in confidence level in total manufacturing was even more pronounced (-4.9 points).

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EU exports totalled €45.7 billion

- EU exports of food and drinks totalled €45.7 billion in Q1 2023 (Q1 2023/Q1 2022: +14.4%).

- The trade balance reached a surplus of €20 billion (Q1 2023/Q1 2022: +30.5%).
- The top 5 products with the largest share in export value generated €21.7 billion in Q1 2023 (meat products, dairy products, wine, processed fruits and vegetables, and cocoa, chocolate and sugar confectionery).
- EU imports of food and drinks reached €25.6 billion (Q1 2023/Q1 2022: +4.3%).

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Agricultural commodities

Further easing in agricultural commodity prices

- The FAO food price index decreased by 3.7% in Q1 2023 compared to the previous quarter and by 11.3% compared to Q1 2022.
- In Q1 2023, the prices of most agricultural commodities continued their downward trend.
- The year-on-year comparison showed EU and world market prices following a similar trend except for cocoa, sugar, maize and soybean meal.

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Retail

Decrease in retail trade in foodstuffs

- Retail trade in foodstuffs in Q1 2023 decreased by 0.3% compared to the previous quarter whereas total retail trade was down 0.5%.
- Year-on-year, retail trade in foodstuffs decreased by 5.1%. Total retail trade decreased by 2.7%.
- Consumer prices increased by 4.4% compared to the previous quarter and 19.2% year-on-year.

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Focus on ...

Latest Economic Bulletin on input costs

- Provides detailed information on the inflationary pressures on energy prices, transport costs, packaging, machinery for processing, labour, agricultural raw materials, animal feed and fertilizers.

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Methodology

- Except for imports and exports data which represent the evolution of the current quarter compared to the same quarter of the previous year, all other evolutions are primarily represented with respect to the previous quarter.
- EU refers to EU27 (excluding the UK) in the text, unless otherwise specified.
- The EU food and drink industry is identified by NACE Rev.2 codes C10 (manufacture of food products) and C11 (manufacture of beverages).

Sources

European Commission, Eurostat data and indices (production, turnover, retail trade, employment, prices)

<http://ec.europa.eu/eurostat/home>

European Commission, Eurostat statistics explained

http://ec.europa.eu/eurostat/statistics-explained/index.php/Main_Page

European Commission, Eurostat Easy Comext Trade Data (based on division 10 & 11 of the NACE Rev.2 classification), CPA 2008

<http://epp.eurostat.ec.europa.eu/newxtweb/mainxtnet.do>

European Commission, DG ECFIN business survey data

https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/business-and-consumer-surveys_en

FAO Food Price Index

<http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

European Commission, DG Agriculture and Rural Development (DG AGRI)

<https://ec.europa.eu/agriculture/>

European Commission, DG Agriculture and Rural Development (DG AGRI), Commodity price dashboard

http://ec.europa.eu/agriculture/markets-and-prices/price-monitoring/index_en.htm

European Commission, Eurostat News Release 28/2023, 'Volume of retail trade up by 0.3% in both the euro area and the EU', 6 March 2023

<https://ec.europa.eu/eurostat/documents/2995521/16138282/4-06032023-AP-EN.pdf/9eddc4be-ed7a-c759-c64a-77cba38506fc?version=1.0&t=1677855118333>

About the quarterly economic bulletin

FoodDrinkEurope's Economic Bulletin is published on a quarterly basis. It covers a set of key indicators which highlight the major economic trends in the European food and drink industry: production, turnover, employment, external trade, key raw material prices, and retail trade.

For more information on FoodDrinkEurope and its activities, please visit: www.fooddrinkurope.eu

ECONOMIC BULLETIN Q1 2023

Annex

Production and turnover of the EU food and drink industry

Production index (2015=100)

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	y-o-y
Total manufacturing	111.7	112.2	113	114.1	113.3	
% change	1.1	0.4	0.7	1.0	-0.7	1.4
Food and drink industry	108.7	109.0	109.1	107.7	109.2	
% change	0.5	0.3	0.1	-1.3	1.4	0.5

Source: Eurostat

The industrial production index (also called industrial output index or industrial volume index) measures the changes in the price-adjusted output of industry.

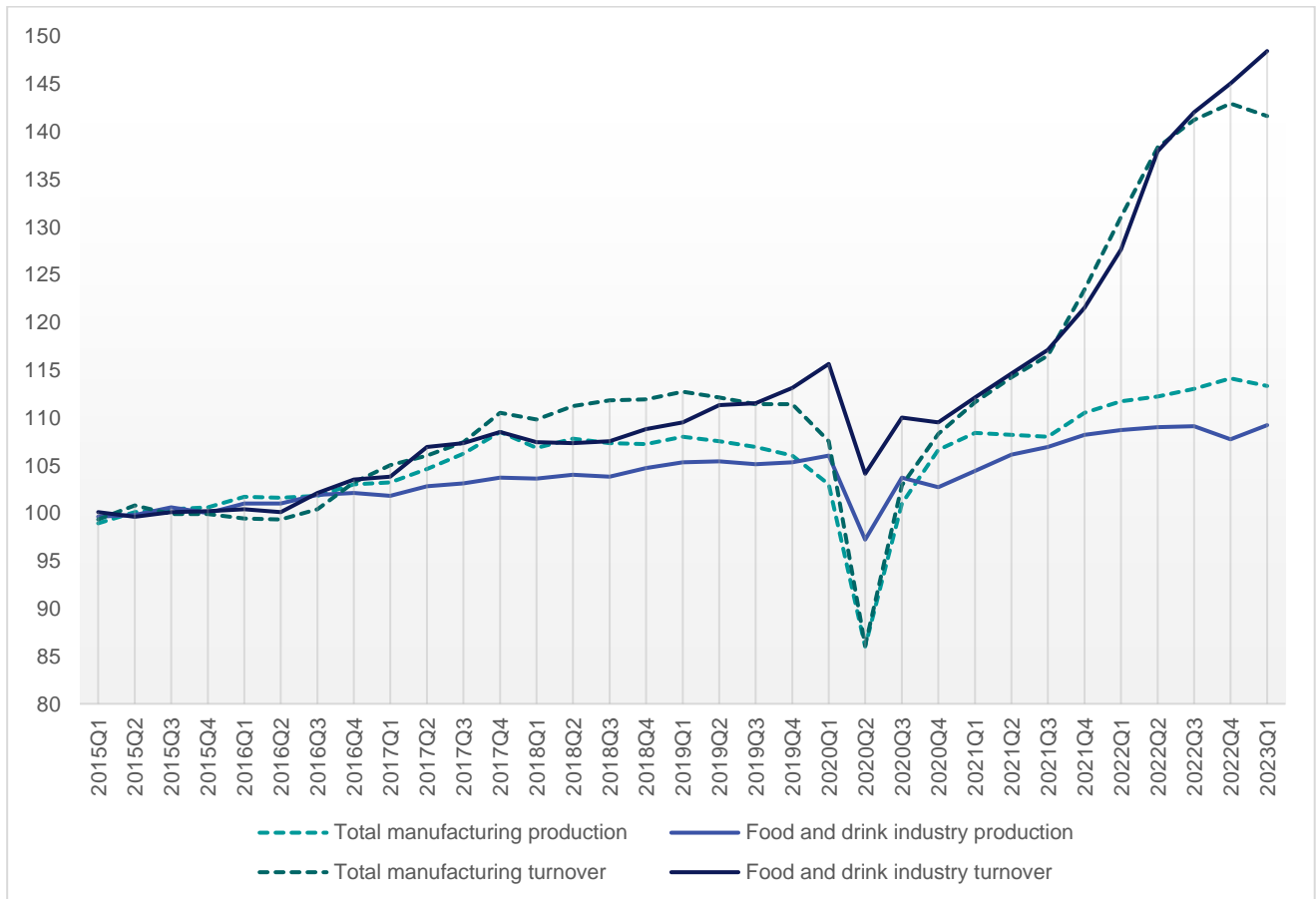
Turnover index (2015=100)

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	y-o-y
Total manufacturing	131.0	138.3	141.2	142.9	141.6	
% change	6.2	5.6	2.1	1.2	-0.9	8.1
Food and drink industry	127.6	137.9	142	145.0	148.4	
% change	5.0	8.1	3.0	2.1	2.3	16.3

Source: Eurostat

The index of industrial turnover measures the development of turnover (sales) in the European industry (it is influenced by changes in prices of the traded industrial goods and by changes of the traded volumes of goods).

EU quarterly manufacturing production and turnover, 2015-2023 (2015=100)



Source: Eurostat

Food and drink production by Member State

Member State	2022 Q4 / 2022 Q3 (% change)	2023 Q1 / 2022 Q4 (% change)	2023 Q1 / 2022 Q1 (% change)
EU	-1.2	1.4	0.5
Austria	4.2	1.9	5.7
Belgium	-1.1	3.2	-0.1
Bulgaria	-1.9	-1.8	-4.5
Czech Republic	-0.3	-3.0	-2.8
Denmark	-1.7	-1.9	-4.2
Finland	-0.9	0.4	-3.0
France	-0.1	-1.6	-3.1
Germany	-2.4	6.8	2.9
Greece	1.7	0.5	3.4
Hungary	-4.0	-9.1	-12.5
Italy	-3.3	0.4	-0.8
Latvia	-0.5	1.1	3.4
Lithuania	-3.2	2.5	2.2
Netherlands	1.0	0.7	3.3
Poland	1.4	-2.3	1.6
Portugal	1.3	0.3	-0.1
Romania	-1.9	3.4	1.4
Spain	-1.2	-0.6	-0.5

Source: Eurostat. No data available for Croatia, Cyprus, Estonia, Ireland, Luxembourg, Malta, Slovakia, Slovenia, Sweden

Food and drink turnover by Member State

Member State	2022 Q4 / 2022 Q3 (% change)	2023 Q1 / 2022 Q4 (% change)	2023 Q1 / 2022 Q1 (% change)
EU	2.3	2.3	16.1
Austria	1.9	5.3	13.7
Belgium	1.5	4.5	20.5
Czech Republic	3.9	-0.4	19.2
Denmark	2.6	-2.3	13.8
Finland	2.1	3.2	14.0
France	2.9	2.0	13.1
Germany	2.2	3.2	17.4
Greece	0.9	2.7	12.4
Hungary	-4.2	na	na
Italy	-0.4	4.8	14.2
Latvia	2.2	5.3	27.0
Lithuania	-1.9	3.6	11.1
Netherlands	2.0	2.7	18.4
Poland	3.9	-1.3	19.7
Portugal	3.6	3.2	16.5
Romania	2.6	0.5	13.3
Spain	3.6	0.7	19.5

Source: Eurostat. No data available for Bulgaria, Croatia, Cyprus, Estonia, Ireland, Luxembourg, Malta, Slovakia, Slovenia, Sweden

Employment in the EU food and drink industry

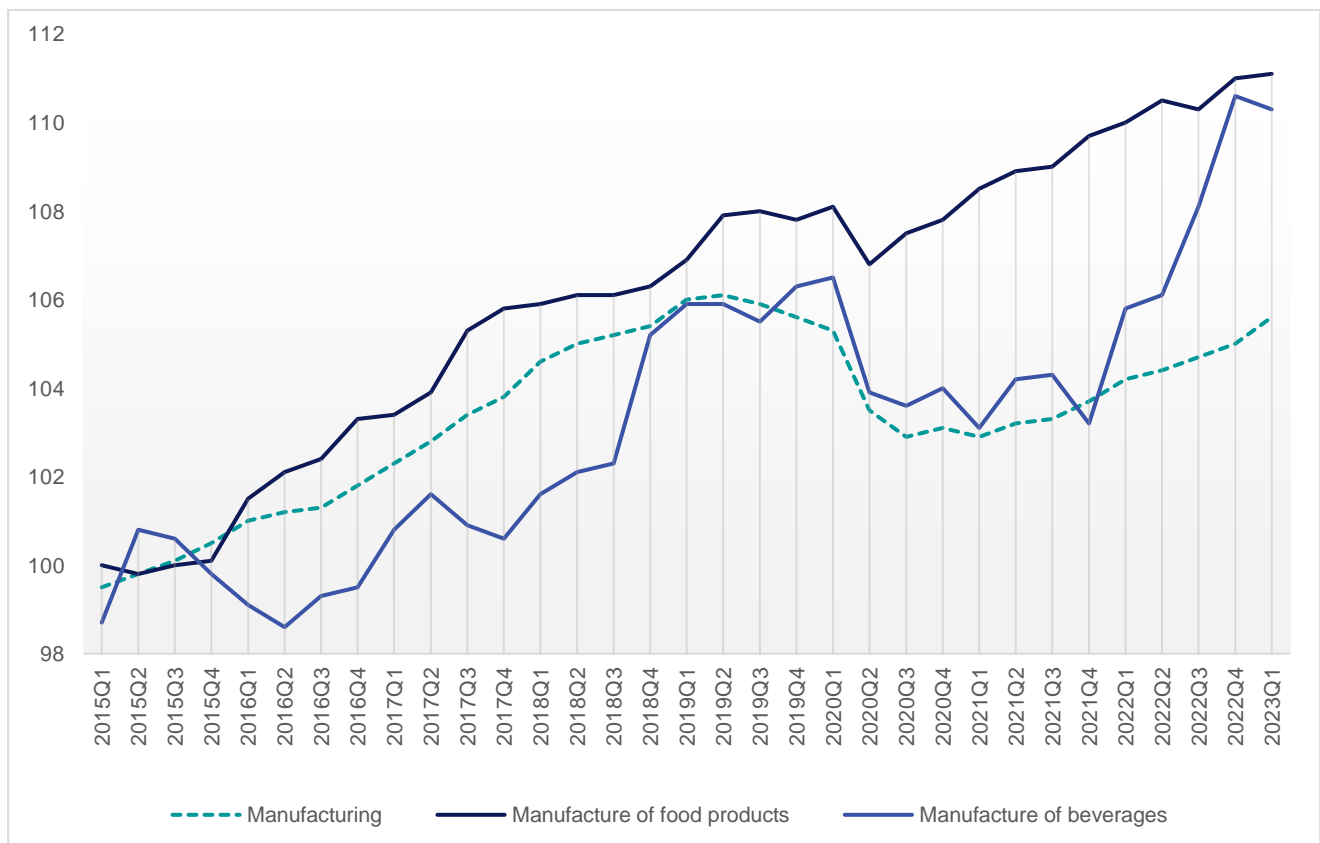
Employment index (2015=100)

Employment	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	y-o-y
Total manufacturing	104.2	104.4	104.7	105.0	105.6	
% change	0.5	0.2	0.3	0.3	0.6	1.3
Food industry	110.0	110.5	110.3	111.0	111.1	
% change	0.3	0.5	-0.2	0.6	0.1	1.0
Drink industry	105.8	106.1	108.1	110.6	110.3	
% change	2.5	0.3	1.9	2.3	-0.3	4.3

Source: Eurostat

The employment index measures the number of persons employed in the total manufacturing industry vs. the food and drink industry in the EU, seasonally adjusted.

Employment in the EU food and drink industry compared to manufacturing, 2015-2023 (2015=100)



Source: Eurostat

Food industry employment by Member State

Member State	2022 Q4 / 2022 Q3 (% change)	2023 Q1 / 2022 Q4 (% change)	2023 Q1 / 2022 Q1 (% change)
EU	0.6	0.1	1.0
Austria	0.6	-0.1	0.0
Belgium	0.2	na	na
Croatia	-0.7	na	na
Czech Republic	-1.3	0.1	-0.8
Denmark	-0.6	-0.8	-1.4
Finland	25.0	-8.2	3.9
France	0.4	0.3	0.6
Germany	0.3	0.0	0.4
Greece	3.8	1.7	6.9
Ireland	-5.4	4.8	-2.2
Italy	1.3	0.5	1.5
Latvia	0.2	4.6	5.0
Lithuania	-0.9	-1.1	-2.5
Netherlands	0.1	na	na
Poland	0.1	-0.3	-0.2
Portugal	0.2	0.1	0.4
Spain	1.5	-0.1	4.9
Sweden	-3.5	-1.9	-5.8

Source: Eurostat. No data available for Bulgaria, Cyprus, Estonia, Hungary, Luxembourg, Malta, Romania, Slovakia, Slovenia

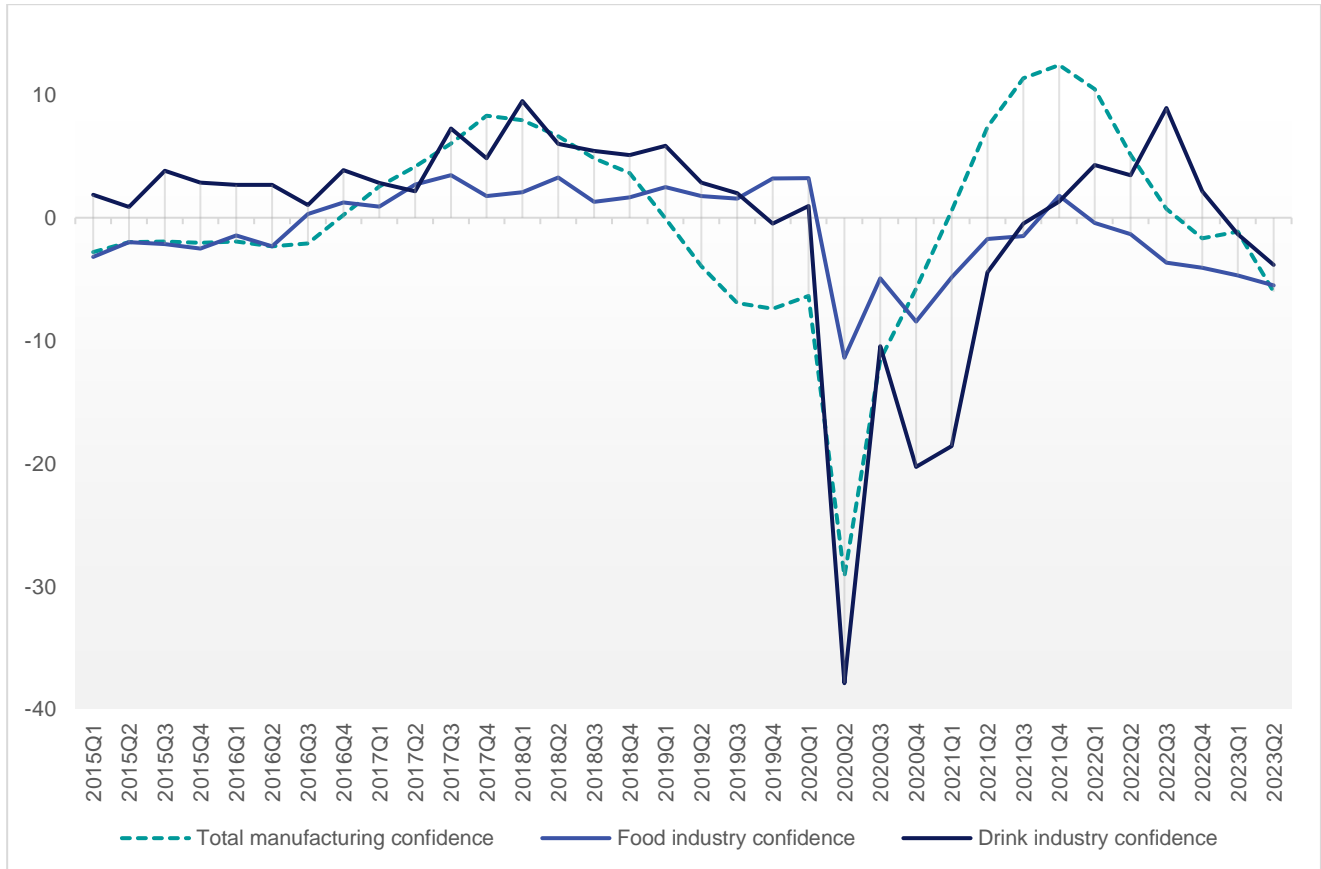
Drink industry employment by Member State

Member State	2022 Q4 / 2022 Q3 (% change)	2023 Q1 / 2022 Q4 (% change)	2023 Q1 / 2022 Q1 (% change)
EU	2.3	-0.3	4.3
Austria	1.1	1.6	4.3
Belgium	-0.8	na	na
Croatia	1.3	na	na
Czech Republic	4.0	-5.9	-0.6
Denmark	0.8	-0.6	2.8
France	0.4	0.4	0.8
Germany	0.7	-0.1	1.1
Greece	-3.6	0.9	-11.2
Ireland	-6.3	-11.8	-12.2
Italy	-3.6	8.7	16.6
Latvia	-0.6	0.9	1.5
Lithuania	-0.3	-5.2	-4.2
Netherlands	1.3	na	na
Poland	0.2	1.7	0.3
Portugal	-0.2	0.6	2.9
Spain	21.2	-9.8	14.9
Sweden	-5.2	-1.6	-1.8

Source: Eurostat. No data available for Bulgaria, Cyprus, Estonia, Finland, Hungary, Luxembourg, Malta, Romania, Slovakia, Slovenia

Confidence in the EU food and drink industry

EU quarterly manufacturing confidence indicators, 2015-2023



* Subsector level data (i.e. the divisions of NACE rev.2 at the 2-digit level) for the industry have not undergone a full validation process, hence their use and interpretation deserve more caution.

Source: European Commission, DG ECFIN business survey data, own calculations

The confidence indicator is a statistical indicator based on the results from business surveys interrogating enterprises on their current economic situation and their expectations about future developments. The indicator is calculated as the simple arithmetic average of the seasonally adjusted balances of positive and negative answers to specific questions, e.g. regarding economic expectations.

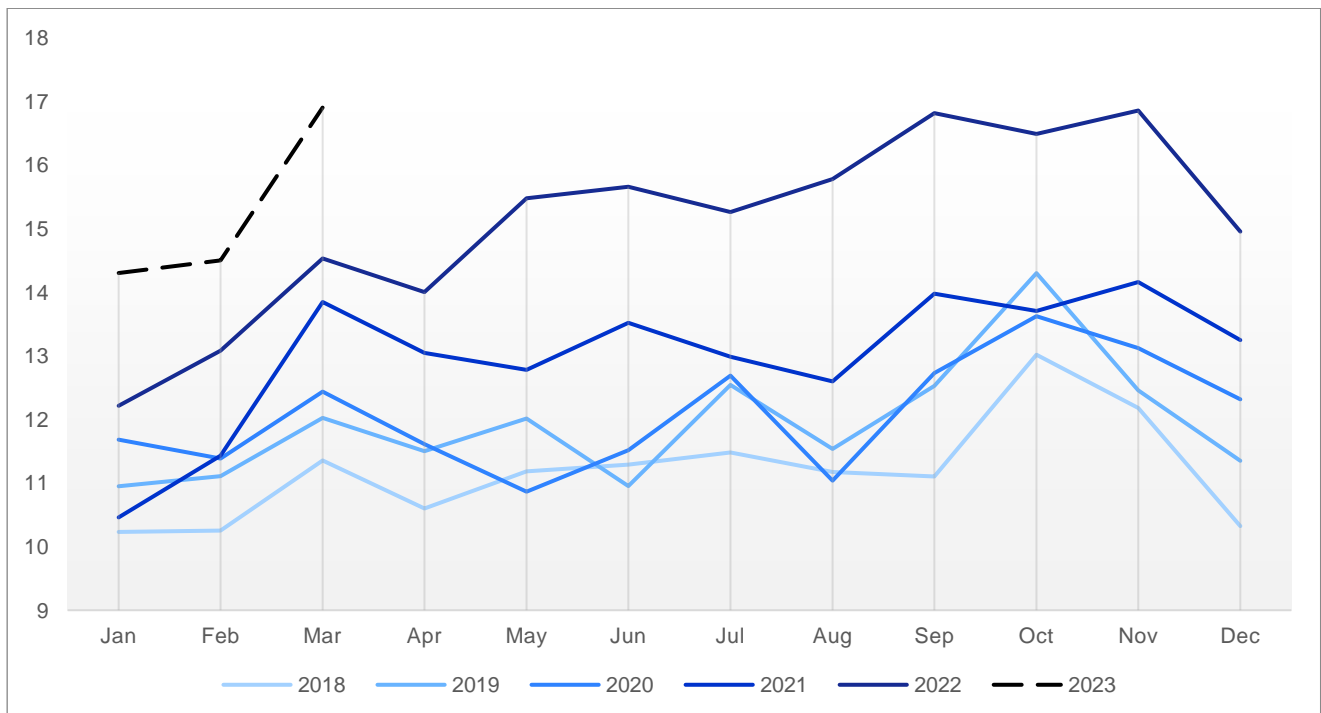
External trade

EU food and drink trade (€ billion)

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	y-o-y
Exports	40.0	45.1	47.9	48.3	45.7	14.4%
Imports	24.6	26.5	27.4	27.9	25.7	4.3%
Balance	15.4	18.6	20.4	20.4	20.0	30.5%

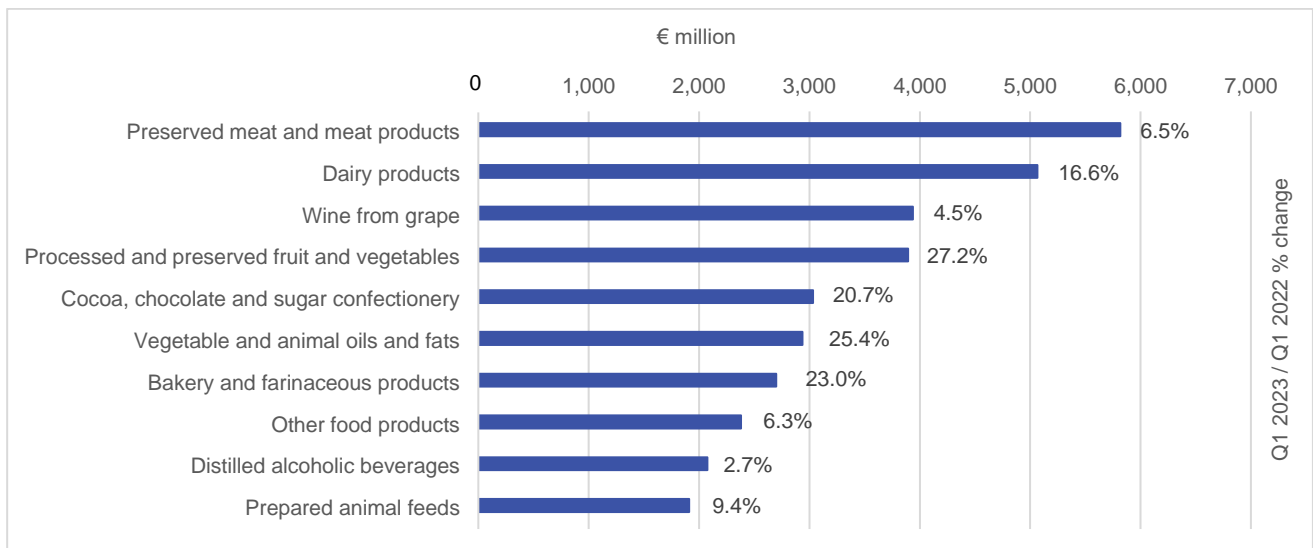
Source: Eurostat

EU food and drink exports, 2016-2023 (€ billion)



Source: Eurostat

Export performance by sector



Source: Eurostat - COMEXT, Nace Rev.2, Divisions 10 & 11

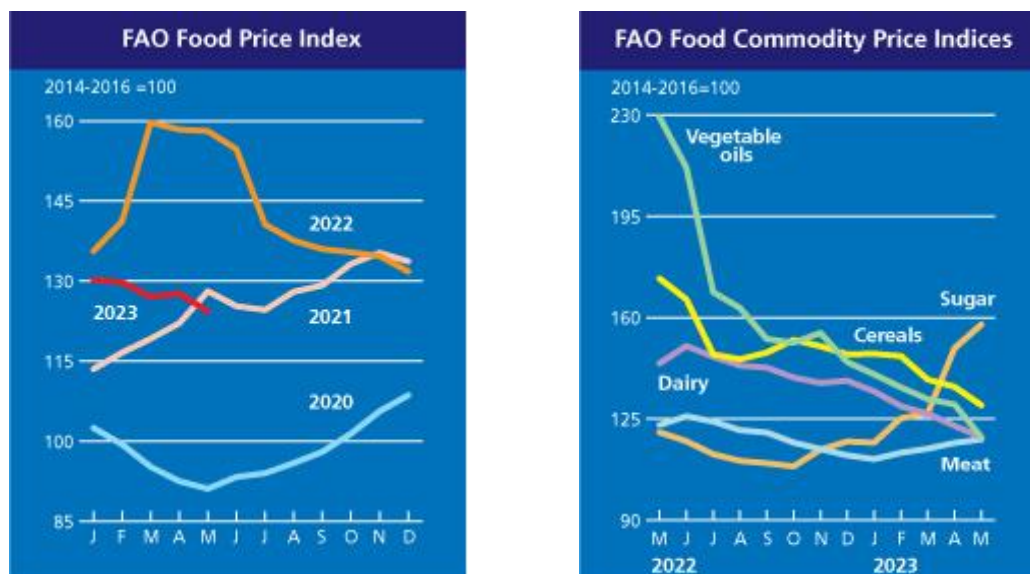
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q1 2022	Q1 2023	change	Q1 2022	Q1 2023	change	Q1 2022	Q1 2023	change
	€ million			€ million			€ million		
Food and drinks	39,962	45,714	14.4%	24,598	25,666	4.3%	15,364	20,048	30.5%
10 Food products	31,248	36,444	16.6%	22,772	23,578	3.5%	8,475	12,866	51.8%
11 Beverages	8,715	9,270	6.4%	1,826	2,088	14.4%	6,889	7,181	4.2%
101 Preserved meat and meat products	5,464	5,818	6.5%	1,728	2,031	17.5%	3,736	3,786	1.3%
1011 Processed and preserved meat	3,441	3,528	2.5%	1,237	1,372	10.9%	2,204	2,155	-2.2%
1012 Processed and preserved poultry meat	751	842	12.1%	155	232	49.9%	596	610	2.2%
1013 Meat and poultry meat products	1,272	1,448	13.9%	336	427	27.0%	936	1,021	9.1%
102 Processed and preserved fish, crustaceans and molluscs	1,322	1,506	14.0%	5,186	5,277	1.7%	-3,865	-3,770	-2.4%
103 Processed and preserved fruit and vegetables	3,061	3,894	27.2%	3,824	3,730	-2.5%	-762	165	-121.6%
1031 Processed and preserved potatoes	726	1,206	66.0%	29	33	13.2%	697	1,173	68.2%
1032 Fruit and vegetable juices	430	495	15.2%	499	526	5.6%	-69	-32	-54.0%
1039 Other processed and preserved fruit and vegetables	1,905	2,194	15.1%	3,296	3,170	-3.8%	-1,390	-976	-29.8%
104 Vegetable and animal oils and fats	2,343	2,938	25.4%	5,592	5,400	-3.4%	-3,249	-2,462	-24.2%
1041 Oils and fats	2,141	2,698	26.0%	5,534	5,340	-3.5%	-3,393	-2,642	-22.1%
1042 Margarine and similar edible fats	202	240	18.9%	58	60	4.1%	144	180	24.9%
105 Dairy products	4,344	5,065	16.6%	581	671	15.4%	3,763	4,395	16.8%
1051 Dairy and cheese products	4,128	4,793	16.1%	538	622	15.6%	3,589	4,171	16.2%
1052 Ice cream	217	272	25.8%	43	49	12.8%	174	224	29.0%
106 Grain mill products, starches and starch products	1,366	1,605	17.6%	788	1,007	27.7%	577	599	3.7%
1061 Grain mill products	687	795	15.8%	650	807	24.3%	37	-12	-131.7%
1062 Starches and starch products	679	810	19.3%	139	200	43.7%	540	610	13.1%
107 Bakery and farinaceous products	2,194	2,700	23.0%	468	477	2.0%	1,726	2,222	28.8%
1071 Bread; fresh pastry goods and cakes	530	654	23.4%	110	116	5.3%	420	538	28.1%
1072 Rusks; and biscuits; preserved pastry goods and cakes	1,261	1,557	23.5%	317	317	0.0%	944	1,240	31.3%
1073 Macaroni, noodles, couscous and similar farinaceous products	403	489	21.3%	41	44	8.1%	362	445	22.8%
108 Other food products	9,252	10,926	18.1%	3,934	4,340	10.3%	5,318	6,586	23.9%
1081 Sugar	179	169	-5.5%	381	653	71.3%	-202	-483	139.4%
1082 Cocoa, chocolate and sugar confectionery	2,513	3,034	20.7%	1,050	1,183	12.7%	1,464	1,850	26.4%
1083 Processed tea and coffee	830	1,032	24.3%	714	697	-2.5%	116	335	189.8%
1084 Condiments and seasonings	768	904	17.7%	380	344	-9.4%	388	559	44.2%
1085 Prepared meals and dishes	1,507	1,796	19.2%	381	421	10.6%	1,126	1,375	22.1%
1086 Homogenised food preparations and dietetic food	1,215	1,610	32.5%	15	19	26.1%	1,199	1,590	32.6%
1089 Other food products n.e.c.	2,241	2,381	6.3%	1,013	1,022	0.9%	1,227	1,359	10.7%
109 Prepared animal feeds	1,748	1,911	9.4%	669	641	-4.2%	1,079	1,271	17.8%
1091 Prepared feeds for farm animals	964	955	-0.9%	276	272	-1.3%	688	683	-0.8%
1092 Prepared pet foods	784	956	22.0%	393	369	-6.3%	390	588	50.5%
110 Beverages	8,715	9,269	6.4%	1,826	2,088	14.4%	6,889	7,181	4.2%
1101 Distilled alcoholic beverages	2,022	2,076	2.7%	890	1,087	22.1%	1,132	989	-12.6%
1102 Wine from grape	3,766	3,937	4.5%	372	378	1.5%	3,394	3,560	4.9%
1103 Cider and other fruit wines	102	96	-6.4%	16	12	-24.2%	86	84	-3.1%
1104 Other non-distilled fermented beverages	48	55	14.6%	3	1	-46.3%	45	54	18.3%
1105 Beer	908	1,019	12.2%	170	200	18.0%	738	819	10.9%
1106 Malt	326	432	32.7%	5	9	74.2%	320	423	32.1%
1107 Soft drinks; mineral waters and other bottled waters	1,542	1,653	7.2%	369	400	8.2%	1,173	1,254	6.9%

Source: Eurostat - COMEXT, Nace Rev.2, Divisions 10 & 11

Prices of agricultural commodities

FAO Food Price Index



Source: FAO Food Price Index

Main agricultural commodity prices

Agricultural commodity	Q1 2023 average	EU		Q1 2023 average	WORLD	
		Q1 2023/ Q4 2022	Q1 2023/ Q1 2022		Q1 2023/ Q4 2022	Q1 2023/ Q1 2022
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	291	-9.8	1.1	276	-14.5	2.6
Soft wheat	293	-13.0	-4.4	283	-15.4	-14.1
DAIRY						
SMP	2604	-19.1	-28.3	2659	-16.0	-28.5
WMP	3584	-20.2	-20.9	3028	-10.3	-21.2
SUGAR						
White sugar	794	27.8	80.8	532	-1.3	17.9
				USD/T	% change	% change
OILS AND OIL CROPS						
Soybean oil				1236	-20.0	-26.2
Soybean				635	-0.8	-4.1
Soybean meal				597	9.7	5.5
Rapeseed				na	na	na
Rape oil				na	na	na
Palm oil				955	3.2	-38.3
COFFEE AND COCOA						
Cocoa				2599	10.1	4.2
Coffee				na	na	na

Sources: World prices: FAO (cereals), CIAL (dairy), USDA (sugar); EU prices: DG AGRI; own calculations

Retail trade

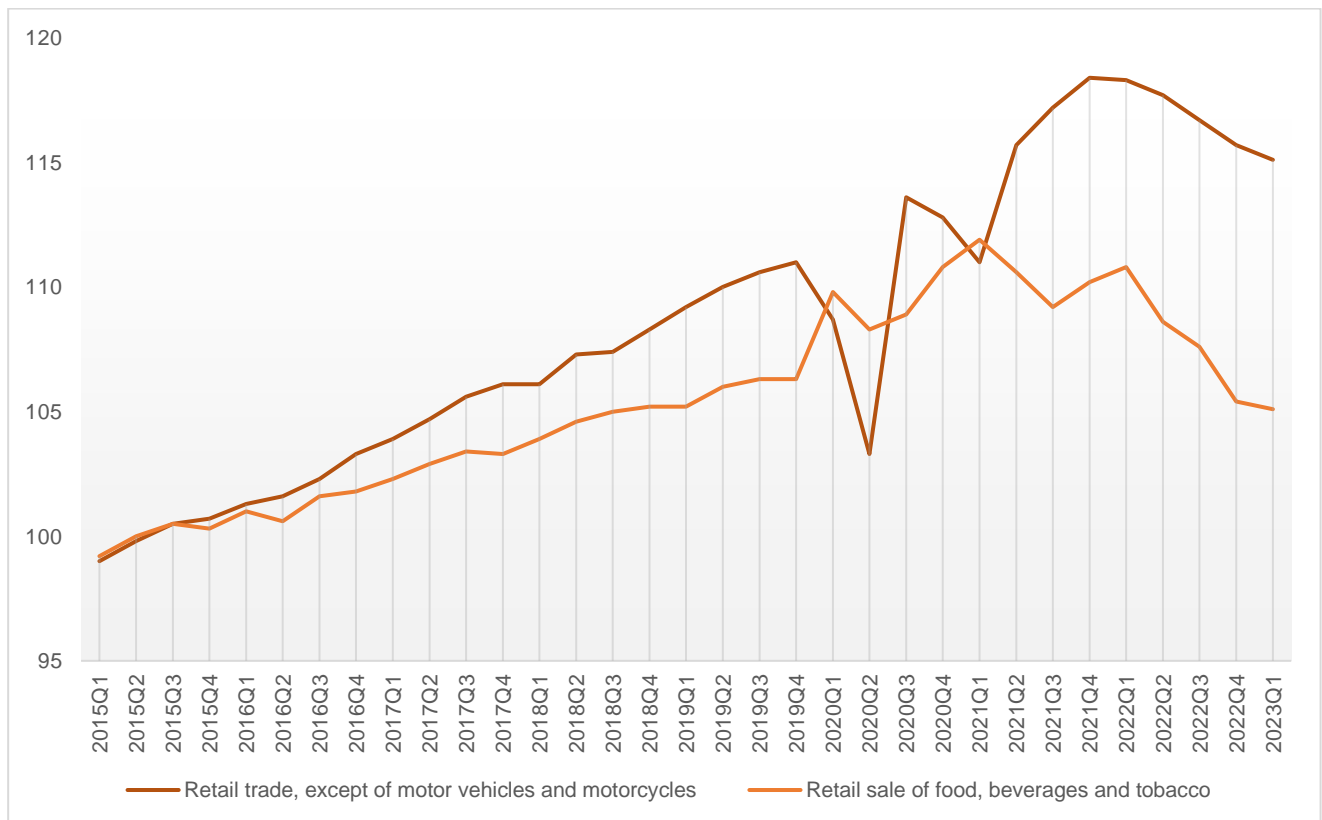
Retail sales index (2015=100)

	2022 Q1	2022 Q2	2022 Q3	2022 Q3	2023 Q1	y-o-y
Total retail trade	118.3	117.7	116.7	115.7	115.1	
% change	-0.1	-0.5	-0.8	-0.9	-0.5	-2.7
Food, drinks and tobacco	110.8	108.6	107.6	105.4	105.1	
% change	0.5	-2.0	-0.9	-2.0	-0.3	-5.1

Source: Eurostat

The index of the volume of retail trade measures the evolution of the turnover in retail trade, adjusted for price changes (deflated), i.e. the evolution of the total amount of goods sold, based on data adjusted for calendar and seasonal effects.

EU turnover in retail trade by economic activity, 2015-2023 (2015=100)

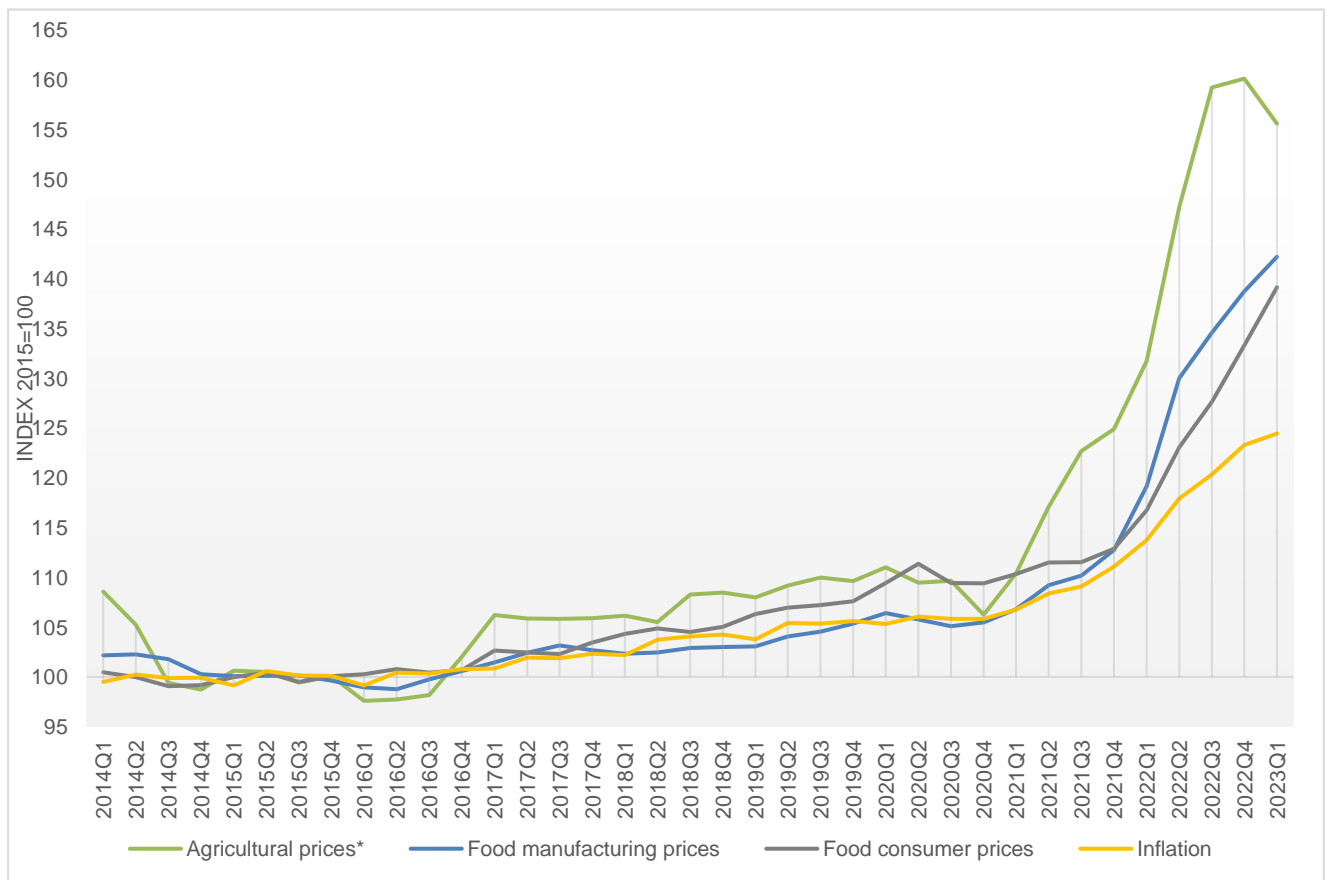


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	y-o-y
Agricultural prices*	5.4	11.8	8.2	0.6	-2.8	18.1
Food manufacturing prices	5.7	9.1	3.5	3.1	2.5	19.4
Food consumer prices	3.4	5.4	3.7	4.4	4.4	19.2
Inflation	2.4	3.7	2.0	2.5	0.9	9.4



* EU farmer price indices are not available before January 2015. Before this date, the monthly change is estimated based on Member States data weighted by their share in the agricultural output. Latest Eurostat monthly indices for EU farmer prices are available in June 2020. Since this date, the index is estimated based on cereals, sugar, milk, meat, tomatoes and apples monthly prices weighted by annual production (updated by the latest edition of short-term outlook: https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en).

Sources: Eurostat and DG Agriculture and Rural Development; own calculations

Focus on ...



June 2023

ECONOMIC BULLETIN on INPUT COSTS Up to April/May 2023

Food and drink producer prices, consumer prices and inflation

- In April 2023, EU food and drink producer prices increased by 11% compared to April 2022 (highest year-on-year value - 21.5% - in October 22).
- Consumer food prices registered a 16.6% increase since April 2022 (highest year-on-year value - 19.6% - in March 23).
- Inflation was up by 8.1% in April 2023 year-on-year (highest 11.5% value in October 22).

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Energy prices

Crude oil and natural gas

- In May 2023, crude oil prices decreased by 34% on average compared to May 2022.
- EU natural gas prices decreased by 65% since May 2022 (price level of June 21).

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Transport costs

Global shipping and air freight

- The global container freight rate index decreased by 83% between May 2022 and May 2023.
- Air freight rates were down 46% compared to May 2022.

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Packaging

Wood and paper

- April year-on-year, producer prices index of wooden containers dropped by 7%.
- After an increase in the autumn/winter, producer price indices of pulp, paper and paperboard have returned to the price index level of April 2022.

Plastics and metal

- The producer price index of plastic packing goods grew by 3% since April 2022.
- The April year-on-year comparison shows that the producer price index of light metal packaging grew by 8%.

[Click here for more information](#)

Machinery for processing

- The producer price index of machinery for food and drink processing registered a 5% increase since April 2022.

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Labour

Labour shortage

- The job vacancy rate in the EU manufacturing industry has slightly decreased since Q1 2022 (Q1 2023/Q1 2022: -4%).
- In Q1 2023, the job vacancy rate in the manufacturing industry varied across Member States, from 4.3% in the Czech Republic to 2.5% in Germany.

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Agricultural raw materials

- The FAO food price index was down 21.3% compared to May 2022.
- For further details, please see the latest monthly monitoring of [agricultural raw material prices](#).

Animal feed

- Producer prices of animal feed increased since August 2020, plateaued in the second half of 2022, and started to decrease in Q1 2023.
- The April 2023 year-on-year comparison shows that the producer price index of animal feed was up by 1%.

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Fertilizers

- In May 2023 year-on-year, prices of diammonium phosphate, triple superphosphate and urea decreased by 39%, 41% and 53% respectively.

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