

ECONOMIC BULLETIN Q3 2022

Continued increase in turnover, manufacturing prices, and strong growth in international trade - while agricultural commodity prices started to decrease

Food and drink industry

Production, turnover and manufacturing prices continued on their upward trend

- In Q3 2022, EU food and drink industry production increased by 0.1% compared to the previous quarter.
- EU food and drink industry turnover increased by 2.8% compared to the previous quarter.
- The year-on-year comparison continues its upward trend in food and drink industry production and in total manufacturing production (2.4% and 3.1% respectively, compared to Q3 2021). There is a marked increase in food and drink industry turnover and total manufacturing turnover (21.2% and 21.4% respectively, compared to Q3 2021).
- Food manufacturing prices increased by 3.5% compared to the previous quarter and were up by 22.1% compared to Q3 2021.

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Employment up in drink industry and slightly down for food

- In Q3 2022, while employment levels in total manufacturing as well as in drink manufacturing show an increase (0.3% and 1.7% respectively), food manufacturing employment level dropped by 0.2% compared to the previous quarter.
- Year-on-year, employment levels increased in the food industry (1.2%), the drink industry (3.5%) and in total manufacturing (1.4%).

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Low confidence levels in the food and drink industry

- Food industry confidence declined for Q4 2022 (-0.5 points) for the fourth time in a row. Drink industry confidence showed a significant drop-down (-7.5 points) compared to the previous quarter. Total manufacturing confidence dropped by -2.9 points.

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EU exports totalled €47.9 billion

- EU exports of food and drinks totalled €47.9 billion in Q3 2022 (Q3 2022/Q3 2021: +20.9%).
- The trade balance reached a surplus of €20.4 billion (Q3 2022/Q3 2021: +11.6%).

- The top 5 products with the largest share in export value generated €23.2 billion in Q3 2022 (meat products, dairy products, wine, processed fruits and vegetables, and cocoa, chocolate and sugar confectionery).
- EU imports of food and drinks reached €27.4 billion (Q3 2022/Q3 2021: +29%).

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Agricultural commodities

FAO food price index shows signs of easing

- The FAO food price index decreased by -12.1% in Q3 2022 compared to the previous quarter and increased by 8.5% compared to Q3 2021.
- In Q3 2022, the prices of most agricultural commodities were trending downwards.
- The year-on-year comparison showed growth in EU and world market prices for most agricultural commodities, except for rapeseed, palm oil, and cocoa.

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Retail

Decrease in retail trade in foodstuffs

- Retail trade in foodstuffs in Q3 2022 decreased by -0.8% compared to the previous quarter whereas total retail trade was down -0.6%.
- Year-on-year, retail trade in foodstuffs decreased by -1.5%. Total retail trade decreased by -0.3%.
- Consumer prices increased by 3.7% compared to the previous quarter and 14.4% year-on-year.

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Focus on ...

New FoodDrinkEurope Data & Trends report 2022

- The EU food and drink industry employs 4.6 million people, generates a turnover of €1.1 trillion and €230 billion in value added, making it a major contributor to the EU economy.

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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 135/2022, 'Volume of retail trade down by 1.8% in the euro area and by 1.7% in the EU', 5 December 2022

<https://ec.europa.eu/eurostat/documents/2995521/15544318/4-05122022-AP-EN.pdf/261517e0-d7c5-e610-ae71-ace01bc2e777?t=1669996925004>

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 Q3 2022

Annex

Production and turnover of the EU food and drink industry

Production index (2015=100)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Total manufacturing	107.5	107.9	109.3	109.9	110.8	
% change	-0.6	0.4	1.3	0.5	0.8	3.1
Food and drink industry	106.9	107.9	108.9	109.4	109.5	
% change	0.8	0.9	0.9	0.5	0.1	2.4

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.

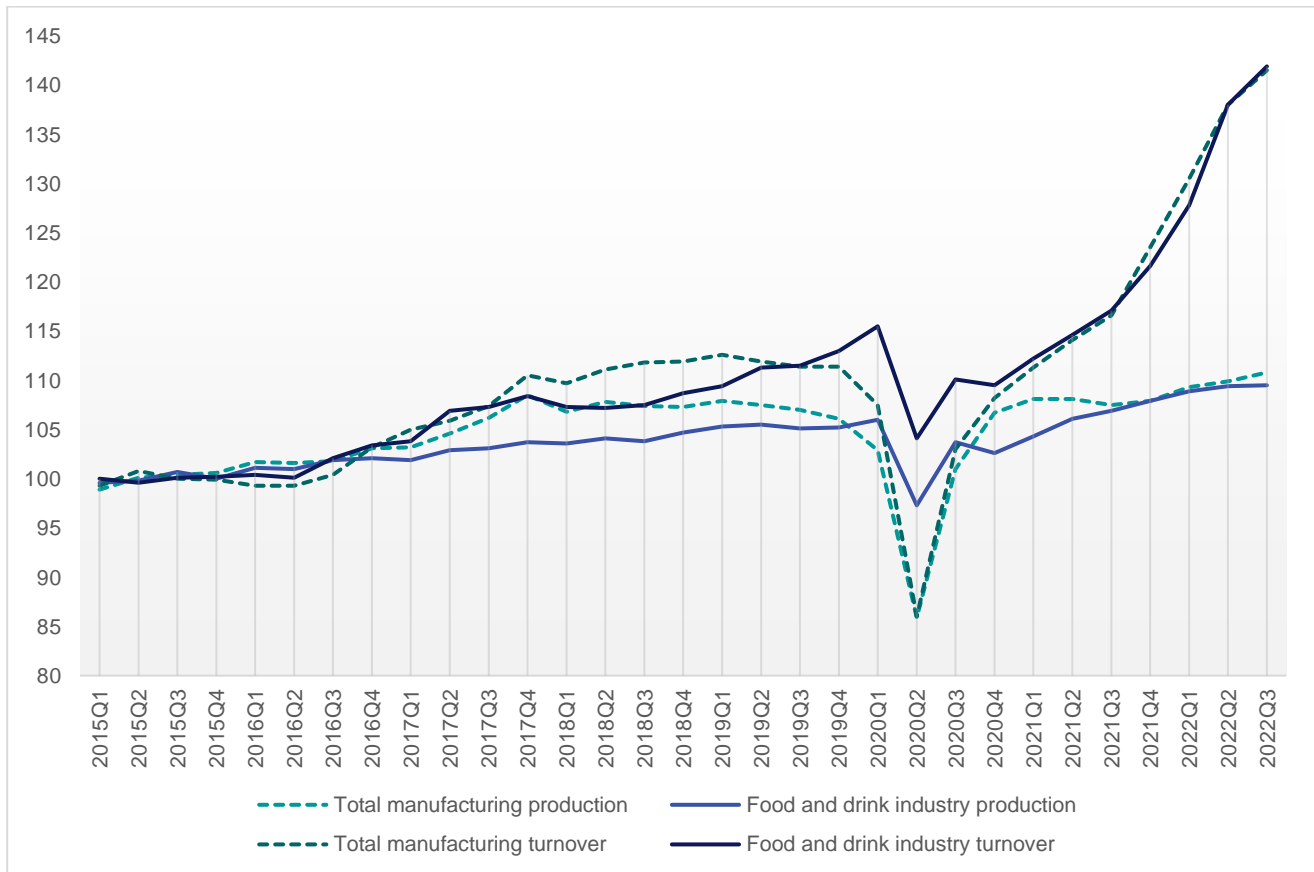
Turnover index (2015=100)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Total manufacturing	116.6	123.5	130.5	138.0	141.5	
% change	2.2	5.9	5.7	5.7	2.5	21.4
Food and drink industry	117.1	121.6	127.8	138.0	141.9	
% change	2.2	3.8	5.1	8.0	2.8	21.2

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, 2015-2022 (2015=100)



Source: Eurostat

Food and drink production by Member State

Member State	2022 Q2 / 2022 Q1 (% change)	2022 Q3 / 2022 Q2 (% change)	2022 Q3 / 2021 Q3 (% change)
EU	0.5	0.1	2.4
Austria	0.4	-1.8	3.9
Belgium	0.5	-2.6	1.3
Bulgaria	1.6	-4.4	11.7
Czech Republic	-0.4	-1.5	-1.6
Denmark	2.7	-2.8	0.8
Finland	0.2	-2.9	-3.3
France	-1.6	0.5	-0.5
Germany	0.5	-1.5	-0.3
Greece	0.8	0.6	4.0
Hungary	3.1	-2.6	6.8
Italy	2.0	0.5	1.2
Latvia	2.8	0.3	1.6
Lithuania	3.7	1.0	6.8
Netherlands	2.4	-0.8	2.0
Poland	3.1	0.0	10.2
Portugal	-1.6	0.0	4.9
Romania	2.3	-2.3	1.6
Spain	1.9	0.3	1.8

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 Q2 / 2022 Q1 (% change)	2022 Q3 / 2022 Q2 (% change)	2022 Q3 / 2021 Q3 (% change)
EU	8.0	2.8	21.2
Austria	4.8	1.1	17.5
Belgium	9.3	3.7	21.4
Czech Republic	8.4	3.0	19.2
Denmark	6.1	4.2	18.3
Finland	4.7	2.9	13.0
France	4.1	3.4	13.4
Germany	7.9	3.2	21.6
Greece	3.9	4.2	22.4
Hungary	2.2	-3.4	4.5
Italy	6.4	2.8	20.5
Latvia	13.4	4.2	26.8
Lithuania	9.7	-0.5	25.7
Netherlands	9.7	2.9	25.8
Poland	14.5	2.5	38.1
Portugal	5.6	3.2	26.8
Romania	11.5	-1.8	21.6
Spain	14.4	0.3	23.0

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

Employment in the EU food and drink industry

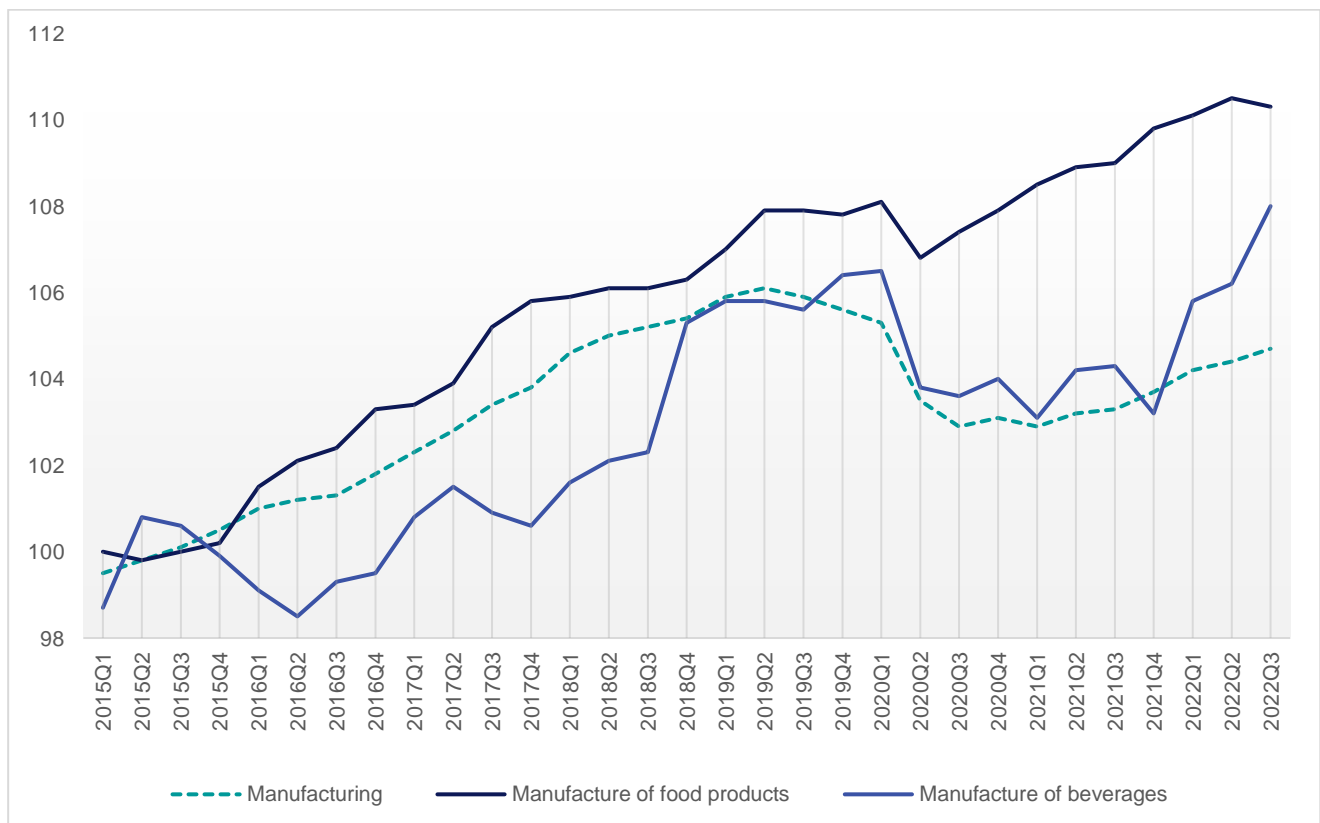
Employment index (2015=100)

Employment	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Total manufacturing	103.3	103.7	104.2	104.4	104.7	
% change	0.1	0.4	0.5	0.2	0.3	1.4
Food industry	109.0	109.8	110.1	110.5	110.3	
% change	0.1	0.7	0.3	0.4	-0.2	1.2
Drink industry	104.3	103.2	105.8	106.2	108.0	
% change	0.1	-1.1	2.5	0.4	1.7	3.5

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, 2015-2022 (2015=100)



Source: Eurostat

Food industry employment by Member State

Member State	2022 Q2 / 2022 Q1 (% change)	2022 Q3 / 2022 Q2 (% change)	2022 Q3 / 2021 Q3 (% change)
EU	0.4	-0.2	1.2
Austria	0.2	-0.6	0.9
Belgium	-0.3	na	na
Croatia	1.1	0.5	-0.5
Czech Republic	-0.2	0.2	0.0
Denmark	0.6	-0.1	0.9
Finland	-9.9	-1.8	4.4
France	0.0	0.1	1.3
Germany	0.2	0.0	0.8
Greece	-2.1	-0.2	-7.7
Ireland	1.0	1.8	6.9
Italy	-0.5	-0.2	2.0
Latvia	1.4	-1.6	-3.9
Lithuania	0.7	-1.0	-0.8
Netherlands	0.1	na	na
Poland	0.1	-0.1	-0.5
Portugal	0.0	0.1	2.1
Spain	5.5	-2.0	5.4
Sweden	-2.1	2.0	2.8

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

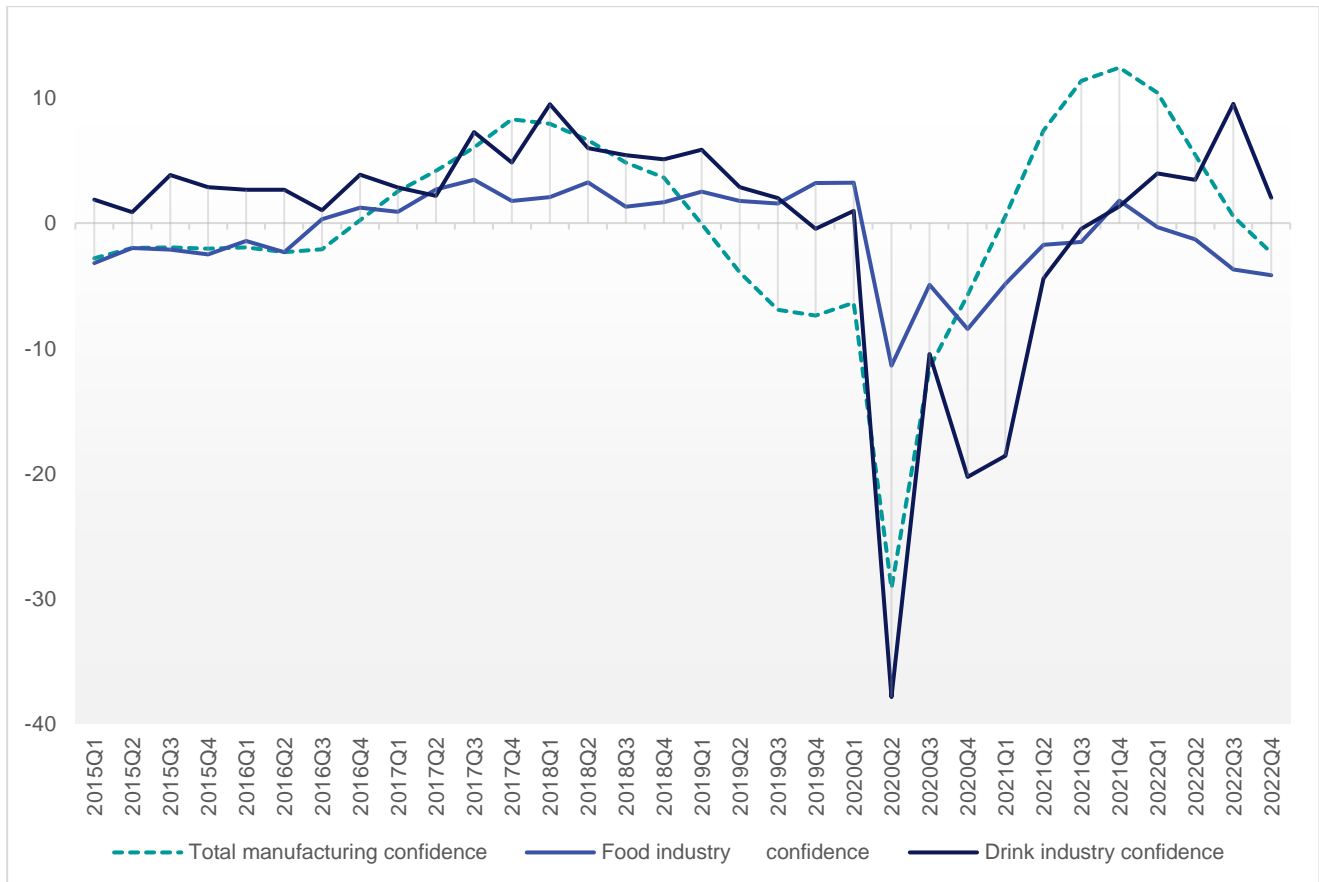
Drink industry employment by Member State

Member State	2022 Q2 / 2022 Q1 (% change)	2022 Q3 / 2022 Q2 (% change)	2022 Q3 / 2021 Q3 (% change)
EU	0.4	1.7	3.5
Austria	0.8	0.4	1.8
Belgium	-0.2	na	na
Croatia	0.4	-0.4	1.1
Czech Republic	0.6	0.3	2.8
Denmark	3.4	-0.3	7.4
France	0.2	0.0	1.3
Germany	0.1	0.4	1.1
Greece	-7.1	-0.2	-3.5
Ireland	-4.1	8.6	21.3
Italy	5.4	5.3	11.9
Latvia	4.2	-7.0	0.4
Lithuania	0.6	1.3	5.0
Netherlands	2.1	na	na
Poland	-1.1	-0.4	0.7
Portugal	0.9	1.5	4.7
Spain	-3.8	8.9	7.2
Sweden	3.2	2.8	8.8

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, 2015-2022



* 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.

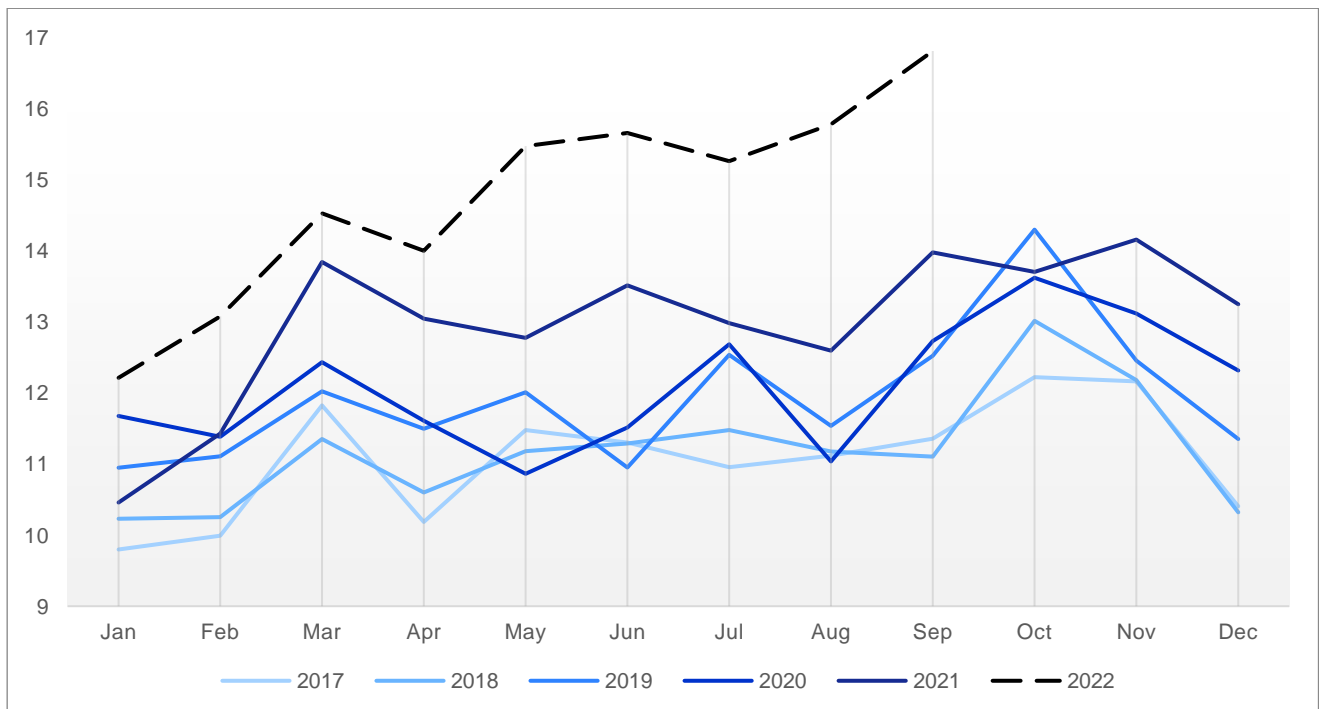
External trade

EU food and drink trade (€ billion)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Exports	39.6	41.1	39.8	45.1	47.9	20.9%
Imports	21.3	23.5	23.2	26.5	27.4	29.0%
Balance	18.3	17.6	16.6	18.6	20.4	11.6%

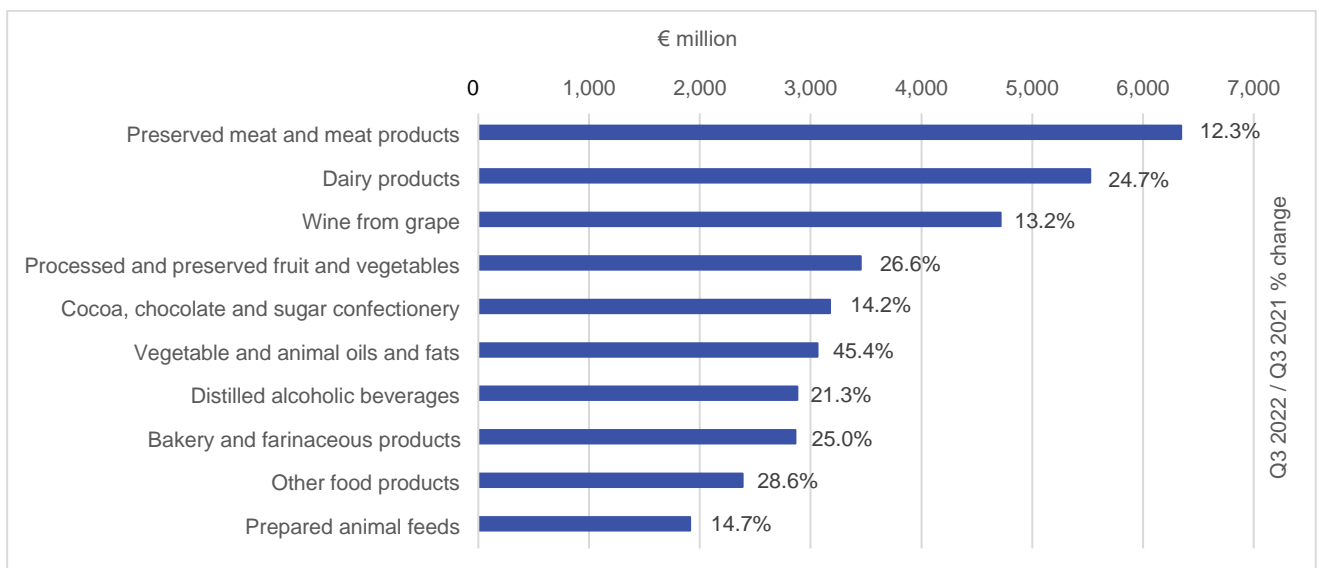
Source: Eurostat

EU food and drink exports, 2016-2022 (€ billion)



Source: Eurostat

Export performance by sector



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

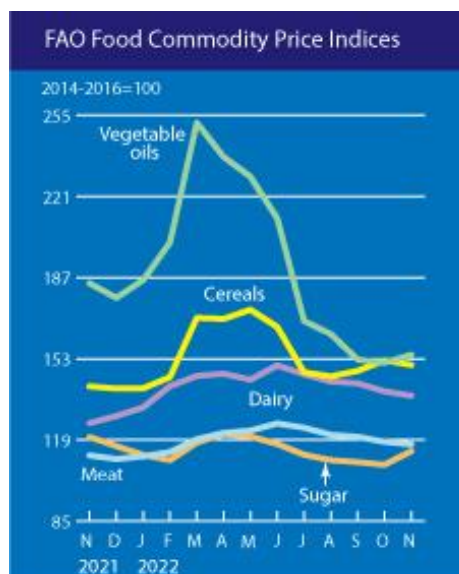
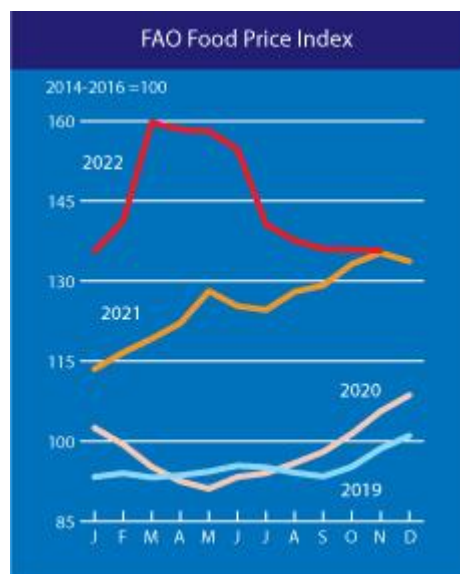
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q3 2021	Q3 2022	change	Q3 2021	Q3 2022	change	Q3 2021	Q3 2022	change
	€ million		%	€ million		%	€ million		%
Food and drinks	39,564	47,850	20.9%	21,280	27,450	29.0%	18,284	20,400	11.6%
10 Food products	30,098	36,971	22.8%	19,400	25,082	29.3%	10,698	11,889	11.1%
11 Beverages	9,465	10,879	14.9%	1,880	2,368	25.9%	7,585	8,512	12.2%
101 Preserved meat and meat products	5,652	6,345	12.3%	1,528	2,314	51.4%	4,124	4,031	-2.3%
1011 Processed and preserved meat	3,549	3,874	9.1%	1,100	1,572	42.9%	2,449	2,301	-6.0%
1012 Processed and preserved poultry meat	797	930	16.6%	176	289	64.9%	622	640	3.0%
1013 Meat and poultry meat products	1,306	1,542	18.0%	252	452	79.2%	1,053	1,089	3.4%
102 Processed and preserved fish, crustaceans and molluscs	1,218	1,548	27.1%	4,701	5,726	21.8%	-3,483	-4,179	20.0%
103 Processed and preserved fruit and vegetables	2,728	3,453	26.6%	2,316	2,838	22.5%	412	615	49.3%
1031 Processed and preserved potatoes	646	925	43.1%	35	35	1.0%	612	890	45.4%
1032 Fruit and vegetable juices	403	483	19.9%	437	596	36.2%	-34	-113	228.6%
1039 Other processed and preserved fruit and vegetables	1,679	2,045	21.8%	1,844	2,207	19.7%	-166	-162	-2.0%
104 Vegetable and animal oils and fats	2,106	3,062	45.4%	5,134	6,953	35.4%	-3,027	-3,891	28.5%
1041 Oils and fats	1,927	2,817	46.2%	5,081	6,892	35.6%	-3,154	-4,075	29.2%
1042 Margarine and similar edible fats	179	245	36.6%	52	61	16.0%	127	184	45.2%
105 Dairy products	4,430	5,525	24.7%	482	744	54.4%	3,948	4,780	21.1%
1051 Dairy and cheese products	4,218	5,284	25.3%	422	694	64.4%	3,795	4,590	20.9%
1052 Ice cream	213	241	13.3%	60	50	-15.8%	153	191	24.8%
106 Grain mill products, starches and starch products	1,221	1,435	17.5%	696	1,000	43.7%	526	435	-17.2%
1061 Grain mill products	619	726	17.4%	585	826	41.2%	33	-100	-399.2%
1062 Starches and starch products	603	709	17.6%	110	173	57.1%	492	535	8.8%
107 Bakery and farinaceous products	2,289	2,863	25.0%	401	470	17.0%	1,888	2,393	26.7%
1071 Bread; fresh pastry goods and cakes	583	701	20.3%	99	114	14.5%	483	587	21.5%
1072 Rusks; and biscuits; preserved pastry goods and cakes	1,391	1,689	21.4%	275	315	14.4%	1,116	1,374	23.2%
1073 Macaroni, noodles, couscous and similar farinaceous products	316	473	49.6%	27	41	53.9%	289	432	49.2%
108 Other food products	8,709	10,749	23.4%	3,569	4,327	21.2%	5,140	6,422	24.9%
1081 Sugar	141	141	-0.5%	299	495	65.2%	-158	-354	124.1%
1082 Cocoa, chocolate and sugar confectionery	2,781	3,176	14.2%	1,012	1,151	13.8%	1,770	2,024	14.4%
1083 Processed tea and coffee	788	1,053	33.6%	639	697	9.2%	150	356	138.0%
1084 Condiments and seasonings	723	848	17.4%	342	395	15.5%	381	453	19.0%
1085 Prepared meals and dishes	1,413	1,736	22.9%	379	458	21.1%	1,034	1,278	23.5%
1086 Homogenised food preparations and dietetic food	1,006	1,408	40.0%	14	19	35.3%	992	1,389	40.0%
1089 Other food products n.e.c.	1,857	2,387	28.6%	885	1,112	25.6%	971	1,275	31.3%
109 Prepared animal feeds	1,667	1,912	14.7%	571	709	24.0%	1,096	1,203	9.8%
1091 Prepared feeds for farm animals	931	1,016	9.1%	217	304	40.6%	715	711	-0.4%
1092 Prepared pet foods	736	896	21.8%	355	404	13.9%	381	492	29.1%
110 Beverages	9,465	10,879	14.9%	1,880	2,368	25.9%	7,585	8,512	12.2%
1101 Distilled alcoholic beverages	2,374	2,881	21.3%	892	1,170	31.2%	1,482	1,710	15.4%
1102 Wine from grape	4,163	4,714	13.2%	366	462	26.3%	3,797	4,252	12.0%
1103 Cider and other fruit wines	137	118	-14.1%	17	18	7.5%	120	100	-17.2%
1104 Other non-distilled fermented beverages	57	77	35.0%	2	3	124.4%	56	74	32.6%
1105 Beer	954	972	1.9%	182	209	14.5%	771	763	-1.0%
1106 Malt	227	345	51.5%	6	6	4.3%	222	339	52.7%
1107 Soft drinks; mineral waters and other bottled waters	1,553	1,773	14.2%	415	499	20.2%	1,138	1,274	12.0%

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	Q3 2022 average	EU		Q3 2022 average	WORLD	
		Q3 2022/ Q2 2022	Q3 2022/ Q3 2021		Q3 2022/ Q2 2022	Q3 2022/ Q3 2021
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	334	-3.1	38.4	298	-6.9	37.9
Soft wheat	341	-9.9	57	317	-21.7	42.1
SMP	3784	-7.3	48.5	3649	-9.9	38
WMP	4931	-4.3	54.4	3586	-6	13.5
White sugar	na	na	na	526	3.6	30.3
				USD/T	% change	% change
OILS AND OIL CROPS						
Soybean oil				1560	-21	8.8
Soybean				671	-8.4	15.5
Soybean meal				536	-1.9	14.2
Rapeseed				637	-50.7	-4
Rape oil				1567	-37.9	5
Palm oil				997	-63.8	-11.6
COFFEE AND COCOA						
Cocoa				2243	-6.2	-8.7
Coffee				4340	-0.7	22.4

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

Retail trade

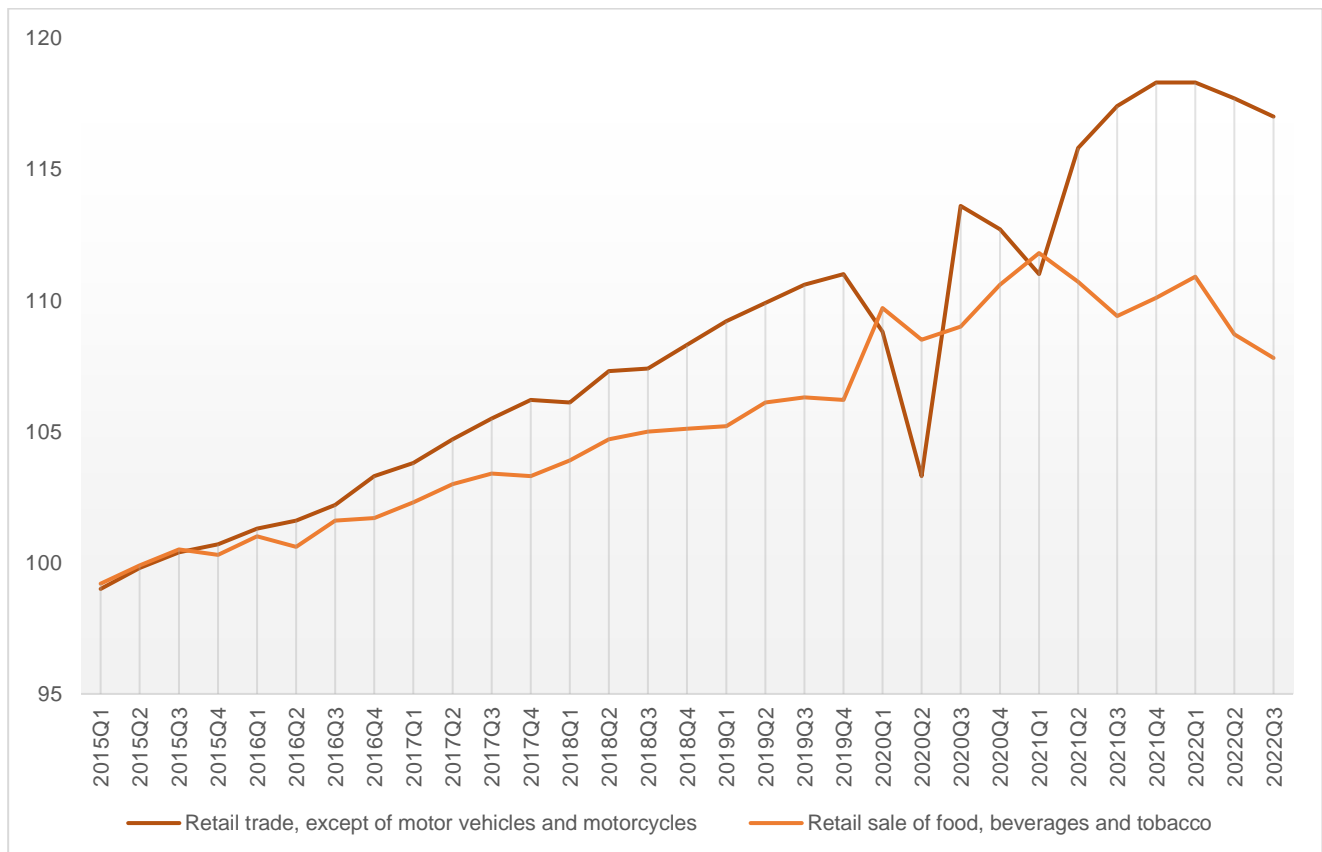
Retail sales index (2015=100)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Total retail trade	117.4	118.3	118.3	117.7	117.0	
% change	1.4	0.8	0.0	-0.5	-0.6	-0.3
Food, drinks and tobacco	109.4	110.1	110.9	108.7	107.8	
% change	-1.2	0.6	0.7	-2.0	-0.8	-1.5

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, 2015-2022 (2015=100)

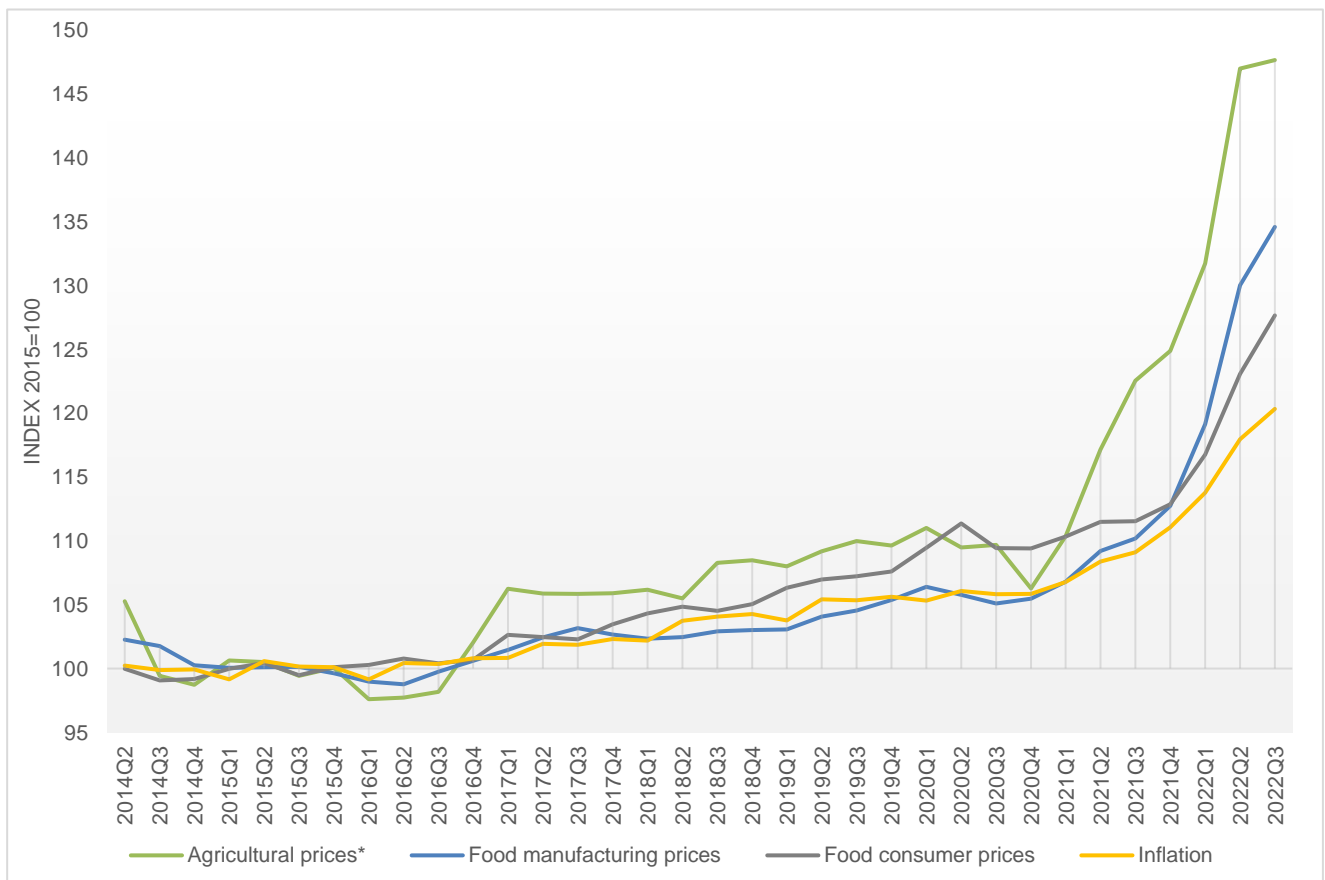


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	y-o-y
Agricultural prices*	4.6	1.9	5.5	11.6	0.5	20.5
Food manufacturing prices	0.9	2.3	5.7	9.1	3.5	22.1
Food consumer prices	0.1	1.2	3.4	5.4	3.7	14.4
Inflation	0.7	1.8	2.4	3.7	2.0	10.3



* 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 ...

EU Food and Drink Industry Figures

Turnover

€1,121 billion

Leading manufacturing sector in the EU

Value added

1.9%

of EU gross value added

Consumption

21.5%

of household expenditure on food and drink products

Employment

4.6 million people

Leading employer in the EU

Number of companies

294,000

R&D expenditure

€1.9 billion

Sales within the Single Market

87%

of food and drink turnover

Small and medium-sized companies

39.4%

of food and drink turnover

57.7%

of food and drink employment

External trade

€156 billion

Exports

€83 billion

Imports

€73 billion

Trade balance

#1

exporter of food and drinks

Sources: Eurostat; Joint Research Centre; UN COMTRADE