

EXPORTS SNAPSHOT

January to December 2015

KEY INDICATORS

	2014	2015	Change
Food & non-alcoholic drink	£12.9bn	£12.3bn	-4.4%
EU 28	£9.4bn	£8.9bn	-5.5%
Non-EU	£3.5bn	£3.4bn	-1.5%
EU Share	73.0%	72.2%	-0.8pp
Non-EU Share	27.0%	27.8%	0.8pp
Trade balance	-£22.4bn	-£22.8bn	-1.6%

VALUE ADDED GOODS

	2014	2015	Change
World	£4.59bn	£4.63bn	0.9%
EU28	£3.25bn	£3.21bn	-1.3%
Non-EU	£1.34bn	£1.43bn	6.4%

Executive Summary

- Exports fell 4.4% to £12.3bn.
- Exports to non-EU markets (-1.5%) fared better than EU markets (-5.5%), pushing the non-EU share up to 27.8%.
- Exports of value added goods saw growth of 0.9%, the 15th year of consecutive growth.
- Including alcoholic drinks, food and drink exports were £18.2bn, a fall for a second year, (-3.7%).
- The food and non-alcoholic drink trade deficit increased (1.6%) to £22.8bn.

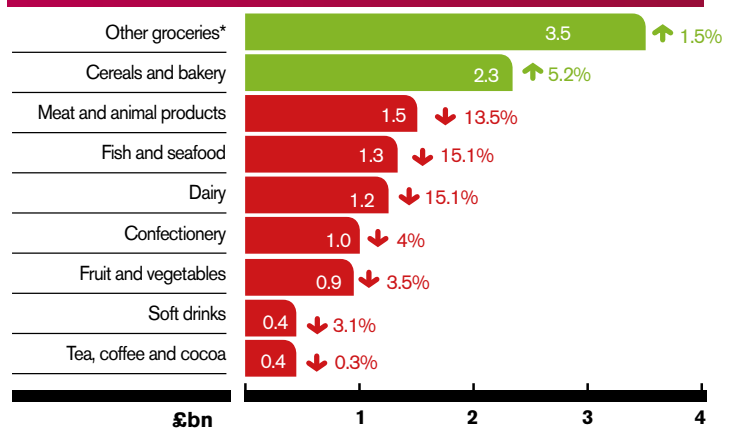
What happened throughout 2015?

- The UK's economy grew by 2.2% in 2015.
- GDP increased by 1.8% across the EU28.
- Food and non-alcoholic drink exports were stronger at the end of the year, with Q4 2015 up 5.1% on Q1 2015.
- Despite exports doing better in the second half of the year, Q4 2015 was down 3.5% on Q4 2014.
- This was largely as a result of the strength of the pound, making UK exports to Euro countries more expensive.
- Alongside the strong pound, a sharp fall in the price of oil reduced the price of imports, limiting impacts of declining exports on the trade balance.

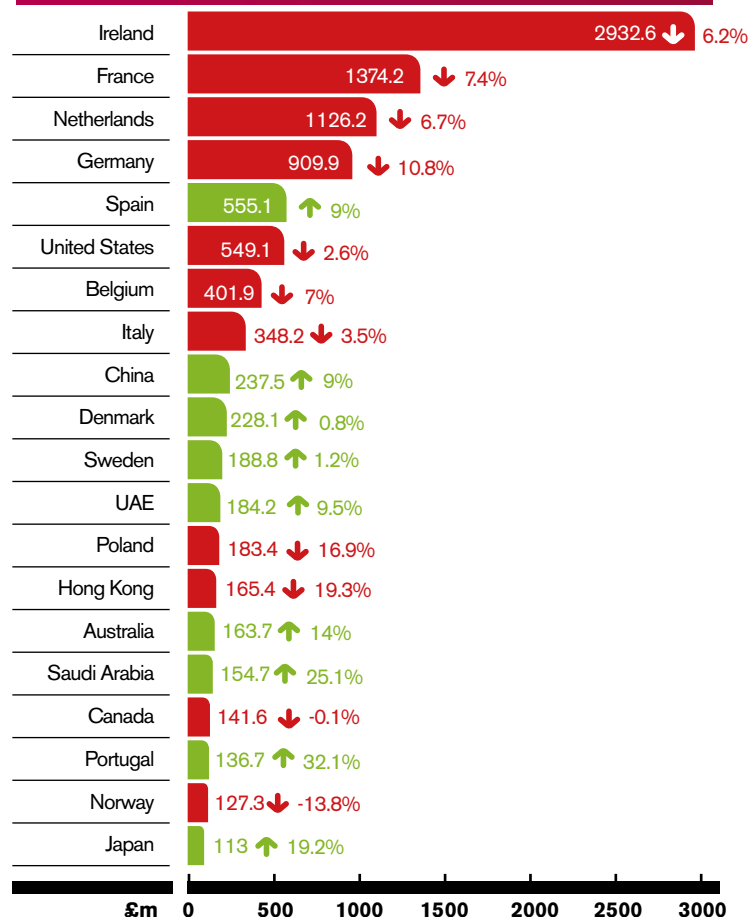
TOP 10 PRODUCTS

	2015	Change		
		Value	% Value	% Volume
Chocolate	£579.6m	-£10.7m	-1.8%	2.2%
Salmon	£496.4m	-£131.8m	-21.0%	-8.6%
Cheese	£449.3m	-£19.3m	-4.1%	12.8%
Beef	£427.7m	-£38.2m	-8.2%	-5.6%
Sweet biscuits	£383.5m	£9.8m	2.6%	5.0%
Soft drinks	£377.6m	-£12.8m	-3.3%	7.0%
Breakfast cereals	£368.6m	£6.5m	1.8%	6.4%
Vegetables	£336.3m	£18.0m	5.6%	5.5%
Chicken	£282.6m	-£73.2m	-20.6%	-15.0%
Sauces/ condiments	£280.5m	-£1.2m	-0.4%	-19.7%

BY SECTOR



TOP 20 MARKETS

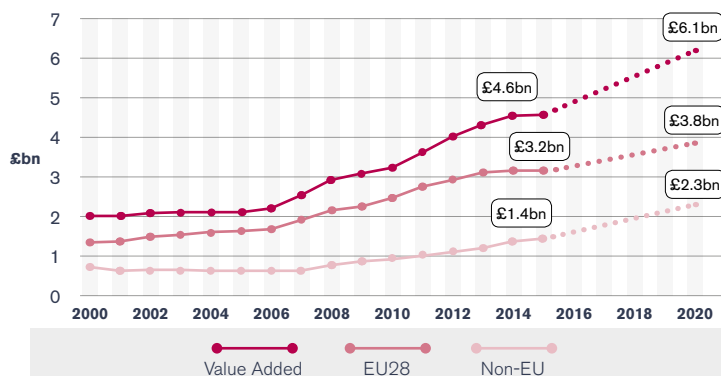


VALUE ADDED IN FOCUS

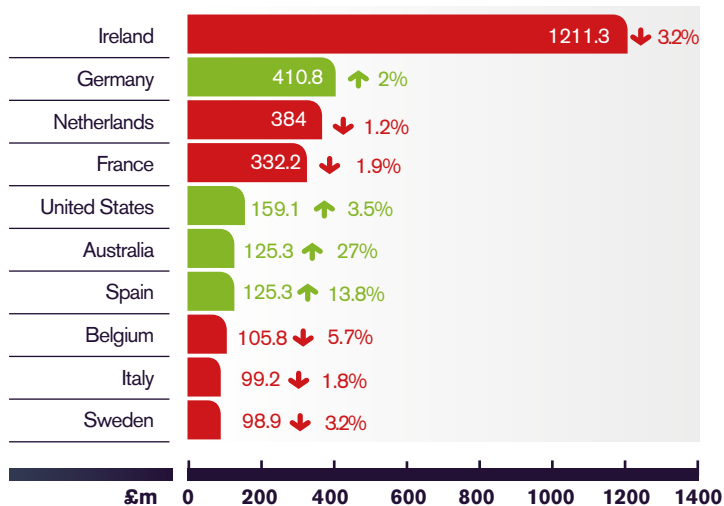
FDF Ambition

- FDF's industry ambition is to grow exports of value added food and non-alcoholic drink by a third, from a 2014 baseline, reaching £6bn by 2020.
- The growth seen in 2015 is slightly below the overall target, but non-EU exports remain on the projected growth path.

FDF AMBITION



TOP 10 VALUE ADDED EXPORTS



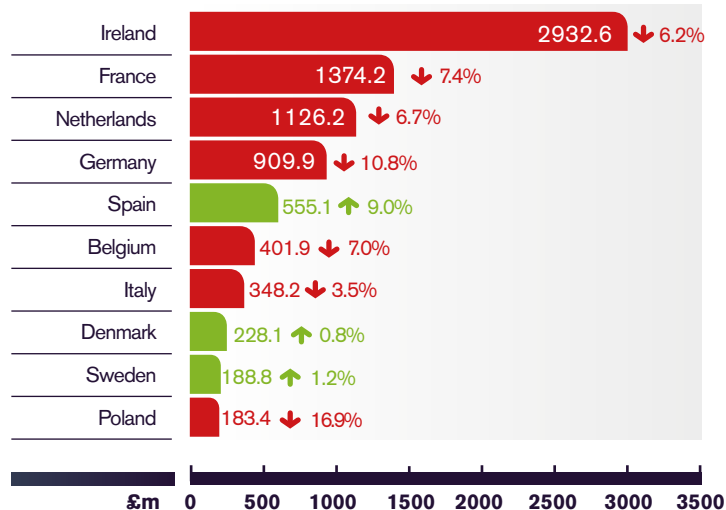
Value Added

- Exports of value added products saw continued growth in 2015 to £4.63bn (+0.9%), bucking the overall trend.
- The top 5 best performing categories saw combined growth of £66.5m on 2014 (+3.3%) led by growth in food preparations, breads, pastries, cakes and puddings and sweet biscuits.
- Value added products saw strong growth to non-EU countries (+6.4%) to the value £1.43bn
- EU accounted for 69% of value added exports, totalling £3.21bn, a slight fall on 2014 (-1.3%)
- The increase in exports of value added products reflects an upward trend in exports of finished UK manufactured goods (+2.2%) on 2014.

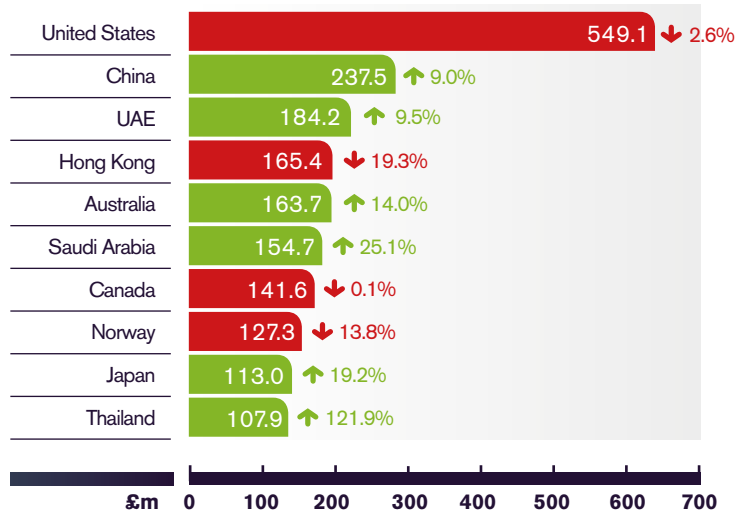
VALUE ADDED IN DETAIL

- Pork to USA**, specifically frozen loins and domestic cuts of pork increased by £8m (+139%). In 2014 the UK was the EU's largest exporter of meat to the US.
 - Bread, pastries and cakes to Australia** grew £7.2m (+20%) with biscuits up £1.9m (+15%) and crispbreads, which saw the best growth in the sector, up £5m (102%). In 2014 the UK was the EU's largest exporter of bread, pastries, cakes and biscuits to Australia.
 - Crisps to France** increased by £1.2m (+23%) indicating that the French are developing a snacking culture.
 - Confectionery and cheese to Canada**, confectionery increased £3.8m (+33.5%) in 2015. In 2014 the UK was the EU's largest exporter of confectionery to Canada. Cheese exports, specifically cheddar saw growth of nearly £7m (+25%) in 2015.
 - Squid to South Korea** grew by £5.2m in 2015 (+350%). In 2014 the UK was the EU's only exporter of squid to South Korea.
 - Breakfast Cereals to UAE** the UK's third largest market for breakfast cereal exports increased by £8.9m (+45%). In 2014 the UK was the EU's largest exporter of breakfast cereals to the UAE.
 - Food ingredients to Saudi Arabia** increased by £5m (+20%) in 2015, totalling almost £30m. Many multinationals are now setting up factories in Saudi Arabia and importing UK ingredients.
 - Chocolate to Germany**, UK exports of chocolate to Germany were worth £40m in 2015 (+13%). White chocolate saw an increase of £200,000 (+80%) but the real value remains in milk chocolate products which were up £4.6m (+12.8%).
 - Scallops, cuttlefish and squid to Spain** were the exception in otherwise declining seafood exports in 2015. The combined value of £4.4m (+25%) alleviated the fall in both fish and other crustaceans.
- In China** there seem to be three key areas that are of interest: tea, meat & processed milk.
- Tea** - In 2014 the UK was the EU's number one exporter of tea to China, increasing by £6.4m (+2000%) in 2015.
 - Meat** - specifically pig meat and offal, combined increase of £11.5m (+37%).
 - Processed Milk** - worth almost £29m in 2015, an increase of £19.3m (+202%) accounting for nearly the entire sector value increase.

TOP 10 EU MARKETS



TOP 10 NON-EU MARKETS



TOP 10 VALUE GAINS BY MARKET

	2014	2015	Value Gains 14/15
Thailand	£48.6m	£107.9m	£59.3m
Spain	£509.1m	£555.1m	£46.0m
Portugal	£103.5m	£136.7m	£33.2m
Saudi Arabia	£123.6m	£154.7m	£31.1m
Australia	£143.7m	£163.7m	£20.0m
China	£217.8m	£237.5m	£19.6m
Japan	£94.8m	£113.0m	£18.2m
Mexico	£15.0m	£32.3m	£17.3m
UAE	£168.2m	£184.2m	£16.0m
South Korea	£55.8m	£67.1m	£11.3m

TOP 10 VALUE GAINS BY PRODUCT AND MARKET

Product to Country	Value
Wheat to Spain	+£26.7m to £81.9m
Wheat to Netherlands	+£23.0m to £39.2m
Wheat to Thailand	+£22.6m to £26.8m
Wheat to Portugal	+£21.5m to £38.4m
Barley to Japan	+£17.7m to £17.7m
Barley to Spain	+£16.8m to £43m
Barley to Saudi Arabia	+£14.6m to £20.8m
Barley to UAE	+£7.7m to £7.7m
Barley to Portugal	+£7.5m to £22.7m
Fruit to France	+£6.1m to £16.9m