FDF Trade Snapshot

Food & Drink Market Analysis

H1 2026

Introduction

The Food and Drink Federation's (FDF) Trade Snapshot provides an overview of the UK's food and drink trade performance. It explores the key trends, challenges and opportunities in global markets. The data for H1 2026, the first six months of the year, illustrates a widening gap between weak export performance and near-record food import volumes, underlining the need to improve the UK's international competitiveness and make better use of the market access secured through trade agreements.

UK food and drink exports fell 3.4% year-on-year to £12.0bn in H1 2026, with food export volumes down 11.7% - the third lowest H1 level since 2000 and only marginally above the pandemic-disrupted Q1 2021 figure.

US tariffs continue to undermine UK competitiveness in a key export market, where exports fell 16.5% in H1 2026. UK goods face an additional stacked 10% US tariff on top of applicable MFN duties, while EU goods generally face the 10% baseline tariff. This leaves UK exporters at a particular disadvantage in product categories that face a tariff. For example, ice cream exported from the UK faces a 30% tariff, compared with a 20% tariff on equivalent imports from the EU. Rising energy, ingredient, logistics, labour and regulatory costs are further weaking exporters' competitiveness. FDF forecasts food inflation will reach 3.9% by December 2026 and peak at 6.4% in July 2027; a sector squeezed at home cannot be expected to seize opportunities abroad.

UK food and drink imports rose 0.9% to £33.1bn in H1 2026. Food import volumes reached 19.1bn kg, the second-highest first-half level since 2000, behind only H1 2025. This contrasts sharply with the decline in exports and points to a growing trade imbalance: overseas suppliers continue to maintain a strong position in the UK market while domestic manufacturers struggle to retain ground internationally.

CPTPP expansion and Mercosur offer opportunities to help reverse the decline in UK food and drink exports. Indonesia, the Philippines, Uruguay and the UAE are seeking to join the CPTPP bloc, and their accession could reduce tariffs currently constraining UK products from reaching these markets. With UK imports from Mercosur already worth £1.2bn in H1 2026, against £137.4m of exports, these markets represent a clear opportunity to grow UK sales if businesses have the support to take advantage of improved access. However, the scale of the export challenge means policy must also prioritise the UK's largest destination markets, where relatively modest gains in market share could generate much larger increases in food and drink exports.

Contents

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EXPORTS

- UK food & drink exports fell 3.4% year-on-year to £12.0bn in the first half of 2026.
- EU exports proved more resilient, falling 0.9%, while non-EU exports fell 6.9%. USA (-16.5%), China (-17.6%) and the UAE (-23.2%) have seen large declines.
- Food export volumes continue to struggle as 2026 progresses. Food export volumes fell 11.7% year-on-year, making H1 2026 the third weakest start to a year since 2000; only H1 2021 and H1 2002 recorded lower volumes.
- This performance is not helped by tariffs in the USA, the UK's third-largest export market, where exports fell 16.5% in H1 2026. UK goods face a 10% additional tariff on top of applicable US MFN duties, while EU goods generally face only the 10% baseline tariff, leaving UK exporters at a competitive disadvantage.
- Cheese, beef and whisky all recorded volume growth, while soft drinks rose 9.8% in value. Products measured in litres are up 13.9% year-on-year.
- Three years after the UK and Australia and New Zealand FTAs entered into force, results remain mixed: exports to Australia rose 3.0% in H1 2026, while exports to New Zealand fell 24.7%. Businesses need trade promotion and better domestic business conditions to convert preferential access into sales.
- Exports to India have increased by 10.1%. The UK-India FTA entered into force on 15 July, beginning a phased programme of tariff liberalisation over the next decade.

Data Sources: His Majesty's Customs & Excise

KEY INDICATORS

	H1 2026	H1 2025	Change 2025 - 26
Food & non-alcoholic drink	£8.5bn	£8.9bn	-4.7%
All food & drink	£12.0bn	£12.4bn	-3.4%
EU	£7.1bn	£7.2bn	-0.9%
Non-EU	£4.9bn	£5.3bn	-6.9%
EU share	59.2%	57.7%	1.5pp
Non-EU share	40.8%	42.3%	-1.5pp

TOP TEN EXPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26
Whisky	£2.5bn	2.2%	5.8%
Cheese	£460.8m	-4.6%	15.4%
Milk and cream	£452.7m	-9.9%	-13.2%
Beef	£451.8m	22.7%	6.7%
Chocolate	£442.1m	-2.9%	-1.6%
Salmon	£406.0m	-30.8%	-31.0%
Lamb and mutton	£398.3m	15.4%	2.5%
Soft drinks	£398.0m	9.8%	N/A
Gin	£306.9m	2.8%	1.3%
Savoury snacks	£275.6m	2.8%	-6.8%

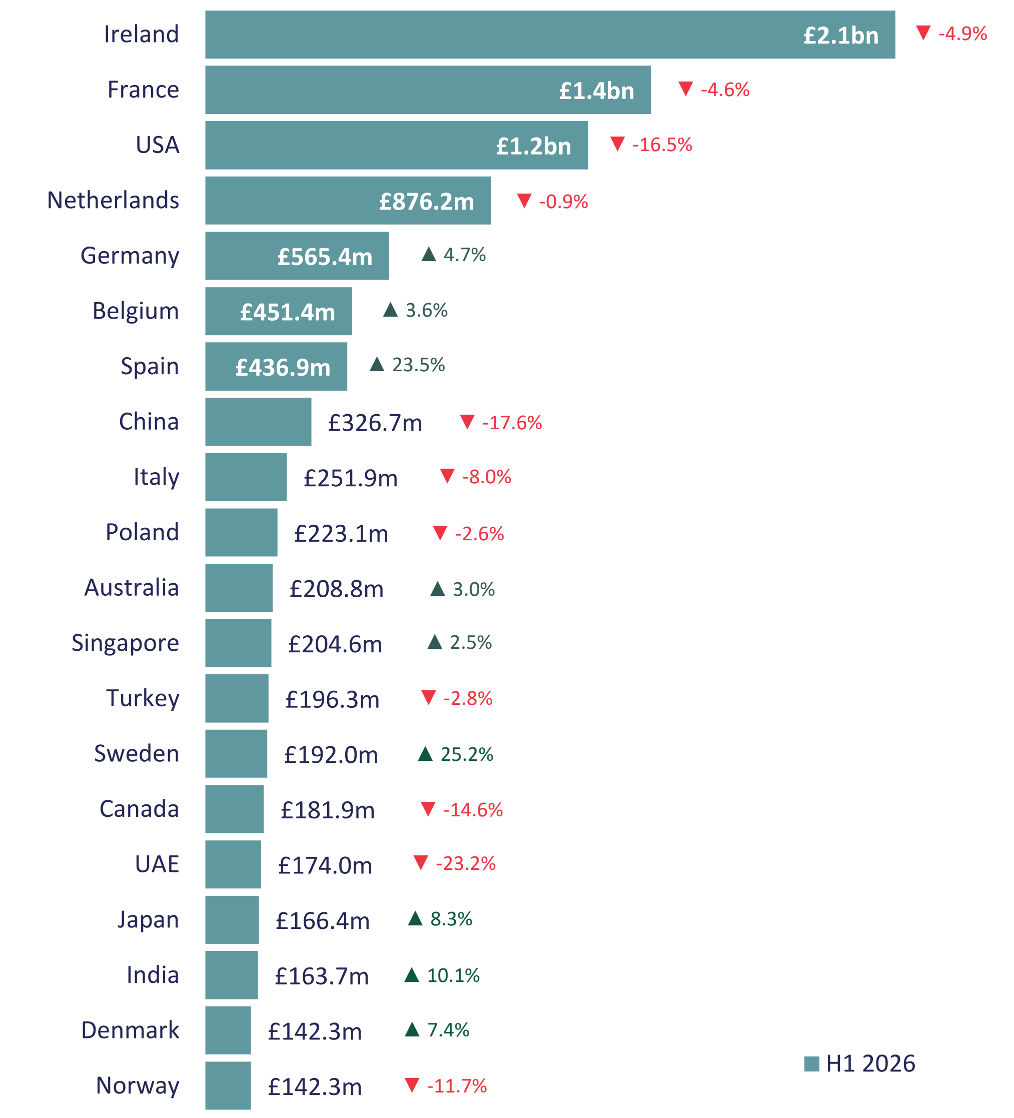
EXAMPLES OF US TARIFF TREATMENT OF UK AND EU EXPORTS

US Global Tariff	UK Total Tariff	EU Total Tariff	EU Advantage
0% (e.g. tea)	10%	10%	None
5.6% (e.g. confectionery)	15.6%	10%	5.6pp
20% (e.g. ice cream)	30%	20%	10pp

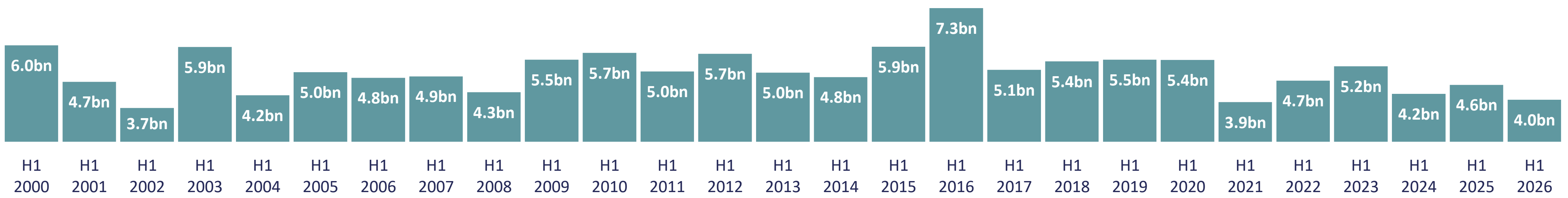
EXPORT VOLUMES

Unit of measurement	H1 2026	Change 2024 - 2026	Change 2025 - 2026
Kilograms (KG)	4.0bn	-5.0%	-11.7%
Litres (L)	672.1m	14.7%	13.9%
Litres of pure alcohol (LPA)	234.3m	2.3%	1.8%

TOP TWENTY MARKETS



H1 FOOD EXPORT VOLUMES OVER TIME



IMPORTS

- UK food & drink imports rose 0.9% year-on-year to £33.1bn in H1 2026. H1 2026 is the second highest H1 food import volume recorded since 2000, behind only H1 2025.
- This stands in stark contrast to exports and underlines the growing trade imbalance: overseas suppliers continue to strengthen their presence in the UK market, while domestic manufacturers need support to retain ground globally.
- While the SPS agreement is designed to ease UK-EU trade, non-EU import flows are likely to face the most immediate impact from dynamic alignment. Non-EU food import volumes are 22% higher than in H1 2023, over double the 9.2% increase in EU import volumes in the same period. Non-EU suppliers may face new requirements or restrictions that could disrupt this growth.
- The EU has banned Brazilian meat imports from 3rd September, while Great Britain continues to permit imports pending its own assessment. Under an SPS agreement, GB would have to adopt equivalent restrictions.
- As shown in the FDF Q1 2026 Trade Snapshot, nearly 90% of the import value of food in the cost-of-living tariff suspension package already enters tariff-free. Suspending duties on goods that include finished products already manufactured in the UK may risk the UK's negotiating leverage in future FTA talks, since countries have less incentive to offer reciprocal market access. This can risk efforts to reverse export underperformance evident in the data.

Data Sources: His Majesty's Customs & Excise

KEY INDICATORS

	H1 2026	H1 2025	Change 2025 - 26
Food & non-alcoholic drink	£30.8bn	£30.4bn	1.2%
All food & drink	£33.1bn	£32.8bn	0.9%
EU	£22.5bn	£22.3bn	0.8%
Non-EU	£10.6bn	£10.5bn	1.0%
EU share	67.9%	67.9%	0.0pp
Non-EU share	32.1%	32.1%	0.0pp

TOP TEN IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26
Fruits	£3.1bn	1.4%	-8.2%
Vegetables	£2.1bn	6.7%	N/A
Poultry	£1.9bn	3.3%	3.5%
Wine	£1.6bn	-2.7%	-2.1%
Chocolate	£1.5bn	2.4%	6.9%
Fish	£1.2bn	5.5%	-5.4%
Savoury snacks	£1.1bn	5.9%	1.5%
Beef	£1.1bn	11.6%	2.1%
Cheese	£1.1bn	-0.9%	3.4%
Soft drinks	£1.1bn	5.0%	N/A

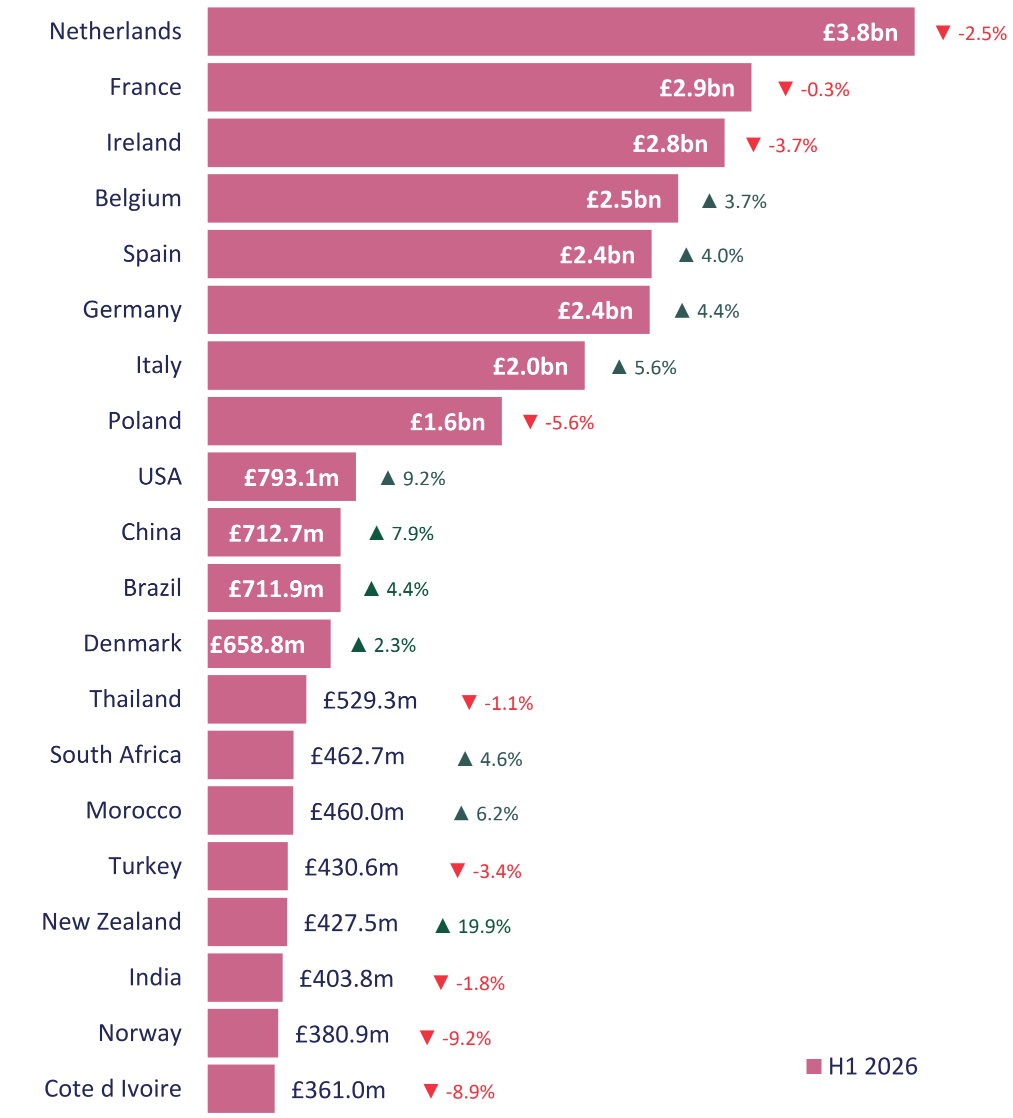
BRAZILIAN MEAT IMPORTS: EU-GB DIVERGENCE

	EU Position	GB Position
Decision	Restricts Brazilian meat and animal-product imports	Imports continue pending a GB assessment
Timing	From 3 September 2026	No equivalent restriction
SPS implication	EU rules apply	Dynamic alignment will require equivalent restrictions

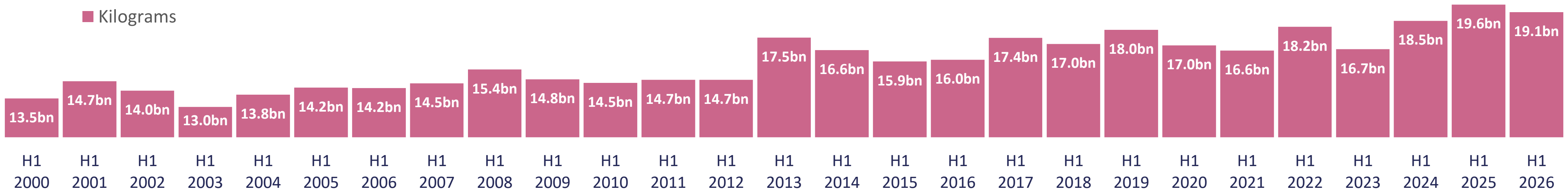
IMPORT VOLUMES

Unit of measurement	H1 2026	Change 2024 - 2026	Change 2025 - 2026
Kilograms (KG)	19.1bn	3.0%	-2.5%
Litres (L)	2.3bn	0.4%	1.4%
Litres of pure alcohol (LPA)	39.0m	1.0%	-16.5%

TOP TWENTY MARKETS



H1 FOOD IMPORT VOLUMES OVER TIME



CPTPP PROSPECTS

- The UK has been an active member of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) since December 2024. Indonesia, the Philippines, Uruguay and the UAE have all applied to join the trade bloc.
- There is an opportunity to extend preferential access into high growth markets in Asia. Food export volumes to Indonesia, Philippines and Thailand are up 8.4% and imports up 15.0%.
- Indonesia currently trades with the UK under the terms of the UK's Developing Countries Trading Scheme. However, from 1 January 2027, Indonesia will graduate from this scheme and revert to UK Global Tariff treatment.
- After a strong export year in 2025, Indonesia exports are down 28.4% in value year-to-year. CPTPP accession would be a significant market access opportunity and provides an opportunity for sustainable export growth.
- The Philippines currently trades with the UK under the terms of the Developing Countries Trading Scheme (Enhanced Preferences). This provides tariff free access for UK imports for most food and drink products. CPTPP accession would add reciprocal tariff liberalisation for UK exports to the Philippines.
- Thailand is an important regional market, with UK exports totalling £50.4m in H1 2026, against £529.3m of imports. Milk & cream and cereal flours export growth shows potential, but uneven export performance underlines that it is an important potential market for UK firms.

Data Sources: His Majesty's Customs & Excise

KEY INDICATORS

	H1 2026 Exports	H1 2026 Imports	Trade Balance
Indonesia	£14.9m	£77.6m	-£62.7m
Philippines	£32.7m	£47.5m	-£14.8m
Thailand	£50.4m	£529.3m	-£478.8m

VOLUMES TRADED WITH CPTPP PROSPECTS

Unit of measurement	Exports H1 2026	Change 2025 - 26	Imports H1 2026	Change 2025 - 26
Kilograms (KG)	82.4m	8.4%	425.9m	15.0%
Litres (L)	0.8m	22.0%	13.8m	195.9%
Litres of pure alcohol (LPA)	1.2m	-21.4%	0.0m	137.5%

INDONESIA TOP EXPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Food preparations	£6.0m	85.9%	108.6%	5 - 150%
Milk & cream	£1.5m	-72.7%	-69.1%	5%
Cheese	£0.7m	149.6%	222.9%	5%
Chocolate	£0.7m	20.3%	25.2%	5 - 20%
Cereal flours	£0.6m	131.2%	88.4%	5%

INDONESIA TOP IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Fish	£8.5m	-3.5%	-5.9%	8 – 20%
Shellfish	£8.1m	18.1%	37.3%	10 – 20%
Coffee	£5.9m	-86.7%	-87.4%	0%
Fruits	£4.8m	12.7%	23.6%	0 – 18%
Food preparations	£4.0m	-10.3%	-3.1%	8 - 16%

PHILIPPINES TOP EXPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Pork	£13.5m	-2.4%	7.6%	15 - 25%
Milk & cream	£4.2m	3.5%	-0.5%	0 – 1%
Food preparations	£1.5m	48.9%	62.8%	3 - 10%
Salmon	£1.4m	-24.9%	-35.3%	7%
Whisky	£1.3m	-57.2%	-70.4%	15%

PHILIPPINES TOP IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Juices	£12.6m	13.7%	21.9%	0%
Fish	£10.8m	-6.1%	-0.8%	0%
Prepared fruit & nuts	£10.3m	8.1%	N/A	0%
Fruits	£6.2m	-8.8%	-17.1%	0%
Savoury snacks	£1.4m	-4.7%	-4.1%	0%

THAILAND TOP EXPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Whisky	£9.7m	6.1%	-16.7%	60%
Food preparations	£9.0m	-13.8%	N/A	18%
Malt extracts	£5.4m	-42.5%	-12.1%	0 – 4.5%
Cereal flours	£3.3m	32.6%	60.5%	20%
Milk & cream	£3.0m	177.2%	370.4%	216%

THAILAND TOP IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	MFN tariff rate
Poultry	£352.9m	-4.4%	-2.1%	£856/1000kg
Sauces & condiments	£20.5m	0.0%	N/A	6%
Rice	£15.6m	-3.1%	-8.0%	£121/1000kg
Fish	£14.8m	-11.0%	-7.1%	0%
Food preparations	£14.8m	43.1%	32.3%	0 - 12%

MERCOSUR

- Mercosur remains a major source of food and drink imports for the UK. In H1 2026, UK food and drink imports increased 2.4% to £1.2bn in value terms, while UK exports increased 3.6% to £137.4m.
- Imports from Mercosur are diverse. Oilseeds, coffee, fruits and poultry were the largest import categories with each worth at least £100m in H1 2026.
- Whisky accounts for more than two-thirds of UK food and drink exports to Mercosur. Other exports are small but show potential, with egg exports rising 96.7% in value and coffee exports increasing 43.5% in value.
- The CPTPP expansion pipeline includes Uruguay, a member of Mercosur. It presents a potential future export opportunity for UK businesses as tariffs currently restrain trade. Products like chocolate (18% tariff) and jams & spreads (12.6% tariff) would benefit from tariff liberalisation.
- UK imports from Uruguay are led by oilseeds (£90.2m), up over 200% year on year, followed by rice (£18.0m) and beef (£10.9m).
- The EU-Mercosur interim trade agreement entered provisional application on 1 May 2026, beginning a phased reduction in trade barriers between the two blocs. Mercosur already exports £20.6bn of food and drink annually to the EU, as EU firms will gain improved access to Mercosur inputs and markets. UK exporters, by contrast, will continue to face Mercosur's MFN tariffs until the UK secures comparable access.

Data Sources: His Majesty's Customs & Excise

KEY INDICATORS

	H1 2026	H1 2025	Change 2025 - 26
Exports	£137.4m	£132.6m	3.6%
Imports	£1.2bn	£1.2bn	2.4%
Trade Balance	-£1.0bn	-£1.0bn	2.3%

VOLUMES TRADED WITH MERCOSUR

Unit of measurement	Exports H1 2026	Change 2025 - 26	Imports H1 2026	Change 2025 - 26
Kilograms (KG)	3.7m	-24.4%	2.1bn	-0.7%
Litres (L)	0.5m	92.4%	19.4m	-8.4%
Litres of pure alcohol (LPA)	12.4m	-0.7%	0.0m	-65.5%

TOP TEN EXPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26
Whisky	£96.5m	6.6%	1.8%
Gin	£15.9m	-12.4%	-9.0%
Food preparations	£5.9m	-10.1%	-32.6%
Eggs	£4.3m	96.7%	102.1%
Spirits	£2.0m	-8.1%	-0.7%
Malt extracts	£1.2m	-32.9%	-19.7%
Ingredients	£0.9m	21.4%	-63.3%
Coffee	£0.7m	43.5%	84.2%
Beer	£0.5m	229.7%	176.4%
Potatoes	£0.5m	-40.9%	-43.0%

TOP TEN IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26
Oilseeds	£193.3m	31.6%	21.3%
Coffee	£161.6m	37.4%	45.3%
Fruits	£102.9m	2.6%	9.6%
Poultry	£101.4m	0.1%	6.7%
Beef	£90.4m	22.2%	15.2%
Meat offal	£62.4m	-23.7%	-13.6%
Sugar	£46.9m	2.3%	32.4%
Nuts	£34.7m	-10.6%	25.9%
Wine	£33.6m	-17.4%	-8.4%
Rice	£18.6m	18.3%	87.0%

URUGUAY TOP FOOD AND NON-ALCOHOLIC DRINK EXPORTS

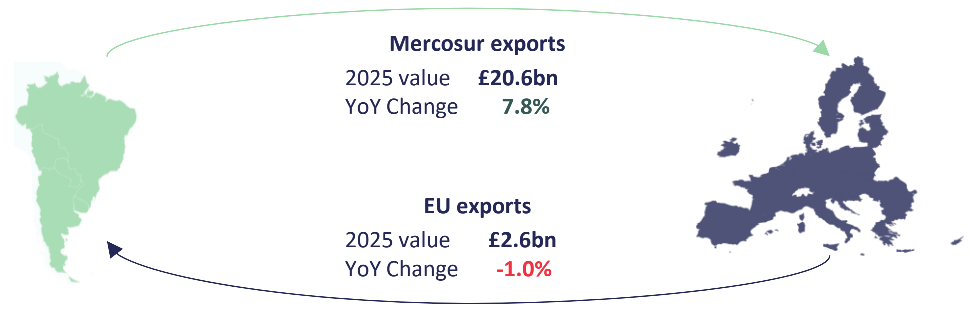
	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	Tariff rate
Food preparations	£0.3m	249.1%	486.7%	0 - 16.2%
Chocolate	£0.2m	2.8%	4.7%	18%
Cocoa	£0.1m	-74.9%	-69.2%	0 - 18%
Jams & spreads	£0.0m	-29.6%	-28.2%	12.6%

URUGUAY TOP FOOD AND NON-ALCOHOLIC DRINK IMPORTS

	H1 2026	Value change 2025 - 26	Volume change 2025 - 26	Tariff rate
Oilseeds	£90.2m	215.6%	226.5%	0%
Rice	£18.0m	30.4%	112.5%	0 - £25/1000kg
Beef	£10.9m	-20.6%	-42.0%	12% (+£253/100kg)
Lamb & mutton	£6.6m	77.0%	46.4%	12% (+£260/100kg)

MERCOSUR TRADE WITH THE EU

Coffee		Animal feed		Oil seeds		Meat	
2025	**£5.6bn**	2025	**£5.2bn**	2025	**£2.6bn**	2025	**£2.3bn**



Beverages		Animal/veg fats & oils		Fruit & veg preps		Fruit & nuts	
2025	**£487.2m**	2025	**£432.7m**	2025	**£234.8m**	2025	**£183.5m**

fdf

Shaping the future of food and drink manufacturing

Our industry is at the heart of the nation's daily lives, providing nourishment and joy with a wide range of affordable and nutritious products for all. Join us in creating a secure, sustainable future for food and drink

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