

EXPORTS SNAPSHOT

Q3 2020

EXECUTIVE SUMMARY

- Exports are a strong contributor to food and drink industry growth. However, the COVID-19 pandemic continues to significantly impact sales with exports in Q3 alone falling by 11.6% to £5.5bn.
- In the nine months to September, food and drink exports fell by 12.9% hitting £15.2bn. Exports fell to both EU and non-EU markets by -12.6% and -13.5% respectively.
- Exports to most of the top 20 markets decreased, with sales to Spain falling significantly by -33.8%. However, exports to Norway experienced the most substantial increase, rising by 38.4% to £198.8m.
- Pork and breakfast cereals were the only products within the top 10 to show growth, up 12.7% and 2.5%. Ireland continued to be key trade partner with five out of the top 10 UK products going to this market.
- In October, FDF published an [export guide](#) to help businesses navigate the export process. The [EU Exit Food Hub](#) also provides essential information and guidance for agri-food and drink businesses as they prepare for the end of the transition period.

KEY INDICATORS

	Q3 2020	Change	YTD 2020	Change
All food & drink	£5.5bn	-11.6%	£15.2bn	-12.9%
EU	£3.3bn	-9.3%	£9.3bn	-12.6%
Non-EU	£2.1bn	-14.8%	£5.9bn	-13.5%
EU share	60.93%	1.49pp	60.96%	0.24pp
Non-EU share	39.07%	-1.49pp	39.04%	-0.24pp
Trade deficit*	-£6.0bn	10.3%	-£19.4bn	6.2%

*An increase in the trade deficit deteriorates the terms of trade, hence being highlighted in red

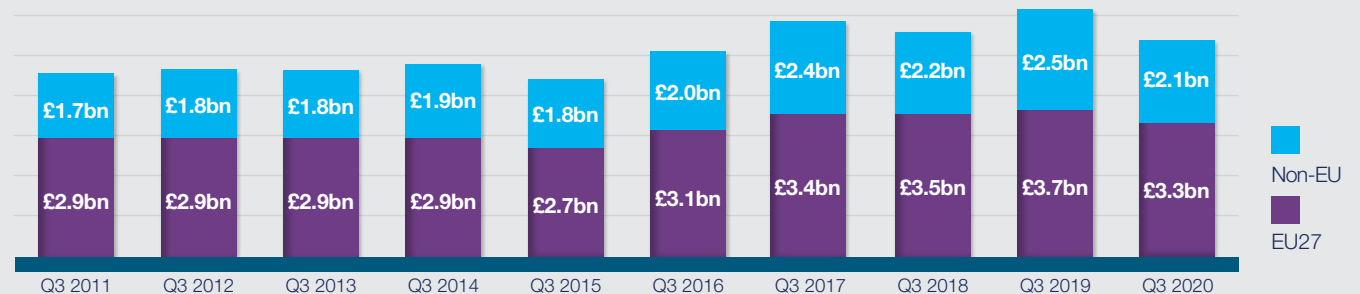
TOP 10 PRODUCTS

	YTD 2020	Top destination		Change		
		Destination	Share	Value	Value (%)	Volume (%)
Whisky	£2.7bn	USA	20.3%	-£978.6m	-26.6%	-20.3%
Chocolate	£542.4m	Ireland	28.6%	-£33.6m	-5.8%	-8.5%
Salmon	£476.0m	France	35.4%	-£139.3m	-22.6%	-20.9%
Cheese	£468.8m	Ireland	28.2%	-£59.8m	-11.3%	-12.7%
Pork	£454.1m	China	43.6%	£51.0m	12.7%	4.1%
Gin	£432.4m	USA	37.3%	-£83.0m	-16.1%	-14.8%
Beef	£382.8m	Ireland	29.3%	-£45.8m	-10.7%	-6.4%
Breakfast cereals	£381.5m	Ireland	21.0%	£9.3m	2.5%	12.4%
Wine	£373.1m	Hong Kong	29.0%	-£132.8m	-26.2%	-17.8%
Soft drinks	£331.0m	Ireland	44.7%	-£16.5m	-4.8%	-11.8%

TOP 20 MARKETS

Ireland	£2.8bn	↓ -6.2%
United States	£1.4bn	↓ -17.8%
France	£1.4bn	↓ -17.5%
Netherlands	£1.2bn	↓ -11.0%
Germany	£973.5m	↓ -11.1%
China	£516.8m	↓ -7.3%
Spain	£510.8m	↓ -33.8%
Belgium	£430.5m	↓ -19.7%
Italy	£346.8m	↓ -20.9%
Poland	£329.5m	↑ 1.9%
Australia	£321.8m	↓ -3.5%
Canada	£270.2m	↑ 5.1%
Hong Kong	£259.0m	↓ -9.0%
Singapore	£253.5m	↓ -14.8%
Denmark	£213.7m	↓ -15.0%
Norway	£198.8m	↑ 38.4%
Sweden	£198.3m	↓ -14.3%
Japan	£191.7m	↓ -17.5%
United Arab Emirates	£184.0m	↓ -18.4%
Taiwan	£169.2m	↓ -17.6%

Q3 UK FOOD AND DRINK EXPORTS OVER 10 YEARS



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THE EU AND IRELAND

- As the UK approaches the end of the transition period, the EU remains a key commercial partner with over 60% of all UK food and drink exports going to this market.
- Within the top 5 products exported to the EU, whisky suffered the most from January to September, experiencing a reduction of 19%.
- Ireland was the top destination for UK food and drink exports, making up almost 30% of overall sales in the EU, reflecting the close integration of UK and Irish food and drink supply chains.
- Over the past 10 years, Ireland's importance as a key export market continued, making up around 18% of total UK sales.
- Most of the top 10 products exported to Ireland fell in value terms, with cheese and savoury snacks the only categories to show growth.
- Maintaining these highly integrated supply chains across Great Britain, the Republic of Ireland and Northern Ireland as we leave the EU will be essential for future growth of our industry.
- [The EU Exit Food Hub](#) has been developed by a group of industry bodies to provide essential information and guidance for agri-food and drink businesses as they prepare for the end of the transition period.
- FDF regularly updates its [171 questions for the UK Government](#) on our future relationship with the EU which includes answers from Defra on exports.

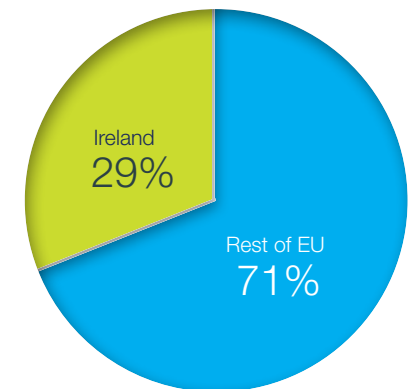
TOP 5 EXPORTS TO THE EU



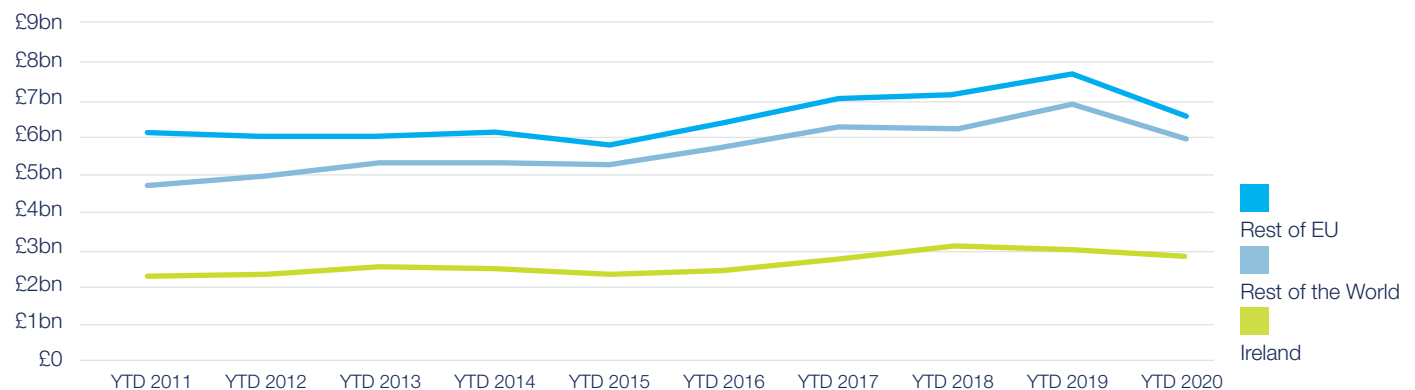
TOP 10 EXPORTS TO IRELAND

	YTD 2020	Share	Change
Milk and cream	£164.4m	79.0%	-15.2%
Chocolate	£155.1m	28.6%	-10.4%
Soft drinks	£148.0m	44.7%	-9.1%
Cheese	£132.1m	28.2%	6.2%
Savoury snacks	£114.3m	41.3%	1.4%
Beef	£112.0m	29.3%	-13.5%
Pork	£107.5m	23.7%	-7.1%
Sweet biscuits	£102.7m	35.5%	-0.7%
Breakfast cereals	£80.1m	21.0%	-4.1%
Chicken	£78.3m	28.9%	-1.8%

SHARE OF UK FOOD AND DRINK EXPORTS



UK EXPORTS OVER 10 YEARS



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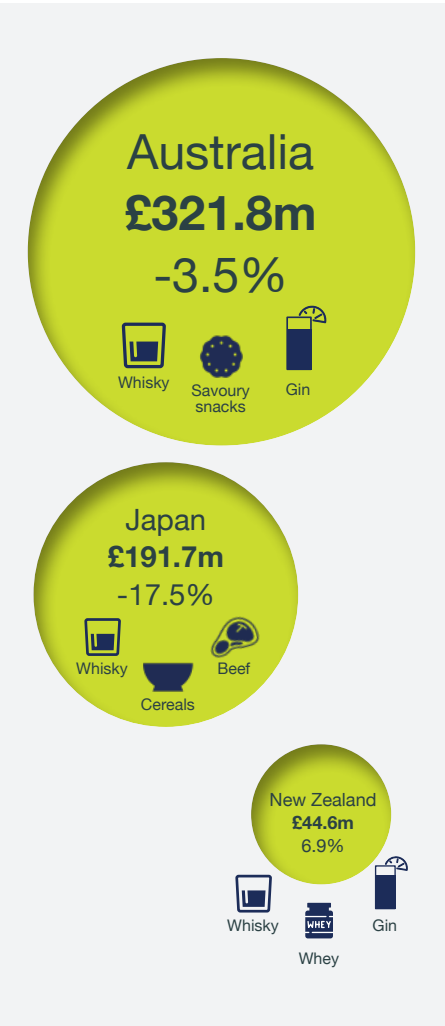
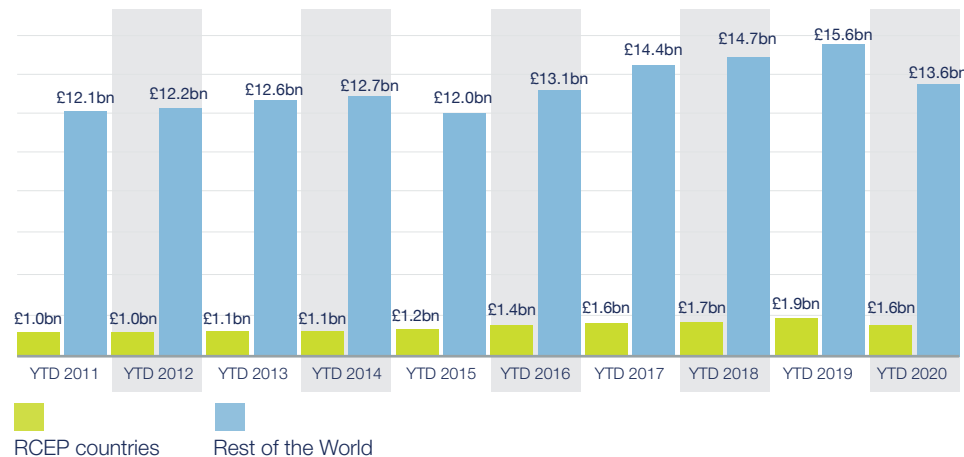
NEW TRADE AGREEMENTS

- On 15 November 2020, 15 countries in the Asia-Pacific region signed the Regional Comprehensive Economic Partnership (RCEP), representing the biggest free trade bloc in history.
- From January to September, UK food and drink exports to the RCEP trade block totalled £1.6bn, of which 34% went to Japan, Australia and New Zealand.
- Australia and Japan were both in the top 20 UK export markets, while New Zealand was our 45th market increasing by 6.9% to £44.6m YTD.
- Top products sold to these countries included whisky, gin and spirits.
- On 11 September, the UK and Japan announced the agreement of a new trade deal, ensuring continued preferential access for UK exports.
- The deal improves our existing terms of trade for some of our key products and offers significant new growth opportunities for quality UK manufacturing.
- The deal provides more generous and flexible rules of origin for key food and drink categories which will better support export growth to Japan.
- Future preferential agreements with Australia and New Zealand should aim to secure improved market access and would help level the playing field with other competitors that already benefit from preferential access with these markets.
- In-market sectoral expertise will be essential to ensure that the industry is able to take full advantage of the new agreement with Japan and any future agreements with Australia and New Zealand.

TOP 10 EXPORTS TO AUSTRALIA, NEW ZEALAND AND JAPAN

	YTD 2020	Share	Change
Whisky	£187.0m	6.9%	-9.2%
Gin	£28.6m	6.6%	27.0%
Spirits	£23.5m	10.3%	13.6%
Cereals	£23.1m	30.9%	-21.9%
Savoury snacks	£22.7m	8.2%	-7.1%
Sweet biscuits	£17.6m	6.1%	-6.9%
Chocolate	£15.7m	2.9%	-26.2%
Breakfast cereals	£12.6m	3.3%	-1.7%
Sauces and condiments	£12.5m	4.7%	24.2%
Beer	£10.8m	3.6%	-10.4%

UK EXPORTS TO RCEP



£ = YTD 2020 value of export
% = change from 2019
Top 3 products