FOODDRINK EUROPE

Data & Trends
EU Food and Drink Industry

2023 Edition

EU Food and Drink Industry Figures

Turnover

€1,112 billion

Leading manufacturing sector in the EU

Value added

2%

of EU gross value added

Consumption

21.4%

of household expenditure on food and drink products

Employment

4.6 million people

Leading employer in the EU

Number of companies

291,000

R&D expenditure

€2.1 billion

Sales within the EU Single Market

84%

of food and drink turnover

Small and medium-sized enterprises

39.1%

of food and drink turnover

57.7%

of food and drink employment

External trade

€182 billion

Exports

€110 billion

Imports

€72 billion

Trade balance

#1

Exporter of food and drinks

Sources: Eurostat; Joint Research Centre; UN COMTRADE

Contents

Introduction

The 2023 edition of the 'Data & Trends of the EU Food and Drink Industry' report offers a comprehensive picture of the structure and economics of Europe's food and drink sector, one of the largest manufacturing industries in the EU in terms of turnover, value added and employment.

The report provides in-depth analysis of the Single Market, world markets, and a global ranking of food and drink companies. Most of the data related to the structure of the food and drink sector date back to 2020-2021 and 2022 for trade figures. To grasp the latest development of the sector, refer to FoodDrinkEurope Quarterly Economic and Trade Bulletins, including bulletins on the Input Costs.

This report covers the EU-27 food and drink industry, which is identified by the NACE Rev2 codes C10 (food products) and C11 (drinks).

All figures presented here come from official sources and have been elaborated by FoodDrinkEurope.

EUROPEAN UNION

Contribution to the EU Economy

A leading manufacturing sector in terms of turnover, value added and investment

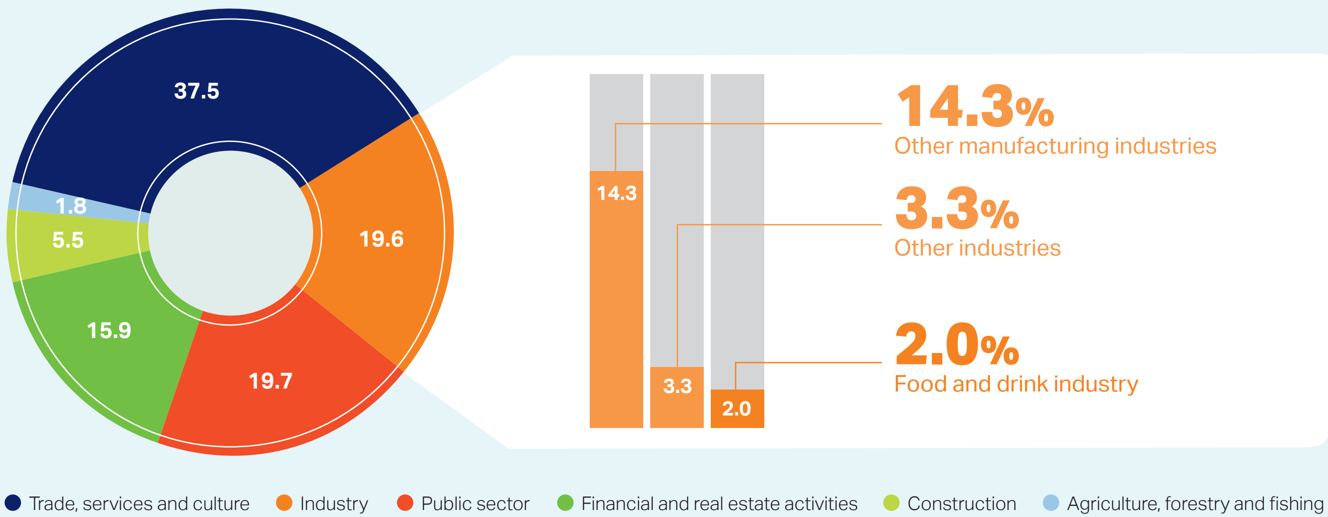
2%
Contribution of the food and drink industry to the EU gross value added (2020)

15.5%
Share of food and drink turnover in the EU manufacturing industry (2020)

12.2%
Share of food and drink value added in the EU manufacturing industry (2020)

- The food and drink industry is a prominent contributor to the European economy, alongside the automotive and machinery and equipment industries.
- In 2020, the EU food and drink industry generated a turnover of €1,112 billion and a value added of €229 billion.
- With €40.5 billion invested in 2020, the food and drink industry is the manufacturing sector with the highest capital spending.
- The industry maintains the characteristics of a stable, resilient and robust sector.

Contribution of the food and drink industry to the EU economy (2020, %)



Source: Eurostat (National accounts)

Turnover in the EU manufacturing industry (2020, %)

15.5%
Food and drink industry

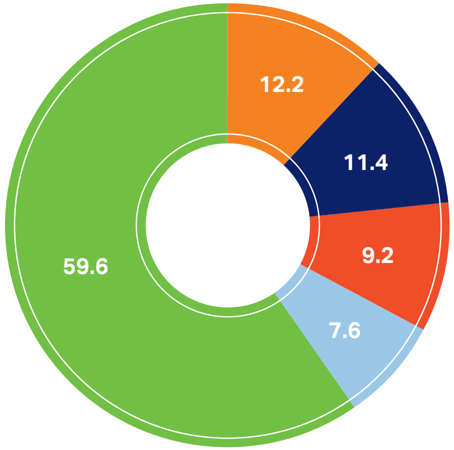
- Automotive
- Machinery and equipment
- Chemicals
- Others

Source: Eurostat (SBS)

Value added in the EU manufacturing industry (2020, %)

12.2%
Food and drink industry

- Machinery and equipment
- Automotive
- Chemicals
- Others

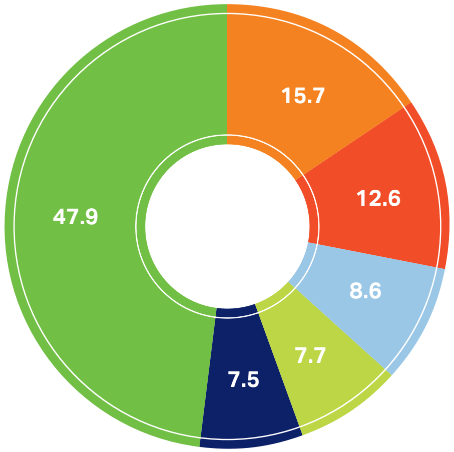


Source: Eurostat (SBS)

Investment in the EU manufacturing industry (2020, %)

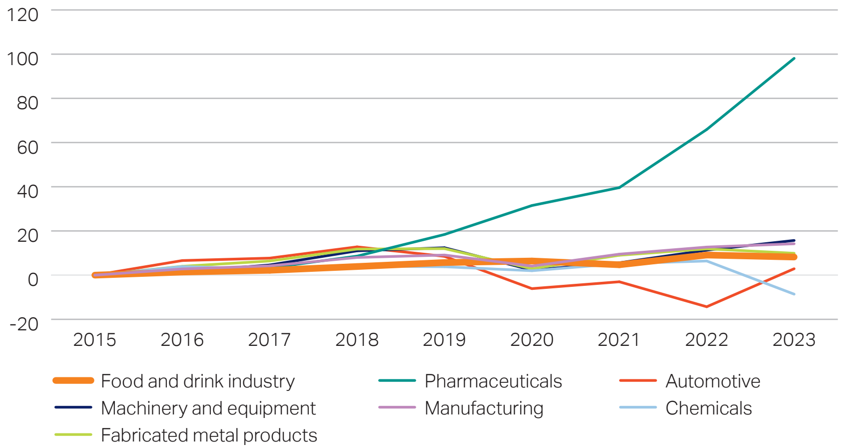
15.7%
Food and drink industry

- Automotive
- Chemicals
- Fabricated metal products
- Machinery and equipment
- Others



Source: Eurostat (SBS)

Volume of production in the EU manufacturing industry
(% change relative to the first quarter of 2015)



Source: Eurostat (STS)

Employment

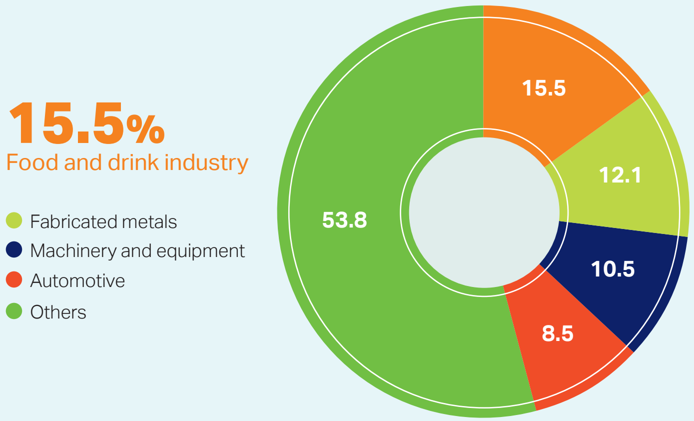
Leading employer in the EU

4.6 million
Total number of persons employed in the EU food and drink industry

€110 billion
Wages and salaries paid by the EU food and drink industry

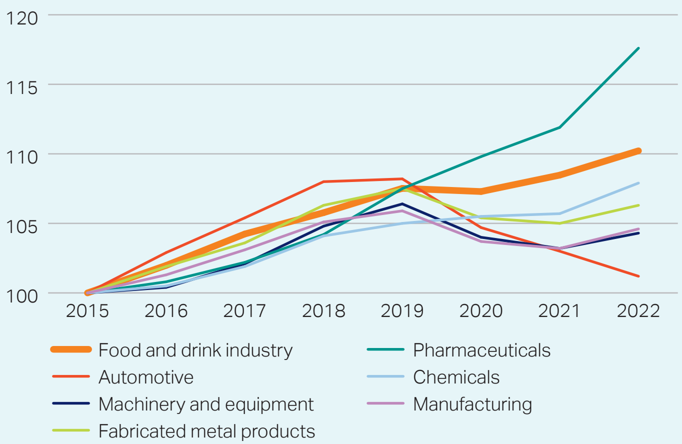
- Compared to other manufacturing sectors, the EU food and drink industry is a key job provider and a stable employer.
- Around 15% of employees in the manufacturing sector work in the food and drink industry in 2020.
- On average, labour productivity in the food and drink industry is lower than in manufacturing as a whole (52 and 69 respectively).

Employment in the EU manufacturing industry
(2020, %)



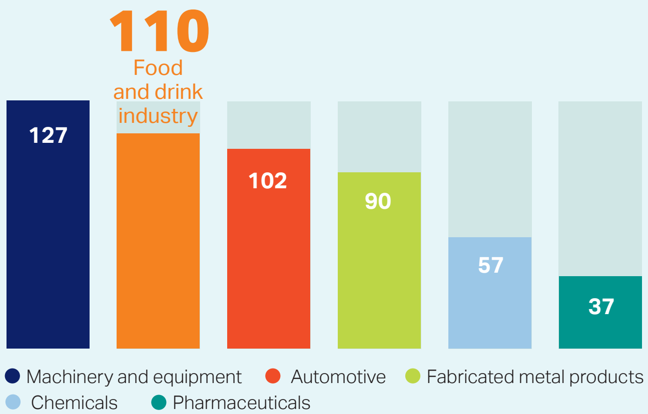
Source: Eurostat (SBS)

Employment in the EU manufacturing industry
(index, 2015=100)



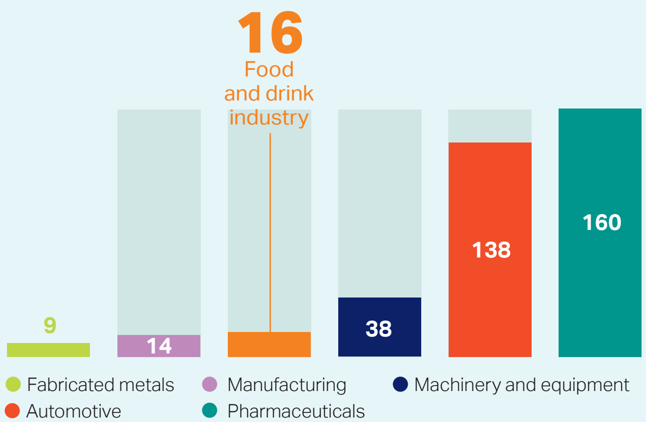
Source: Eurostat (STS)

Wages and salaries in the EU manufacturing industry
(2020, € billion)



Source: Eurostat (SBS)

Average number of persons employed per company in the EU (2020)

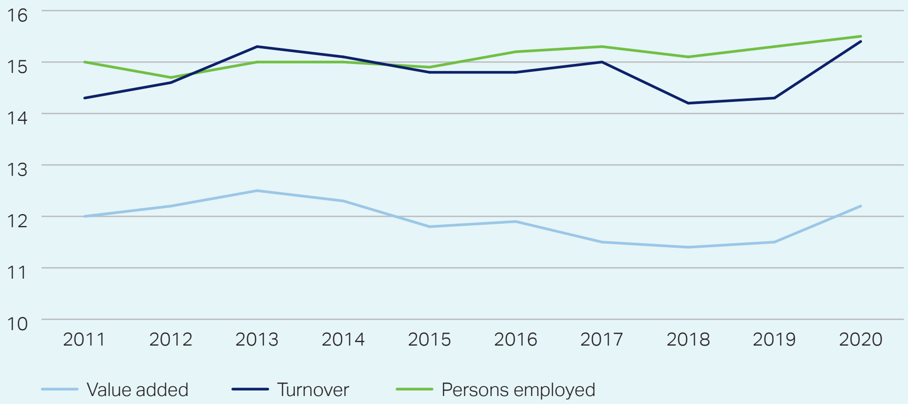


Source: Eurostat (SBS)

Trends in Turnover, Value added, Employment and Production

- From 2011-2020, the food and drink industry's share of turnover, employment, and value added in the EU manufacturing sector remained stable.
- The contribution of the food and drink industry to manufacturing employment is generally higher than its contribution to manufacturing value added, with labour productivity falling below the manufacturing industry average.
- EU food and drink industry production has a much more uniform development than manufacturing as a whole. The sharp decline in 2020 reflects the fall in demand particularly linked to the closure of food and drink services due to the COVID-19 pandemic.
- Employment in the food sector is quite stable with an upward trend in the previous years, whereas the drink sector's employment follows the manufacturing trend.

Share of food and drink industry's turnover, value added and employment in the manufacturing industry, 2011-2020 (%)

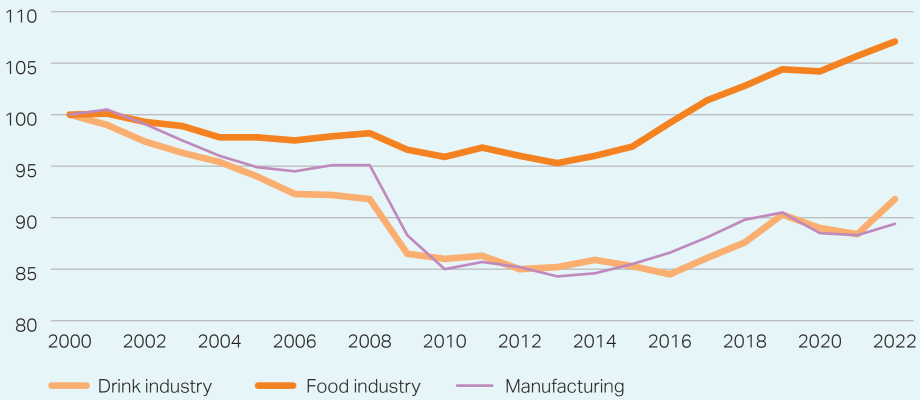


Source: Eurostat (SBS) and estimates

Volume of production in the food and drink industry and manufacturing industry (index, 2000 = 100)

Source: Eurostat (STS)

Employment in the food, drink, and manufacturing industry (index, 2000 = 100)



Source: Eurostat (STS)

Sectors at EU Level

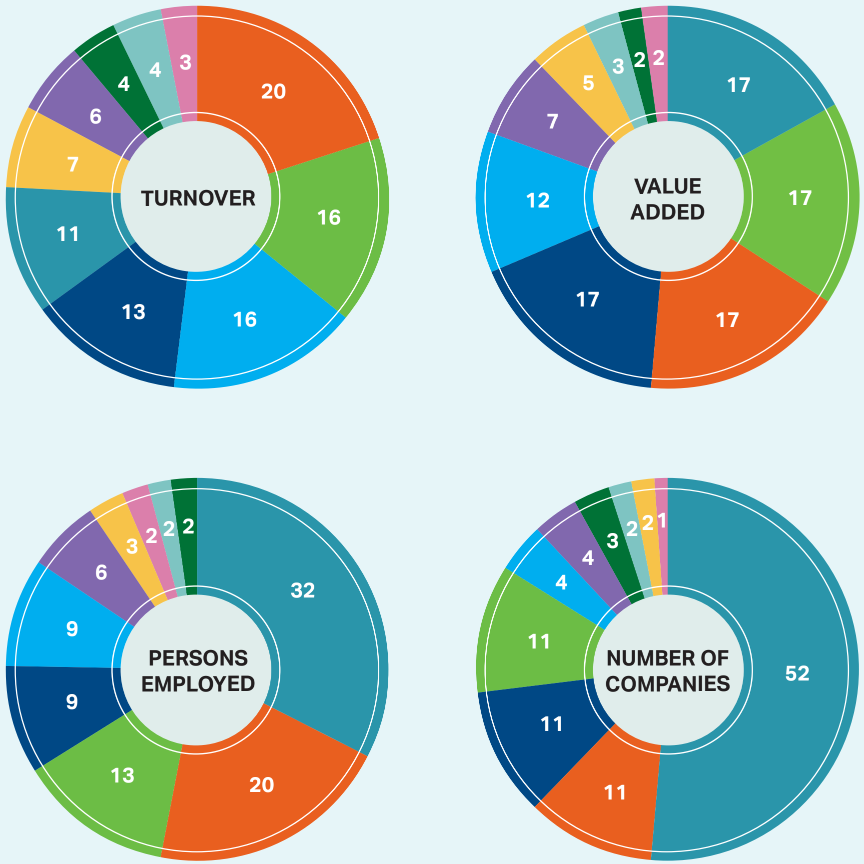
Offering a wide variety of food and drinks to consumers

20%
Share of the food and drink industry's turnover attributed to the meat sector

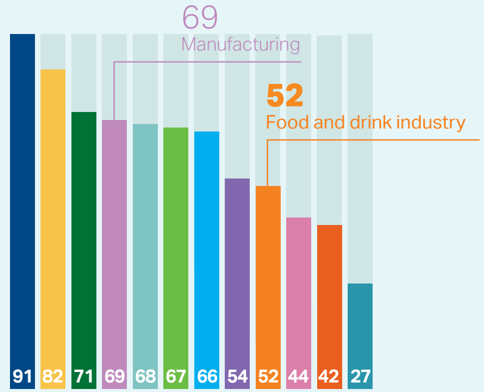
32%
Share of the food and drink industry's employment attributed to the bakery and farinaceous sector

- The EU food and drink industry is diverse, with a variety of sectors ranging from fruit and vegetable processing to dairy production and drinks.
- The top 5 sub-sectors (bakery and farinaceous products, meat products, dairy products, drinks and the "various food products" category) represent three quarters of the total turnover and 89% of the total number of companies.
- Labour productivity varies by sub-sector. Drinks and animal feeds register the highest value in the food and drink sector.

Turnover, value added, persons employed and number of companies in food and drink industry sectors (2020, %)



Labour productivity
(2020, €1,000/person)



- Meat products
- Various food products
- Dairy products
- Drinks
- Bakery and farinaceous products
- Animal feeds
- Processed fruits and vegetables
- Oils and fats
- Grain mill and starch products
- Fish products

Source: Eurostat (SBS)

Small and Medium-sized Enterprises

Small scale, big impact

€436 billion
Turnover

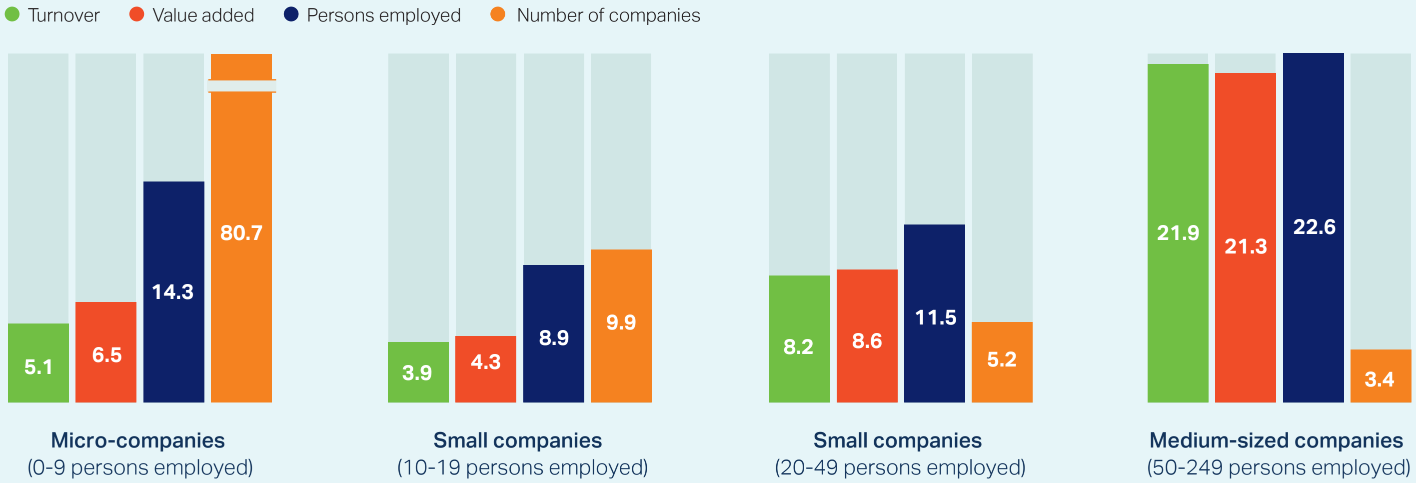
€92 billion
Value added

2.6 million
Persons employed

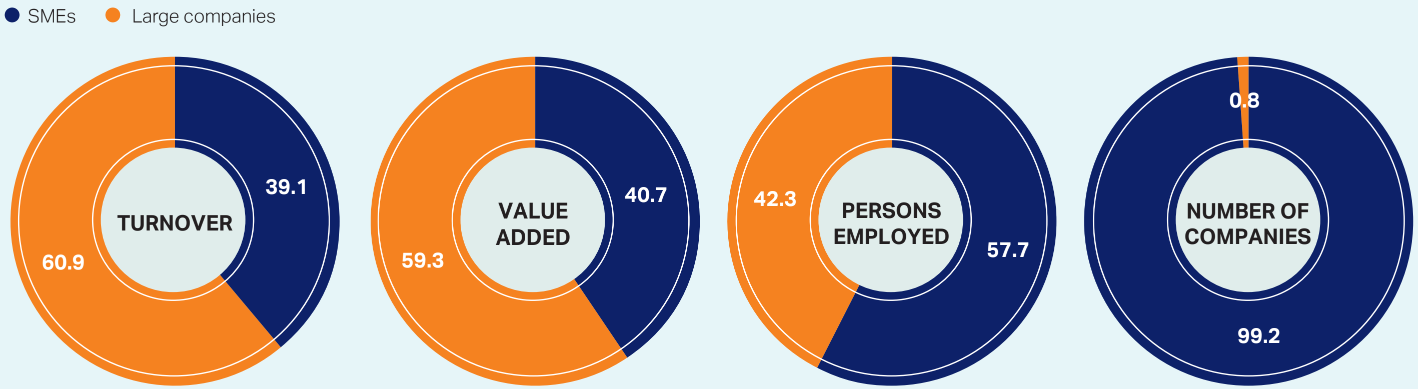
99.2%
of food and drink companies

- The food and drink industry is a highly diversified sector with many companies of different sizes.
- SMEs generate 39.1% and 40.7% of the food and drink industry turnover and value added respectively and provide more than half of jobs in the sector.
- The food and drink industry accounts for nearly 290,000 SMEs.

SMEs in the food and drink industry (2020, % by company size)



Contribution of SMEs and large companies to the EU food and drink industry (2020, %)



Source: Eurostat (SBS)

The National Picture

A key industry in the economies of the EU Member States

#1 employer

The food and drink industry is the biggest employer in manufacturing in numerous Member States

62%

Share of turnover of the EU's 4 largest food and drink producers

- The food and drink industry ranks among the top three manufacturing industries in terms of turnover and employment in most Member States.
- France, Germany, Italy and Spain are the largest EU food and drink producers by turnover.

Food and drink industry data by Member State[1] (2021)

	Employment ranking in manufacturing	Turnover (€ billion)	Value added (€ billion)	Number of employees (1,000)	Number of companies
Austria	-	23	-	67	805
Belgium[2]	1	75.6	9.1	95.5	4,201
Bulgaria	1	7.5	1.4	89.6	5,897
Croatia	1	5.8	7.3	50.2	2,700
Czech Republic	4	17.7	3.9	117	12,228
Denmark	1	26.7	3.8	57.6	1,596
Estonia	2	2.3	-	14.8	815
Finland	3	11.5	2.9	39.5	2,513
France[3]	1	227.9	50.3	643.7	56,968
Germany[3]	4	186	-	638.8	6,152
Greece[4]	1	16	3.4	131	15,907
Hungary	2	16.7	3.5	75.9	3,841
Ireland[5]	-	29.5	9.1	51	1,799
Italy	2	155	29.2	472	56,600
Luxembourg[6]	-	0.9	0.3	5.4	142
Netherlands	1	81.6	15.8	147	8,435
Poland	-	69.7	11.4	392.7	17,586
Portugal	1	18.1	3.4	109.7	11,166
Romania	2	15.2	7.9	173	10,617
Slovakia	3	3.6	1	52.9	4,891
Slovenia	4	2.4	0.7	14.9	789
Spain	1	145	29.7	454.8	30,159
Sweden	4	20.7	4.7	49	5,236

[1] As published by FoodDrinkEurope National Federations
[2] Value added includes tobacco; number of companies excludes self-employed and companies with no employee
[3] Data for companies with more than 20 employees
[4] All data from 2020; small food and drink producers and family businesses included in the number of companies
[5] All data from Eurostat
[6] All data from 2020
No data available for Cyprus, Latvia, Lithuania and Malta

Food Supply Chain

Diverse economic operators with specific business models

6.1%

Share of the food supply chain in EU gross value added

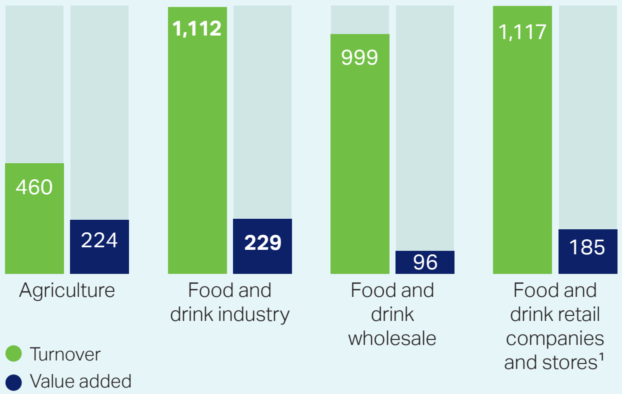
10.8%

Share of the food supply chain in EU employment

- The food supply chain employs 20.7 million people.
- The total turnover amounts to €3.7 trillion and the value added to €734 billion.
- The EU extensive food supply chain, from agriculture and the input industry to food and drink services, employs 28.7 million workers.

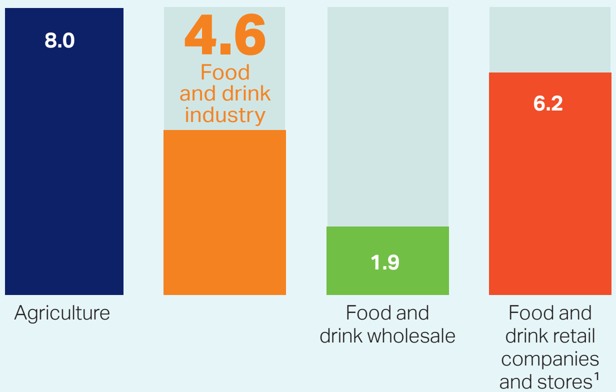
1 Specialised and non-specialised stores with food and drinks predominating
2 2017 data for fertilisers industry

Turnover and value added in the EU food supply chain
(2020, € billion)

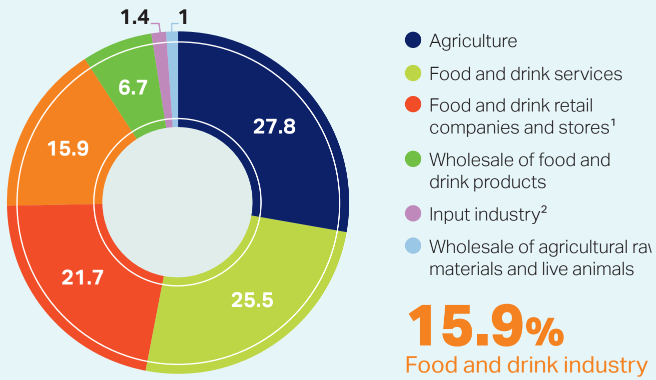


Number of companies in the EU food supply chain
(2020, 1,000 units)

Persons employed in the EU food supply chain
(2020, million)



Employment in the extensive EU food supply chain
(2020, %)



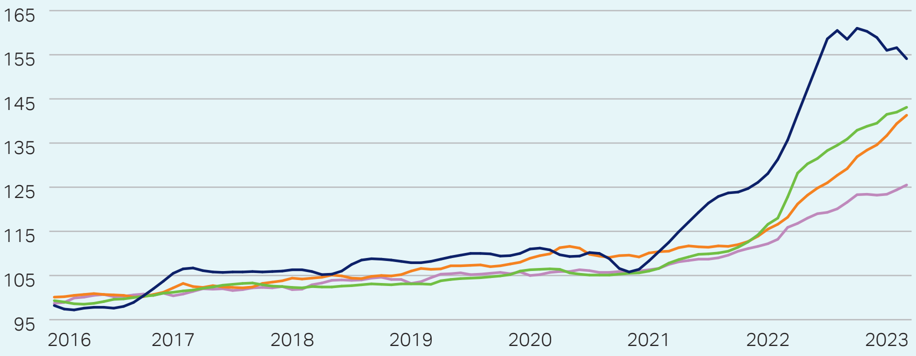
Source: Eurostat (Agriculture, National Accounts, SBS)

Prices and Input Costs in the EU Food Supply Chain

Improved outlook driven by declining energy inflation and input prices

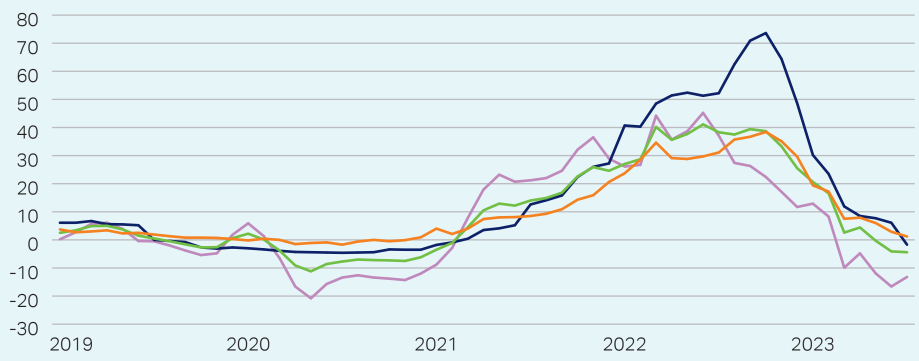
- In January 2023, prices in the EU food supply chain were significantly up compared to the same month in 2022: agricultural prices (+22%), food manufacturing prices (+21%), general inflation (+10%) and food consumer prices (+18%).
- Energy annual inflation stood at 21% in January 2023. The sub-components such as gas reached 30%, ahead of other energy sources - electricity +19% and fuel (including petrol, diesel, liquid fuels and other fuels) at +13% - followed by lower rates in subsequent months.
- Packaging prices increased over the same period. Wooden containers +7%, pulp, paper and paperboard +19%, primary plastics +2%, plastic packaging +10% and light metal packaging +17% - and trended downward for most categories in the period January-June 2023.

Price developments in the EU food supply chain
(index, 2015 = 100)



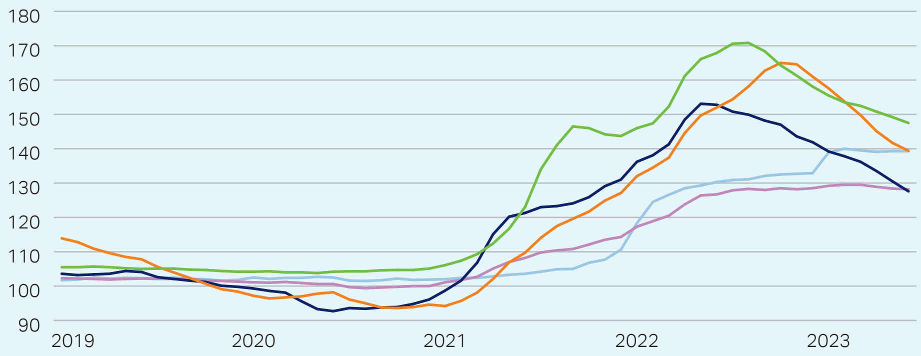
Source: Eurostat (Prices); DG Agriculture and Rural Development

Evolution of energy prices in the EU, January 2019 - June 2023
(% annual rate of change)



Source: Eurostat

Producer prices for different types of packaging, January 2019 - June 2023
(index, 2015=100)



Source: Eurostat (STS)

Financing gap and investment in the EU agri-food sector

Unmet financing demand from economically viable agri-food SMEs

€5.5 billion
SMEs financing gap

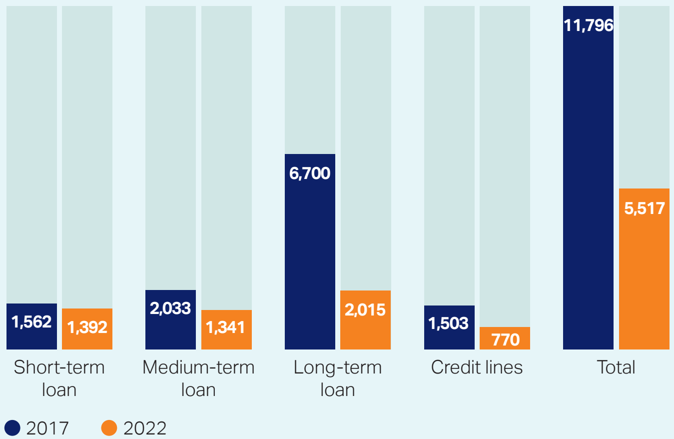
- In 2022, there was a €5.5 billion financing gap for EU-24 agri-food enterprises. Out of this financing gap, €4 billion or 73%, correspond to small enterprises. 27% of medium-sized enterprises experienced difficulties in accessing finance.
- The financing gap was 53% lower than in 2017. It declined more for small companies (-59%) than for medium-sized ones (-25%). The decrease is mostly driven by lower demand for long-term loans (-70%) with reduced average loan size, followed by credit lines (-49%).
- The conditions for access to finance are disparate within the EU. In 2022, the highest gaps were in France (€860 million), Germany (€824 million) and Italy (€779.9 million). Conversely, the lowest gaps were in Estonia (€6.2 million) and Croatia (€15 million).
- In 2022, the financing gap for agri-food SMEs which intended to invest for green purposes accounted for €1.3 billion, 24% of the total. Increasing energy efficiency was the number one target for green investment.

Financing gap by enterprise size and financial product
(2022, € million)

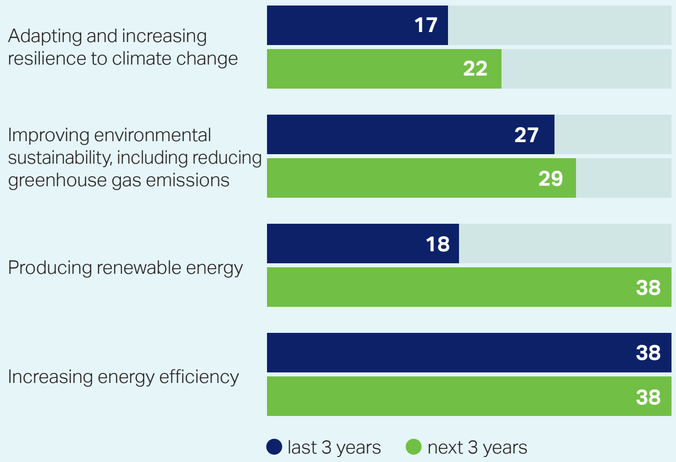
	Total	Short-term loan	Medium-term loan	Long-term loan	Credit lines
Small	4,029	805	908	1,880	435
Medium	1,489	587	432	134	335
Total	**5,517**	**1,392**	**1,341**	**2,015**	**770**

Note: short-term loans (less than 18 months); medium-term loans (between 18 months and 5 years); long-term loans (above 5 years); credit lines (bank and credit card overdraft)

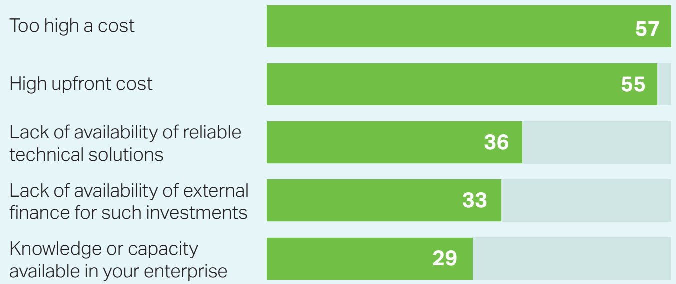
Financing gap by financial product
(€ million)



Frequency of green investment by categories
(2022, %)



Main obstacles to green investments
(2022, %)



Note : 'Other' 5% ; 'don't know' : 4% ; None 7%

Source: fi-compass, 2023, Survey on financial needs and access to finance of EU agri-food enterprises (24 EU Member States)

Bioeconomy

The food and drink industry: a driver of the bioeconomy

4.7%

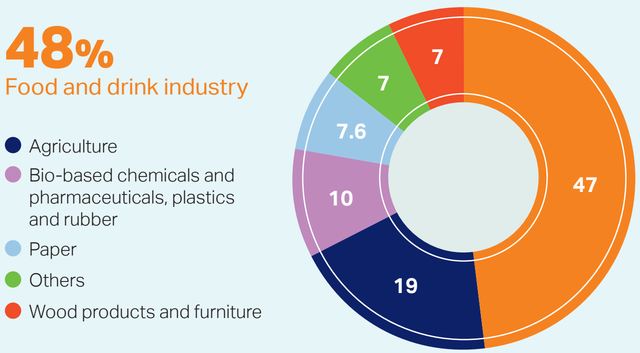
Contribution of the bioeconomy to the EU gross value added

8.3%

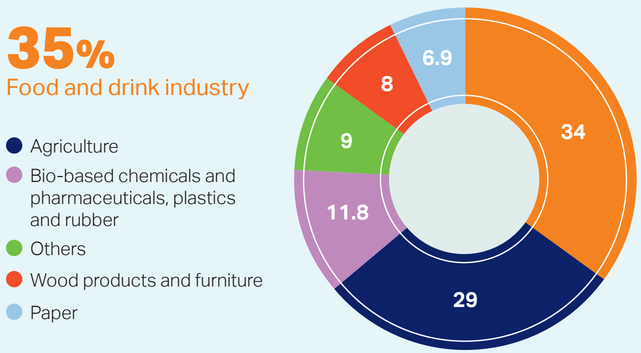
Share of the bioeconomy in European labour force

- The EU bioeconomy generated a turnover of €2.3 trillion and a value added of €665 billion in 2020. The food and drink industry contributes to roughly half and one-third respectively.
- In 2020, the bioeconomy employed 17.2 million people in the EU, of which more than a quarter was in the food and drink industry.
- During the last decade, the value added of the EU bioeconomy and the value added of the food and drink industry contribution have been steadily increasing.

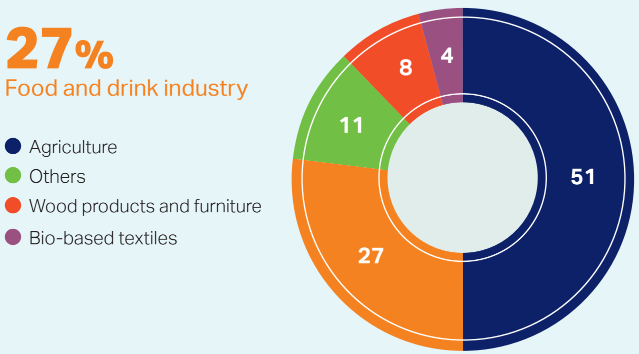
Turnover in the EU bioeconomy (2020, %)



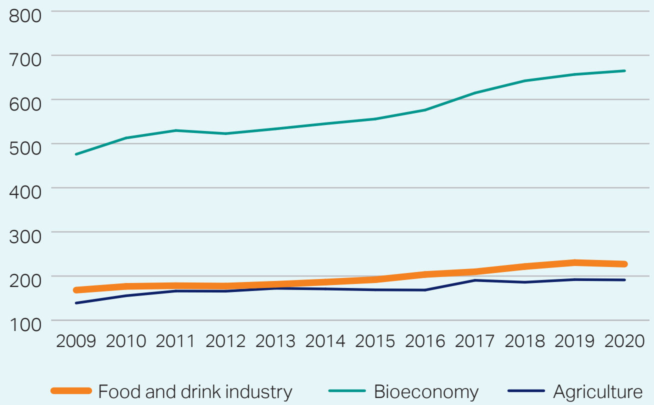
Value added in the EU bioeconomy (2020, %)



Employment in the EU bioeconomy (2020, %)



Value added of EU bioeconomy (billion €)



Source: Joint Research Centre

Sustainability

Delivering more sustainable food systems

5th

Rank of the food and drink industry[1] in terms of GHG emission in manufacturing

- The EU food and drink industry emits 85Mt CO_2e per year (2015). Most of these emissions are associated with energy use. From the electricity grid, 62% of energy use is consumed as heat and 38% as power.
- Around 58 million tonnes of food were lost or wasted in the EU in 2021, which corresponds to 16% of the total GHG impact resulting from the EU food system.
- In the EU, 40% of plastic packaging waste was recycled in 2021, 7 percentage points more than in 2010. Spain, Italy and Slovenia lead the way, with over half of the packaging waste recycled, closely followed by Belgium, the Netherlands and Germany.
- Almost 10% of the EU's utilised agricultural area was managed under organic farming in 2021.

[1] Including tobacco industry
[2] Based on available data

The EU food and drink industry emits

85Mt CO_2e
Per year

It represents

11% of the emissions of the food supply chain

Source: Decarbonisation road map for the European food and drink manufacturing sector, Ricardo, July 2021

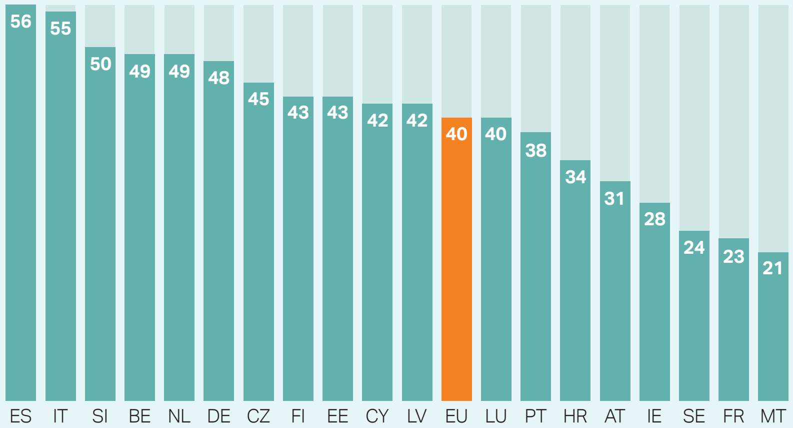
Food waste in the EU

58 million tonnes
or 131kg per inhabitant was wasted in 2021

Estimated costs:
€132 billion
Corresponds to 16% of the total GHG impact resulting from the EU food system

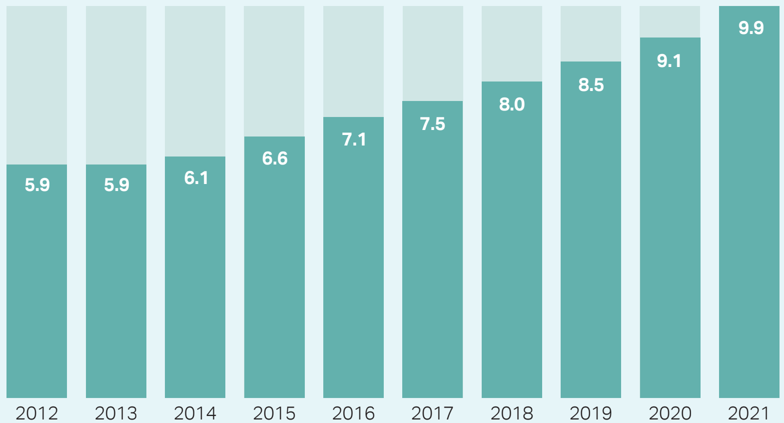
Source: Eurostat, European Commission

Recycling rate of plastic packaging waste by Member State (2021, %)[1]



Source: Eurostat

Agricultural area under organic farming in the EU
(% of total utilised agricultural area)



Source: European Environment Agency

Consumption

Food and drinks[1]: the second largest household expenditure

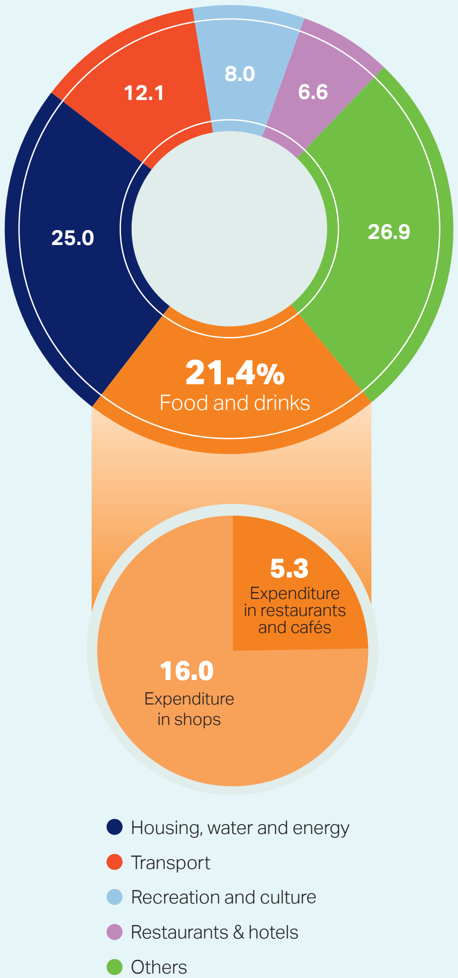
€1,551bn
EU household expenditure on food and drinks

21.4%
Average share of EU household expenditure on food and drinks

- In 2021, EU consumers spent €1,551 billion, or 21.4% of their budget, on food and drinks, either purchased in shops or consumed in restaurants and cafés.
- Out-of-home consumption represents less than a quarter of consumer spending on food and drink products.
- Across Member States, the share of overall household expenditure on food and drink products varied from 16% to 30% (11% to 27% when considering only food and drinks purchased in shops).

[1] Either purchased in shops or consumed in restaurants and cafés

Breakdown of EU household consumption expenditure (2021, % of total expenditure)



Source: Eurostat (National Accounts)

Household consumption expenditure on food and drinks by Member State (2021, % of total expenditure)

Source: Eurostat (National Accounts)

Trade within the EU Single Market

The first market for EU food and drinks

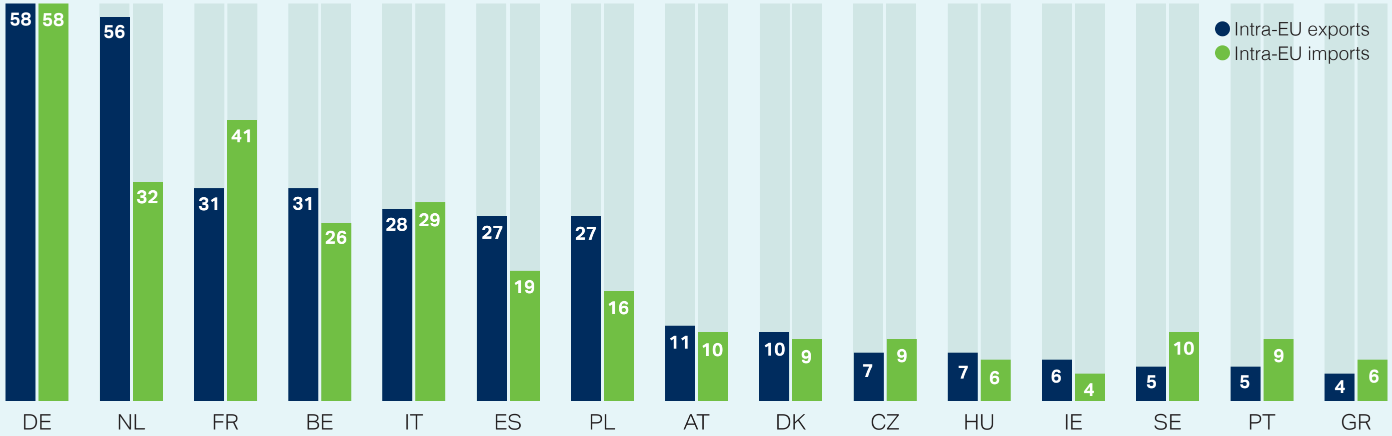
€331 billion
Intra-EU exports

€182 billion
Extra-EU exports

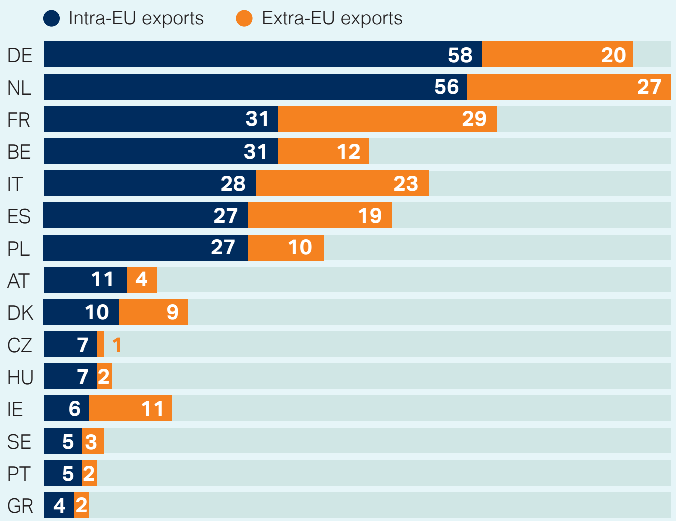
€513 billion
Total EU exports

- More than 60% of EU food and drink exports are destined for the Single Market.
- Germany is the EU Member State with the highest value of intra-EU trade in food and drinks.
- Except for drinks, the exports of most sectors to the Single Market exceed those to third countries.

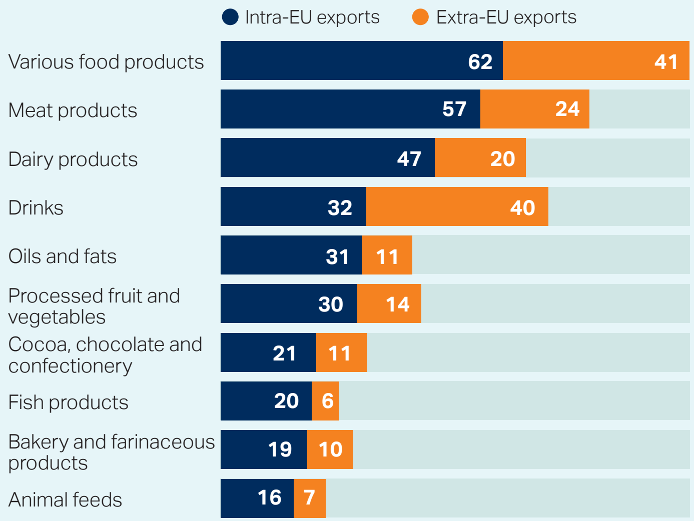
Intra-EU food and drink trade for the top 15 exporters (2022, € billion)



Intra and extra-EU food and drink exports for the top 15 intra-EU exporters (2022, € billion)



Intra and extra-EU food and drink exports of main sectors (2022, € billion)



Source: Eurostat (Comext)

WORLD MARKETS[1]

Trade Figures

International trade: creating new market opportunities and facilitating diversification

€182 billion Exports

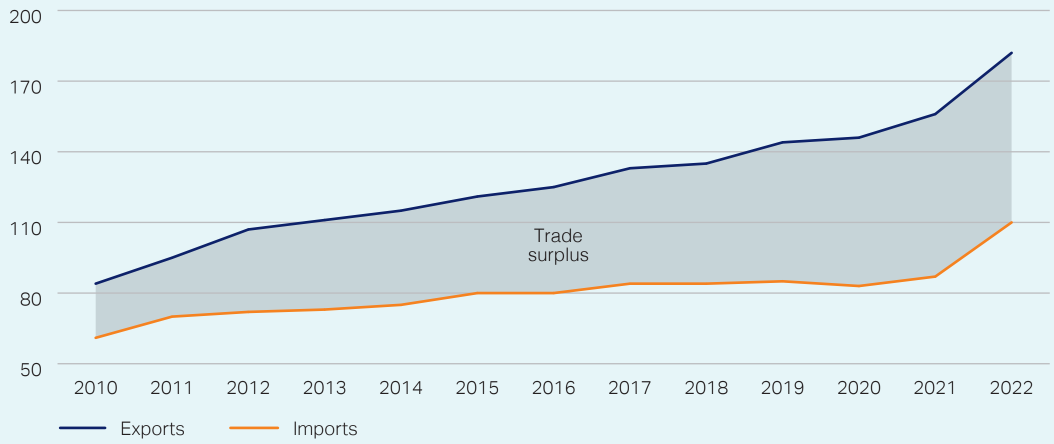
€110 billion Imports

€72 billion Trade balance

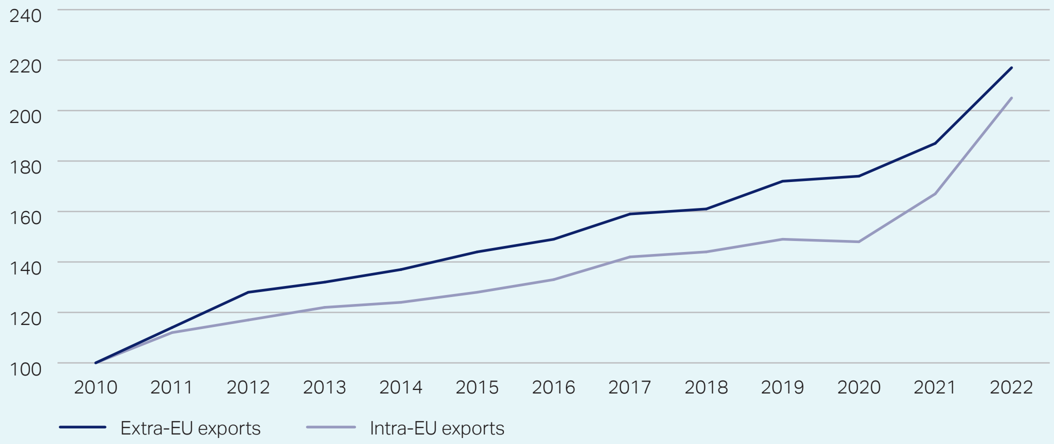
- More than a third of EU total food and drink exports were sold to non-EU markets. During the 2013-2022 period, intra-EU exports increased on average by 7% per year and extra-EU exports by 6% per year.
- EU food and drink exports increased for the 12th consecutive year (+16% compared to 2021), representing 7% of total EU goods exports. Imports amounted to €110 billion (+26% compared to 2021). This makes the EU a net exporter with a trade balance of €72 billion.
- Export growth to most of the EU's top markets was positive (2021-2022 period), except for China and Russia. Double-digit import growth was registered for most top sourcing markets.
- USMCA countries (US, Canada, Mexico) remain by far the EU's largest trading partner by region, followed by the Greater China region.

[1] Exports and imports refer to extra-EU trade, unless otherwise specified

Evolution of extra-EU food and drink trade (€ billion)

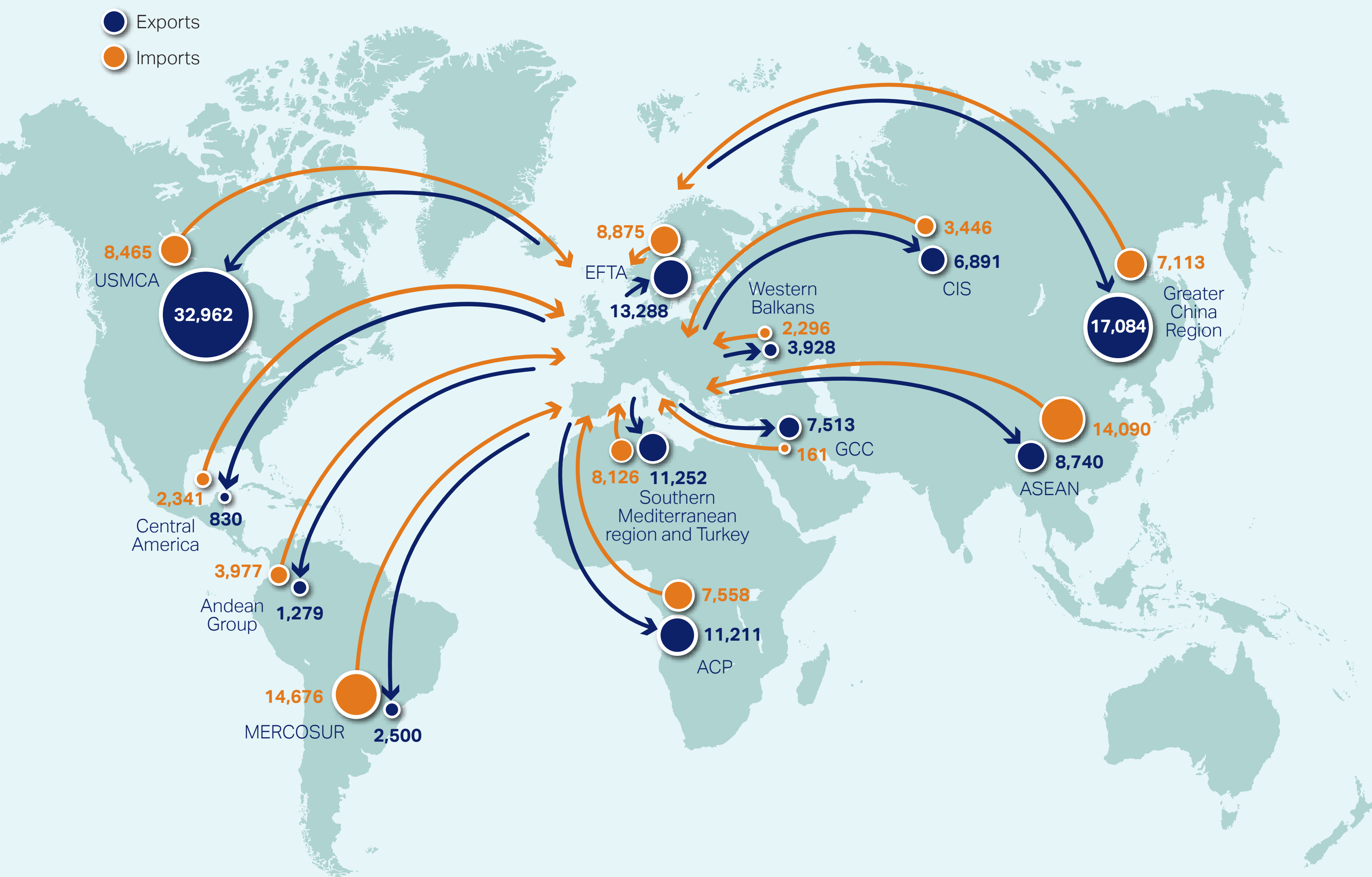


Evolution of extra and intra-EU exports (index, 2010=100)



Source: Eurostat (Comext)

EU food and drink trade flows with key regions (2022, € million)



Top EU trading partners

Export markets

	2022 € million	% change 2021-2022
UK	39,002	▲17
US	26,932	▲19
China	13,955	▼7
Switzerland	8,080	▲13
Japan	6,675	▲24
Russia	5,020	▼4
Norway	4,700	▲13
Canada	4,364	▲16
South Korea	4,272	▲23
Australia	3,717	▲16

Import origins

	2022 € million	% change 2021-2022
UK	13,222	▲23
Brazil	7,403	▲44
China	6,847	▲42
US	6,547	▲21
Argentina	6,464	▲28
Ukraine	5,127	▲42
Switzerland	4,605	▲6
Turkey	4,176	▲14
Indonesia	4,110	▲12
India	3,046	▲29

Source: Eurostat (Comext)

Trade Figures by Sector

International trade success backed by strong EU food and drink sectors

46%

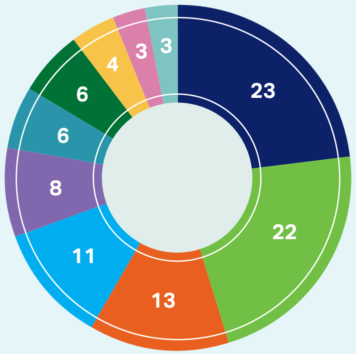
Combined export market share of the drinks, meat and dairy sectors

59%

Combined import market share of oils and fats, fish products, and processed fruits and vegetables sectors

- Sectors with the highest growth in exports: oils and fats, processed fruits and vegetables, bakery and farinaceous products.
- Sectors with the highest growth in imports: dairy products, meat products, grain mill and starch products.
- The combined exports of the EU drinks, meat, and dairy sectors totalled €84.5 billion in 2022. The "various food products" category, which includes goods like chocolate, biscuits, confectionery and food preparations, generated exports worth €41.4 billion.

Sectors in EU food and drink exports
(2022, %)



Source: Eurostat (Comext)

Exports and imports by sector
(2022, € million)

	Exports 2022 € million	Exports % change 2021-2022	Imports 2022 € million	Imports % change 2021-2022
Drinks	40,106	12	8,868	25
of which: wine	17,722	10	1,790	11
spirits	9,744	16	4,415	34
beer	3,970	4	805	27
mineral waters and soft drinks	6,564	15	1,709	17
Various food products	41,392	21	16,988	19
of which: chocolate and confectionery	11,480	14	4,361	10
prepared meals and dishes	6,738	21	1,694	19
processed tea and coffee	3,871	22	2,917	10
Meat products	24,220	3	8,486	41
Dairy products	20,223	19	2,754	42
Processed fruits and vegetables	14,028	23	16,156	20
Oils and fats	11,322	32	26,284	33
Bakery and farinaceous products	10,477	22	1,899	20
Animal feeds	7,448	15	2,842	27
Fish products	6,240	21	22,412	23
Grain mill and starch products	5,794	22	3,721	38

Trade Figures by Product

Providing high-quality, value-added food and drinks worldwide

>100

EU food and drink product categories exported

>200

Export markets

- Wine and spirits remain the EU's key exports by product, with a value exceeding €17 billion and €9 billion respectively in 2022.
- On the export side, double-digit growth was registered for most top product categories, except pork meat which declined by 12%.
- On the import side, double-digit growth was recorded for all top product categories and in particular sunflower oil which increased by 71%.

Top 10 EU food and drink exports and imports by destination and origin (2022)

Exports

	€ million	% change 2021-2022	Top 3 destinations
Wine	17,721	10	US, UK, Switzerland
Spirits	9,744	16	US, China, UK
Animal feeds, pet foods	9,682	17	UK, Norway, US
Food preparations, not specified	9,585	19	UK, US, China
Infant food and other preparations	9,012	27	China, UK, Saudi Arabia
Bread, pastries and biscuits	8,585	19	UK, US, Switzerland
Pork meat fresh, chilled and frozen	8,060	-12	China, Japan, Korea
Cheese	7,726	17	UK, US, Japan
Chocolate	7,256	13	UK, US, Russia
Waters and soft drinks	5,671	15	UK, US, Switzerland

Imports

	€ million	% change 2021-2022	Top 3 origins
Palm oil	6,375	21	Indonesia, Malaysia, Guatemala
Fish fillets	6,131	25	Norway, China, Iceland
Spirits	4,415	34	UK, US, Mexico
Sunflower seed oil, safflower or cotton-seed oil	3,290	71	Ukraine, Moldova, Russia
Food preparations, not specified	3,218	11	UK, US, China
Prepared or preserved fish	3,092	22	Ecuador, Morocco, Papua New Guinea
Frozen fish	2,461	24	Russia, Norway, US
Coconut oil	2,350	47	Philippines, Malaysia, Indonesia
Beef meat fresh, chilled and frozen	2,322	44	Argentina, UK, Brazil
Perpared or preserved fruits and nuts	2,241	16	Turkey, China, Thailand

Source: Eurostat (Comext)

EU Position in Global Food and Drink Trade

A leading player on the world stage

#1

Exporter of food and drinks

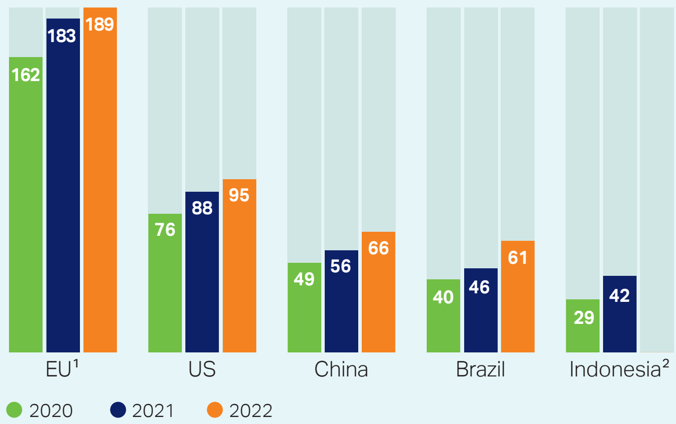
#2

Importer of food and drinks

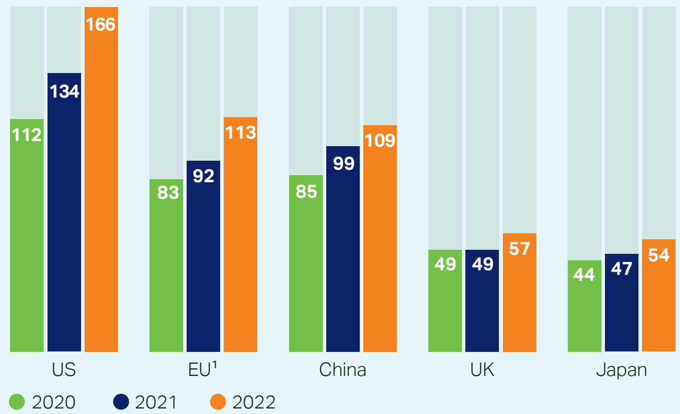
- The EU is the world's largest exporter of food and drinks, ahead of the US, China, Brazil.
- The EU ranks in second place in terms of imports from the rest of the world, after the US and ahead of China, the UK and Japan.
- The EU share in total food and drinks imported by selected third countries showed a mixed five-year performance (2018-2022 period). Brazil (+0.7%), Australia (+0.5%), South Korea (+0.1%), Canada (-0.4%), Switzerland (-0.8%), Japan (-0.8%), US (-2.9%), Norway (-3.7%), UK (-5.9%), China (-7.4%).

[1] Takes into account the change in Member State composition of the EU
[2] No data for Indonesia, year 2022
[3] No data for Russia, year 2022

Main global exporters of food and drink products ($ billion)

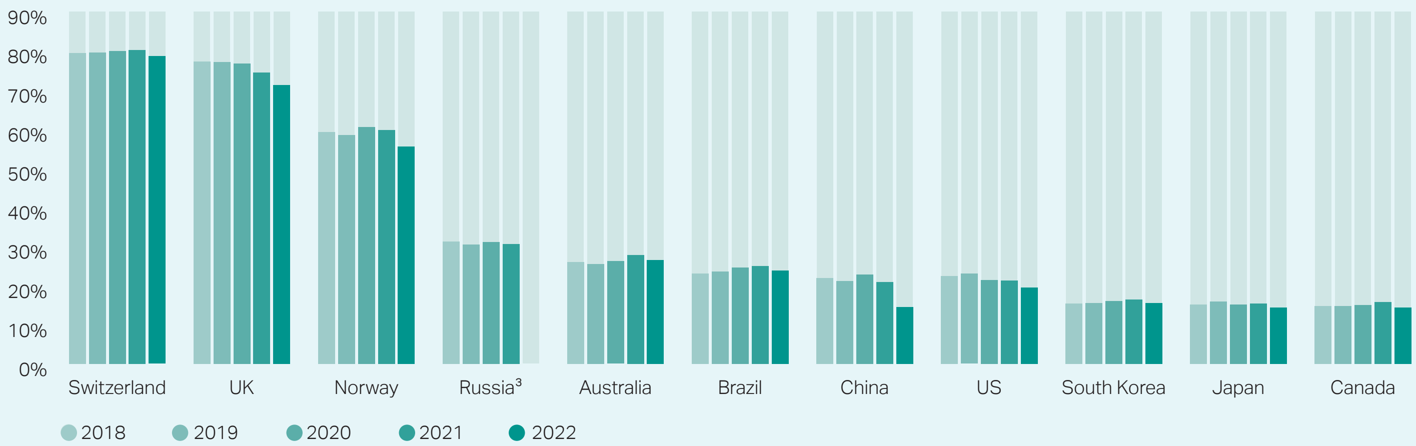


Main global importers of food and drink products ($ billion)



Source: UN COMTRADE

EU products in total food and drink imports of selected countries (2018-2022, %)



EU-UK Trade

Major trading partners with closely integrated supply chains

€39 billion
Exports

€13.2 billion
Imports

€25.8 billion
Trade balance

- EU exports of food and drinks to the UK amounted to €39 billion in 2022. The UK ranks first in terms of export market, ahead of the US (€26.9 billion) and China (€13.9 billion).
- Among the EU Member States, Ireland has by far the strongest trade link with the UK. 31.7% of Ireland's food and drink exports are destined for the UK and close to 42% of its imports come from the UK.
- Wine is the EU's most prominent product exported to the UK, while distilled spirits lead by far the imports of food and drinks from the UK.

Key Member State exporters of food and drinks to the UK (2022)

Member State	Exports to UK (€ billion)	Share of Member States' total exports[1] (%)	Rank of UK as export destination
Netherlands	6.4	7.7	4
Ireland	5.3	31.7	1
France	5.2	8.6	4
Belgium	4.6	10.8	4
Germany	4.1	5.2	6
Italy	3.9	7.6	4
Poland	3.1	8.6	2
Spain	2.4	5.2	6
Denmark	1.3	7.0	4
Greece	0.4	7.0	4

[1] Intra and extra-EU exports

EU exports to the UK by sector (2022, %)

Top EU-UK food and drink exports and imports (2022, € million)

Product	Exports	Imports	Trade Balance
Wine	3,329	111	3,219
Bread, pastry and biscuits	3,058	734	2,324
Cheese	2,154	539	1,616
Chocolate	2,011	570	1,442
Animal feed, petfoods	2,007	868	1,139
Prepared and preserved meat	1,835	167	1,668
Offal, poultry meat	1,794	206	1,588
Food preparations	1,436	789	647
Bovine meat fresh, chilled and frozen	1,429	488	941
Waters and soft drinks	1,420	399	1,020
Prepared and preserved vegetables	1,008	48	960
Malt extract, other food preparations	833	198	634
Sauce, condiments	832	335	498
Pork meat fresh, chilled and frozen	806	147	658
Spirits	788	2,505	-1,717
Sausages	780	23	757
Pasta	773	47	726
Fat, meat smoked	680	37	644
Fruit and vegetable juices	623	25	597
Sugar confectionery	564	153	411

Source: Eurostat (Comext)

Innovation and Consumer Trends

Innovation key to greater consumer choice

Pleasure

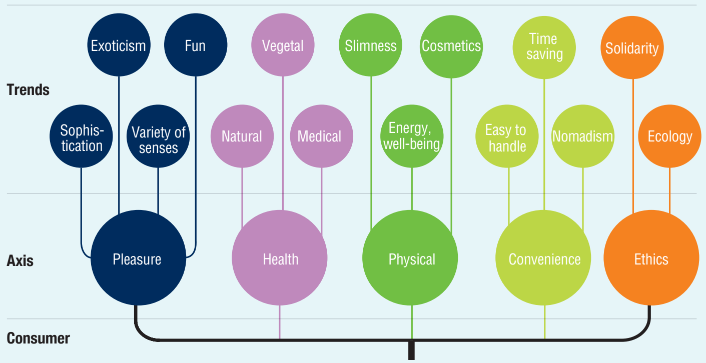
Leading driver of food innovation in Europe

#1

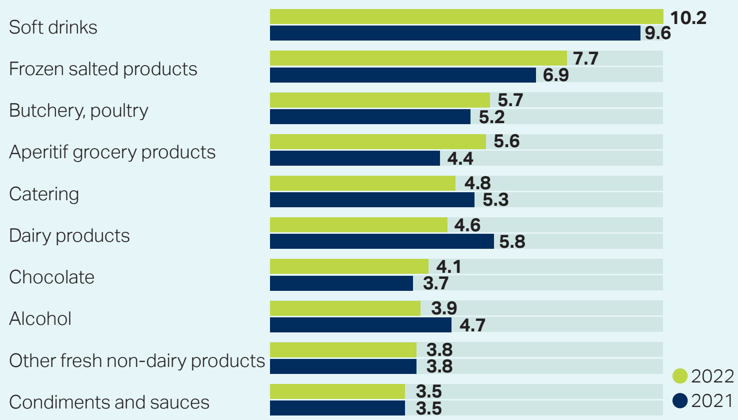
Soft drinks are the world's most innovative food sector

- Drivers of innovation can be divided into 15 trends, grouped along five axes, corresponding to general consumer expectations: pleasure, health, physical, convenience, and ethics.
- Pleasure remains the leading driver of food innovation with a 48.8% relative share of the innovative offering in 2022.
- Even if the weight of the health axis decreases slightly, it remains the second strongest axis.
- In 2021, the soft drinks category remains the most dynamic in terms of innovations. The butchery, poultry category moved up to the 3rd position while the dairy product category fell to 6th position in 2022.

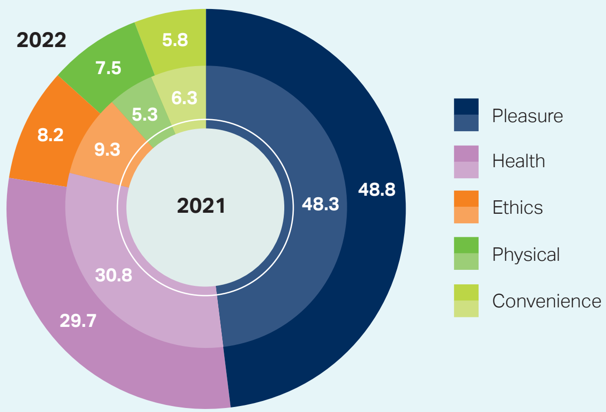
Food innovation trends



The world's 10 most innovative food sectors (%)

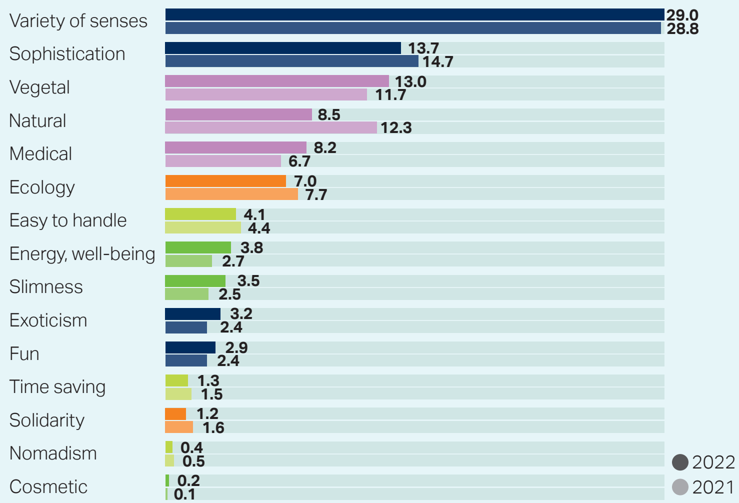


Drivers of innovation in Europe (%)



Source: World Food Innovation Barometer by ProtéinesXTC

Food innovation trends in Europe (%)



Global Trends in R&D

Sustained levels of R&D investment

0.22%

EU[1] R&D private investment intensity

- Out of the world's top 2,500 companies for R&D private investment, 53 operate in the food and drink industry. Together, these companies invested €10.3 billion in R&D in 2021, €2.1 billion of which was invested by 10 food and drink companies based in the EU.
- These 10 EU companies are located in the Netherlands (3), France and Germany (2), Belgium, Denmark and Ireland (1).
- The EU[1] food and drink industry[2] has a lower R&D investment intensity when compared with several food and drink industries worldwide.
- Across EU Member States[1], R&D investment intensity varies from 0.52% to 0.02%.

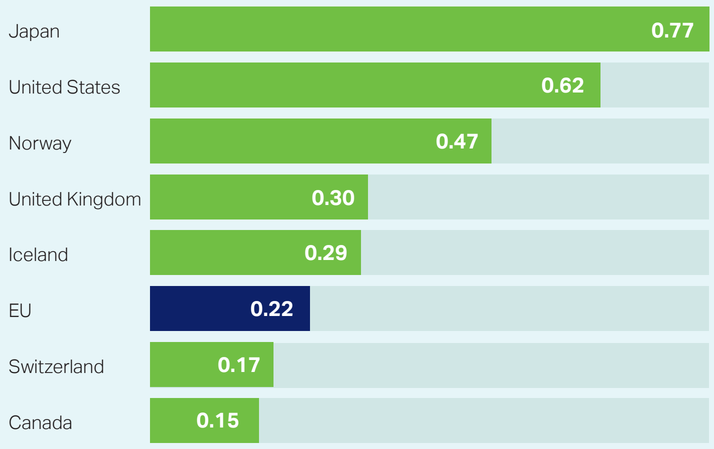
[1] Based on available data
[2] Including tobacco

R&D private investment of food and drink companies listed in the world's top 2,500 companies by R&D (2021)

	R&D investment (€ billion)	R&D investment (% of total)	Number of companies
TOTAL	**10.4**	**100**	**53**
EU	**2.1**	**19.9**	**10**
US	1.9	18.8	11
Switzerland	1.9	18.3	2
Japan	1.9	18.2	11
China	1.3	12.1	13
UK	1.0	9.8	4
Norway	0.2	1.7	1
New Zealand	0.1	1.1	1

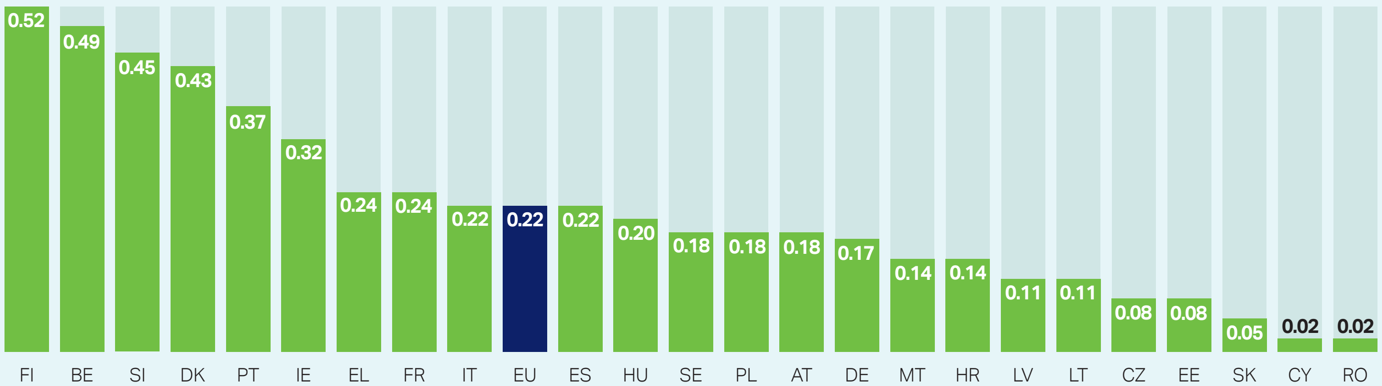
Source: Joint Research Centre

R&D private investment of the food and drink industry[2] (Average 2018-2020, % of output)



Source: Eurostat (BERD, National Accounts), OECD (ANBERD, STAN)

R&D private investment of the food and drink industry[1,2] by Member State (Average 2018-2020, % of output)



Source: Eurostat (BERD, National Accounts), OECD (ANBERD, STAN)

Food Future

Availability of resources and sustainable production

9.7 billion

Global population in 2050

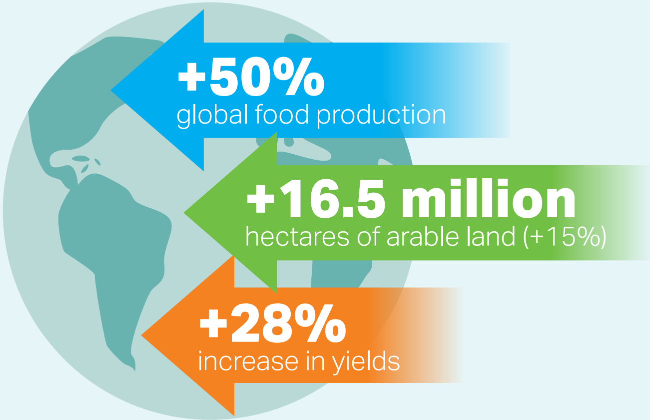
50%

Increase in global food production by 2050[1]

- Population and income growth will continue to drive food demand. Meeting the additional demand will depend on the availability of resources and capacity to boost sustainable production.
- In 2021, 3.1 billion people could not afford a healthy diet. Women and people living in rural areas were particularly affected.
- The cost of a healthy diet increased globally by 6.7% between 2019 and 2021, with a single-year increase of 4.3% in 2021.
- Land degradation affects cropland, grassland and forests. Decreasing freshwater availability, higher population density, intense fire and deforestation leads to the loss of environmental and ecosystems services.
- Food production is responsible for 26% of global greenhouse gas emissions, out of which 82% come from agricultural activities.

[1] Under business as usual scenario, base year, 2012=100

Meeting global demand for food by 2050[1]



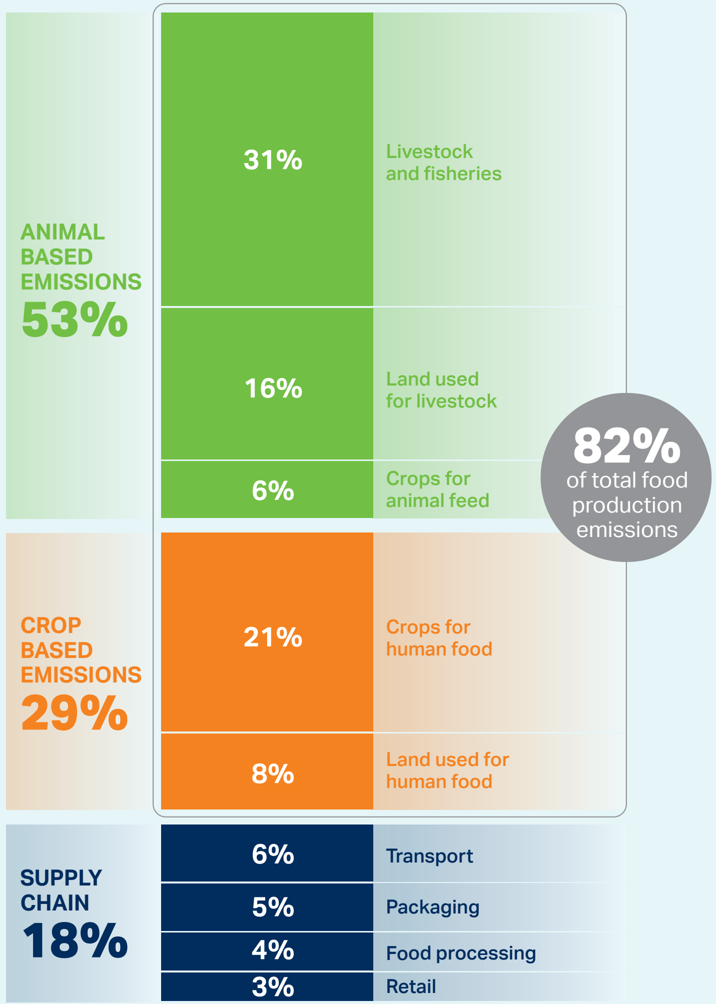
Source: FAO

Productive land at risk from land degradation (2015)

Land cover	Total area (million ha)	Area at risk (million ha)	Area at risk (%)
Cropland	1,527	472	31
Rainfed	1,212	322	27
Irrigated	315	151	48
Grassland	1,910	660	35
Forest land	4,335	1,112	26

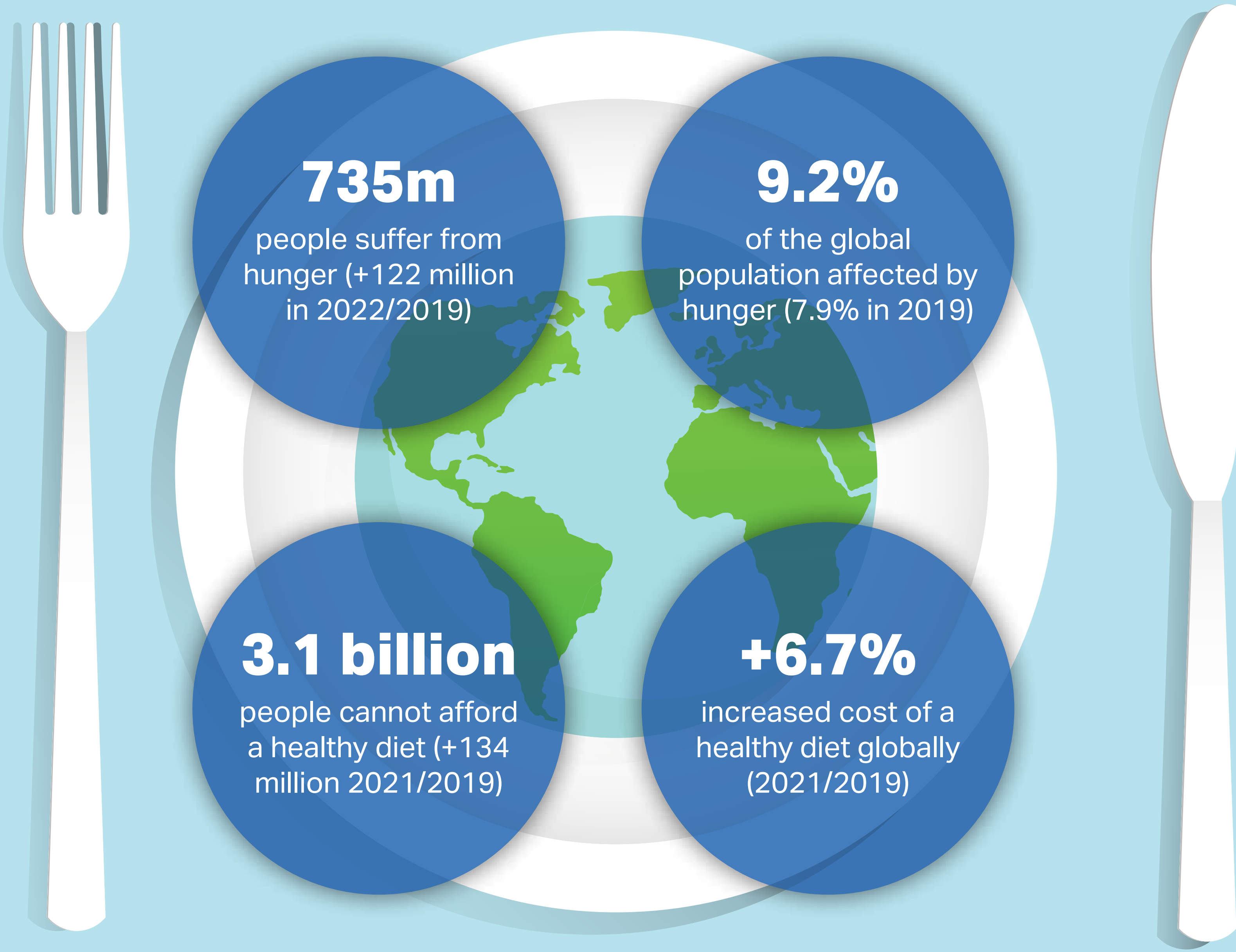
Note: The term degradation refers to high pressure from anthropogenic drivers. All other declines in biophysical status are defined as deterioration
Source: Coppus, forthcoming
Source: The state of the world's land and water resources for food and agriculture (SOLAW 2021)

Global greenhouse gas emissions from food production



Source: European Court of Auditors, 2021

Global food and nutrition security challenge



Source: The State of Food Security and Nutrition in the World 2023, FAO

Key Food and Drink Companies

Ranking of agri-food companies with operations in Europe[1], by global agri-food sales[2]

Name	Headquarters	Sales (€ billion)[3]	Main sectors
Cargill	US	169.5	multi-product
Archer Daniels Midland Company	US	96.1	multi-product
Nestlé	CH	95	multi-product
PepsiCo, Inc.	US	81.8	beverages, snacks
JBS	BR	68.5	meat, dairy
Bunge	US	63.6	multi-product
AB InBev	BE	54.7	beer
Olam Group Limited	SG	52	multi-product
Tyson Foods	US	50.4	meat
Mars	US	42.6	prepared foods, confectionery, pet food
The Coca-Cola Company	US	40.7	beverages
Heineken	NL	34.7	beer
Mondelēz International	US	29.8	confectionery, snacks, dairy
Lactalis	FR	28.3	dairy
Danone	FR	27.7	dairy, plant-based, water, baby & medical nutrition
WH Group	CN	26.6	meat
KraftHeinz	US	25.1	multi-product
Unilever	NL/UK	21.8	multi-product
Diageo	UK	19.6	alcoholic beverages
Suntory	JP	19.4	(alcoholic) beverages and foods
General Mills	US	19.2	prepared foods
Grupo Bimbo	MX	18.8	bakery
Asahi Group	JP	18.3	(alcoholic) beverages and foods
Fonterra	NZ	14.4	dairy
Kellogg Company	US	14.3	prepared foods, snacks, cereals
FrieslandCampina	NL	14.1	dairy
Ferrero	LU	14	confectionery

Name	Headquarters	Sales (€ billion)[3]	Main sectors
Arla Foods	DK	13.8	dairy
Keurig Dr Pepper Inc.	US	13.3	hot and cold beverages
Pernod Ricard	FR	12.1	alcoholic beverages
Molson Coors	US	12.1	beer
Associated British Foods	UK	11	sugar, starch, prepared foods
BRF	BR	9.8	meat
Carlsberg	DK	9.4	beer
Kerry Group	IE	8.8	multi-product
Danish Crown	DK	8.6	meat
Kirin Holdings	JP	8.5	alcoholic and non-alcoholic beverages
DSM	NL	8.4	multi-product
JDE Peet's	NL	8.2	coffee, tea
Südzucker	DE	8.1	sugar, multi-product
Barry Callebaut	CH	7.8	chocolate, cocoa
McCain Foods	CD	7.5	frozen potato products and potato specialties, appetizers and snacks
LVMH	FR	7.1	wines, spirits
Savencia	FR	6.6	dairy
IFF	US	5.8	nutrition & biosciences
Oetker Group	DE	5.8	multi-product
Glanbia	IE	5.6	nutrition, ingredients, dairy
Roquette	FR	5	ingredients
Nomad Foods	UK	2.9	frozen food products
Bonduelle	FR	2.4	prepared and frozen vegetables
Tate & Lyle	UK	2	ingredients
Ülker	TY	1.7	confectionery
The GB Foods	SP	1.4	multi-product

[1] Operations in Europe refer to the presence of processing plants in one or more Member States
[2] Based on the most recent complete fiscal year
[3] Figures have been converted to Euro with ECB bilateral annual exchange rates series, but only figures in the original currency are relevant

Glossary

Abbreviation of world regions

ACP
African, Caribbean and Pacific countries

Andean Group
Bolivia, Colombia, Ecuador and Peru

ASEAN (Association of Southeast Asian Nations)
Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

Central America
Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua

CIS (Commonwealth of Independent States)
Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

EFTA (European Free Trade Area)
Iceland, Liechtenstein, Norway and Switzerland

EU
EU refers to EU-27, unless otherwise specified

GCC (Gulf Cooperation Council)
Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

Greater China region
China, Hong Kong, Macau and Taiwan

Mercosur
Argentina, Brazil, Paraguay and Uruguay

Southern Mediterranean region and Turkey
Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey

USMCA countries
US, Mexico, and Canada

Western Balkans
Albania, Bosnia-Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia

Gross value added (GVA)
The gross value added is the value of goods and services produced by a sector minus the cost of the raw materials and other inputs used to produce them. GVA measures the contribution to the economy of each individual sector.

Investment
Investment is defined as investment during the reference period in all tangible goods. Investments in intangible and financial assets are excluded.

Labour productivity
Labour productivity provides a measure of the efficiency of the workforce to produce goods and services. Labour productivity is calculated as the gross value added (GVA) divided by persons employed.

Persons employed
The number of persons employed includes the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams).

Small and medium-sized enterprises (SMEs)
For Eurostat's Structural Business Statistics database: micro = less than 10; small = 10 to 49; medium-sized = 50 to 249; large = more than 250 persons employed. The SBS size-class data are solely based on the definition relating to the number of persons employed and not to the turnover level.

Value added
The value added at factor costs is the gross income from operating activities after adjusting for operating subsidies and indirect taxes.

Wages and salaries
Wages and salaries are defined as the total remuneration, in cash or in kind, payable to all persons counted on the payroll (including homeworkers), in return for work done during the accounting period regardless of whether it is paid on the basis of working time, output or piecework and whether it is paid regularly or not.

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