

TRADE SNAPSHOT

Q1 2021

EXECUTIVE SUMMARY

- The ongoing impacts of the COVID-19 pandemic, and the change in trading relationship with the EU, led to a 28% fall in UK food and drink exports in Q1 2021 when compared to 2020, and a 36% fall when compared with pre-COVID Q1 2019 figures.
- Exports to the EU fell by 47% compared to Q1 2020, whereas food and drink industry sales to non-EU countries were up by 0.3% in Q1 2021.
- For the first time in the FDF's reporting, exports to non-EU markets exceeded those to the EU, making up 55% of all UK food and drink exports.
- Exports to the Republic of Ireland, traditionally the sector's biggest export market, were down 71% at just £281m, compared to £961m in Q1 2020.

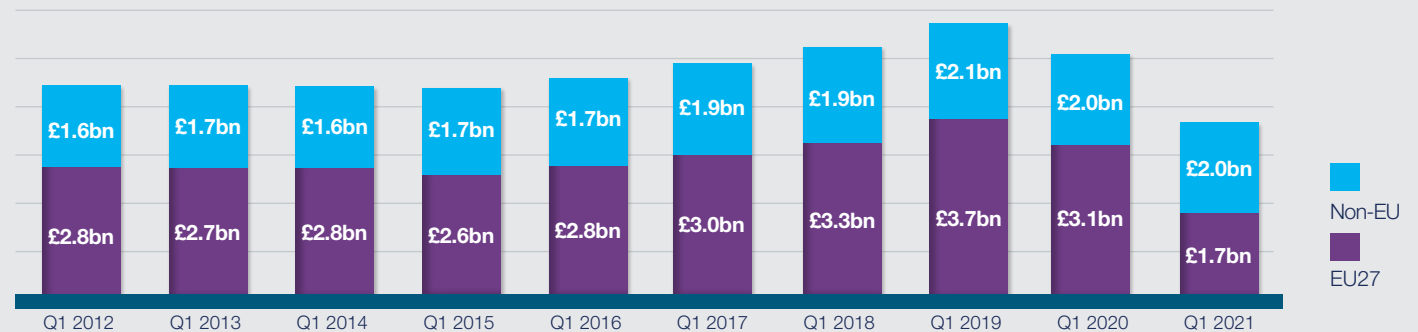
KEY INDICATORS					
	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
All partners	£5.8bn	£5.1bn	£3.7bn	-36.5%	-28.1%
EU	£3.7bn	£3.1bn	£1.7bn	-55.1%	-46.6%
Non-EU	£2.1bn	£2.0bn	£2.0bn	-4.0%	0.3%
EU share	63.5%	60.5%	44.9%	-18.6 pp	-15.6 pp
Non-EU share	36.5%	39.5%	55.1%	18.6 pp	15.6 pp
Trade balance*	-£6.6bn	-£6.3bn	-£6.6bn	0.5%	4.8%

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

TOP 10 PRODUCTS					
	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
Whisky	£1,139.9m	£945.2m	£933.7m	-18.1%	-1.2%
Chocolate	£196.0m	£169.8m	£162.8m	-17.0%	-4.1%
Pork	£121.3m	£150.0m	£127.9m	5.4%	-14.8%
Salmon	£191.5m	£164.4m	£118.8m	-37.9%	-27.7%
Wine	£181.2m	£115.3m	£107.6m	-40.6%	-6.7%
Breakfast cereals	£128.3m	£118.1m	£100.1m	-37.9%	-27.7%
Gin	£162.7m	£136.1m	£97.7m	-39.9%	-28.2%
Beer	£121.0m	£100.2m	£89.3m	-26.2%	-10.9%
Extracts	£116.1m	£99.3m	£83.1m	-28.5%	-16.3%
Lamb and mutton	£90.5m	£94.3m	£81.0m	-10.4%	-14.0%

TOP 20 MARKETS			
	Q1 2021	Change 2019-2021	Change 2020-2021
United States	£405.3m	-22.3%	-18.3%
France	£377.8m	-36.2%	-17.2%
Ireland	£280.8m	-72.7%	-70.8%
Netherlands	£279.6m	-41.6%	-24.3%
China	£202.1m	23.4%	28.2%
Germany	£148.7m	-63.9%	-54.9%
Singapore	£106.0m	15.8%	-1.5%
Belgium	£105.2m	-46.3%	-31.7%
Australia	£97.5m	-2.1%	6.8%
Hong Kong	£83.3m	-9.8%	3.7%
Canada	£80.4m	5.3%	-5.6%
Poland	£78.4m	-26.4%	-19.0%
UAE	£72.4m	-2.8%	-9.1%
Spain	£70.5m	-69.0%	-62.9%
Japan	£64.8m	-15.4%	6.2%
Saudi Arabia	£64.7m	22.0%	28.9%
Norway	£56.3m	33.6%	-4.6%
Sweden	£55.4m	-43.4%	-21.0%
Denmark	£47.2m	-50.9%	-39.9%
Italy	£46.8m	-68.6%	-61.0%

Q1 UK FOOD AND DRINK EXPORTS OVER 10 YEARS



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EU EXPORTS

- Exports to the EU in Q1 2021 were less than half the amount exported pre-COVID in 2019, a loss of more than £2bn of sales.
- Exports to nearly all EU Member States fell significantly. Sales to Ireland were down by more than two thirds, while sales to Germany, Spain and Italy declined by more than half since Q1 2020.
- Dairy products have been most badly impacted. Exports of milk and cream to the EU were down by more than 90%, and exports of cheese down by two thirds since Q1 2020.
- The official export data produced by HMRC excludes intra-company transfers of goods, so in practice the value of products that moves into the EU is higher.

TOP 10 PRODUCTS EXPORTED TO THE EU BY VALUE

	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
Whisky	£378.9m	£290.2m	£256.5m	-32.3%	-11.6%
Chocolate	£157.3m	£125.3m	£99.3m	-36.9%	-20.8%
Lamb and mutton	£87.4m	£90.0m	£74.8m	-14.3%	-16.8%
Salmon	£90.0m	£80.8m	£72.2m	-19.7%	-10.7%
Sauces & condiments	£79.1m	£69.2m	£49.2m	-37.8%	-28.9%
Breakfast cereals	£83.3m	£76.6m	£48.0m	-42.4%	-37.4%
Extracts	£75.9m	£65.9m	£45.3m	-40.2%	-31.2%
Fish	£91.2m	£83.2m	£44.0m	-51.7%	-47.1%
Cheese	£151.0m	£129.8m	£42.8m	-71.7%	-67.1%
Savoury snacks	£68.3m	£69.0m	£41.2m	-39.0%	-40.4%

TOP 10 PRODUCTS EXPORTED TO THE EU BY VOLUME

	Q1 2019 (000's)	Q1 2020 (000's)	Q1 2021 (000's)	Change 2019-2021	Change 2020-2021
Barley	341.7t	190.7t	128.1t	-62.5%	-32.9%
Jams and spreads	10.1t	10.3t	87.5t	770.0%	752.3%
Chicken	78.6t	94.9t	37.7t	-52.1%	-60.3%
Animal & vegetable oils	23.2t	25.9t	31.6t	36.3%	22.3%
Soft drinks	123.2kl	99.8kl	29.5kl	-76.1%	-70.5%
Beer	80.5kl	49.0kl	29.0kl	-64.0%	-40.9%
Potatoes	88.6t	72.2t	26.7t	-69.9%	-63.0%
Whisky	37.0klpa	29.3klpa	26.0klpa	-29.6%	-11.1%
Chocolate	39.2t	31.7t	25.2t	-35.6%	-20.5%
Fish	54.1t	58.0t	18.6t	-65.7%	-68.0%

TOP 20 MARKETS

	Q1 2021	Change	
		2019-2021	2020-2021
EU27	£1.7bn	-55.1%	-46.6%
France	£377.8m	-36.2%	-17.2%
Ireland	£280.8m	-72.7%	-70.8%
Netherlands	£279.6m	-41.6%	-24.3%
Germany	£148.7m	-63.9%	-54.9%
Belgium	£105.2m	-46.3%	-31.7%
Poland	£78.4m	-26.4%	-19.0%
Spain	£70.5m	-69.0%	-62.9%
Sweden	£55.4m	-43.4%	-21.0%
Denmark	£47.2m	-50.9%	-39.9%
Italy	£46.8m	-68.6%	-61.0%
Latvia	£34.2m	-18.9%	-22.0%
Czech Republic	£18.0m	-48.3%	-44.3%
Greece	£15.5m	-54.5%	-27.3%
Lithuania	£12.7m	6.2%	92.4%
Romania	£12.1m	-34.8%	-31.3%
Hungary	£11.7m	-17.5%	-10.6%
Finland	£11.3m	-52.6%	-50.5%
Portugal	£10.4m	-71.1%	-71.7%
Cyprus	£9.2m	-47.2%	-49.7%
Bulgaria	£8.3m	-44.3%	-36.7%
Malta	£8.1m	-51.7%	-42.5%
Austria	£8.1m	-63.3%	-52.8%
Estonia	£3.7m	-48.9%	-41.1%
Slovakia	£2.5m	-55.0%	-56.3%
Slovenia	£2.0m	-67.5%	-66.3%
Croatia	£1.9m	-79.4%	-69.1%
Luxembourg	£0.9m	-61.9%	-76.2%

GROWTH MARKETS

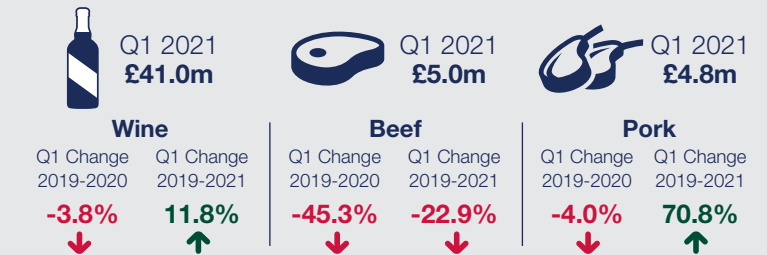
- While exports have been badly impacted in many markets, we have seen a return to strong growth in exports to East Asia, where there is high demand for quality UK food and drink.
- Q1 2021 exports to China, Hong Kong, Japan and South Korea were all above the levels seen in Q1 2020, when the COVID-19 pandemic triggered the early closure of hospitality sectors.
- Exports to China have seen a return to the rapid pre-COVID export growth. Q1 sales were up by more than a quarter, driven by growth in exports of pork, whisky and vegetable oils.



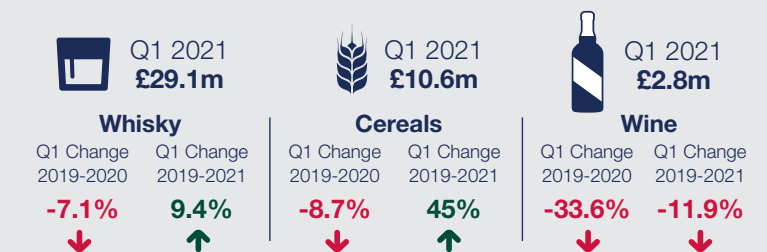
EXPORTS TO FAST-GROWING MARKETS					
	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
China	£163.8m	£157.7m	£202.1m	23.4%	28.2%
Hong Kong	£92.4m	£80.4m	£83.3m	-9.8%	3.7%
Japan	£76.6m	£61.0m	£64.8m	-15.4%	6.2%
South Korea	£47.6m	£38.3m	£45.4m	-4.6%	18.5%

TOP 10 EXPORTS TO CHINA					
	Q1 2019 (000's)	Q1 2020 (000's)	Q1 2021 (000's)	Change 2019-2021	Change 2020-2021
Pork	£27.6m	£61.1m	£75.3m	172.8%	23.3%
Whisky	£20.5m	£17.8m	£38.8m	89.1%	117.5%
Vegetable oils	£1.6m	£0.5m	£20.8m	1168.6%	4219.6%
Extracts	£7.8m	£5.1m	£10.0m	28.3%	94.4%
Infant food	£9.6m	£12.5m	£7.1m	-26.1%	-43.1%
Salmon	£20.8m	£4.6m	£3.8m	-81.5%	-16.7%
Beer	£12.3m	£7.5m	£3.6m	-71.1%	-52.3%
Fish	£5.8m	£3.1m	£3.5m	-40.6%	12.7%
Spirits	£2.8m	£1.5m	£3.2m	15.7%	119.4%
Crustaceans	£11.6m	£1.1m	£2.2m	-80.9%	106.4%

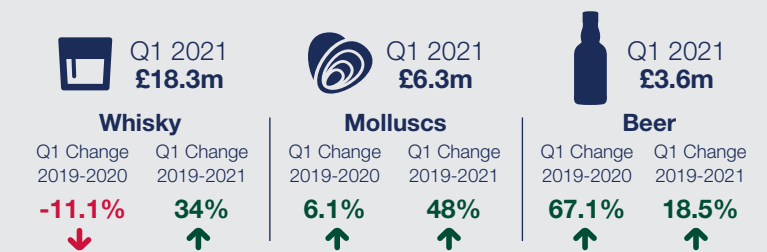
TOP 3 EXPORTS TO HONG KONG



TOP 3 EXPORTS TO JAPAN



TOP 3 EXPORTS TO SOUTH KOREA



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UK IMPORTS FROM THE EU

- Imports were down 10% in Q1, driven by a fall of more than 15% in imports from the EU compared to the same period last year.
- This was driven by a number of factors including the continued closure of the UK's hospitality sector, stockpiling in late 2020, reduced demand for ingredients as a result of the decline in exports to the EU and also potential import substitution.
- Imports from the UK's top six EU suppliers all fell, with the Netherlands and Spain down by 26% and 10% respectively. A significant volume of imported fruit and vegetables arrives via these countries, and the drop was reflected in the product data.
- Products of animal origin were also heavily impacted, with large falls in imports from the EU of pork, cheese, chicken and beef.

KEY INDICATORS

	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
All Partners	£12.4bn	£11.5bn	£10.3bn	-16.9%	-9.9%
EU27	£8.7bn	£7.9bn	£6.7bn	-22.9%	-15.5%
Non-EU	£3.7bn	£3.6bn	£3.6bn	-2.7%	2.3%

TOP 10 PRODUCTS IMPORTED FROM THE EU BY VALUE

	Q1 2019	Q1 2020	Q1 2021	Change 2019-2021	Change 2020-2021
Vegetables	£683.2m	£670.1m	£588.4m	-13.9%	-12.2%
Wine	£546.4m	£429.8m	£437.4m	-20.0%	1.7%
Fruits	£448.7m	£462.4m	£378.0m	-15.7%	-18.2%
Chocolate	£421.6m	£356.5m	£364.4m	-13.6%	2.2%
Pork	£486.0m	£513.4m	£328.3m	-32.5%	-36.1%
Cheese	£440.9m	£387.6m	£302.5m	-31.4%	-21.9%
Savoury snacks	£328.7m	£315.6m	£276.1m	-16.0%	-12.5%
Chicken	£388.6m	£377.9m	£246.6m	-36.5%	-34.7%
Vegetable oils	£218.5m	£183.6m	£185.4m	-15.2%	1.0%
Beef	£296.2m	£266.6m	£183.0m	-38.2%	-31.4%

TOP 10 PRODUCTS IMPORTED FROM THE EU BY VOLUME

	Q1 2019 (000's)	Q1 2020 (000's)	Q1 2021 (000's)	Change 2019-2021	Change 2020-2021
Vegetables	665.6t	637.0t	562.0t	-15.6%	-11.8%
Fruits	348.9t	318.2t	258.0t	-26.1%	-18.9%
Cereals	232.7t	259.4t	252.9t	8.7%	-2.5%
Wheat	188.8t	128.9t	242.5t	28.4%	88.2%
Soft drinks	252.4kl	226.4kl	207.9kl	-17.6%	-8.1%
Beer	237.1kl	177.5kl	153.6kl	-35.2%	-13.5%
Wine	167.5kl	133.0kl	135.8kl	-18.9%	2.1%
Potatoes	228.7t	226.4t	132.6t	-42.0%	-41.4%
Pork	211.8t	181.4t	131.4t	-38.0%	-27.6%
Tinned tomatoes	154.5t	131.9t	119.4t	-22.7%	-9.4%

TOP 20 MARKETS

	Q1 2021	Change 2019-2021	Change 2020-2021
EU27	£6.7bn	-22.9%	-15.5%
Netherlands	£922.8m	-31.5%	-25.7%
France	£874.4m	-28.4%	-11.9%
Spain	£868.6m	-14.7%	-10.5%
Ireland	£758.0m	-34.0%	-29.4%
Germany	£750.6m	-34.4%	-28.2%
Italy	£658.9m	-8.7%	0.0%
Belgium	£512.3m	-23.4%	-12.1%
Poland	£480.6m	6.8%	3.0%
Denmark	£247.0m	-35.1%	-21.5%
Sweden	£140.4m	27.9%	11.5%
Austria	£76.5m	9.2%	23.2%
Greece	£73.4m	-12.0%	-5.1%
Portugal	£72.2m	-3.9%	9.1%
Lithuania	£58.9m	63.9%	77.0%
Hungary	£51.5m	2.4%	30.3%
Czech Republic	£35.9m	-5.1%	9.5%
Cyprus	£26.8m	-2.7%	-15.1%
Romania	£21.8m	-29.3%	-24.2%
Latvia	£18.5m	49.5%	37.5%
Bulgaria	£17.9m	-22.1%	-27.5%
Slovakia	£10.5m	26.7%	-39.4%
Slovenia	£6.9m	27.9%	137.1%
Croatia	£3.4m	50.5%	-33.5%
Finland	£1.8m	-71.8%	-74.7%
Malta	£1.4m	101.5%	15.7%
Estonia	£1.3m	74.8%	229.1%
Luxembourg	£0.7m	-58.8%	-4.1%