

Trade Snapshot Q1 2024

fdf food & drink
federation

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Food & Drink
Exporters Association



EXPORTS

- Exports fell by 5.3% in Q1 2024, reaching £5.7bn. This value decline from the previous year was driven by several significant EU markets. 'Not for EU' labelling will further impact exports to our largest partners amongst a backdrop of inflationary pressures.
- The volume changes for the top ten products were mixed, with some products experiencing increases such as cheese (23.4%), while others saw decreases, with breakfast cereals (-14.4%) being particularly affected.
- Export volumes were down across the board, with products measured in kilograms down by 20.3% compared to last year, and 8% down compared to Q1 2022.
- Exports to Australia rose by 15.6%. We expect this to increase as industry understands the benefits of the new FTA, as well as the introduction of a new Australian attaché this summer.
- For the first time, Turkey is in our top 20 destinations for food and drink, increased market access through an improved FTA could aid this further.

Data Sources: His Majesty's Customs & Excise

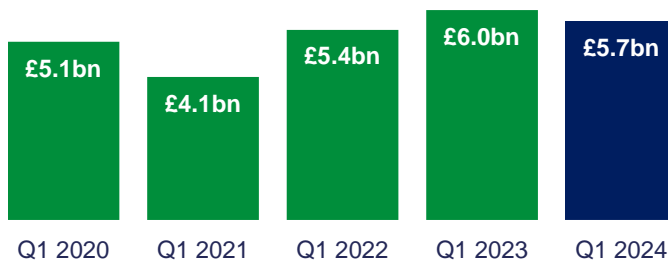
KEY INDICATORS

| | Q1 2024 | Q1 2023 | Change 2023-24 |
|--------------------|---------|---------|----------------|
| All food and drink | £5.7bn | £6.0bn | -5.3% |
| EU | £3.3bn | £3.5bn | -5.8% |
| Non-EU | £2.3bn | £2.5bn | -4.5% |
| EU share | 58.4% | 58.7% | 0.3pp |
| Non-EU share | 41.6% | 41.3% | -0.3pp |

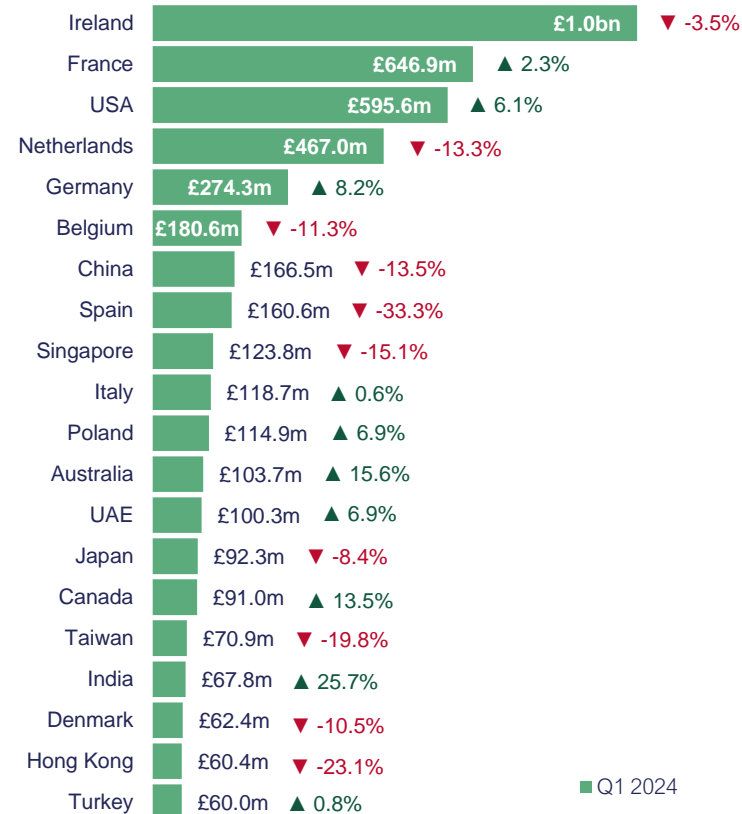
TOP TEN EXPORTS

| | Q1 2024 | Value change 2023-24 | Volume change 2023-24 |
|-------------------|---------|----------------------|-----------------------|
| Whisky | £1.2bn | -8.8% | -4.3% |
| Cheese | £216.0m | 5.6% | 23.4% |
| Chocolate | £211.4m | -1.5% | -7.4% |
| Salmon | £180.2m | 13.9% | 11.5% |
| Milk and cream | £178.9m | -42.2% | -4.9% |
| Fish | £168.4m | 8.6% | 27.8% |
| Breakfast cereals | £156.0m | -15.4% | -14.4% |
| Lamb and mutton | £151.8m | 13.5% | -3.4% |
| Beef | £149.6m | 2.5% | 3.5% |
| Soft drinks | £144.7m | 9.2% | N/A |

Q1 EXPORTS



TOP TWENTY MARKETS



EXPORT VOLUMES

| Unit of measurement | Q1 2024 | Change 2022-2024 | Change 2023-2024 |
|------------------------------|---------|------------------|------------------|
| Kilograms (KG) | 2.2bn | -8.0% | -20.3% |
| Litres (L) | 256.5m | -9.1% | -2.5% |
| Litres of pure alcohol (LPA) | 108.5m | -17.5% | -6.7% |

*The volume of eggs of chickens are measured in number of units and thousands of units, therefore are not included in the above measurements of volume.

IMPORTS

- Imports fared better, with a slight increase of 0.4% to £14.8bn over the previous year.
- Volumes followed a similar trend, with trade in kilograms up by 7.4% and litres by 1.6% compared to last year. Fruit remains our largest import, while cheese and fish imports decline amidst significant export growth.
- The Export Health Certificate for medium-risk goods, introduced on January 30th under the Border Target Operating Model (BTOM), led to increased costs and bureaucracy for traders. This is reflected in the significant decline in beef and poultry imports in the following months.
- The second phase of the BTOM came into effect on April 30th, which has introduced new checks and fees. Many of the costs apply even if the good is not inspected.
- Moroccan and South African imports increased by 29.6% and 34.3%, respectively. Upcoming tariff reviews in June present opportunities to remove EU legacy tariffs.

Data Sources: His Majesty's Customs & Excise

KEY INDICATORS

| | Q1 2024 | Q1 2023 | Change 2023-24 |
|--------------------|---------|---------|----------------|
| All food and drink | £14.8bn | £14.7bn | 0.4% |
| EU | £10.5bn | £10.4bn | 0.9% |
| Non-EU | £4.3bn | £4.3bn | -0.8% |
| EU share | 70.8% | 70.5% | -0.3pp |
| Non-EU share | 29.2% | 29.5% | 0.3pp |

TOP TEN IMPORTS

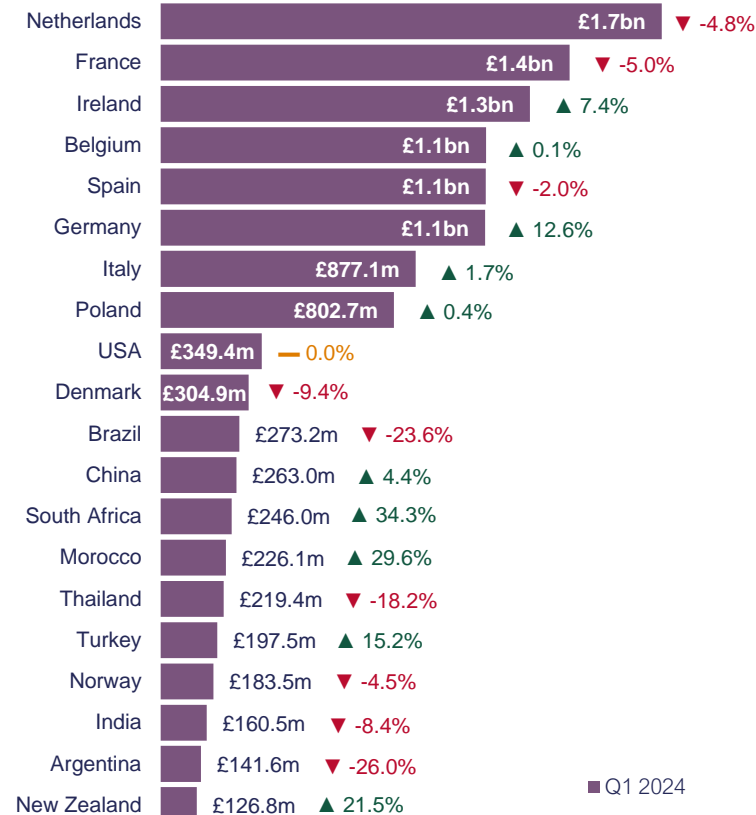
| | Q1 2024 | Value change 2023-24 | Volume change 2023-24 |
|----------------|---------|----------------------|-----------------------|
| Fruits | £1.3bn | 23.2% | 15.9% |
| Vegetables | £1.0bn | 4.0% | N/A |
| Wine | £813.2m | -5.3% | 3.6% |
| Poultry | £765.0m | -8.7% | -0.2% |
| Chocolate | £639.0m | 8.9% | 0.5% |
| Savoury snacks | £508.3m | 0.7% | 1.3% |
| Pork | £502.9m | 5.2% | -2.9% |
| Cheese | £450.1m | -11.5% | -10.8% |
| Fish | £448.1m | -12.5% | -9.9% |
| Soft drinks | £441.7m | 5.4% | N/A |

Q1 IMPORTS

■ Beef ■ Poultry



TOP TWENTY MARKETS



IMPORT VOLUMES

| Unit of measurement | Q1 2024 | Change 2022-2024 | Change 2023 -2024 |
|------------------------------|---------|------------------|-------------------|
| Kilograms (KG) | 8.9bn | -2.3% | 7.4% |
| Litres (L) | 1.1bn | -7.8% | 1.6% |
| Litres of pure alcohol (LPA) | 17.0m | -21.5% | -23.1% |

*The volume of eggs of chickens are measured in number of units and thousands of units, therefore are not included in the above measurements of volume.

TURKEY



Exports to Turkey have surged over the past few years, reaching a record high £60.0m in Q1 2024.

Eggs (£5.1m) and potatoes (£2.4m) are the top two exports in Q1 and are also among the top three fastest-growing exports.

Imports from Turkey rose to £197.5m with fruits (£54.7m) and fish (£30.4m) the top two categories. Turkey, a key supplier of these products, also saw significant growth in cereals grains, vegetable oils, and coffee in Q1.

An updated FTA provides the opportunity for tariff liberalisation and the removal of the agricultural levy, targeting sectors where this was not achieved in the existing agreement.

Reducing tariffs on non-sensitive products such as hazelnuts, olive oil and pasta would further diversify our supply chains.

Export potential exists for products like coffee, fish fillets, and breakfast cereals, but high testing charges at customs are increasing costs.

FOOD AND DRINK TRADE

| | Q1 2024 | Q1 2023 | Change 2023-24 |
|---------------|----------|----------|----------------|
| Exports | £60.0m | £59.6m | 0.8% |
| Imports | £197.5m | £171.5m | 15.2% |
| Trade Balance | -£137.4m | -£111.9m | -0.8% |

TOP FIVE FOOD AND NON-ALCOHOLIC DRINK EXPORTS

| | Q1 2024 | Value change 2023-24 | Volume change 2023-24 |
|-----------------------|---------|----------------------|-----------------------|
| Eggs | £5.1m | 43.4% | 40.7% |
| Potatoes | £2.4m | 61.9% | 35.5% |
| Chocolate | £1.4m | 10.8% | -0.2% |
| Sauces and condiments | £1.0m | -73.9% | N/A |
| Extracts | £0.6m | 6.4% | 13.3% |

EXPORT OPPORTUNITIES



Coffee

Turkey value **£0.6m**
Tariff **15%**
World value **£64.2m**



Fish fillets

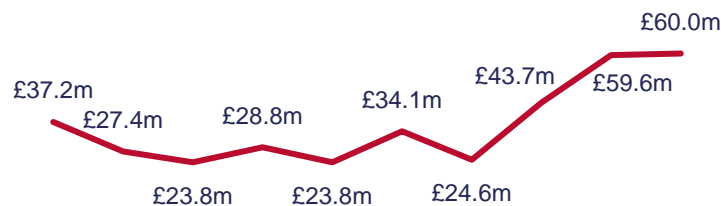
Turkey value **£0.0m**
Tariff **30%**
World value **£1.3m**



Breakfast cereals

Turkey value **£0.3m**
Tariff **Mixed rates**
World value **£156.0m**

Q1 EXPORTS



Fastest growing exports (over £0.5m)



| | |
|---------------|--------------------------|
| Confectionery | £0.5m ▲ 867.7% |
| Potatoes | £2.4m ▲ 61.9% |
| Eggs | £5.1m ▲ 43.4% |

Fastest growing imports (over £0.5m)

| | |
|----------------|--------------------------|
| Cereals grains | £1.8m ▲ 2636% |
| Veg oils | £1.3m ▲ 175.7% |
| Coffee | £0.6m ▲ 124.4% |

TOP FIVE FOOD AND NON-ALCOHOLIC DRINK IMPORTS

| | Q1 2024 | Value change 2023-24 | Volume change 2023-24 |
|-------------------------|---------|----------------------|-----------------------|
| Fruits | £54.7m | 35.9% | 14.8% |
| Fish | £30.4m | -5.3% | 5.3% |
| Confectionery | £20.7m | -4.8% | -8.1% |
| Prepared vegetables | £12.5m | 18.5% | N/A |
| Prepared fruit and nuts | £9.9m | 28.3% | N/A |

IMPORT OPPORTUNITIES



Hazelnuts

Turkey value **£3.9m**
Tariff **2%**
World value **£5.0m**



Sweet potatoes

Turkey value **£0.0m**
Tariff **(£5.30/100kg)**
World value **£3.5m**



Olive oil

Turkey value **£0.3m**
Tariff **(£93/100kg)**
World value **£114.9m**



Aubergines

Turkey value **£0.0m**
Tariff **12%**
Seasonal tariff from 15.01 – 30.04
World value **£12.3m**



Watermelon

Turkey value **£0.0m**
Tariff **8%**
Seasonal tariff from 01.04 – 15.06
World value **£21.1m**



Pasta

Turkey value **£0.7m**
Tariff **Mixed rates**
World value **£233.6m**

GULF COOPERATION COUNCIL



- The GCC is the UK's sixth largest export market and second largest non-EU market, with Q1 exports totaling £195.9m.
- The UAE, our largest GCC export market, comprises over half of our export value, reaching £100m in Q1.
- Cheese (£12.0m) and soft drinks (£5.8m) showed strong growth, whereas chocolate and breakfast cereals both declined.
- Reducing Saudi tariffs to at least match the UAE's levels, where full tariff liberalisation is not feasible, would help achieve consistency in trade among GCC states.
- Digitising burdensome documentation like Export Health Certificates could help streamline border procedures and support export growth.
- The GCC is developing its food manufacturing sector. Robust rules of origin would protect targeted trade privileges but also allow diversified global sourcing by manufacturers.

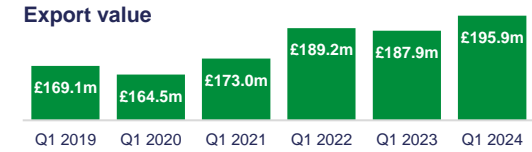
FOOD AND DRINK EXPORTS TO THE GCC

| | Q1 2024 | Q1 2023 | Change 2023-24 |
|--------------|---------|---------|----------------|
| Total | £195.9m | £187.9m | 4.3% |
| UAE | £100.3m | £93.8m | 6.9% |
| Saudi Arabia | £59.6m | £56.5m | 5.3% |
| Oman | £13.6m | £17.0m | -20.1% |
| Qatar | £11.1m | £9.9m | 12.2% |
| Kuwait | £6.9m | £6.2m | 11.6% |
| Bahrain | £4.5m | £4.5m | 0.5% |

TOP FOOD AND NON-ALCOHOLIC DRINK EXPORTS

| Product | Market | Q1 2024 Value | Change 2023-24 | Average MFN tariff |
|-------------------|--------------|---------------|----------------|--------------------|
| Chocolate | Saudi Arabia | £12.4m | -24.6% | 15% |
| | UAE | £6.4m | -14.2% | 5% |
| | Kuwait | £2.4m | -23.9% | 5% |
| Breakfast cereals | Saudi Arabia | £8.6m | 5.7% | 15% |
| | UAE | £8.3m | -21.7% | 5% |
| | Kuwait | £2.2m | -37.7% | 5% |
| Cheese | UAE | £6.4m | 82.8% | 5% |
| | Saudi Arabia | £2.6m | 21.1% | 6% |
| | Bahrain | £1.5m | 900.9% | 5% |
| Sweet biscuits | UAE | £3.9m | 49.2% | 5% |
| | Saudi Arabia | £3.4m | 44.6% | 10% |
| | Kuwait | £1.3m | 27.2% | 5% |
| Milk and cream | UAE | £4.5m | -27.8% | 5% |
| | Saudi Arabia | £1.6m | -29.7% | 15 - 25% |
| | Bahrain | £0.4m | 94.8% | 5% |

Data Sources: His Majesty's Customs & Excise
UN COMTRADE



Fastest growing exports (Q1 2023 – 2024)

Food and non-alcoholic drink (Over £1m)

| | | |
|-------------------------|----------------------|-------------------|
| Infant food ▲ 275.1% | Waters ▲ 113.1% | Salmon ▲ 91.3% |
| Soft drinks ▲ 82.0% | Ice cream ▲ 81.6% | Cheese ▲ 68.5% |

EXPORT OPPORTUNITIES

| | | |
|---|--|---|
| Breakfast cereals GCC value £21.8m Tariff (5-12%) Top three import markets: UK, Poland and Spain | Cheese GCC value £12.0m Tariff (5-6%) Top three import markets: Denmark, USA and Poland | Chocolate GCC value £23.4m Tariff (5-8%) Top three import markets: Italy, Egypt and Netherlands |
| Sauces and condiments GCC value £3.1m Tariff (5-12%) Top three import markets: Ireland, USA and Denmark | Savoury biscuits GCC value £1.0m Tariff 5% Top three import markets: Italy, USA and UK | Confectionery GCC value £3.9m Tariff (8-10%) Top three import markets: China, Jordan and Poland |
| Sweet biscuits GCC value £9.5m Tariff (5-10%) Top three import markets: Italy, USA and UK | Ice cream GCC value £1.7m Tariff (5-15%) Top three import markets: USA, France and Türkiye | Whey GCC value £0.9m Tariff (5-10%) Top three import markets: New Zealand, Denmark and Spain |



The Food & Drink Federation (FDF) is the voice of the food and drink manufacturing industry – the UK's largest manufacturing sector.

We contribute over £38 billion to the country's economy, supporting half a million jobs in every region and nation, and producing products that are loved in the UK and beyond.

Find out more about our latest news and the work we do at:

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