

ECONOMIC BULLETIN Q1 2021

**Increase in production, turnover, manufacturing prices
- and lower imports**

Food and drink industry

Increase in production, turnover and manufacturing prices

- In Q1 2021, EU food and drink industry production increased by 1.3% compared to the previous quarter.
- EU food and drink industry turnover increased by 2.7% compared to the previous quarter.
- The year-on-year comparison shows a decrease in food and drink industry production compared to total manufacturing production (-2.8% vs. 3.2% compared to Q1 2020). A similar trend is observed when comparing food and drink industry turnover with total manufacturing turnover (-3% vs. 3.5% compared to Q1 2020).
- Food manufacturing prices increased by 1.3% compared to the previous quarter and were up by 0.4% compared to Q1 2020.

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Continued increase in food industry employment

- In Q1 2021, employment in food manufacturing increased for the third consecutive quarter (0.7%) compared to a slight decrease in the drink industry (-0.9%) and in total manufacturing (-0.2%).
- Year-on-year, employment levels in the food industry increased (0.2%) and decreased in the drink industry and in total manufacturing (-3.5% and -2.3% respectively).

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Food and drink industry confidence improves

- Food industry and drink industry confidence improved in Q2 2021 (+1.9 and +7 points respectively). Total manufacturing confidence rose for the fourth consecutive quarter (+5.2 points).

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EU exports totalled €35.7 billion

- EU exports of food and drinks totalled €35.7 billion in Q1 2021 (Q1 2021/Q1 2020: +0.5%).
- The trade balance reached a surplus of €17.9 billion (Q1 2021/Q1 2020: +15.3%).
- The top 5 products with the largest share in export value generated €17.8 billion in Q1 2021 (meat

products, dairy products, wine, processed fruits and vegetables, cocoa, chocolate and confectionery).

- EU imports of food and drinks reached €17.9 billion (Q1 2021/Q1 2020: -11%).

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Agricultural commodities

FAO food price index increased by 10.7%

- The FAO food price index increased by 10.7% in Q1 2021 compared to the previous quarter and by 17.5% compared to Q1 2020.
- In Q1 2021, the price of all major agricultural commodities experienced single to double-digit growth compared to the previous quarter (maize, soft wheat, SMP, WMP, oils and oil crops, coffee and cocoa).
- The year-on-year comparison shows double-digit growth in world market prices, in particular for oils and oil crops, maize and coffee, single-digit growth in prices for WMP, SMP, soft wheat and white sugar, and a decrease in cocoa prices.

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Retail

Increase in retail trade in foodstuffs

- Retail trade in foodstuffs in Q1 2021 increased by 1.6% compared to the previous quarter whereas total retail trade was down by 1.3%.
- Year-on-year, both retail trade in foodstuffs and total retail trade increased by 2.2% and 2.1% respectively.
- Consumer prices increased by 0.9% compared to the previous quarter and 0.8% year-on-year.

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Focus on ...

EU household expenditure on food and drinks

- In 2018, EU consumers spent €1,786 billion, or 20.7% of their budget, on food and drinks, either purchased in shops or consumed in restaurants and cafés. Out-of-home consumption represents one-third of consumer spend on food and drink products.

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Methodology

- Except for imports and exports data which represent the evolution of the current quarter compared to the same quarter of the previous year, all other evolutions are primarily represented with respect to the previous quarter.
- **EU refers to EU27 (excluding the UK)** in the text, unless otherwise specified.
- The EU food and drink industry is identified by NACE Rev.2 codes C10 (manufacture of food products) and C11 (manufacture of beverages).

Sources

European Commission, Eurostat data and indices (production, turnover, retail trade, employment, prices)

<http://ec.europa.eu/eurostat/home>

European Commission, Eurostat statistics explained

http://ec.europa.eu/eurostat/statistics-explained/index.php/Main_Page

European Commission, Eurostat Easy Comext Trade Data (based on division 10 & 11 of the NACE Rev.2 classification), CPA 2008

<http://epp.eurostat.ec.europa.eu/newxtweb/mainxtnet.do>

European Commission, DG ECFIN business survey data

https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/business-and-consumer-surveys_en

FAO Food Price Index

<http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

European Commission, DG Agriculture and Rural Development (DG AGRI)

<https://ec.europa.eu/agriculture/>

European Commission, DG Agriculture and Rural Development (DG AGRI), Commodity price dashboard

http://ec.europa.eu/agriculture/markets-and-prices/price-monitoring/index_en.htm

European Commission, Eurostat News Release 65/2021, 'Volume of retail trade down by 3.1% in both euro area and in the EU', 4 June 2021

<https://ec.europa.eu/eurostat/documents/2995521/11563115/4-04062021-AP-EN.pdf/89ce78e5-8745-b9c7-903b-a07b7ba86c72?t=1622794935175>

About the quarterly economic bulletin

FoodDrinkEurope's Economic Bulletin is published on a quarterly basis. It covers a set of key indicators which highlight the major economic trends in the European food and drink industry: production, turnover, employment, external trade, key raw material prices, and retail trade.

For more information on FoodDrinkEurope and its activities, please visit: www.fooddrinkeurope.eu

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Annex

Production and turnover of the EU food and drink industry

Production index (2015=100)

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Total manufacturing	102.3	85.1	99.7	104.3	105.6	
% change	-2.7	-16.8	17.2	4.6	1.2	3.2
Food and drink industry	106.2	96.9	103.4	101.9	103.2	
% change	0.7	-8.8	6.7	-1.5	1.3	-2.8

Source: Eurostat

The industrial production index (also called industrial output index or industrial volume index) measures the changes in the price-adjusted output of industry.

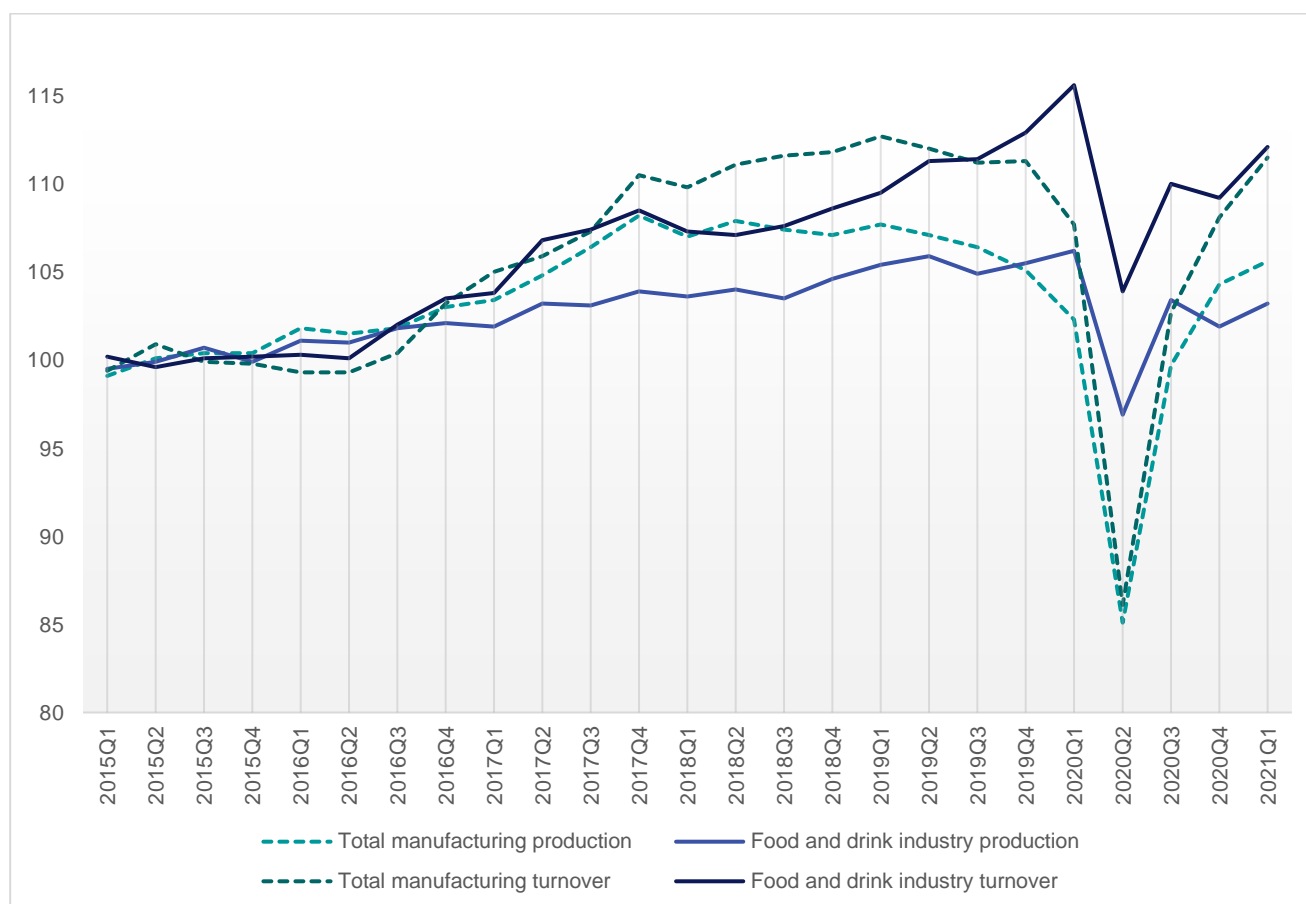
Turnover index (2015=100)

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Total manufacturing	107.7	86.1	102.7	108.1	111.5	
% change	-3.2	-20.1	19.3	5.3	3.1	3.5
Food and drink industry	115.6	103.9	110.0	109.2	112.1	
% change	2.4	-10.1	5.9	-0.7	2.7	-3.0

Source: Eurostat

The index of industrial turnover measures the development of turnover (sales) in the European industry (it is influenced by changes in prices of the traded industrial goods and by changes of the traded volumes of goods).

EU quarterly manufacturing production and turnover, 2015-2020 (2015=100)



Source: Eurostat

Food and drink production by Member State

Member State	2020 Q4 / 2020 Q3 (% change)	2021 Q1 / 2020 Q4 (% change)	2021 Q1 / 2020 Q1 (% change)
EU	-1.5	1.3	-2.8
Austria	-8.7	2.3	-7.5
Belgium	0.8	-0.7	-4.4
Bulgaria	-0.4	1.3	-8.1
Czech Republic	-4.6	-0.3	-4.6
Denmark	-1.8	5.0	3.7
Estonia	-3.1	na	na
Finland	-0.7	0.7	-0.9
France	-0.8	1.8	0.1
Germany	-1.6	-2.2	-7.5
Greece	1.1	3.4	-1.4
Hungary	-0.8	5.2	-0.8
Italy	-1.1	3.0	0.4
Latvia	-1.0	-2.4	-5.6
Lithuania	2.2	4.6	2.9
Netherlands	-2.4	0.3	-2.7
Poland	0.7	3.9	2.2
Portugal	0.3	-2.4	-10.7
Romania	-3.1	4.6	-2.3
Spain	0.4	0.7	-1.7

Source: Eurostat. No data available for Croatia, Cyprus, Ireland, Luxembourg, Malta, Slovakia, Slovenia, Sweden

Food and drink turnover by Member State

Member State	2020 Q4 / 2020 Q3 (% change)	2021 Q1 / 2020 Q4 (% change)	2021 Q1 / 2020 Q1 (% change)
EU	-0.7	2.7	-3.0
Austria	-5.3	2.0	-5.8
Belgium	-2.1	-2.9	-10.2
Bulgaria	1.5	na	na
Czech Republic	-3.1	-0.9	-5.6
Denmark	-1.0	5.6	-0.4
Estonia	-0.8	na	na
Finland	-1.3	1.3	-1.5
France	-0.8	2.9	1.8
Germany	-1.9	1.4	-7.8
Greece	6.0	0.8	-0.1
Hungary	-0.7	5.2	-1.5
Italy	-0.5	4.2	-1.0
Latvia	-0.6	1.4	-5.8
Lithuania	-1.6	-0.1	-3.4
Netherlands	-2.6	2.1	-3.0
Poland	0.2	5.2	2.1
Portugal	1.4	1.4	-4.5
Romania	-1.2	10.1	2.2
Spain	3.0	4.4	-3.1

Source: Eurostat. No data available for Croatia, Cyprus, Ireland, Luxembourg, Malta, Slovakia, Slovenia, Sweden

Employment in the EU food and drink industry

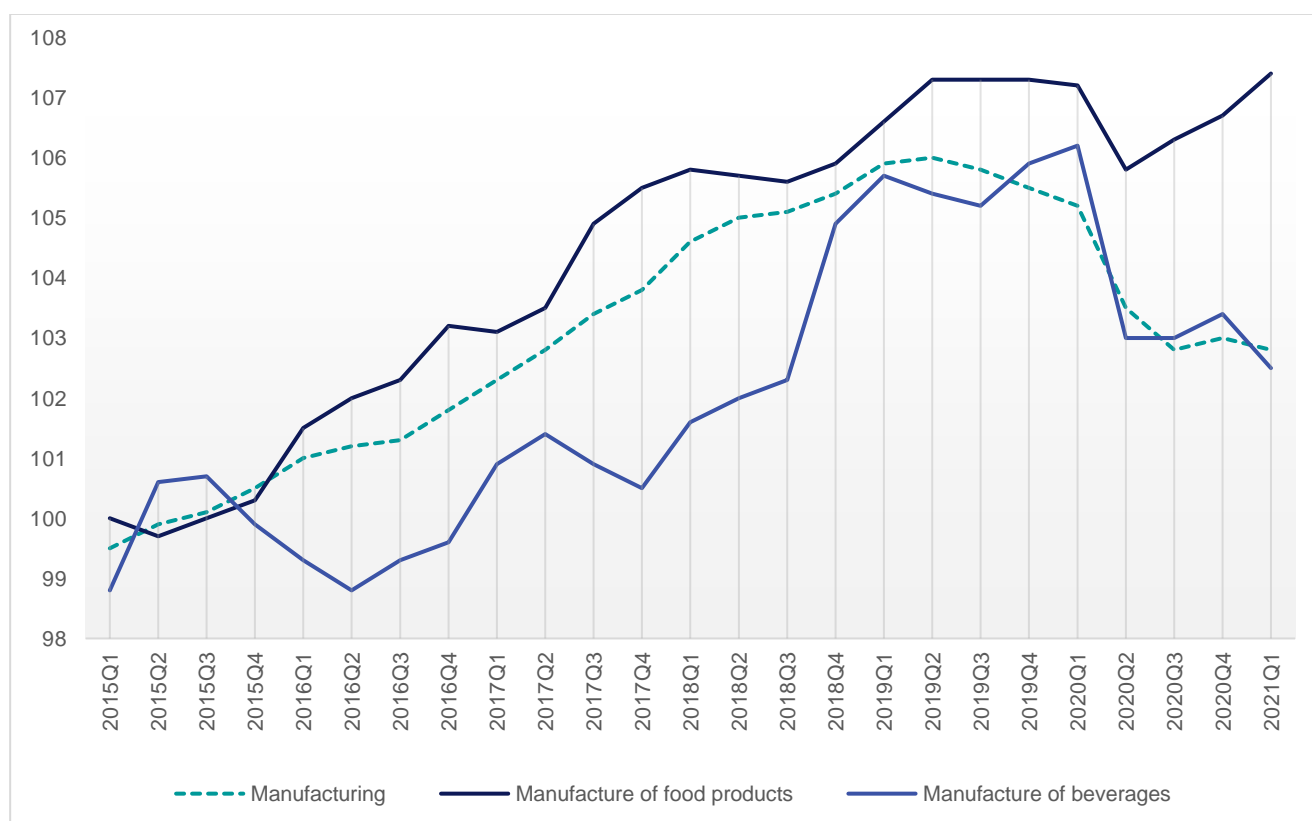
Employment index (2015=100)

Employment	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Total manufacturing	105.2	103.5	102.8	103.0	102.8	
% change	-0.3	-1.6	-0.7	0.2	-0.2	-2.3
Food industry	107.2	105.8	106.3	106.7	107.4	
% change	-0.1	-1.3	0.5	0.4	0.7	0.2
Drink industry	106.2	103.0	103.0	103.4	102.5	
% change	0.3	-3.0	0.0	0.4	-0.9	-3.5

Source: Eurostat

The employment index measures the number of persons employed in the total manufacturing industry vs. the food and drink industry in the EU, seasonally adjusted.

Employment in the EU food and drink industry compared to manufacturing, 2015-2020 (2015=100)



Source: Eurostat

Food industry employment by Member State

Member State	2020 Q4 / 2020 Q3 (% change)	2021 Q1 / 2020 Q4 (% change)	2021 Q1 / 2020 Q1 (% change)
EU	0.3	-0.8	-1.2
Austria	-0.2	-0.8	-2.5
Belgium	0.6	na	na
Bulgaria	-0.1	na	na
Croatia	0.9	-1.8	-3.8
Czech Republic	-0.4	-0.2	-1.5
Denmark	1.3	0.5	1.1
Estonia	0.5	na	na
Finland	3.8	6.1	-2.9
France	0.1	0.6	0.7
Germany	0.9	2.4	2.1
Greece	0.9	-2.3	-1.0
Hungary	0.1	na	na
Ireland	0.6	5.0	7.4
Italy	1.6	-0.5	3.1
Latvia	-0.6	1.4	-0.3
Lithuania	0.2	1.4	-1.3
Netherlands	1.1	na	na
Poland	0.2	-0.4	-1.0
Portugal	-0.4	-0.8	-5.6
Romania	0.1	na	na
Spain	-1.3	0.6	-2.6
Sweden	-4.2	na	na

Source: Eurostat. No data available for Cyprus, Luxembourg, Malta, Slovakia, Slovenia

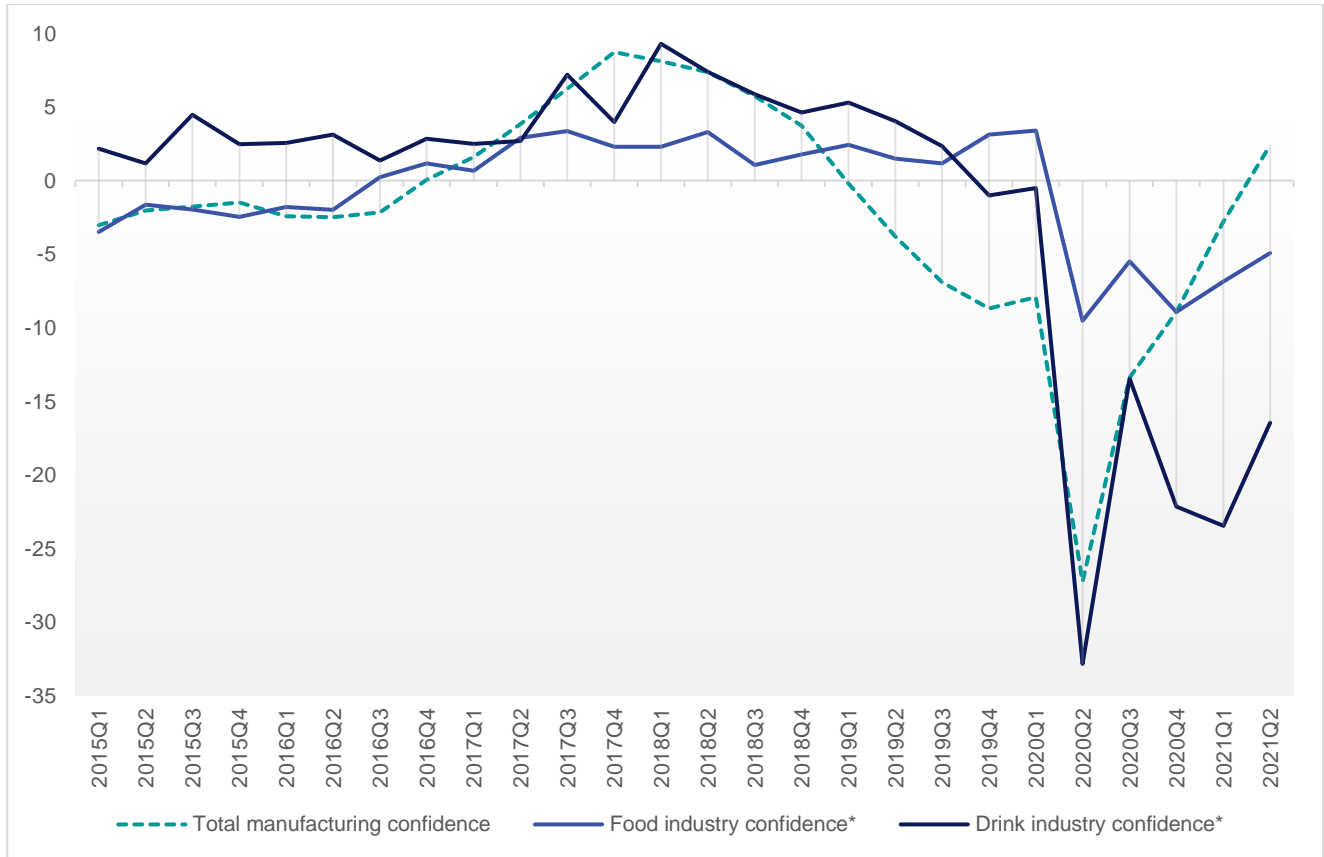
Drink industry employment by Member State

Member State	2020 Q4 / 2020 Q3 (% change)	2021 Q1 / 2020 Q4 (% change)	2021 Q1 / 2020 Q1 (% change)
EU	0.5	-2.4	-5.0
Austria	-1.1	-1.6	-4.5
Belgium	-0.8	na	na
Bulgaria	0.0	na	na
Croatia	2.0	-0.5	-3.6
Czech Republic	-0.5	0.6	-3.3
Denmark	1.6	-3.1	0.4
Estonia	-2.1	na	na
France	0.0	0.7	0.8
Germany	0.6	-0.6	-2.0
Greece	1.9	2.0	0.7
Hungary	4.4	na	na
Ireland	26.6	3.7	-22.0
Italy	3.7	6.3	11.8
Latvia	-1.9	5.7	3.3
Lithuania	0.0	1.7	-1.7
Netherlands	-2.1	na	na
Poland	0.0	-0.8	-3.7
Portugal	-1.0	0.5	-3.9
Romania	1.7	na	na
Spain	-3.4	-8.3	-18.8
Sweden	-4.2	na	na

Source: Eurostat. No data available for Cyprus, Finland, Luxembourg, Malta, Slovakia, Slovenia

Confidence in the EU food and drink industry

EU quarterly manufacturing confidence indicators, 2015-2021



* Subsector level data (i.e. the divisions of NACE rev.2 at the 2-digit level) for the industry have not undergone a full validation process, hence their use and interpretation deserve more caution.

Source: European Commission, DG ECFIN business survey data, own calculations

The confidence indicator is a statistical indicator based on the results from business surveys interrogating enterprises on their current economic situation and their expectations about future developments. The indicator is calculated as the simple arithmetic average of the seasonally adjusted balances of positive and negative answers to specific questions, e.g. regarding economic expectations.

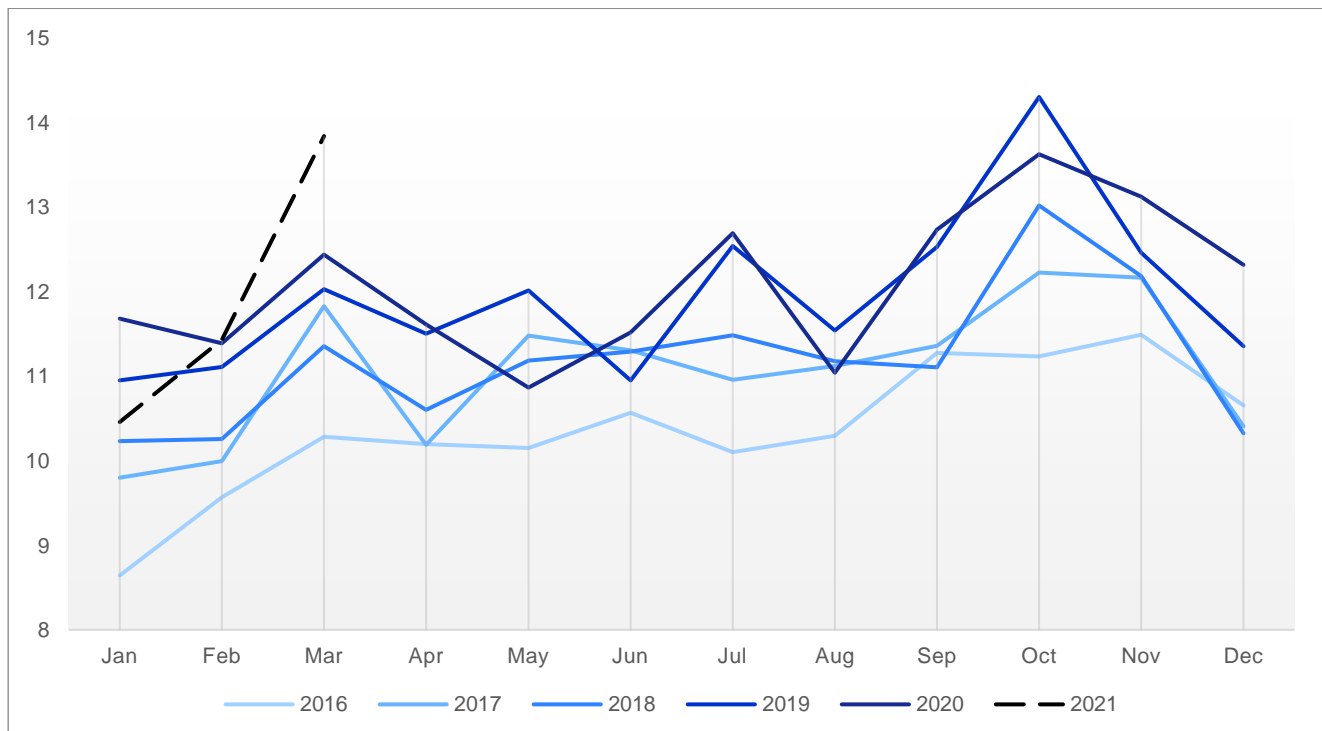
External trade

EU food and drink trade (€ billion)

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Exports	35.5	34.0	36.5	39.1	35.7	0.5%
Imports	20.0	18.8	19.0	19.9	17.9	-11.0%
Balance	15.5	15.2	17.4	19.1	17.9	15.3%

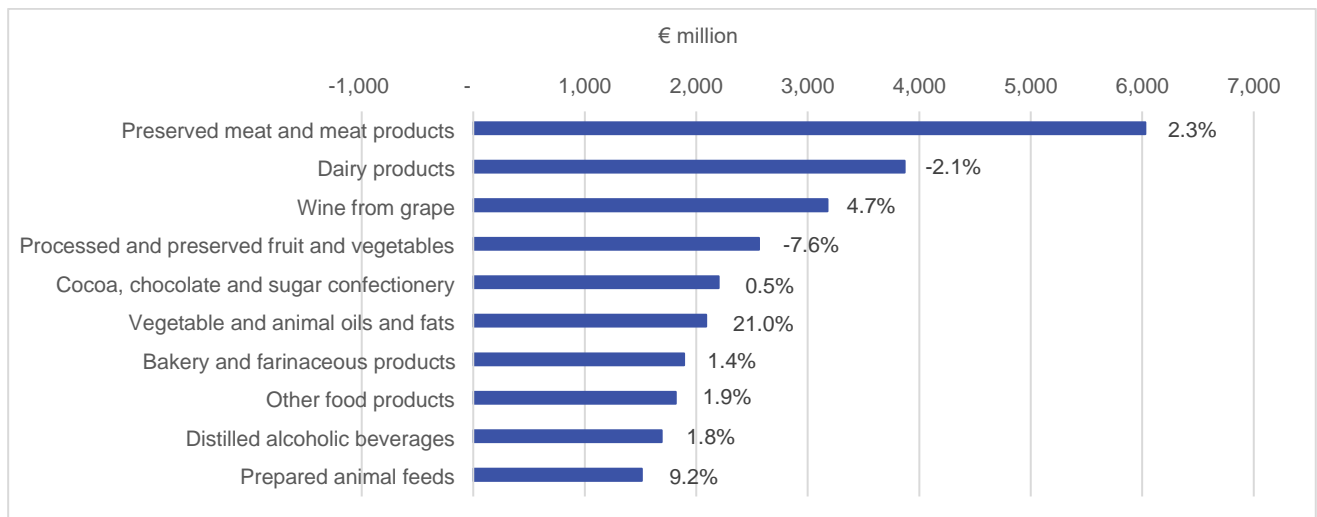
Source: Eurostat

EU food and drink exports, 2016-2020 (€ billion)



Source: Eurostat

Export performance by sector, Q1 2021



Source: Eurostat - COMEXT, Nace Rev.2, Divisions 10 & 11

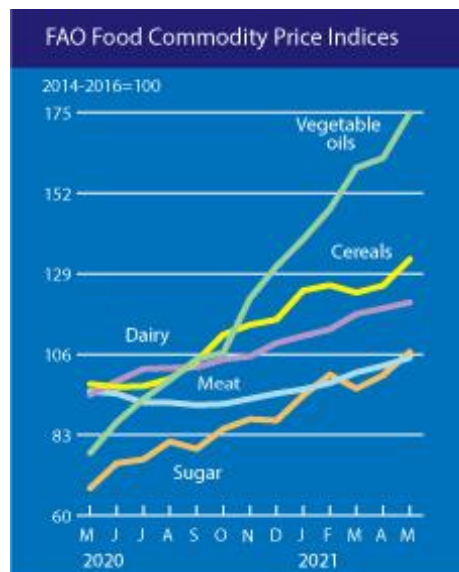
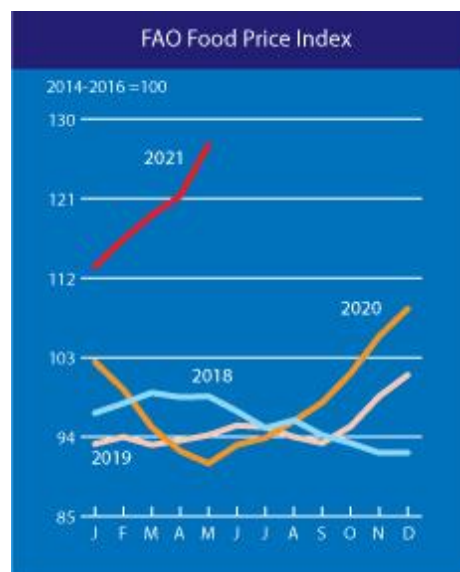
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q1 2020	Q1 2021	change	Q1 2020	Q1 2021	change	Q1 2020	Q1 2021	change
	€ million			€ million			€ million		
Food and drinks	35,543	35,719	0.5%	20,049	17,851	-11.0%	15,495	17,868	15.3%
10 Food products	28,150	28,280	0.5%	18,455	16,567	-10.2%	9,695	11,713	20.8%
11 Beverages	7,393	7,439	0.6%	1,594	1,284	-19.4%	5,800	6,155	6.1%
101 Preserved meat and meat products	5,892	6,028	2.3%	1,684	1,203	-28.5%	4,208	4,824	14.7%
1011 Processed and preserved meat	4,004	4,303	7.5%	1,170	897	-23.3%	2,834	3,406	20.2%
1012 Processed and preserved poultry meat	743	636	-14.4%	175	76	-56.5%	568	560	-1.5%
1013 Meat and poultry meat products	1,145	1,089	-4.9%	340	230	-32.3%	805	859	6.6%
102 Processed and preserved fish, crustaceans and molluscs	1,256	1,175	-6.4%	4,660	4,004	-14.1%	-3,405	-2,829	-16.9%
103 Processed and preserved fruit and vegetables	2,771	2,562	-7.6%	2,215	2,020	-8.8%	556	542	-2.5%
1031 Processed and preserved potatoes	665	598	-10.0%	42	31	-25.8%	622	567	-8.9%
1032 Fruit and vegetable juices	411	365	-11.1%	543	457	-15.9%	-133	-92	-30.7%
1039 Other processed and preserved fruit and vegetables	1,696	1,599	-5.7%	1,630	1,532	-6.0%	66	67	1.2%
104 Vegetable and animal oils and fats	1,725	2,088	21.0%	4,146	4,179	0.8%	-2,421	-2,091	-13.6%
1041 Oils and fats	1,571	1,934	23.1%	4,092	4,140	1.2%	-2,521	-2,207	-12.5%
1042 Margarine and similar edible fats	155	155	0.2%	55	39	-28.5%	100	116	15.7%
105 Dairy products	3,951	3,869	-2.1%	556	416	-25.3%	3,394	3,453	1.7%
1051 Dairy and cheese products	3,788	3,663	-3.3%	515	383	-25.7%	3,273	3,280	0.2%
1052 Ice cream	163	206	27.0%	41	33	-19.7%	121	173	42.9%
106 Grain mill products, starches and starch products	1,138	1,116	-1.9%	664	615	-7.4%	474	502	5.8%
1061 Grain mill products	627	583	-6.9%	553	496	-10.3%	73	87	18.5%
1062 Starches and starch products	511	533	4.3%	111	118	7.1%	401	415	3.5%
107 Bakery and farinaceous products	1,865	1,891	1.4%	387	343	-11.5%	1,478	1,548	4.7%
1071 Bread; fresh pastry goods and cakes	396	446	12.6%	88	88	0.6%	309	358	16.0%
1072 Rusks and biscuits; preserved pastry goods and cakes	1,122	1,118	-0.3%	271	228	-16.0%	851	890	4.6%
1073 Macaroni, noodles, couscous and similar farinaceous products	347	326	-5.9%	28	27	-5.8%	318	300	-5.9%
108 Other food products	8,024	7,946	-1.0%	3,603	3,306	-8.2%	4,421	4,640	5.0%
1081 Sugar	135	148	9.6%	352	277	-21.1%	-217	-130	-40.2%
1082 Cocoa, chocolate and sugar confectionery	2,192	2,202	0.5%	1,090	980	-10.1%	1,101	1,222	10.9%
1083 Processed tea and coffee	752	741	-1.5%	632	640	1.3%	120	101	-16.1%
1084 Condiments and seasonings	608	684	12.6%	288	280	-2.7%	320	404	26.5%
1085 Prepared meals and dishes	1,267	1,304	3.0%	332	314	-5.6%	935	991	6.0%
1086 Homogenised food preparations and dietetic food	1,290	1,052	-18.5%	29	13	-53.5%	1,261	1,039	-17.7%
1089 Other food products n.e.c.	1,781	1,815	1.9%	880	801	-9.0%	901	1,014	12.6%
109 Prepared animal feeds	1,385	1,513	9.2%	505	479	-5.2%	879	1,034	17.6%
1091 Prepared feeds for farm animals	780	816	4.6%	210	197	-6.4%	570	619	8.6%
1092 Prepared pet foods	605	697	15.3%	295	282	-4.4%	309	415	34.1%
110 Beverages	7,393	7,439	0.6%	1,594	1,284	-19.4%	5,800	6,155	6.1%
1101 Distilled alcoholic beverages	1,660	1,690	1.8%	725	531	-26.8%	935	1,159	23.9%
1102 Wine from grape	3,034	3,177	4.7%	392	333	-15.0%	2,642	2,844	7.6%
1103 Cider and other fruit wines	94	115	21.3%	12	9	-23.1%	82	105	27.7%
1104 Other non-distilled fermented beverages	46	41	-11.5%	2	1	-60.4%	44	40	-8.8%
1105 Beer	895	830	-7.2%	115	124	7.0%	780	707	-9.4%
1106 Malt	259	266	2.6%	7	4	-39.1%	253	262	3.7%
1107 Soft drinks; mineral waters and other bottled waters	1,403	1,320	-5.9%	340	283	-16.9%	1,063	1,038	-2.4%

Source: Eurostat - COMEXT, Nace Rev.2, Divisions 10 & 11

Prices of agricultural commodities

FAO Food Price Index



Source: FAO Food Price Index

Main agricultural commodity prices

Agricultural commodity	Q1 2021 average	EU		Q1 2021 average	WORLD	
		Q1 2021/ Q4 2020	Q1 2021/ Q1 2020		Q1 2021/ Q4 2020	Q1 2021/ Q1 2020
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	209	15.8	26.6	198	21.0	30.7
Soft wheat	216	11.3	16.7	227	7.8	4.9
SMP	2,349	8.0	-6.1	2,668	8.9	0.6
WMP	2,935	7.5	-1.9	2,990	14.6	9.7
White sugar*				371	9.5	6.4
				USD/T	% change	% change
OILS AND OIL CROPS						
Soybean oil				1,131	16.4	40.0
Soybean				580	18.7	53.3
Soybean meal				531	9.4	46.8
Rapeseed				566	17.2	30.2
Rape oil				1,216	20.2	37.7
Palm oil				1,014	10.5	39.9
COFFEE AND COCOA						
Cocoa				2,420	2.9	-5.2
Coffee				2,612	7.6	11.8

* EU white sugar prices for EU28 are discontinued as from December 2020 and continue as EU27. They do therefore currently not allow representative calculation.

Sources: World prices: FAO (cereals), CIAL (dairy), USDA (sugar); EU prices: DG AGRI; own calculations

Retail trade

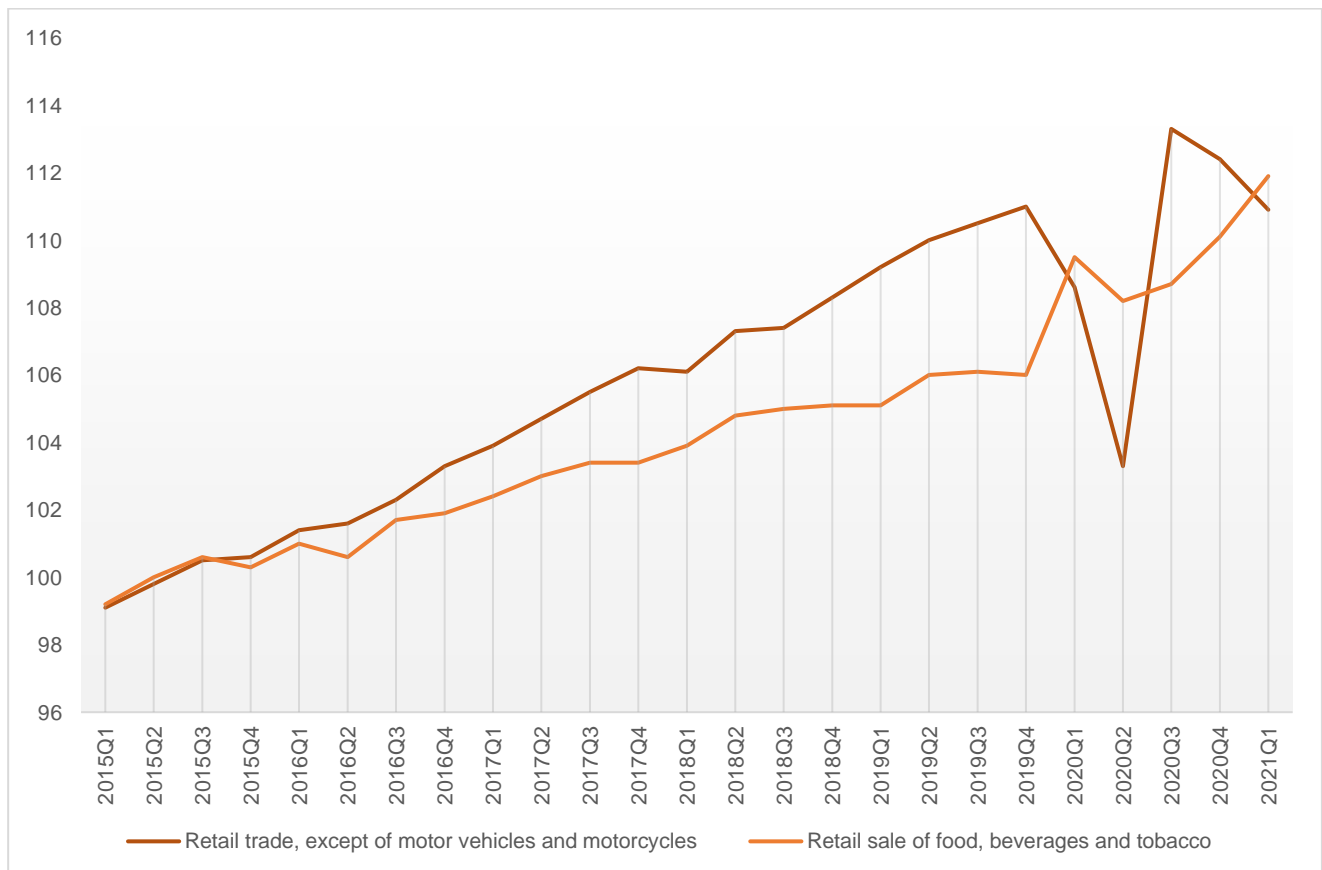
Retail sales index (2015=100)

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Total retail trade	108.6	103.3	113.3	112.4	110.9	
% change	-2.2	-4.9	9.7	-0.8	-1.3	2.1
Food, drinks and tobacco	109.5	108.2	108.7	110.1	111.9	
% change	3.3	-1.2	0.5	1.3	1.6	2.2

Source: Eurostat

The index of the volume of retail trade measures the evolution of the turnover in retail trade, adjusted for price changes (deflated), i.e. the evolution of the total amount of goods sold, based on data adjusted for calendar and seasonal effects.

EU turnover in retail trade by economic activity, 2015-2020 (2015=100)

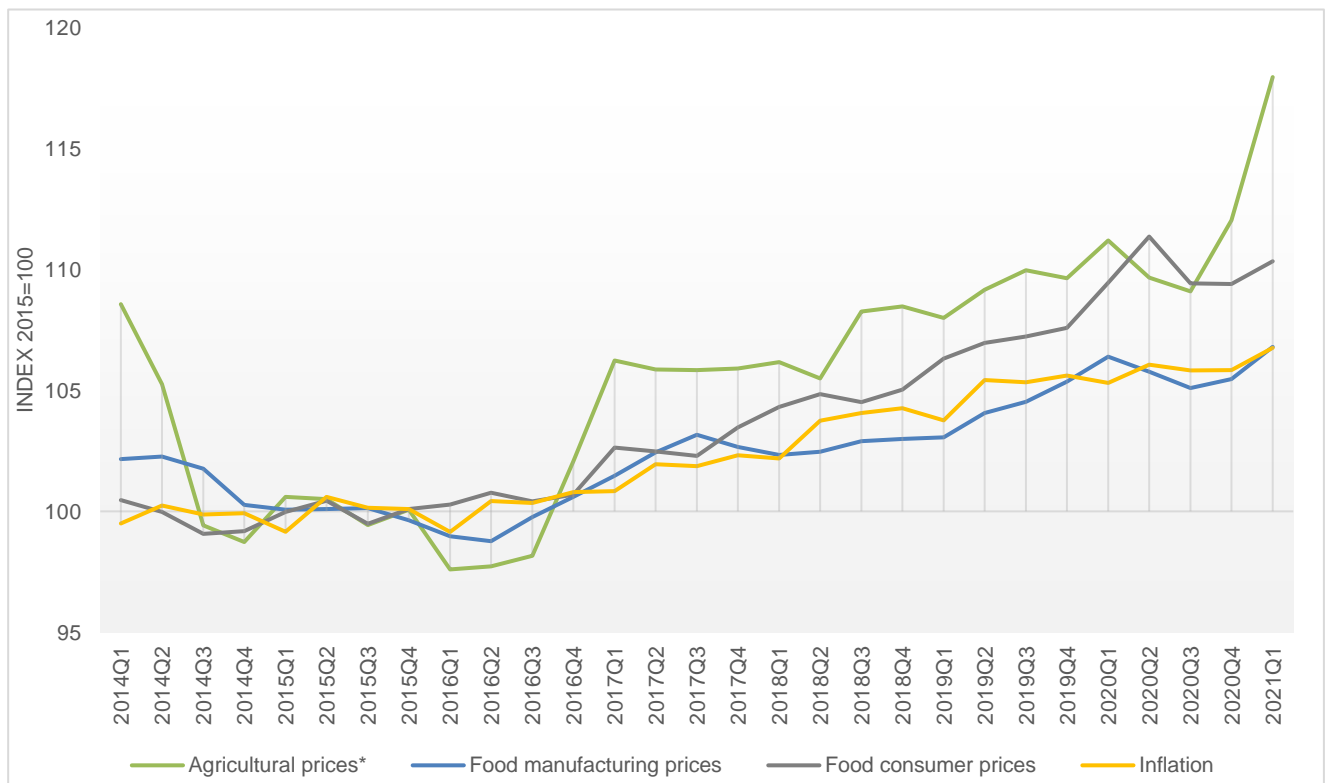


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	y-o-y
Agricultural prices*	1.4	-1.4	-0.5	2.7	5.3	6.1
Food manufacturing prices	1.0	-0.6	-0.6	0.3	1.3	0.4
Food consumer prices	1.7	1.7	-1.7	0	0.9	0.8
Inflation	-0.3	0.7	-0.2	0	0.9	1.4

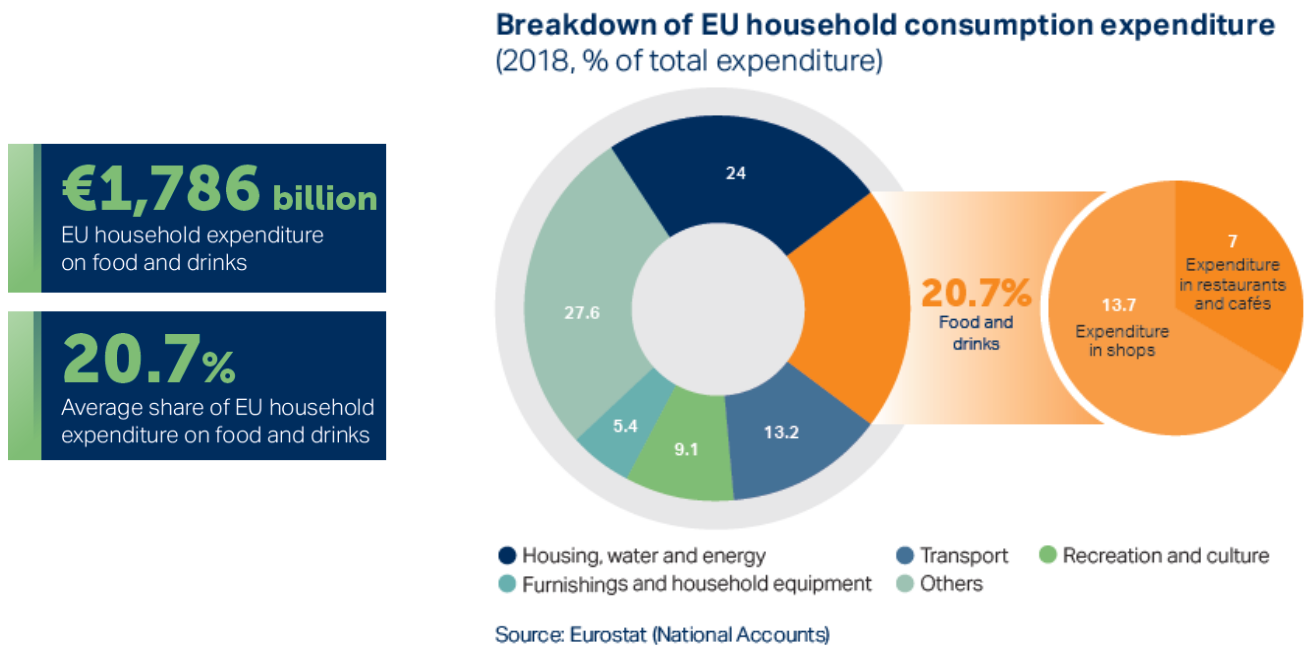


* EU farmer price indices are not available before January 2015. Before this date, the monthly change is estimated based on Member States data weighted by their share in the agricultural output. Latest Eurostat monthly indices for EU farmer prices are available in June 2020. Since this date, the index is estimated based on cereals, sugar, milk, meat, tomatoes and apples monthly prices weighted by annual production (updated by the latest edition of short-term outlook: https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en).

Sources: Eurostat and DG Agriculture and Rural Development; own calculations

Focus on ...

EU household expenditure on food and drinks



Source: FoodDrinkEurope – Data & Trends of the European Food and Drink Industry 2020. Full report available [here](#).