

ECONOMIC BULLETIN Q2 2022

**Sharp increase in turnover, manufacturing prices and agricultural prices -
declined food industry confidence -
a new quarterly high for exports**

Food and drink industry

Production, turnover and manufacturing prices continued on their upward trend

- In Q2 2022, EU food and drink industry production increased by 0.6% compared to the previous quarter.
- EU food and drink industry turnover increased by 7.9% compared to the previous quarter.
- The year-on-year comparison continues its upward trend in food and drink industry production and in total manufacturing production (3.2% and 1.7% respectively, compared to Q2 2021). There is a marked increase in food and drink industry turnover and total manufacturing turnover (20.3% and 21% respectively, compared to Q2 2021).
- Food manufacturing prices increased by 9.1% compared to the previous quarter and were up by 19.1% compared to Q2 2021.

[Click here for more information](#)

Slow increase in food and drink industry employment

- In Q2 2022, employment levels in both food and drink manufacturing show an increase (0.5%), as well as in total manufacturing (0.2%) compared to the previous quarter.
- Year-on-year, employment levels increased in the food industry (1.6%), the drink industry (2%) and in total manufacturing (1.2%).

[Click here for more information](#)

Mixed confidence levels in the food and drink industry

- Food industry confidence declined for Q3 2022 (-2.5 points) for the third time in a row, whereas drink industry confidence increased (6.1 points). Total manufacturing confidence dropped by 5.2 points.

[Click here for more information](#)

EU exports totalled €45.1 billion

- EU exports of food and drinks totalled €45.1 billion in Q2 2022 (Q2 2022/Q2 2021: +14.7%).
- The trade balance reached a surplus of €18.6 billion (Q2 2022/Q2 2021: -3.1%).

- The top 5 products with the largest share in export value generated €22.2 billion in Q2 2022 (meat products, dairy products, wine, processed fruits and vegetables, oils and fats).
- EU imports of food and drinks reached €26.5 billion (Q2 2022/Q2 2021: +31.6%).

[Click here for more information](#)

Agricultural commodities

FAO food price index reaches all-time quarterly high

- The FAO food price index increased by 7.9% in Q2 2022 compared to the previous quarter and by 25.5% compared to Q2 2021.
- In Q2 2022, the prices of most agricultural commodities continued trending upwards.
- The year-on-year comparison showed double-digit growth in EU and world market prices for all agricultural commodities except for cocoa.

[Click here for more information](#)

Retail

Decrease in retail trade in foodstuffs

- Retail trade in foodstuffs in Q2 2022 decreased by 1.5% compared to the previous quarter whereas total retail trade was down 0.4%.
- Year-on-year, retail trade in foodstuffs decreased by 2.2%. Total retail trade grew by 1.4%.
- Consumer prices increased by 5.4% compared to the previous quarter and 10.4% year-on-year.

[Click here for more information](#)

Focus on ...

Latest Economic Bulletin on input costs

- Provides detailed information on the inflationary pressures on energy prices, transport costs, packaging, machinery for processing, labour, agricultural raw materials, animal feed and fertilizers.

[Click here for more information](#)

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 112/2022, 'Volume of retail trade down by 0.3% in the euro area and by 0.2% in the EU', 6 October 2022

<https://ec.europa.eu/eurostat/documents/2995521/15131934/4-06102022-AP-EN.pdf/30dbcae1-1162-7035-4b3e-ae69a64df586>

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

ECONOMIC BULLETIN Q2 2022

Annex

Production and turnover of the EU food and drink industry

Production index (2015=100)

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Total manufacturing	108.1	107.6	107.8	109.2	109.9	
% change	0.0	-0.5	0.2	1.3	0.6	1.7
Food and drink industry	106.1	106.9	107.7	108.9	109.5	
% change	1.8	0.8	0.7	1.1	0.6	3.2

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.

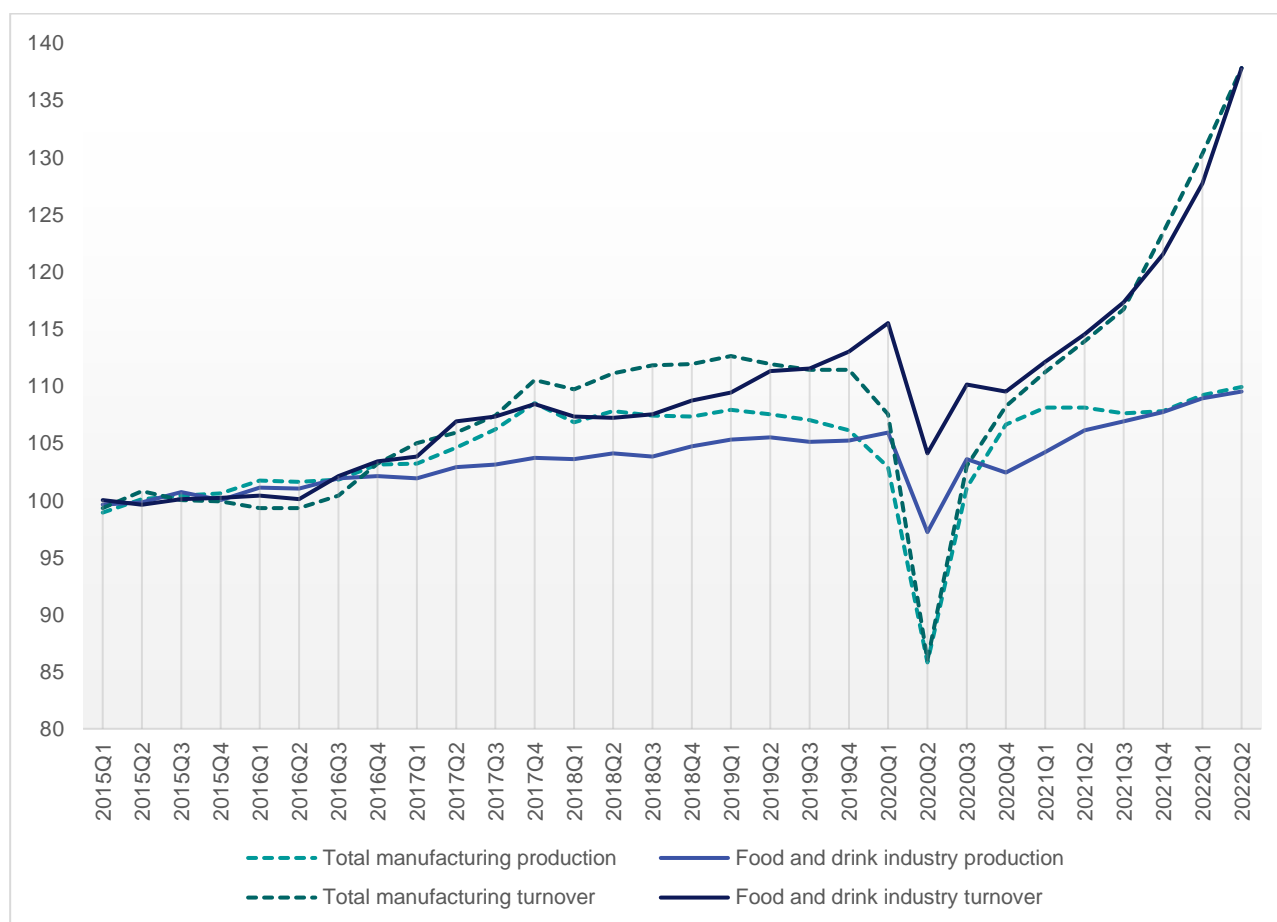
Turnover index (2015=100)

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Total manufacturing	113.9	116.7	123.4	130.3	137.8	
% change	2.4	2.5	5.7	5.6	5.8	21.0
Food and drink industry	114.5	117.3	121.5	127.7	137.8	
% change	2.1	2.4	3.6	5.1	7.9	20.3

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, 2015-2022 (2015=100)



Source: Eurostat

Food and drink production by Member State

Member State	2022 Q1 / 2021 Q4 (% change)	2022 Q2 / 2022 Q1 (% change)	2022 Q2 / 2021 Q2 (% change)
EU	1.1	0.6	3.2
Austria	2.3	0.4	8.9
Belgium	3.3	0.5	2.3
Bulgaria	12.7	1.6	15.6
Czech Republic	-1.0	-0.3	2.2
Denmark	0.1	2.7	3.1
Finland	0.3	0.3	1.7
France	0.5	-1.5	0.8
Germany	0.8	0.5	2.5
Greece	-1.8	0.6	4.8
Hungary	3.6	3.4	13.1
Italy	-1.0	2.2	4.1
Latvia	-1.9	2.6	3.8
Lithuania	-1.2	3.7	6.2
Netherlands	-1.4	2.4	2.4
Poland	4.4	3.1	11.5
Portugal	0.9	-1.6	0.7
Romania	3.9	2.3	4.5
Spain	-1.3	1.9	3.5

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

Food and drink turnover by Member State

Member State	2022 Q1 / 2021 Q4 (% change)	2022 Q2 / 2022 Q1 (% change)	2022 Q2 / 2021 Q2 (% change)
EU	5.1	7.9	20.3
Austria	7.4	4.9	20.9
Belgium	4.8	9.1	16.8
Czech Republic	3.5	8.3	19.0
Denmark	3.3	6.4	13.4
Finland	2.9	4.6	12.6
France	2.9	3.7	12.6
Germany	6.2	8.2	20.7
Greece	7.5	3.9	21.5
Hungary	4.2	2.5	12.0
Italy	6.6	6.1	19.3
Latvia	3.8	13.1	23.8
Lithuania	7.6	9.7	31.3
Netherlands	4.2	9.7	27.1
Poland	10.2	14.4	39.6
Portugal	9.1	5.6	23.4
Romania	6.9	11.6	29.6
Spain	1.9	14.3	23.7

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

Employment in the EU food and drink industry

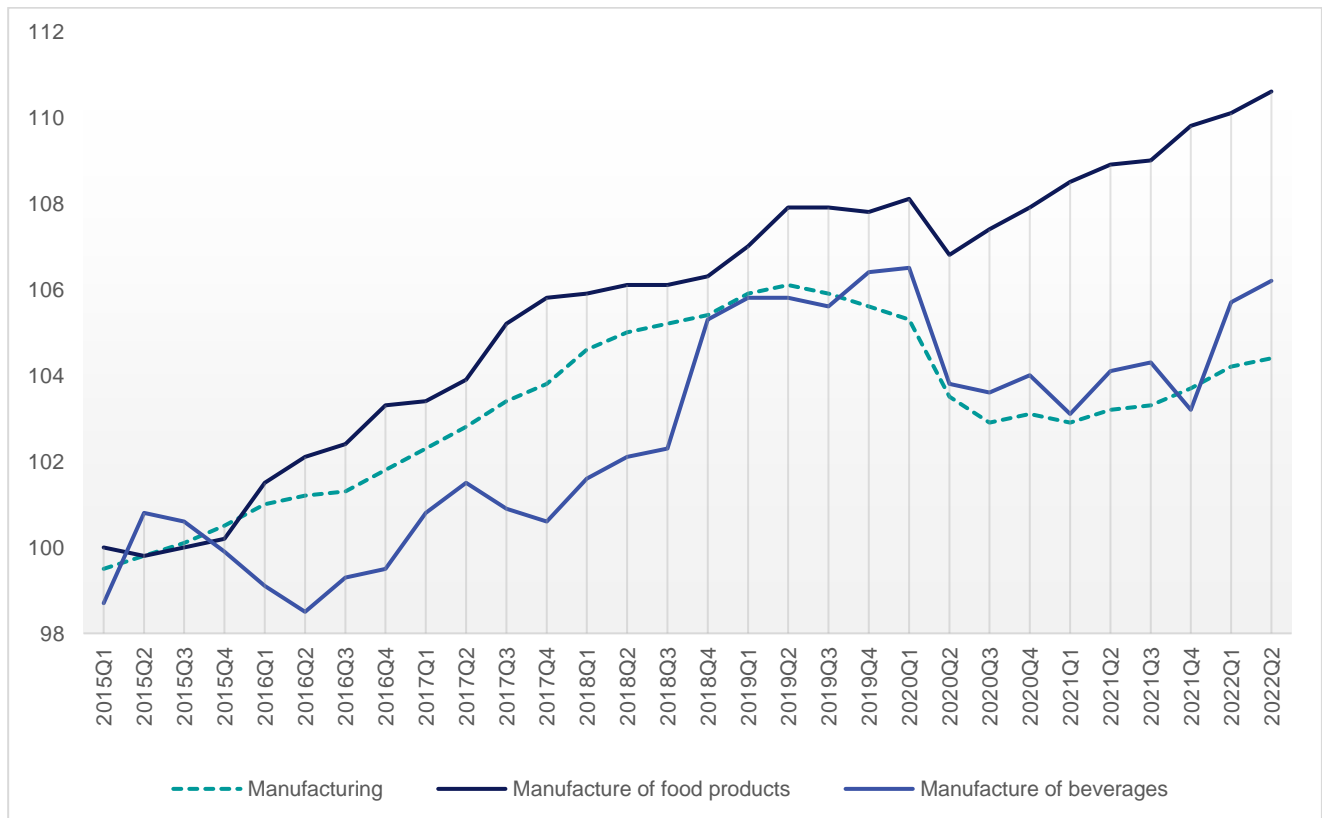
Employment index (2015=100)

Employment	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Total manufacturing	103.2	103.3	103.7	104.2	104.4	
% change	0.3	0.1	0.4	0.5	0.2	1.2
Food industry	108.9	109.0	109.8	110.1	110.6	
% change	0.4	0.1	0.7	0.3	0.5	1.6
Drink industry	104.1	104.3	103.2	105.7	106.2	
% change	1.0	0.2	-1.1	2.4	0.5	2.0

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, 2015-2022 (2015=100)



Source: Eurostat

Food industry employment by Member State

Member State	2022 Q1 / 2021 Q4 (% change)	2022 Q2 / 2022 Q1 (% change)	2022 Q2 / 2021 Q2 (% change)
EU	0.3	0.5	1.6
Austria	0.5	0.2	2.0
Belgium	1.0	na	na
Croatia	-2.1	na	na
Czech Republic	1.0	-0.2	-0.4
Denmark	0.9	0.8	3.9
Finland	5.0	-10.1	-0.9
France	0.4	0.2	2.5
Germany	0.4	0.2	1.0
Greece	0.9	-2.1	-8.5
Ireland	1.1	3.1	3.5
Italy	1.0	-0.6	1.5
Latvia	-1.6	1.4	-2.8
Lithuania	-0.4	0.7	0.5
Netherlands	0.6	na	na
Poland	-0.3	0.1	-0.8
Portugal	1.0	0	2.2
Spain	-1.4	5.5	8.8
Sweden	2.0	-2.1	0.8

Source: Eurostat. No data available for Bulgaria, Cyprus, Estonia, Hungary, Luxembourg, Malta, Romania, Slovakia, Slovenia

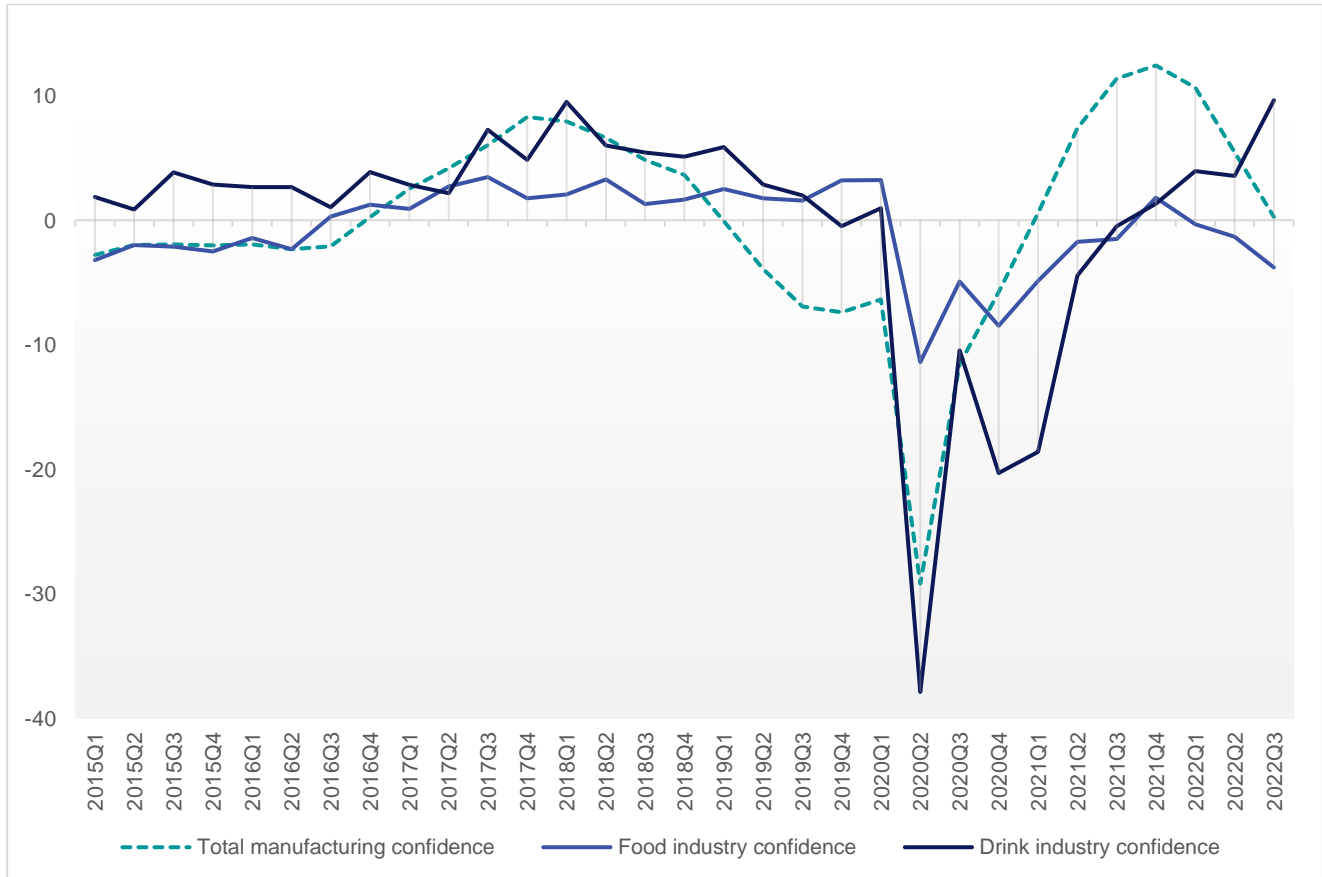
Drink industry employment by Member State

Member State	2022 Q1 / 2021 Q4 (% change)	2022 Q2 / 2022 Q1 (% change)	2022 Q2 / 2021 Q2 (% change)
EU	2.4	0.5	2.0
Austria	0.1	0.8	1.5
Belgium	1.1	na	na
Croatia	-0.6	na	na
Czech Republic	0.9	0.6	3.0
Denmark	1.3	3.4	11.5
Finland	na	na	-7.6
France	0.3	0.4	2.5
Germany	-0.1	0	0.1
Greece	2.8	-6.9	1.1
Ireland	12.7	1.3	7.9
Italy	1.3	5.1	11.1
Latvia	2.5	4.3	2.7
Lithuania	2.2	0.5	5.0
Netherlands	1.1	na	na
Poland	1.9	-1.1	0.7
Portugal	1.5	1.1	3.3
Spain	12.1	-3.9	-5.2
Sweden	2.1	3.1	6.5

Source: Eurostat. No data available for Bulgaria, Cyprus, Estonia, Hungary, Luxembourg, Malta, Romania, Slovakia, Slovenia

Confidence in the EU food and drink industry

EU quarterly manufacturing confidence indicators, 2015-2022



* 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.

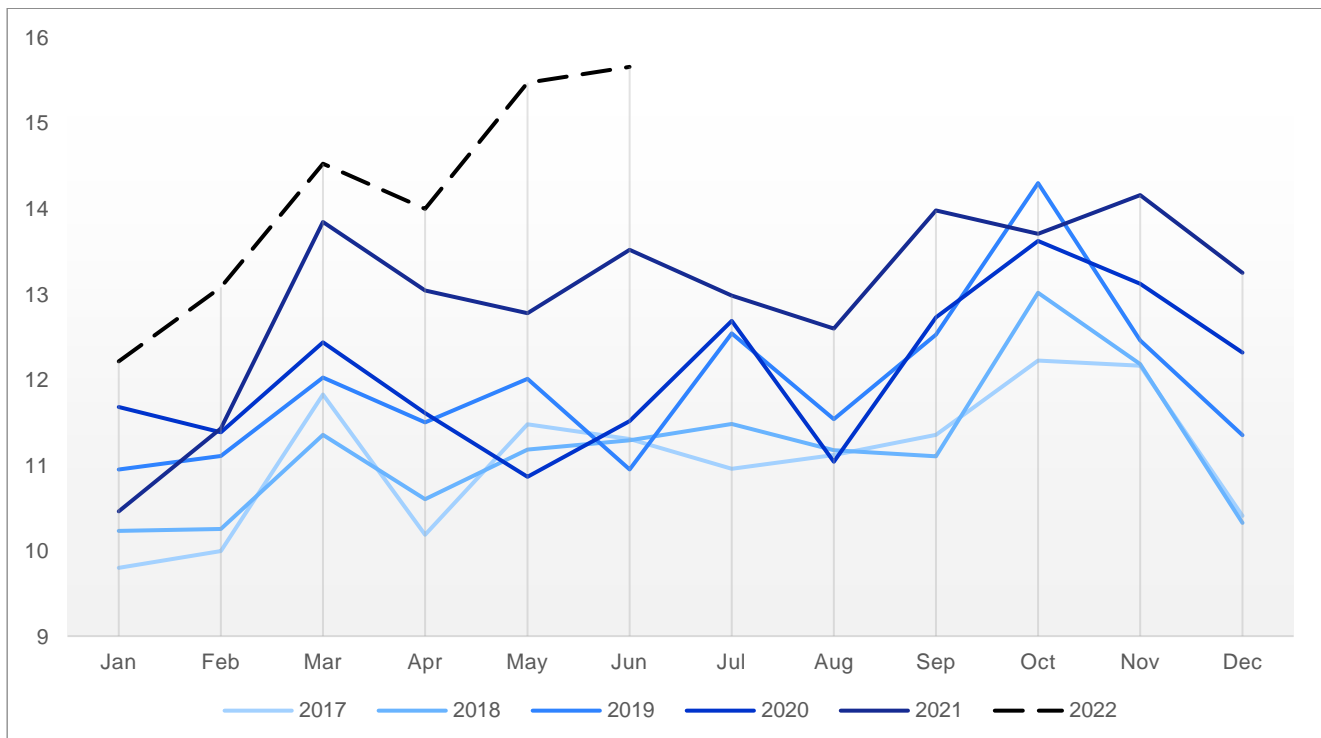
External trade

EU food and drink trade (€ billion)

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Exports	39.4	39.6	41.1	39.8	45.1	14.7%
Imports	20.1	21.3	23.5	23.2	26.5	31.6%
Balance	19.2	18.3	17.6	16.6	18.6	-3.1%

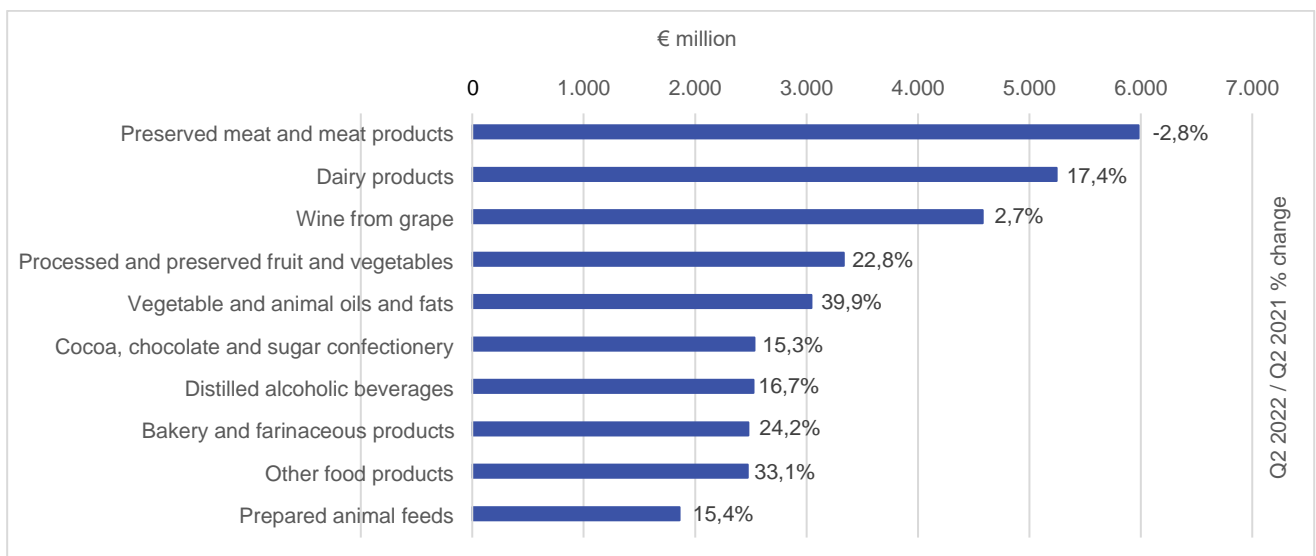
Source: Eurostat

EU food and drink exports, 2016-2022 (€ billion)



Source: Eurostat

Export performance by sector



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

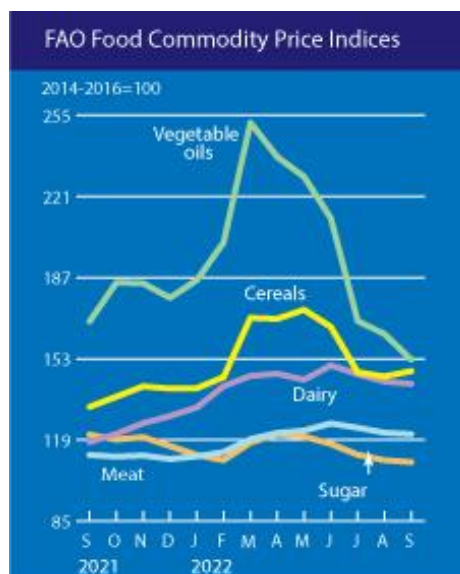
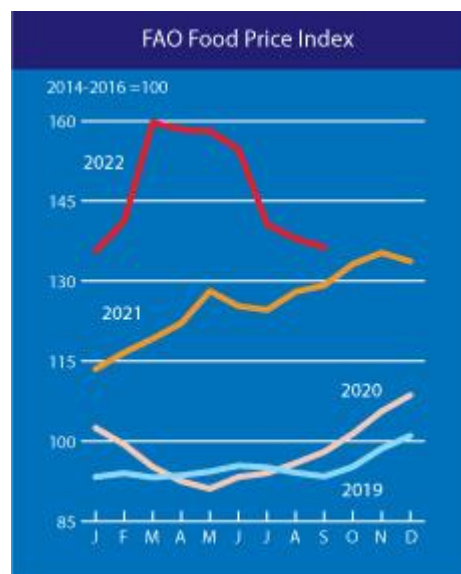
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q2 2021	Q2 2022	change	Q2 2021	Q2 2022	change	Q2 2021	Q2 2022	change
	€ million			€ million			€ million		
Food and drinks	39,357	45,130	14.7%	20,143	26,506	31.6%	19,214	18,625	-3.1%
10 Food products	29,721	34,806	17.1%	18,346	24,289	32.4%	11,375	10,517	-7.5%
11 Beverages	9,636	10,324	7.1%	1,798	2,217	23.3%	7,838	8,107	3.4%
101 Preserved meat and meat products	6,154	5,981	-2.8%	1,481	2,286	54.3%	4,673	3,695	-20.9%
1011 Processed and preserved meat	4,238	3,665	-13.5%	1,040	1,567	50.7%	3,198	2,097	-34.4%
1012 Processed and preserved poultry meat	716	878	22.6%	142	244	71.3%	574	635	10.6%
1013 Meat and poultry meat products	1,201	1,438	19.8%	299	475	58.8%	902	963	6.8%
102 Processed and preserved fish, crustaceans and molluscs	1,155	1,364	18.1%	4,167	5,579	33.9%	-3,012	-4,215	39.9%
103 Processed and preserved fruit and vegetables	2,715	3,335	22.8%	2,120	2,607	23.0%	595	728	22.3%
1031 Processed and preserved potatoes	633	859	35.6%	35	34	-1.3%	598	824	37.8%
1032 Fruit and vegetable juices	391	456	16.5%	444	512	15.4%	-53	-56	7.1%
1039 Other processed and preserved fruit and vegetables	1,691	2,021	19.5%	1,641	2,061	25.6%	50	-40	-180.5%
104 Vegetable and animal oils and fats	2,176	3,044	39.9%	4,931	6,777	37.4%	-2,755	-3,733	35.5%
1041 Oils and fats	2,020	2,825	39.8%	4,884	6,707	37.3%	-2,864	-3,882	35.5%
1042 Margarine and similar edible fats	156	218	40.4%	47	70	49.6%	109	148	36.4%
105 Dairy products	4,469	5,245	17.4%	486	700	43.9%	3,983	4,545	14.1%
1051 Dairy and cheese products	4,198	4,953	18.0%	418	619	48.1%	3,780	4,335	14.7%
1052 Ice cream	271	292	7.6%	69	81	18.4%	202	210	3.9%
106 Grain mill products, starches and starch products	1,191	1,412	18.5%	690	1,073	55.5%	501	339	-32.4%
1061 Grain mill products	624	749	20.0%	576	906	57.3%	48	-157	-427.9%
1062 Starches and starch products	567	663	17.0%	114	167	46.4%	453	496	9.5%
107 Bakery and farinaceous products	1,996	2,479	24.2%	387	464	19.8%	1,609	2,015	25.3%
1071 Bread; fresh pastry goods and cakes	491	585	19.2%	94	118	24.7%	396	467	17.9%
1072 Rusks; and biscuits; preserved pastry goods and cakes	1,184	1,416	19.6%	265	301	14.0%	920	1,115	21.2%
1073 Macaroni, noodles, couscous and similar farinaceous products	321	478	48.9%	28	45	57.8%	293	433	48.1%
108 Other food products	8,178	10,003	22.3%	3,529	4,054	14.9%	4,649	5,949	28.0%
1081 Sugar	125	148	18.6%	347	422	21.5%	-222	-274	23.2%
1082 Cocoa, chocolate and sugar confectionery	2,198	2,534	15.3%	911	972	6.7%	1,288	1,562	21.3%
1083 Processed tea and coffee	782	982	25.6%	647	742	14.6%	134	240	78.6%
1084 Condiments and seasonings	736	854	16.0%	343	399	16.4%	393	455	15.7%
1085 Prepared meals and dishes	1,376	1,647	19.7%	356	396	11.1%	1,020	1,251	22.7%
1086 Homogenised food preparations and dietetic food	1,103	1,365	23.8%	16	17	6.7%	1,087	1,348	24.0%
1089 Other food products n.e.c.	1,858	2,472	33.1%	909	1,106	21.7%	949	1,366	43.9%
109 Prepared animal feeds	1,611	1,859	15.4%	552	748	35.4%	1,059	1,112	5.0%
1091 Prepared feeds for farm animals	889	1,007	13.3%	239	324	35.4%	650	683	5.1%
1092 Prepared pet foods	722	852	18.0%	313	423	35.4%	409	428	4.7%
110 Beverages	9,636	10,324	7.1%	1,798	2,217	23.3%	7,838	8,107	3.4%
1101 Distilled alcoholic beverages	2,162	2,523	16.7%	803	1,063	32.4%	1,358	1,460	7.5%
1102 Wine from grape	4,460	4,582	2.7%	401	435	8.3%	4,059	4,147	2.2%
1103 Cider and other fruit wines	154	124	-19.6%	16	22	39.4%	138	102	-26.4%
1104 Other non-distilled fermented beverages	60	65	8.9%	1	4	314.2%	59	61	3.6%
1105 Beer	973	950	-2.3%	168	216	28.4%	805	734	-8.7%
1106 Malt	292	334	14.5%	6	23	302.6%	286	312	8.8%
1107 Soft drinks; mineral waters and other bottled waters	1,535	1,746	13.7%	402	454	12.8%	1,133	1,292	14.0%

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	Q2 2022 average	EU		Q2 2022 average	WORLD	
		Q2 2022/ Q1 2022	Q2 2022/ Q2 2021		Q2 2022/ Q1 2022	Q2 2022/ Q2 2021
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	345	19.7	46.5	318	19	32.5
Soft wheat	375	22.4	72.3	386	17.4	66.2
SMP	4,062	11.8	59.7	4,009	7.8	38.7
WMP	5,142	13.5	61.2	3,801	-1.1	11.4
White sugar	450	2.7	13.7	508	12.4	35.6
				USD/T	% change	% change
OILS AND OIL CROPS						
Soybean oil				1,887	12.7	26.4
Soybean				727	9.7	17.4
Soybean meal				546	-3.5	15.8
Rapeseed				na	na	na
Rape oil				na	na	na
Palm oil				1,634	5.5	52.2
COFFEE AND COCOA						
Cocoa				2,381	-4.5	-0.1
Coffee				4,369	-2.5	49.5

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

Retail trade

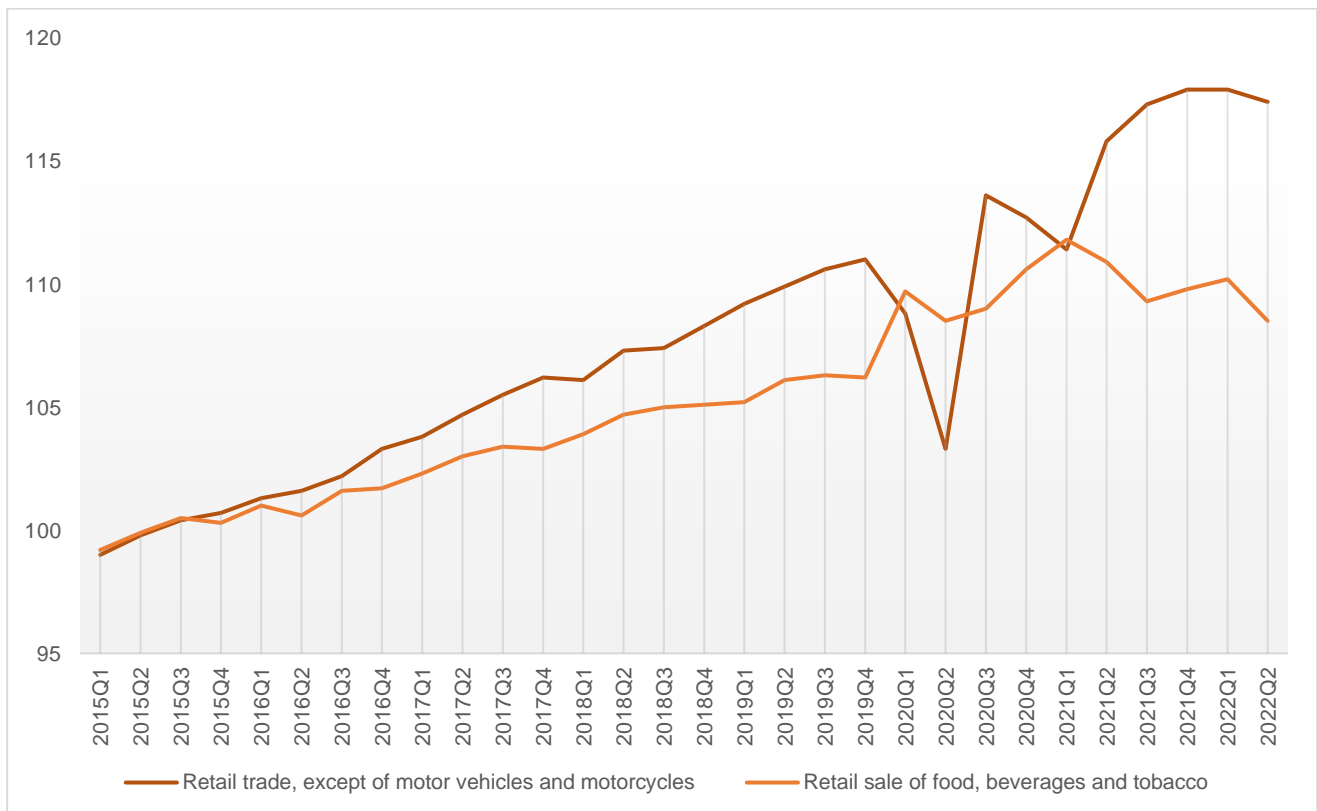
Retail sales index (2015=100)

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Total retail trade	115.8	117.3	117.9	117.9	117.4	
% change	3.9	1.3	0.5	0.0	-0.4	1.4
Food, drinks and tobacco	110.9	109.3	109.8	110.2	108.5	
% change	-0.8	-1.4	0.5	0.4	-1.5	-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, 2015-2022 (2015=100)

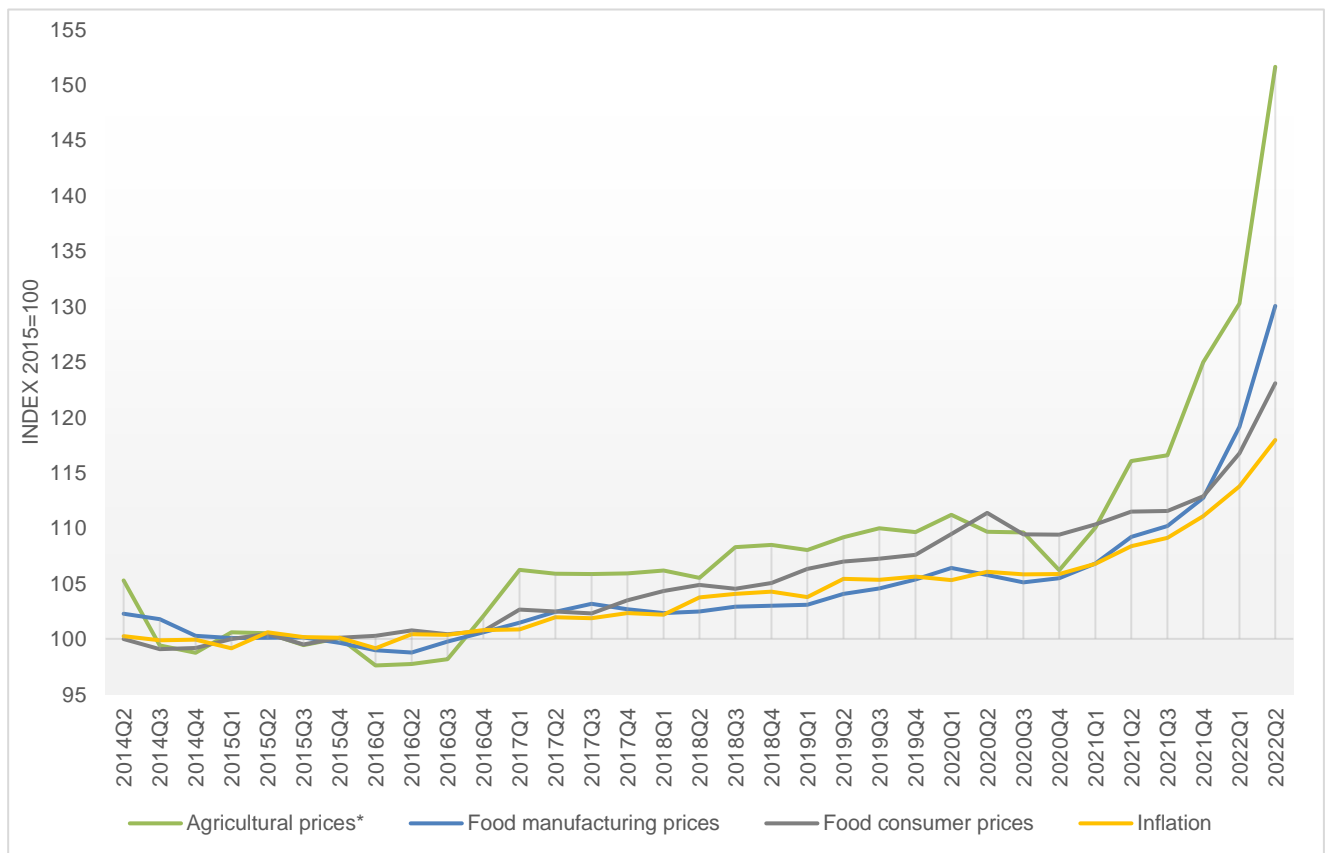


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	y-o-y
Agricultural prices*	5.5	-0.1	7.0	8.4	16.4	30.7
Food manufacturing prices	2.2	0.9	2.3	5.7	9.1	19.1
Food consumer prices	1.0	0.1	1.2	3.4	5.4	10.4
Inflation	1.5	0.7	1.8	2.4	3.7	8.8




* 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 ...

September 2022



ECONOMIC BULLETIN on INPUT COSTS

Up to June/July/August 2022

Food and drink producer prices, consumer prices and inflation

- In July 2022, EU food and drink producer prices increased by 19.3% compared to July 2021.
- Consumer food prices registered a 13.2% increase since July 2021.
- Inflation was up by 9.8% in July 2022 year-on-year.

[Click here for more information](#)

Energy prices

Crude oil and natural gas

- In August 2022, crude oil prices increased by 38% compared to August 2021.
- EU natural gas prices rose by 354% since August 2021, while US prices have increased by 117%.

[Click here for more information](#)

Transport costs

Global shipping and air freight

- The global container freight rate index decreased by -41% between August 2021 and August 2022.
- Air freight rates were up 9% compared to August 2021.

[Click here for more information](#)

Packaging

Wood and paper

- July year-on-year, producer prices index of wooden containers grew by 26%.
- Producer price indices of pulp, paper and paperboard have continuously increased over the same period and registered a 36% rise compared to July 2021.

Plastics and metal

- The producer price index of plastic packing goods grew by 16% since July 2021.
- The July year-on-year comparison shows that the producer price index of light metal packaging grew by 25%.

[Click here for more information](#)

Machinery for processing

- The producer price index of machinery for food and drink processing registered a 9% increase since July 2021.

[Click here for more information](#)

Labour

Labour shortage

- The job vacancy rate in the EU manufacturing industry has risen significantly since Q1 2021 (Q1 2022/Q1 2021: +60%).
- In Q1 2022, the job vacancy rate in the manufacturing industry varied across Member States, from 5.7% in the Czech Republic to 0.4% in Greece.

[Click here for more information](#)

Agricultural raw materials

- The FAO food price index increased by 8% in August 2022 year-on-year.
- For further details, please see the European Commission's monthly [commodity price dashboard](#).

Animal feed

- Producer prices of animal feed have continuously increased since August 2020.
- The July 2022 year-on-year comparison shows that the producer price index of animal feed grew by 30%.

[Click here for more information](#)

Fertilizers

- Most fertiliser prices soared in 2021, particularly those for phosphates and urea.
- In August 2022 year-on-year, prices of diammonium phosphate, triple superphosphate and urea increased by 24%, 27% and 32% respectively.

[Click here for more information](#)

Source: FoodDrinkEurope – Economic Bulletin on Input Costs (Jun-Aug 2022) [weblink](#).