

ECONOMIC BULLETIN Q4 2022

Decrease in production, increase in turnover and manufacturing prices – and continuous growth in international trade

Food and drink industry

Decrease in production, while turnover and manufacturing prices continued their upward trend

- In Q4 2022, EU food and drink industry production decreased by 1.2% compared to the previous quarter.
- EU food and drink industry turnover increased by 2.3% compared to the previous quarter.
- The year-on-year comparison shows a decrease in food and drink industry production while total manufacturing production is trending upwards (-0.5% and 3.1% respectively, compared to Q4 2021). There is a marked increase in food and drink industry turnover and total manufacturing turnover (19.2% and 15.8% respectively, compared to Q4 2021).
- Food manufacturing prices increased by 3.1% compared to the previous quarter and were up by 23.1% compared to Q4 2021.

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Employment up in food and drink industry and in total manufacturing

- In Q4 2022, employment levels in total manufacturing, in food manufacturing as well as in drink manufacturing show an increase (0.3%, 0.5% and 2.4% respectively) compared to the previous quarter.
- Year-on-year, employment levels increased in the food industry (1%), the drink industry (7.3%) and in total manufacturing (1.3%).

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Low confidence levels in the food and drink industry

- Food industry confidence declined for Q1 2023 (-0.6 points) and for the fifth consecutive quarter. Drink industry confidence showed a significant drop-down (-3.4 points) compared to the previous quarter. Total manufacturing confidence increased by 1 point.

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EU exports totalled €48.3 billion

- EU exports of food and drinks totalled €48.3 billion in Q4 2022 (Q4 2022/Q4 2021: +17.5%).
- The trade balance reached a surplus of €20.4 billion (Q4 2022/Q4 2021: +16.1%).

- The top 5 products with the largest share in export value generated €23.5 billion in Q4 2022 (meat products, dairy products, wine, processed fruits and vegetables, and cocoa, chocolate and sugar confectionery).
- EU imports of food and drinks reached €27.9 billion (Q4 2022/Q4 2021: +18.5%).

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Agricultural commodities

Further easing in agricultural commodity prices

- The FAO food price index decreased by 3% in Q4 2022 compared to the previous quarter and by 0.1% compared to Q4 2021.
- In Q4 2022, the prices of most agricultural commodities continued their downward trend.
- The year-on-year comparison showed EU and world market prices remained up for most agricultural commodities, except for WMP, palm oil, rapeseed, rape oil, cocoa, and coffee.

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Retail

Decrease in retail trade in foodstuffs

- Retail trade in foodstuffs in Q4 2022 decreased by 2% compared to the previous quarter whereas total retail trade was down 0.8%.
- Year-on-year, retail trade in foodstuffs decreased by 4.4%. Total retail trade decreased by 2.2%.
- Consumer prices increased by 4.4% compared to the previous quarter and 18.1% year-on-year.

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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.

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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 28/2023, 'Volume of retail trade up by 0.3% in both the euro area and the EU', 6 March 2023

<https://ec.europa.eu/eurostat/documents/2995521/16138282/4-06032023-AP-EN.pdf/9eddc4be-ed7a-c759-c64a-77cba38506fc?version=1.0&t=1677855118333>

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.fooddrinkurope.eu

ECONOMIC BULLETIN Q4 2022

Annex

Production and turnover of the EU food and drink industry

Production index (2015=100)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	y-o-y
Total manufacturing	110.1	111.7	112.4	113.1	113.5	
% change	1.8	1.5	0.6	0.6	0.4	3.1
Food and drink industry	108.2	108.7	109.1	109	107.7	
% change	1.2	0.5	0.4	-0.1	-1.2	-0.5

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.

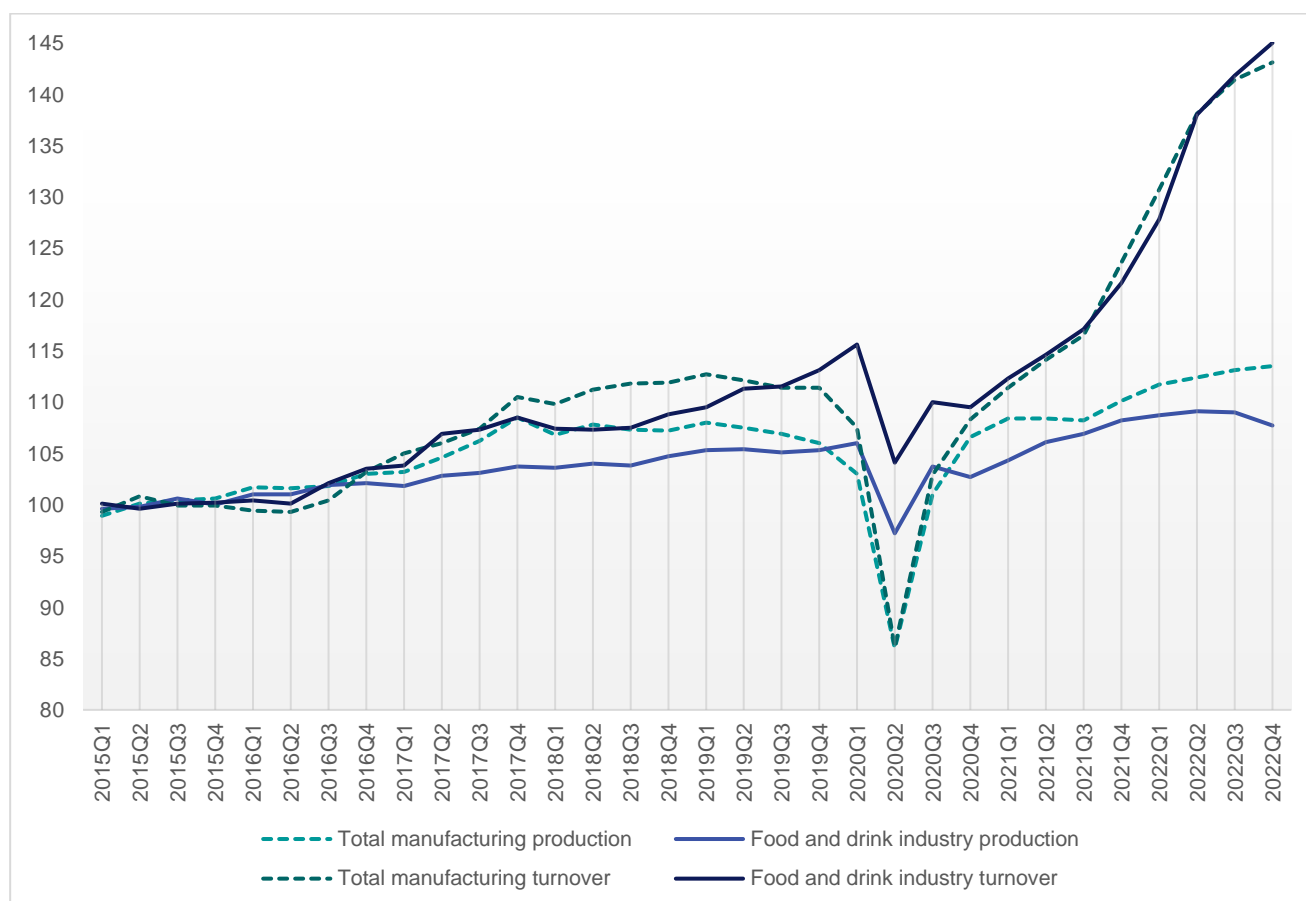
Turnover index (2015=100)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	y-o-y
Total manufacturing	123.6	130.7	138.1	141.4	143.1	
% change	6.1	5.7	5.7	2.4	1.2	15.8
Food and drink industry	121.6	127.8	138.0	141.8	145.0	
% change	3.8	5.1	8.0	2.8	2.3	19.2

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 Q3 / 2022 Q2 (% change)	2022 Q4 / 2022 Q3 (% change)	2022 Q4 / 2021 Q4 (% change)
EU	-0.1	-1.2	-0.5
Austria	-1.5	4.2	5.9
Belgium	-2.6	-1.1	-0.1
Bulgaria	-3.7	-1.9	2.6
Czech Republic	-0.8	-0.3	-2.0
Denmark	-3.0	-1.7	-2.1
Finland	-2.9	-0.9	-4.4
France	0.2	-0.1	-1.2
Germany	-1.1	-2.4	-3.2
Greece	0.5	1.7	1.7
Hungary	-2.6	-4.0	-1.0
Italy	0.2	-3.3	-3.5
Latvia	0.2	-0.5	0.5
Lithuania	0.6	-3.2	-0.8
Netherlands	-0.8	1.0	1.1
Poland	-0.1	1.4	9.2
Portugal	0.0	1.3	0.5
Romania	-2.3	-1.9	2.0
Spain	-0.1	-1.2	-1.4

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 Q3 / 2022 Q2 (% change)	2022 Q4 / 2022 Q3 (% change)	2022 Q4 / 2021 Q4 (% change)
EU	2.8	2.3	19.2
Austria	1.1	1.9	16.1
Belgium	4.0	1.5	20.8
Czech Republic	4.2	3.9	21.3
Denmark	5.9	2.6	15.8
Finland	3.0	2.1	13.5
France	3.4	2.9	14.4
Germany	3.2	2.2	20.6
Greece	4.4	0.9	17.6
Hungary	-3.4	-4.2	-2.4
Italy	2.8	-0.4	16.0
Latvia	4.2	2.2	25.5
Lithuania	-0.3	-1.9	15.3
Netherlands	3.0	2.0	20.0
Poland	2.3	3.9	34.9
Portugal	3.2	3.6	23.2
Romania	-1.7	2.6	20.6
Spain	0.3	3.6	20.7

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

Employment in the EU food and drink industry

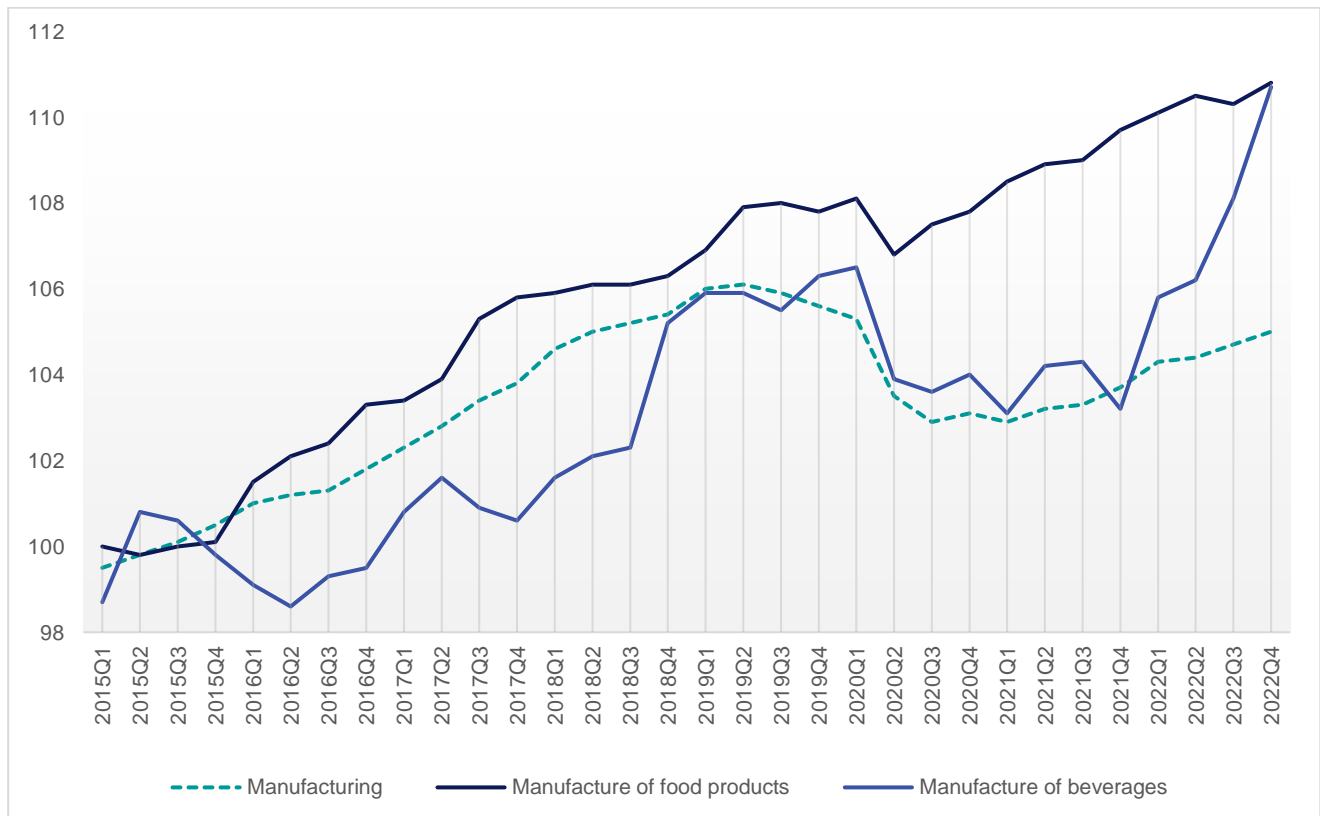
Employment index (2015=100)

Employment	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	y-o-y
Total manufacturing	103.7	104.3	104.4	104.7	105.0	
% change	0.4	0.6	0.1	0.3	0.3	1.3
Food industry	109.7	110.1	110.5	110.3	110.8	
% change	0.6	0.4	0.4	-0.2	0.5	1.0
Drink industry	103.2	105.8	106.2	108.1	110.7	
% change	-1.1	2.5	0.4	1.8	2.4	7.3

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 Q3 / 2022 Q2 (% change)	2022 Q4 / 2022 Q3 (% change)	2022 Q4 / 2021 Q4 (% change)
EU	-0.2	0.5	0.9
Austria	-0.6	0.6	0.7
Belgium	1.0	na	na
Croatia	0.4	-0.7	-1.3
Czech Republic	0.1	-1.4	-0.5
Denmark	-0.1	na	na
Finland	-0.5	25.4	17.8
France	0.0	0.4	0.6
Germany	0.1	0.3	0.9
Greece	-0.2	na	na
Ireland	-2.5	-6.0	-6.5
Italy	0.0	1.4	1.8
Latvia	-1.4	-0.3	-1.9
Lithuania	-1.1	-0.9	-1.8
Netherlands	0.3	na	na
Poland	-0.1	0.1	-0.2
Portugal	0.1	0.2	1.3
Spain	-2.0	1.6	3.6
Sweden	1.8	-3.4	-1.7

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

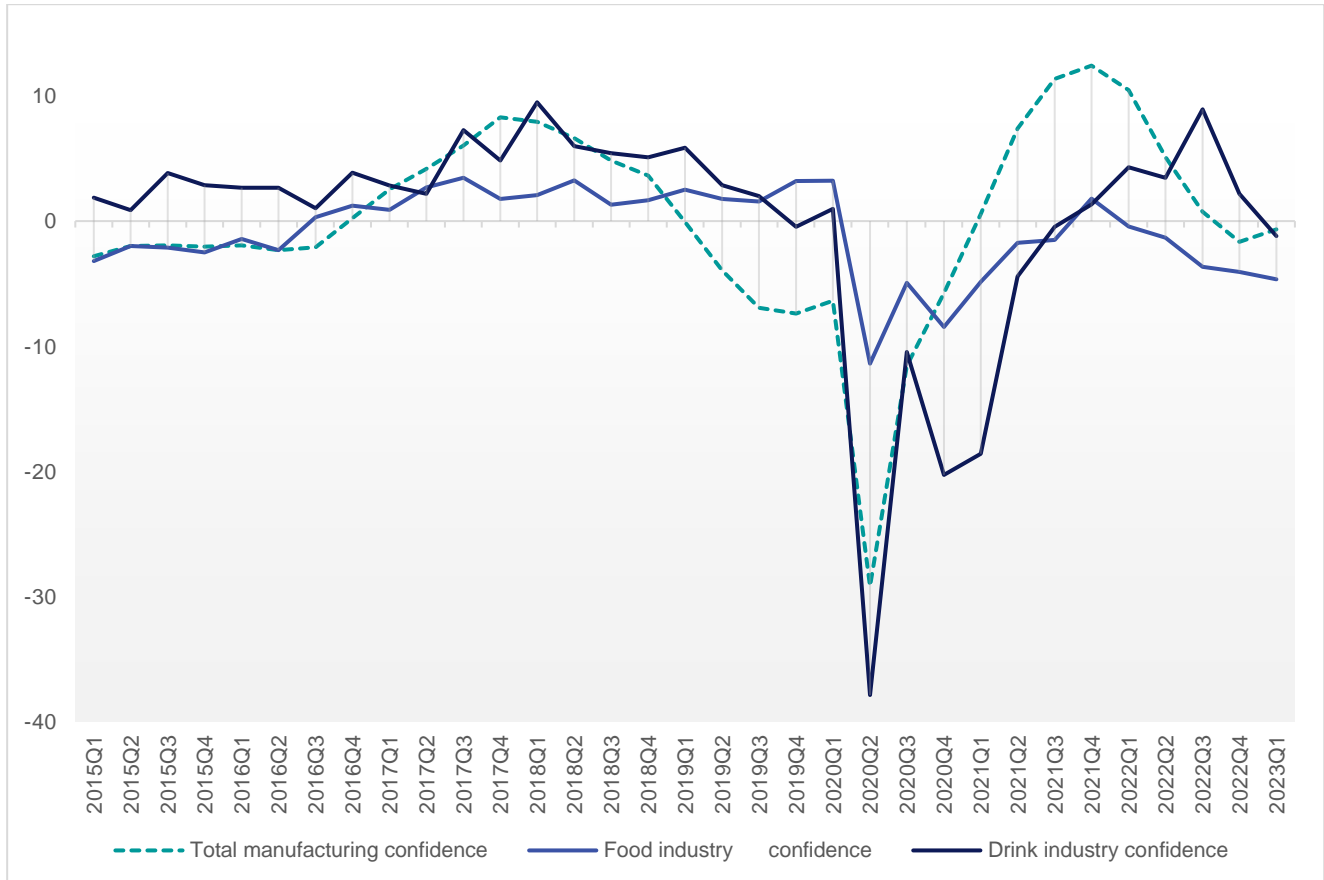
Drink industry employment by Member State

Member State	2022 Q3 / 2022 Q2 (% change)	2022 Q4 / 2022 Q3 (% change)	2022 Q4 / 2021 Q4 (% change)
EU	1.8	2.4	7.3
Austria	0.5	1.1	2.6
Belgium	0.5	na	na
Croatia	-0.2	1.3	0.9
Czech Republic	0.4	3.7	5.6
Denmark	-0.3	na	na
France	-0.1	0.4	0.6
Germany	0.4	0.7	1.2
Greece	-0.2	na	na
Ireland	12.0	-2.5	19.2
Italy	5.0	-4.6	7.3
Latvia	-2.8	-0.1	3.4
Lithuania	1.1	0.0	4.1
Netherlands	1.4	na	na
Poland	-0.4	0.2	0.6
Portugal	1.5	-0.3	3.4
Spain	9.4	21.4	43.4
Sweden	2.4	-5.1	2.4

Source: Eurostat. No data available for Bulgaria, Cyprus, Estonia, Finland, 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.

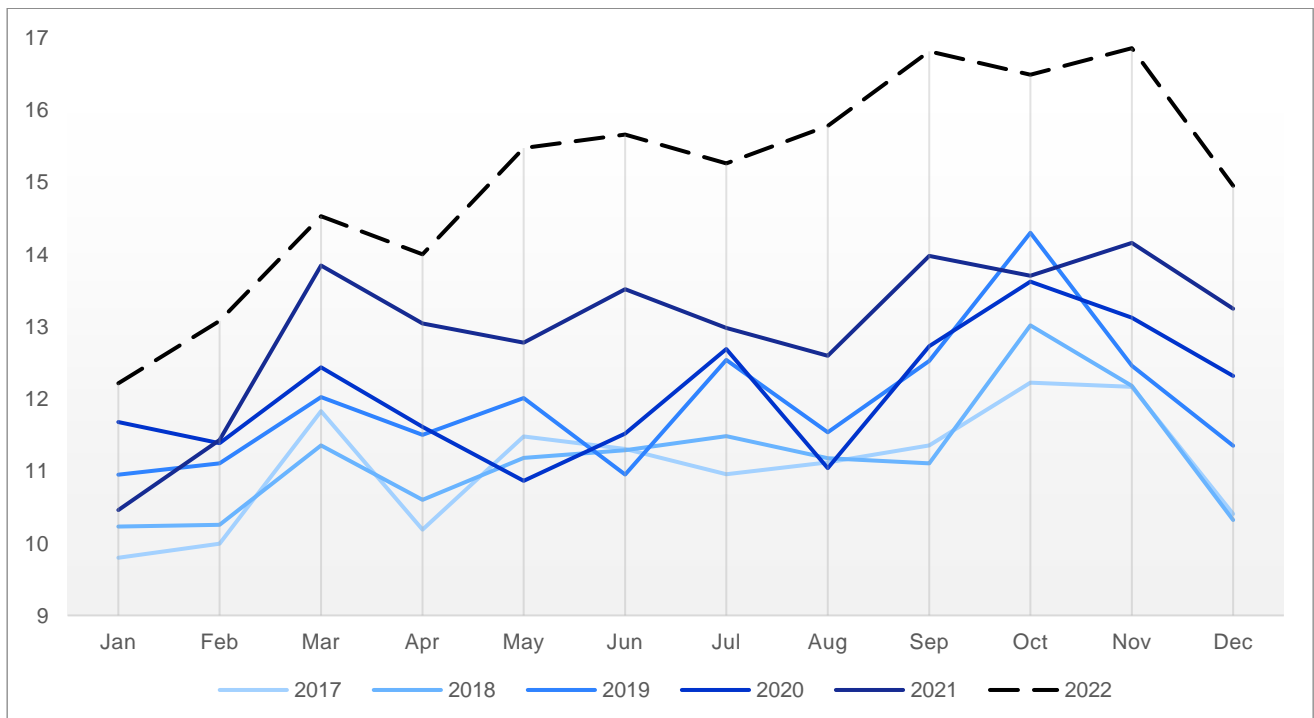
External trade

EU food and drink trade (€ billion)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	y-o-y
Exports	41.1	39.8	45.1	47.9	48.3	17.5%
Imports	23.5	23.2	26.5	27.4	27.9	18.5%
Balance	17.6	16.6	18.6	20.4	20.4	16.1%

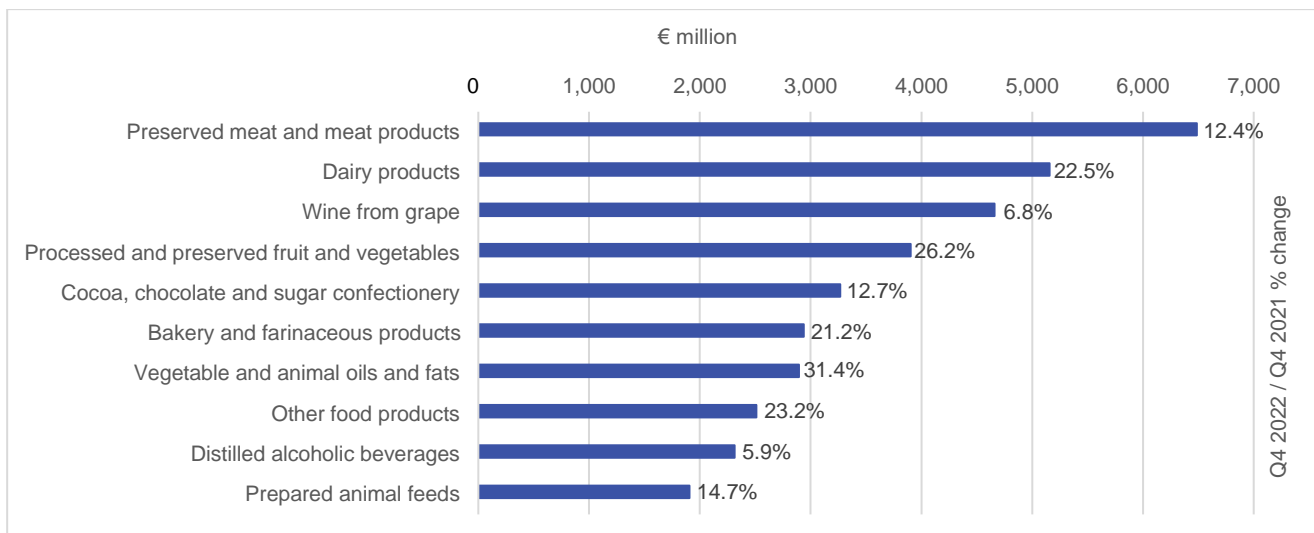
Source: Eurostat

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



Source: Eurostat

Export performance by sector



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

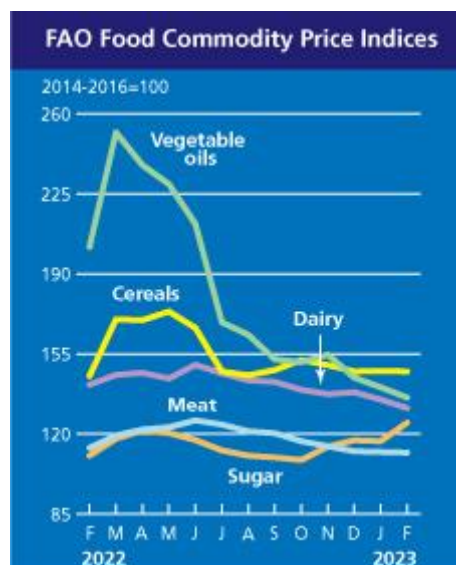
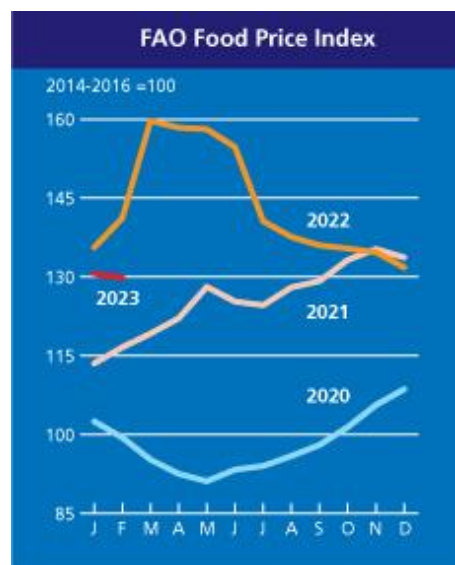
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q4 2021	Q4 2022	change	Q4 2021	Q4 2022	change	Q4 2021	Q4 2022	change
	€ million		%	€ million		%	€ million		%
Food and drinks	41,098	48,290	17.5%	23,526	27,889	18.5%	17,572	20,401	16.1%
10 Food products	31,707	38,107	20.2%	21,396	25,421	18.8%	10,311	12,686	23.0%
11 Beverages	9,392	10,183	8.4%	2,130	2,467	15.8%	7,261	7,715	6.3%
101 Preserved meat and meat products	5,769	6,485	12.4%	1,789	2,241	25.3%	3,980	4,244	6.6%
1011 Processed and preserved meat	3,518	3,947	12.2%	1,298	1,542	18.8%	2,220	2,405	8.3%
1012 Processed and preserved poultry meat	849	973	14.6%	183	222	21.3%	666	751	12.8%
1013 Meat and poultry meat products	1,402	1,565	11.7%	308	478	54.8%	1,093	1,088	-0.5%
102 Processed and preserved fish, crustaceans and molluscs	1,585	1,944	22.7%	5,281	5,921	12.1%	-3,696	-3,977	7.6%
103 Processed and preserved fruit and vegetables	3,092	3,902	26.2%	2,517	2,905	15.4%	574	997	73.6%
1031 Processed and preserved potatoes	684	1,105	61.5%	28	36	29.0%	656	1,069	62.9%
1032 Fruit and vegetable juices	423	476	12.4%	438	592	35.2%	-15	-116	697.1%
1039 Other processed and preserved fruit and vegetables	1,984	2,321	17.0%	2,051	2,277	11.0%	-67	44	-165.0%
104 Vegetable and animal oils and fats	2,204	2,895	31.4%	5,555	6,850	23.3%	-3,351	-3,955	18.0%
1041 Oils and fats	2,011	2,654	31.9%	5,500	6,781	23.3%	-3,489	-4,127	18.3%
1042 Margarine and similar edible fats	193	241	25.2%	55	68	24.3%	137	173	25.6%
105 Dairy products	4,210	5,158	22.5%	548	736	34.2%	3,662	4,423	20.8%
1051 Dairy and cheese products	4,050	4,976	22.9%	520	707	36.0%	3,530	4,269	20.9%
1052 Ice cream	159	182	14.4%	28	28	1.3%	131	154	17.1%
106 Grain mill products, starches and starch products	1,300	1,533	17.9%	710	880	24.0%	590	652	10.6%
1061 Grain mill products	692	806	16.5%	593	717	20.9%	98	89	-9.9%
1062 Starches and starch products	608	727	19.6%	117	163	40.0%	491	563	14.7%
107 Bakery and farinaceous products	2,426	2,939	21.2%	447	498	11.3%	1,978	2,441	23.4%
1071 Bread; fresh pastry goods and cakes	590	722	22.3%	114	123	8.3%	477	599	25.6%
1072 Rusks; and biscuits; preserved pastry goods and cakes	1,423	1,680	18.1%	306	332	8.5%	1,116	1,348	20.7%
1073 Macaroni, noodles, couscous and similar farinaceous products	412	538	30.4%	27	42	56.6%	385	495	28.5%
108 Other food products	9,380	11,290	20.4%	3,915	4,677	19.5%	5,466	6,613	21.0%
1081 Sugar	229	240	4.8%	443	770	73.9%	-213	-530	148.3%
1082 Cocoa, chocolate and sugar confectionery	2,898	3,266	12.7%	1,054	1,190	12.9%	1,844	2,076	12.6%
1083 Processed tea and coffee	850	1,041	22.5%	728	764	5.0%	122	277	126.5%
1084 Condiments and seasonings	760	869	14.3%	363	388	6.7%	397	481	21.2%
1085 Prepared meals and dishes	1,491	1,848	23.9%	375	461	23.0%	1,116	1,387	24.3%
1086 Homogenised food preparations and dietetic food	1,112	1,515	36.2%	16	24	53.2%	1,096	1,490	35.9%
1089 Other food products n.e.c.	2,039	2,511	23.2%	936	1,079	15.3%	1,104	1,432	29.8%
109 Prepared animal feeds	1,662	1,906	14.7%	633	714	12.9%	1,029	1,192	15.8%
1091 Prepared feeds for farm animals	922	1,004	8.9%	249	319	27.9%	673	685	1.9%
1092 Prepared pet foods	740	903	22.0%	383	395	3.1%	357	507	42.2%
110 Beverages	9,392	10,183	8.4%	2,130	2,467	15.8%	7,261	7,715	6.3%
1101 Distilled alcoholic beverages	2,184	2,313	5.9%	1,071	1,290	20.5%	1,114	1,023	-8.1%
1102 Wine from grape	4,363	4,660	6.8%	520	526	1.3%	3,843	4,134	7.6%
1103 Cider and other fruit wines	132	108	-18.3%	16	17	10.6%	116	90	-22.2%
1104 Other non-distilled fermented beverages	56	77	36.7%	1	2	195.7%	55	75	34.6%
1105 Beer	841	946	12.5%	153	202	32.5%	688	744	8.1%
1106 Malt	275	383	39.4%	8	26	240.1%	267	357	33.7%
1107 Soft drinks; mineral waters and other bottled waters	1,541	1,695	10.0%	363	403	11.0%	1,178	1,292	9.7%

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	EU			WORLD		
	Q4 2022 average	Q4 2022/ Q3 2022	Q4 2022/ Q4 2021	Q4 2022 average	Q4 2022/ Q3 2022	Q4 2022/ Q4 2021
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	323	-3.4	26.8	323	8.4	47.7
Soft wheat	336	-1.4	23.4	335	5.7	20.3
DAIRY						
SMP	3218	-15.0	5.7	3165	-13.3	2.3
WMP	4489	-9.0	19.3	3377	-5.8	-0.5
SUGAR						
White sugar	621	26.8	48.6	539	2.4	22.5
				USD/T	% change	% change
OILS AND OIL CROPS						
Soybean oil				1546	-0.9	6.9
Soybean				640	-4.6	15.9
Soybean meal				544	1.5	20.4
Rapeseed				619	-2.9	-22.6
Rape oil				1317	-16.0	-25.8
Palm oil				925	-7.2	-29.2
COFFEE AND COCOA						
Cocoa				2361	5.2	-3.6
Coffee				3618	-16.6	-15.1

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

Retail trade

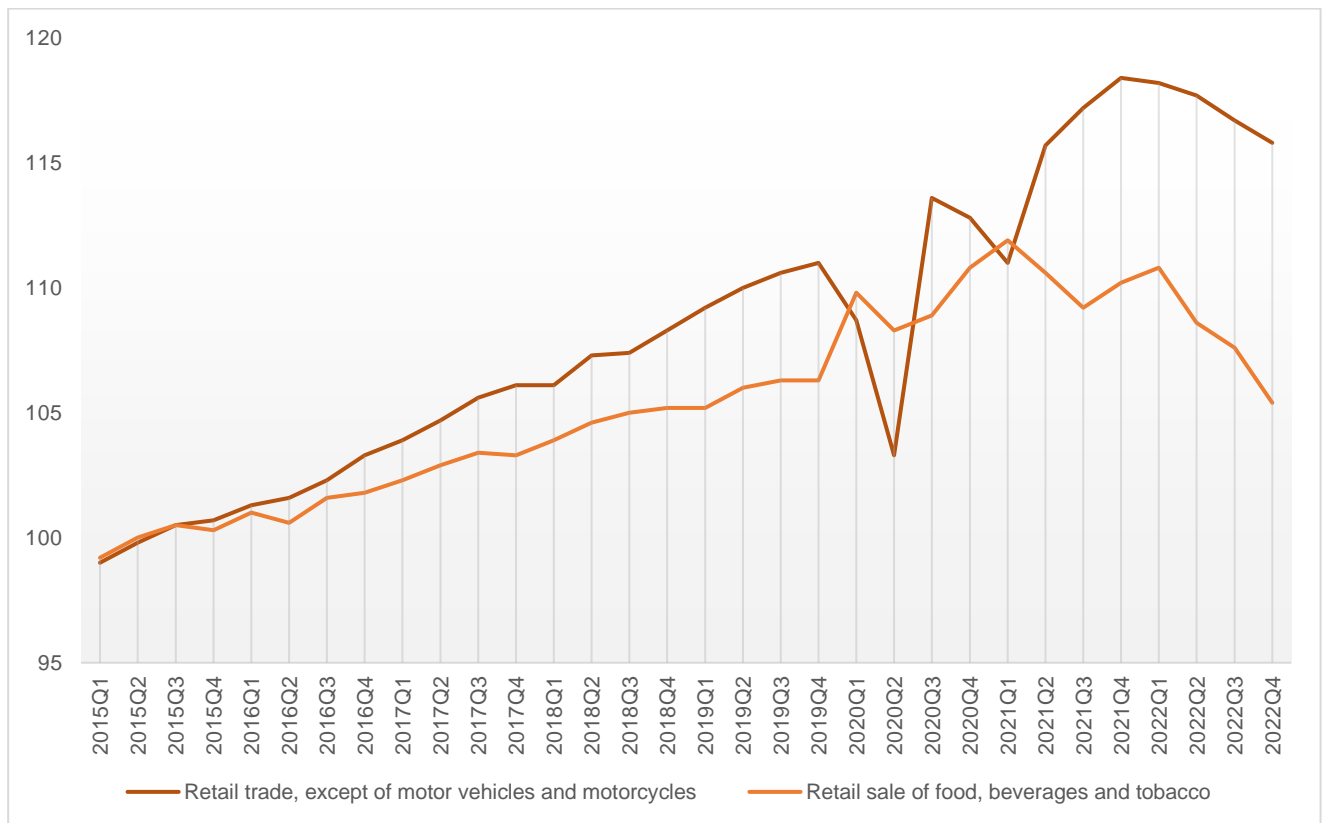
Retail sales index (2015=100)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q3	y-o-y
Total retail trade	118.4	118.2	117.7	116.7	115.8	
% change	1.0	-0.2	-0.4	-0.8	-0.8	-2.2
Food, drinks and tobacco	110.2	110.8	108.6	107.6	105.4	
% change	0.9	0.5	-2.0	-0.9	-2.0	-4.4

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)

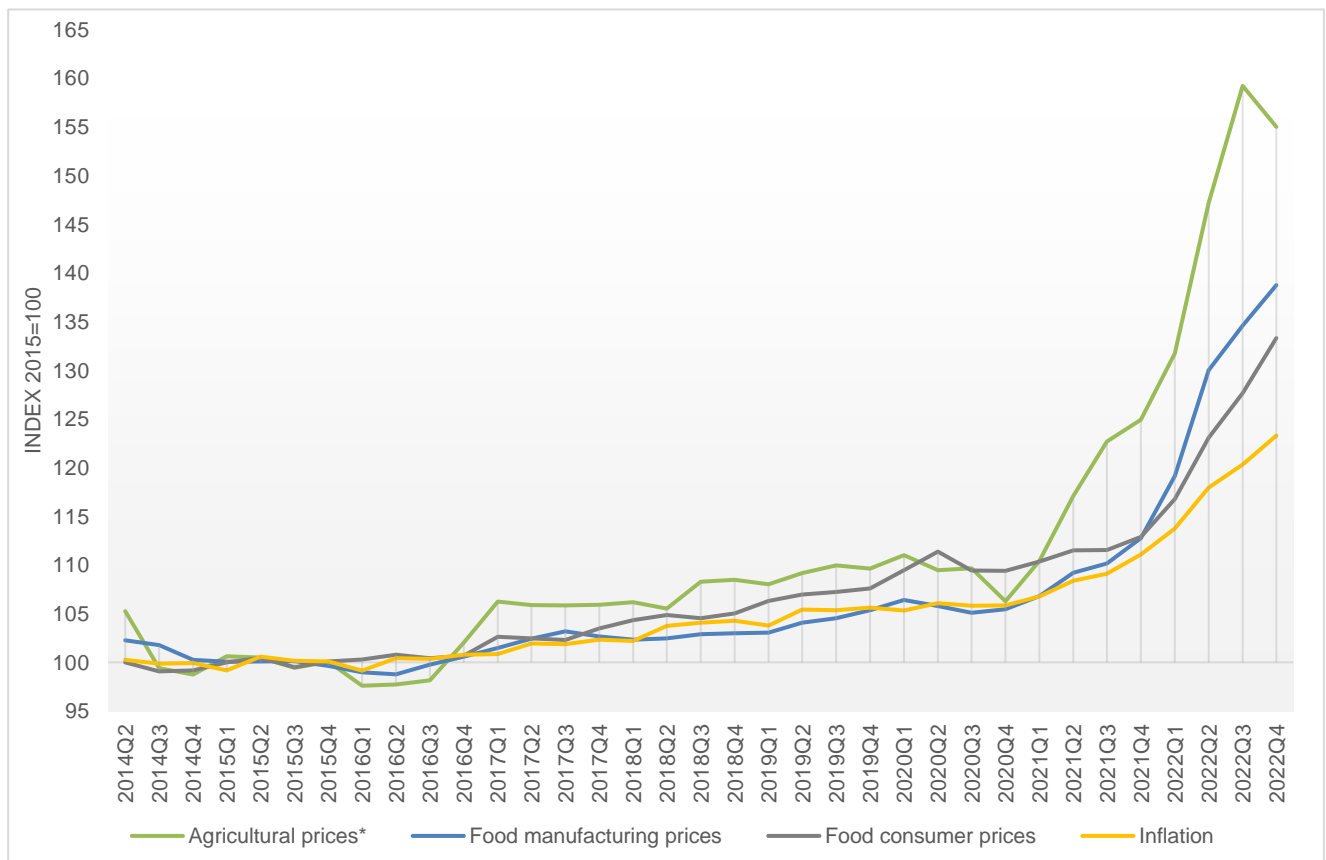


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	y-o-y
Agricultural prices*	1.8	5.4	11.8	8.2	-2.6	24.1%
Food manufacturing prices	2.3	5.7	9.1	3.5	3.1	23.1%
Food consumer prices	1.2	3.4	5.4	3.7	4.4	18.1%
Inflation	1.8	2.4	3.7	2.0	2.5	11.0%



* 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 ...



Food and drink producer prices, consumer prices and inflation

- In December 2022, EU food and drink producer prices increased by 20.1% compared to December 2021.
- Consumer food prices registered a 18.2% increase since December 2021.
- Inflation was up by 10.4% in December 2022 year-on-year.

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Energy prices

Crude oil and natural gas

- In December 2022, crude oil prices increased by 8% on average compared to December 2021.
- EU natural gas prices decreased by 5% since December 2021.

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Transport costs

Global shipping and air freight

- The global container freight rate index decreased by 76% between December 2021 and December 2022.
- Air freight rates were down 40% compared to December 2021.

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Packaging

Wood and paper

- December year-on-year, producer prices index of wooden containers grew by 9%.
- Producer price indices of pulp, paper and paperboard have continuously increased over the same period and registered a 27% rise compared to December 2021.

Plastics and metal

- The producer price index of plastic packing goods grew by 11% since December 2021.
- The December year-on-year comparison shows that the producer price index of light metal packaging grew by 22%.

[Click here for more information](#)

Machinery for processing

- The producer price index of machinery for food and drink processing registered a 10% increase since December 2021.

[Click here for more information](#)

Labour

Labour shortage

- The job vacancy rate in the EU manufacturing industry has risen significantly since Q3 2021 (Q3 2022/Q3 2021: +15%).
- In Q2 2022, the job vacancy rate in the manufacturing industry varied across Member States, from 5.1% in the Czech Republic to 0.4% in Greece.

[Click here for more information](#)

Agricultural raw materials

- The FAO food price index was down 1% compared to December 2021.
- For further details, please see the latest monthly monitoring of [agricultural raw material prices](#).

Animal feed

- Producer prices of animal feed have continuously increased since August 2020 and reached a high in July 2022.
- The December 2022 year-on-year comparison shows that the producer price index of animal feed grew by 22%.

[Click here for more information](#)

Fertilizers

- In December 2022 year-on-year, prices of diammonium phosphate, triple superphosphate and urea decreased by 16%, 15% and 42% respectively.

[Click here for more information](#)

Source: FoodDrinkEurope – Data & Trends of the European Food and Drink Industry 2022. Full report available [here](#).