

ECONOMIC BULLETIN Q1 2019

Increase in production, turnover, exports, and agricultural price indices

Food and drink industry

Increase in production, turnover and moderate change in manufacturing prices

- In Q1 2019, EU food and drink industry production increased by 1.5% compared to the previous quarter.
- EU food and drink industry turnover increased by 1.7% compared to the previous quarter.
- The year-on-year comparison shows that food and drink industry production growth exceeded total manufacturing production growth (2.2% vs. 0.6% compared to Q1 2018). In contrast, the year-on-year growth in food and drink industry turnover remained slightly below total manufacturing (2.4% vs. 2.8% compared to Q1 2018).
- Food manufacturing prices increased by a moderate 0.03% in Q1 2019 and were 0.8% higher compared to Q1 2018.

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Employment increased (not updated)

- Following the downward trend from January to September 2018, employment in the EU food and drink industry increased again in Q4 by 0.5% compared to Q3.
- In the long term, employment growth in the manufacturing industry outperforms the one in the food and drink industry (Q4 2018/Q4 2013: +6.3% vs. +5.7%).

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EU exports reached €27.8 billion

- EU exports of food and drinks totalled €27.8 billion in Q1 2019 (Q1 2019/Q1 2018: +6.6%).
- The trade balance reached a surplus of €9.2 billion (Q1 2019/Q1 2018: +9.2%).
- The top 5 products with the largest share in export value generated €13.5 billion in Q1 2019 (meat products, dairy products, wine, spirits, processed fruits and vegetables).
- EU imports of food and drinks reached €18.6 billion (Q1 2019/Q1 2018: +5.4%).

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Agricultural commodities

FAO food price index increased

- The FAO food price index increased by 3% in Q1 2019 compared to the previous quarter and remained 3% lower compared to Q1 2018.
- In Q1 2019, the majority of EU and world market commodity prices increased compared to the previous quarter, except for sugar, rapeseed and coffee.
- The year-on-year comparison demonstrates: an increase in world market prices for SMP, soft wheat, maize, cocoa, sugar and WMP – and a decrease in prices for palm oil, soybean meal, coffee, soybean oil, soybean and rapeseed.

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Retail

Retail trade in foodstuffs remains on positive trend

- Q1 2019, retail trade in foodstuffs increased by 0.3% compared to the previous quarter.
- Year-on-year, retail trade in foodstuffs increased by 1.3%, while growth in total retail was up by 3%.
- Consumer prices increased by 0.5% in Q1 2019 and were 1.2% higher compared to Q1 2018.

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Focus on ...

Farmers and the food and drink industry are strongly interdependent

The EU food and drink industry buys some 70% of all EU agricultural raw materials. The industry builds long-term partnerships with Europe's farmers to secure a local agricultural supply, creates value and develops market opportunities for products.

Find out more about EU farmers and the food and drink industry.

[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 represented with respect to the previous quarter (or month) of the same year.
- EU refers to EU28 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>

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 92/2019, 'Volume of retail trade down by 0.4% in euro area Down by 0.3% in EU28', 5 June 2019

<https://ec.europa.eu/eurostat/documents/2995521/9829894/4-05062019-BP-EN.pdf/7978d866-8300-4098-afd7-6faefa1f9202>

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 Q1 2019

Annex

Production and turnover of the EU food and drink industry

Production index

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Total manufacturing	107.1	107.4	107.2	106.6	107.7	
% change	-0.6	0.3	-0.2	-0.6	1.0	0.6
Food and drink industry	104.0	104.2	104.4	104.7	106.3	
% change	-0.1	0.2	0.2	0.3	1.5	2.2

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.

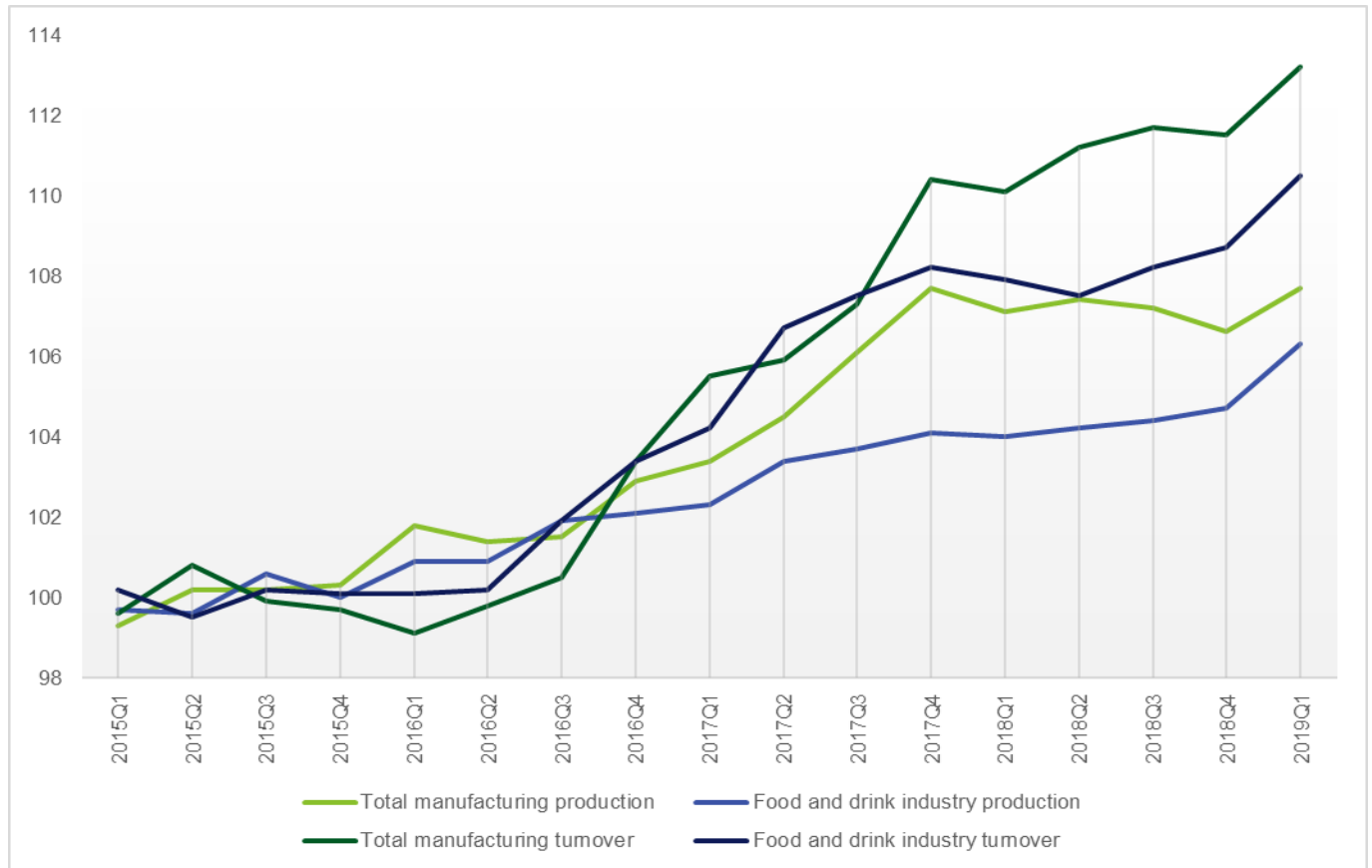
Turnover index

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Total manufacturing	110.1	111.2	111.7	111.5	113.2	
% change	-0.3	1.0	0.4	-0.2	1.5	2.8
Food and drink industry	107.9	107.5	108.2	108.7	110.5	
% change	-0.3	-0.4	0.7	0.5	1.7	2.4

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, 2015-2019 (2015=100)



Source: Eurostat

Food and drink production by Member State

Member State	2018 Q4 / 2018 Q3 (% change)	2019 Q1 / 2018 Q4 (% change)	2019 Q1 / 2018 Q1 (% change)
EU	0.3	1.5	2.2
Austria	0.1	1.0	1.9
Belgium	-0.8	3.5	1.5
Bulgaria	-1.2	6.9	4.1
Czech Republic	-0.5	0.8	2.2
Denmark	0.3	-0.3	0.8
Estonia	1.6	0.6	2.9
Finland	0.3	-0.9	-1.4
France	-0.5	1.1	-0.3
Germany	0.1	1.0	0.0
Greece	1.7	0.6	0.7
Hungary	2.2	2.6	5.6
Italy	1.9	1.4	2.5
Latvia	-0.3	-1.5	-1.5
Lithuania	2.9	3.7	6.9
Netherlands	-1.0	0.1	-2.1
Poland	1.1	3.1	6.5
Portugal	4.6	1.4	1.2
Romania	-2.1	4.9	-1.1
Spain	2.0	2.6	5.4
United Kingdom	n.a.	n.a.	n.a.

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

Food and drink turnover by Member State

Member State	2018 Q4 / 2018 Q3 (% change)	2019 Q1 / 2018 Q4 (% change)	2019 Q1 / 2018 Q1 (% change)
EU	0.5	1.7	2.4
Austria	1.6	2.3	2.6
Belgium	-0.1	0.4	1.8
Bulgaria	0.9	7.0	8.4
Czech Republic	1.8	2.0	6.0
Denmark	2.8	-0.4	2.8
Estonia	2.4	1.3	4.1
Finland	0.9	0.0	0.9
France	1.6	-0.1	1.3
Germany	0.1	0.9	0.5
Greece	-2.8	1.2	0.8
Hungary	2.0	3.6	5.6
Italy	-0.5	2.4	1.6
Latvia	1.0	3.7	5.3
Lithuania	3.3	5.3	8.9
Netherlands	-0.3	0.8	-1.4
Poland	1.8	4.0	6.7
Portugal	1.7	0.7	0.7
Romania	0.2	0.2	5.4
Spain	1.2	3.0	3.0
United Kingdom	-0.9	2.9	5.4

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

Employment in the EU food and drink industry

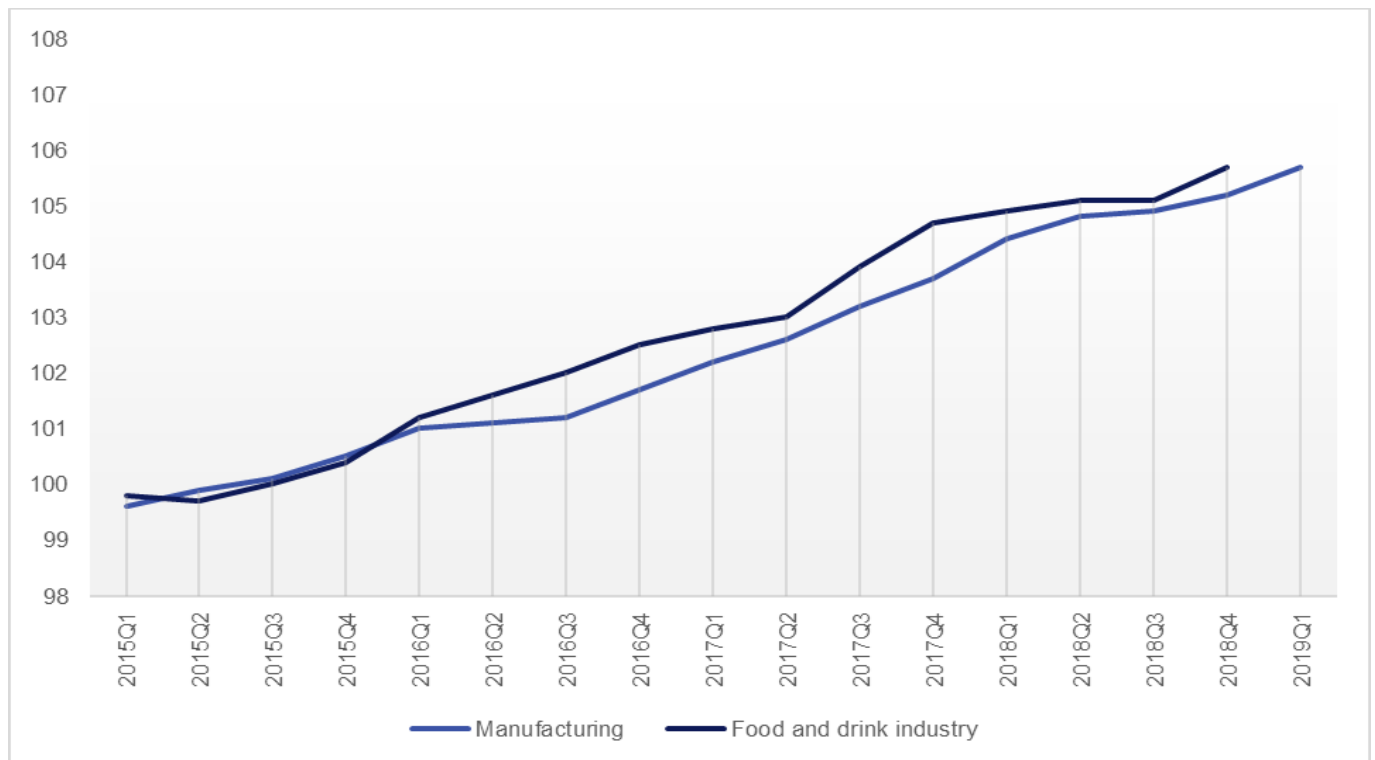
Employment index (partly updated)

Employment	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Total manufacturing	104.4	104.8	104.9	105.2	105.7	
% change	0.7	0.4	0.1	0.3	0.5	1.2
Food and drink industry	104.9	105.1	105.1	105.7		
% change	0.2	0.2	0.0	0.6		

Source: Eurostat

The labour input 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, 2015-2019 (2015=100) (partly updated)



Source: Eurostat

Food and drink industry employment by Member State (not updated)

Member State	2018 Q3 / 2018 Q2 (% change)	2018 Q4 / 2018 Q3 (% change)	2018 Q4 / 2017 Q4 (% change)
EU	0.0	0.6	1.0
Austria	0.2	0.3	2.0
Belgium	0.2	0.5	2.3
Bulgaria	-2.5	2.3	0.9
Croatia	0.6	0.4	-2.2
Czech Republic	-1.1	0.7	-1.6
Denmark	0.3	0.8	2.1
Estonia	0.7	-0.7	-1.4
Finland	10.8	2.0	8.8
France	-0.2	0.2	0.3
Germany	0.4	0.6	2.1
Ireland	5.0	-0.7	0.0
Latvia	0.6	-1.2	-0.2
Lithuania	-1.5	-0.6	-8.8
Netherlands	1.0	n.a.	n.a.
Poland	-0.2	0.2	0.4
Portugal	-0.3	1.1	1.9
Romania	-0.2	0.4	1.3
Spain	-3.3	4.0	-2.7
Sweden	0.1	-2.2	-1.5
United Kingdom	1.9	0.5	3.7

Source: Eurostat. No data available for Cyprus, Greece (discontinued), Hungary, Italy, Luxembourg, Malta, Slovakia, Slovenia

Note: Data for employment Q1 2019 are still missing. Updated graphs and tables will be published on our website once available.

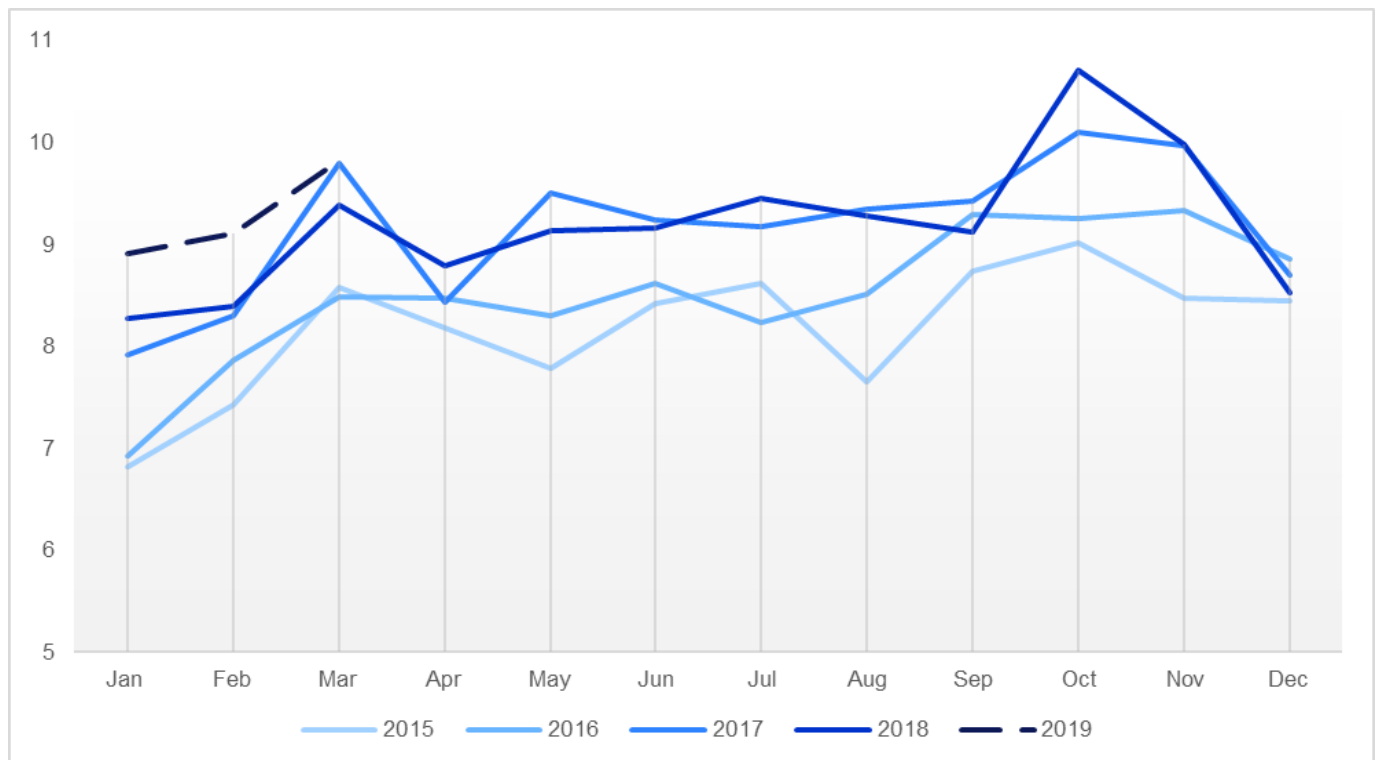
External trade

EU food and drink trade (€ billion)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Exports	26.0	27.1	27.8	29.2	27.8	6.6%
Imports	17.6	18.7	18.4	19.0	18.6	5.4%
Balance	8.4	8.3	9.5	10.2	9.2	9.2%

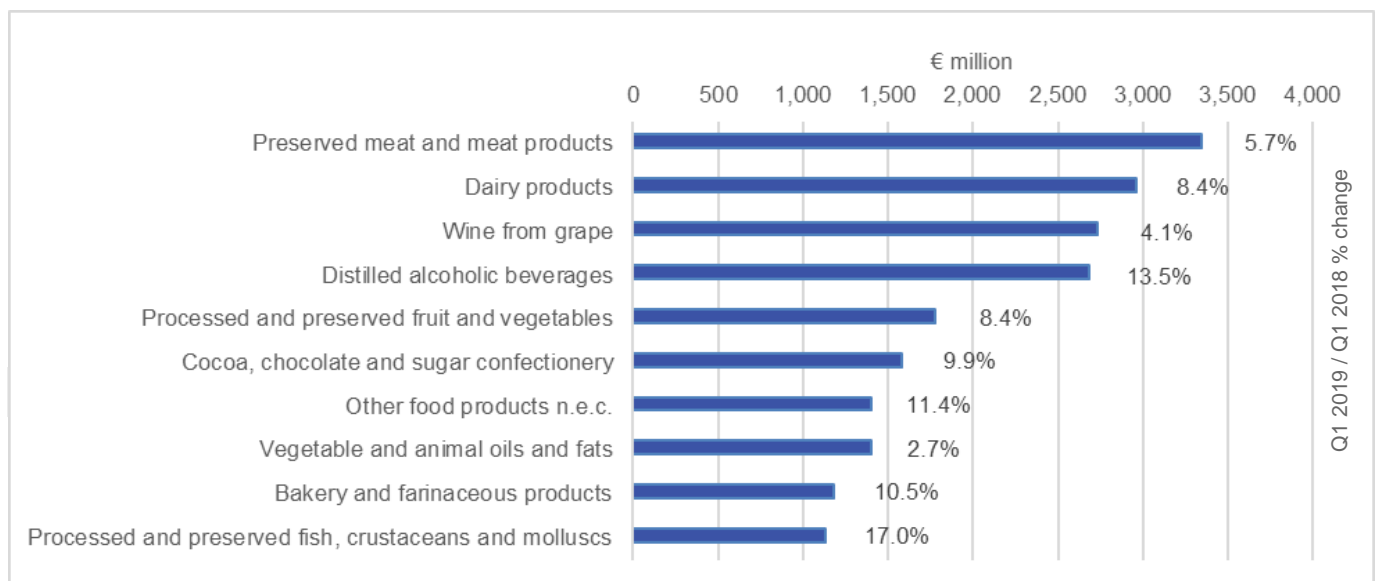
Source: Eurostat

EU food and drink export, 2015-2019 (€ billion)



Source: Eurostat

Export performance by sector, Q1 2019



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

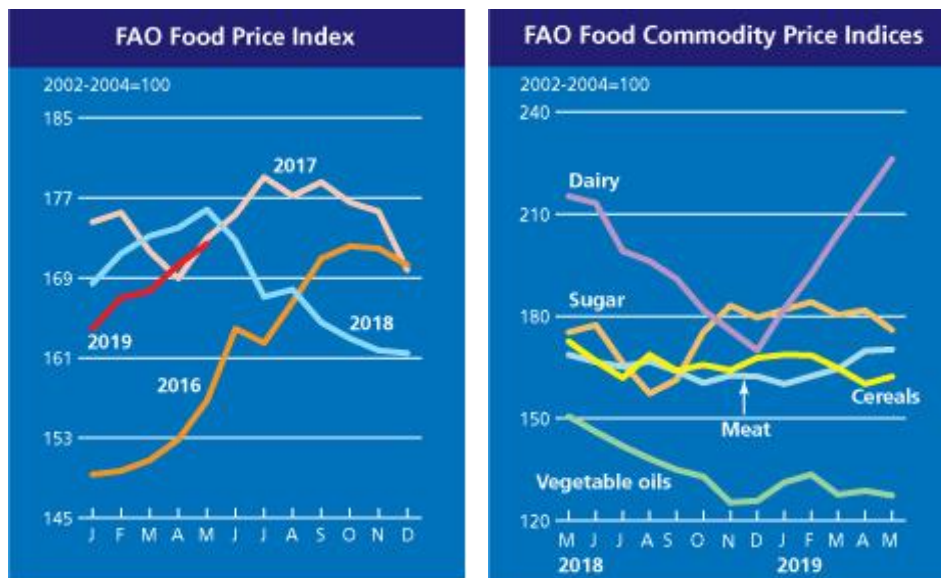
EU food and drink trade by sector

Sector / Period	Exports			Imports			Balance		
	Q1 2018	Q1 2019	change	Q1 2018	Q1 2019	change	Q1 2018	Q1 2019	change
	€ million		%	€ million		%	€ million		%
Food and drinks	26,096	27,820	6.6%	17,650	18,601	5.4%	8,446	9,219	9.2%
10 Food products	19,075	20,205	5.9%	16,332	17,212	5.4%	2,743	2,992	9.1%
11 Beverages	7,021	7,616	8.5%	1,318	1,389	5.4%	5,703	6,227	9.2%
101 Preserved meat and meat products	3,166	3,347	5.7%	1,721	1,581	-8.1%	1,445	1,765	22.1%
1011 Processed and preserved meat	2,332	2,421	3.8%	1,105	924	-16.4%	1,227	1,497	22.0%
1012 Processed and preserved poultry meat	434	481	10.7%	147	160	8.5%	287	321	11.9%
1013 Meat and poultry meat products	400	445	11.3%	468	497	6.2%	-68	-52	-23.5%
102 Processed and preserved fish, crustaceans and molluscs	967	1,132	17.0%	4,678	4,958	6.0%	-3,710	-3,826	3.1%
103 Processed and preserved fruit and vegetables	1,641	1,778	8.4%	2,113	2,148	1.6%	-472	-369	-21.8%
1031 Processed and preserved potatoes	409	426	4.1%	8	12	47.8%	401	414	3.2%
1032 Fruit and vegetable juices	204	253	24.2%	564	522	-7.5%	-360	-269	-25.4%
1039 Other processed and preserved fruit and vegetables	1,028	1,099	6.9%	1,541	1,613	4.7%	-513	-514	0.3%
104 Vegetable and animal oils and fats	1,361	1,398	2.7%	3,888	4,059	4.4%	-2,527	-2,661	5.3%
1041 Oils and fats	1,255	1,296	3.2%	3,848	4,018	4.4%	-2,593	-2,723	5.0%
1042 Margarine and similar edible fats	106	103	-3.0%	40	41	2.5%	66	62	-6.3%
105 Dairy products	2,729	2,958	8.4%	160	195	21.8%	2,569	2,763	7.6%
1051 Dairy and cheese products	2,637	2,858	8.4%	147	174	18.0%	2,489	2,684	7.8%
1052 Ice cream	92	100	8.4%	12	21	68.6%	80	79	-0.9%
106 Grain mill products, starches and starch products	906	924	2.0%	454	627	38.2%	452	297	-34.3%
1061 Grain mill products	470	464	-1.2%	356	512	43.7%	113	-48	-142.5%
1062 Starches and starch products	436	459	5.4%	97	114	17.8%	339	345	1.8%
107 Bakery and farinaceous products	1,070	1,183	10.5%	199	222	11.5%	871	961	10.2%
1071 Bread; fresh pastry goods and cakes	151	190	26.0%	33	42	29.8%	118	147	24.9%
1072 Rusks and biscuits; preserved pastry goods and cakes	713	769	7.8%	146	159	9.1%	567	610	7.5%
1073 Macaroni, noodles, couscous and similar farinaceous products	207	224	8.3%	21	21	0.0%	186	203	9.2%
108 Other food products	6,115	6,354	3.9%	2,765	3,049	10.2%	3,350	3,305	-1.3%
1081 Sugar	331	171	-48.3%	274	363	32.7%	57	-192	-436.5%
1082 Cocoa, chocolate and sugar confectionery	1,435	1,578	9.9%	761	829	8.9%	674	750	11.2%
1083 Processed tea and coffee	543	563	3.7%	499	513	3.0%	44	50	12.2%
1084 Condiments and seasonings	376	406	7.9%	226	251	11.4%	151	155	2.7%
1085 Prepared meals and dishes	977	1,077	10.2%	225	247	9.6%	752	830	10.4%
1086 Homogenised food preparations and dietetic food	1,193	1,156	-3.1%	17	13	-22.8%	1,175	1,142	-2.8%
1089 Other food products n.e.c.	1,260	1,403	11.4%	764	832	8.9%	496	571	15.1%
109 Prepared animal feeds	1,035	1,044	0.9%	346	374	8.1%	689	671	-2.7%
1091 Prepared feeds for farm animals	707	696	-1.5%	157	168	7.4%	550	528	-4.0%
1092 Prepared pet foods	328	348	6.2%	189	205	8.7%	139	143	2.8%
110 Beverages	7,021	7,616	8.5%	1,318	1,389	5.4%	5,703	6,227	9.2%
1101 Distilled alcoholic beverages	2,361	2,680	13.5%	355	335	-5.5%	2,006	2,345	16.9%
1102 Wine from grape	2,623	2,730	4.1%	583	612	5.0%	2,040	2,118	3.8%
1103 Cider and other fruit wines	66	76	15.2%	8	9	8.7%	58	68	16.0%
1104 Other non-distilled fermented beverages	28	37	31.4%	2	3	43.9%	26	34	30.3%
1105 Beer	769	825	7.3%	118	170	44.0%	651	655	0.6%
1106 Malt	269	270	0.3%	4	1	-67.8%	265	268	1.3%
1107 Soft drinks; mineral waters and other bottled waters	905	998	10.2%	248	259	4.3%	657	739	12.5%

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

Prices of agricultural commodities

FAO Food Price Index



Source: FAO Food Price Index

Main agricultural commodity prices

Agricultural commodity	Q1 2019 average	EU		Q1 2019 average	WORLD	
		Q1 2019/ Q4 2018	Q1 2019/ Q1 2018		Q1 2019/ Q4 2018	Q1 2019/ Q1 2018
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Maize	167	1.5	3.7	147	3.6	9.5
Soft wheat	197	2.4	18.8	186	0.5	20.3
DAIRY						
SMP	1,870	15.9	36.4	2,193	24.7	42.5
WMP	2,829	3.8	9.3	2,581	10.9	2.0
SUGAR						
White sugar	313	-1.6	-16.1	301	-1.0	2.0
				USD/T	%	%
OILS AND OIL CROPS						
Soybean oil				757	2.8	-11.0
Soybean				378	0.9	-8.3
Soybean meal				353	-3.9	-14.6
Rapeseed				419	-2.1	-1.7
Palm oil				587	5.7	-16.9
COFFEE AND COCOA						
Cocoa				2,240	2.9	2.1
Coffee				2,203	-6.7	-12.6

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

Retail trade

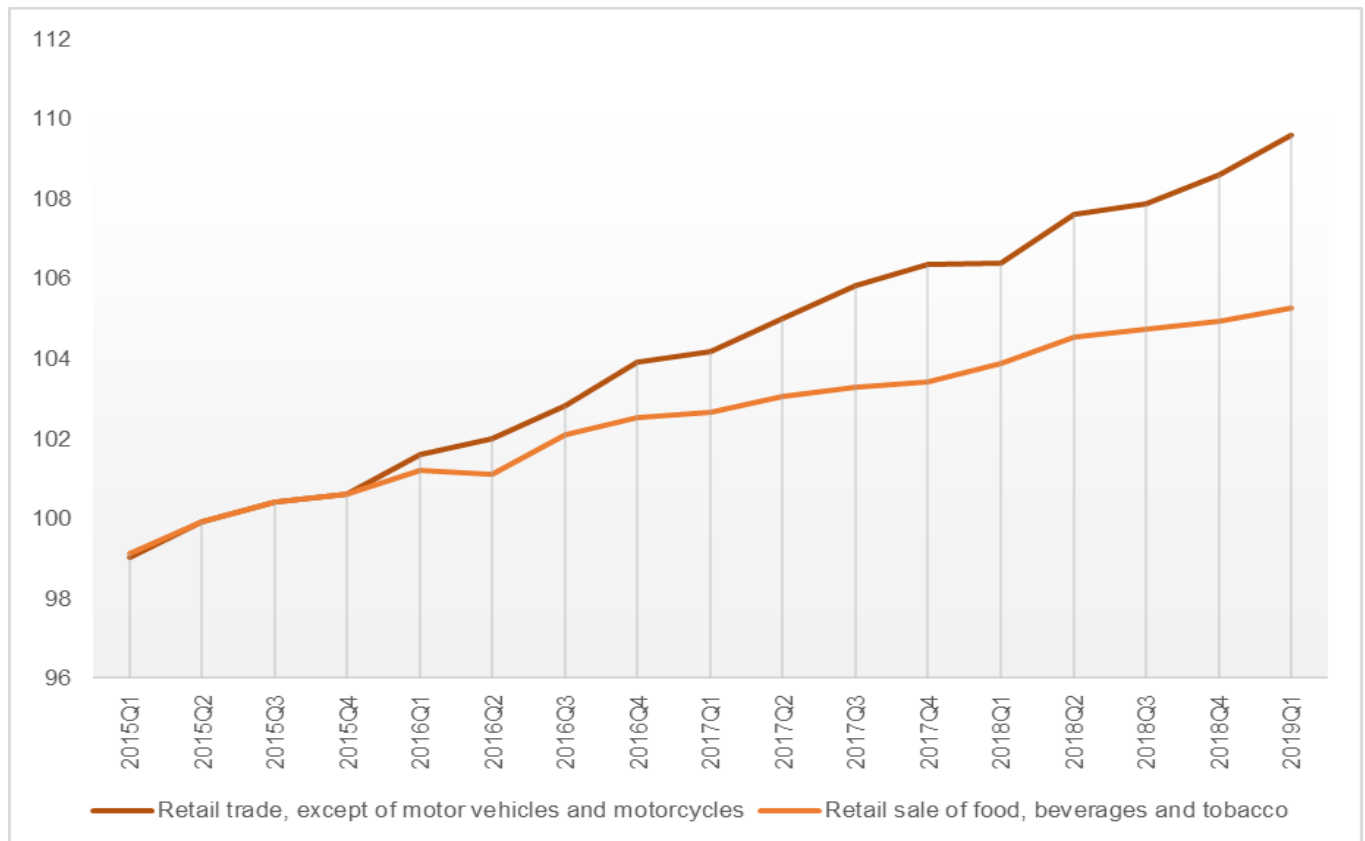
Retail sales index

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Total retail trade	106.4	107.6	107.9	108.6	109.6	
% change	0.0	1.2	0.2	0.7	0.9	3.0
Food, drinks and tobacco	103.9	104.5	104.7	104.9	105.3	
% change	0.5	0.6	0.2	0.2	0.3	1.3

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, 2015-2019 (2015=100)

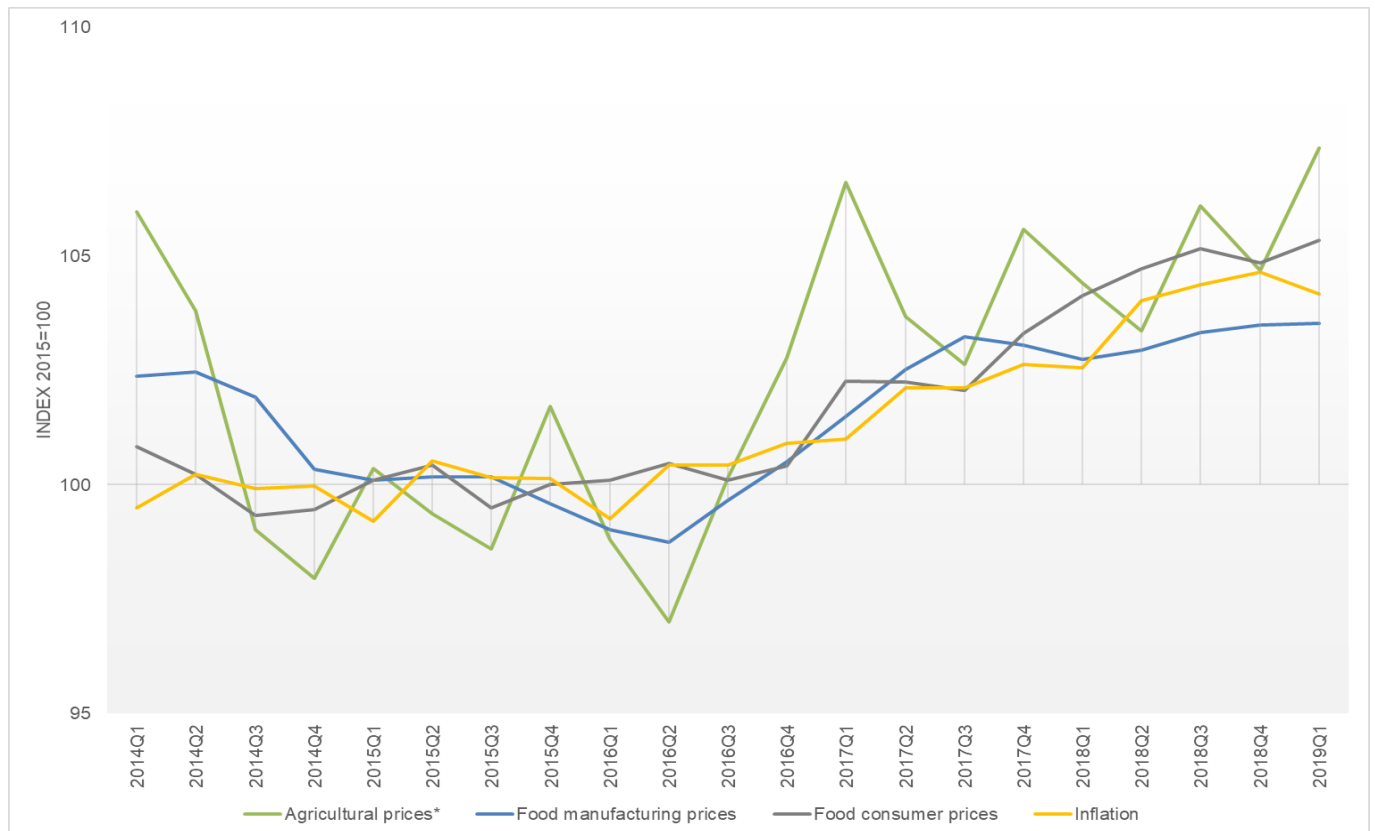


Source: Eurostat

Price developments along the EU food chain

Price developments (% change)

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	y-o-y
Agricultural prices*	-1.1	-1.0	2.6	-1.3	2.6	2.8
Food manufacturing prices	-0.3	0.2	0.4	0.2	0.0	0.8
Food consumer prices	0.8	0.6	0.4	-0.3	0.5	1.2
Inflation	-0.1	1.4	0.3	0.3	-0.4	1.6

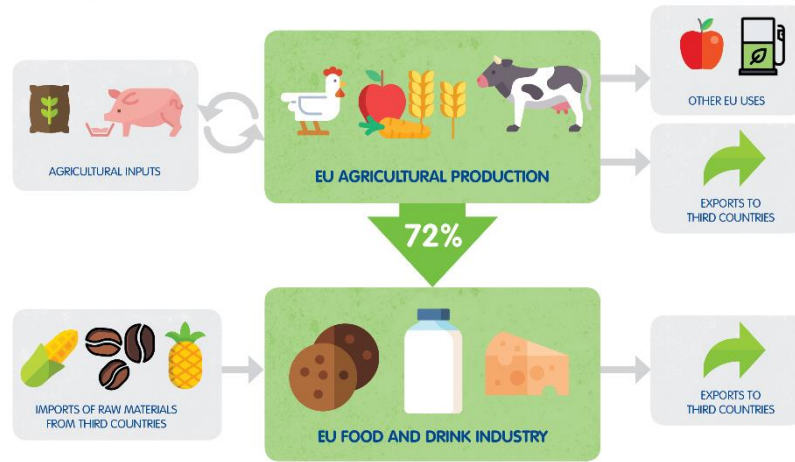


* Eurostat monthly indices for EU agricultural prices are available until December 2017. Beyond, the index is estimated based on cereals, sugar, milk, meat, tomatoes and apples monthly prices weighted by annual production.

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

Focus on ...

The EU food and drink industry use of domestic agricultural raw materials (average 2015-2017)



Source: Wageningen Economic Research

