

ECONOMIC BULLETIN Q1 2017

Lower production, continued sales and employment growth, and continued export growth

Food and drink industry

Decrease in production and stable sales growth

- In Q1 2017, EU food and drink industry production decreased by 0.3%.
- EU food and drink industry turnover increased by 1.0% compared to the previous quarter.
- The year-on-year comparison shows that food and drink industry turnover growth was lower than total manufacturing turnover (4.3% vs. 6.7% compared to Q1 2016). Total manufacturing production growth also exceeded food and drink industry production (1.9% vs. 0.9% compared to Q1 2016).
- Food manufacturing prices increased by 1.0% in Q1 2017, and were 2.5% higher compared to Q1 2016.

[Click here for more information](#)

Employment: upward trending

- Employment in the EU food and drink industry increased by 0.8% in Q1 2017 with continued growth registered since Q2 2015.
- In the long term, employment in the food and drink industry continues to outperform the average employment level growth in the manufacturing industry (Q1 2017/Q1 2012: +4.5% (food and drink industry) vs. 2.3% (manufacturing)).

[Click here for more information](#)

External trade: EU exports reach €26 billion

- EU exports of food and drink products totalled €26 billion in Q1 2017 (Q1 2017/Q1 2016: +11.8%).
- The trade surplus reached €7.5 billion in Q1 2017.
- The top 5 products with the largest share in export value generated €12.6 billion in Q1 2017 (meat products, dairy products, wine, spirits, processed fruits and vegetables).

- EU imports of food and drink products reached €18.5 billion (Q1 2017/Q1 2016: 5.5%).

[Click here for more information](#)

Agricultural commodities

Increase in FAO food price index

- After falling for the fifth consecutive year in 2016, the FAO food price index increased by 1% in Q1 2017 compared to the previous quarter and was 16% higher compared to Q1 2016.
- In Q1 2017, EU and world markets prices of maize/corn, soft wheat, WMP and sugar increased compared to the previous quarter – as did prices for most vegetable oils and oil crops. At the same time, prices for soybean oil, cocoa and coffee decreased.
- The year-on-year comparison shows significant growth in prices for most commodities, while global price levels were lower for soft wheat, soybean meal and cocoa.

[Click here for more information](#)

Retail

Retail trade: pick-up in activity in early 2017

- Retail trade in foodstuffs decreased slightly in November and December 2016 and picked up again in Q1 2017.
- Year-on-year, retail trade growth in foodstuffs increased by 1.0% whereas total retail trade was 2.6% higher compared to March 2016.
- Consumer prices were 1.9% higher compared to Q4 2016.

[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

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

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

Eurostat statistics explained

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

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

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

FAO Food Price Index

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

European Commission, DG AGRI, Commodity price dashboard

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

Eurostat News Release 89/2017, 'Volume of retail trade up by 0.1% in euro area - Up by 0.5% in EU28', 6 June 2017 http://europa.eu/rapid/press-release_STAT-17-1539_en.htm

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 Q1 2017

Annex

Production and turnover of the EU food and drink industry

Production index

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	y-o-y
Total manufacturing	108.0	108.1	108.2	109.4	110.1	
% change	0.8	0.1	0.1	1.1	0.6	1.9
Food and drink industry	104.9	105.3	106.2	106.1	105.8	
% change	0.6	0.4	0.9	-0.1	-0.3	0.9

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.

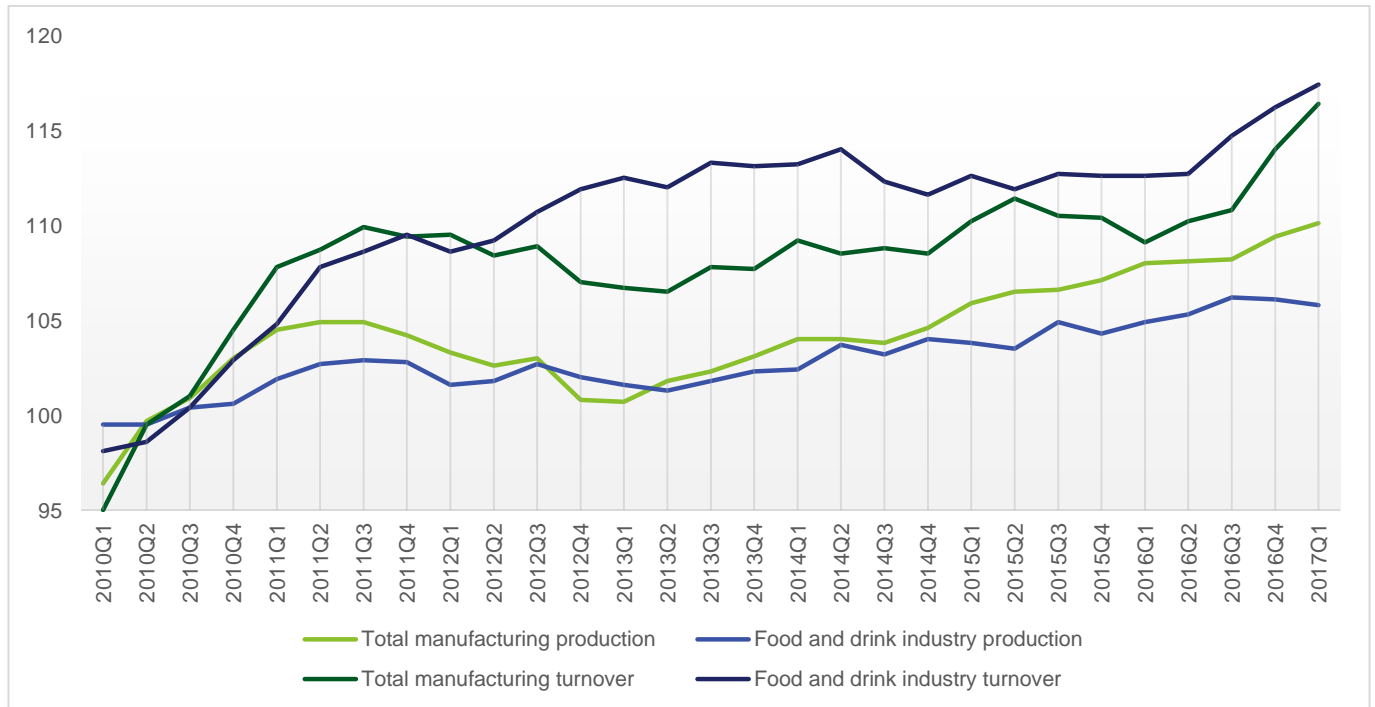
Turnover index

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	y-o-y
Total manufacturing	109.1	110.2	110.8	114.0	116.4	
% change	-1.2	1.0	0.5	2.9	2.1	6.7
Food and drink industry	112.6	112.7	114.7	116.2	117.4	
% change	0.0	0.1	1.8	1.3	1.0	4.3

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, 2010 - 2017 (2010=100)



Source: Eurostat

Food and drink production by Member State

Member State	2016 Q4 / 2016 Q3 (% change)	2017 Q1 / 2016 Q4 (% change)	2017 Q1 / 2016 Q1 (% change)
EU	-0.1	-0.3	0.9
Austria	1.7	-5.7	1.3
Belgium	0.6	-0.2	1.3
Bulgaria	-1.7	-1.4	-2.2
Czech Republic	-1.3	0.9	2.3
Denmark	2.1	-1.7	2.0
Estonia	3.5	2.5	3.0
Finland	-0.3	0.6	0.0
France	-0.3	0.2	-0.5
Germany	-0.5	-0.2	-0.2
Greece	2.0	-0.1	-1.3
Hungary	4.1	-1.5	-0.4
Ireland	-3.2	2.7	0.8
Italy	1.5	-1.3	0.8
Latvia	0.6	0.6	1.6
Lithuania	-1.4	-0.2	-0.1
Netherlands	0.3	-0.5	0.4
Poland	1.9	0.6	5.6
Portugal	-16.0	-4.8	1.6
Romania	-4.2	4.3	3.5
Spain	-0.3	-0.7	-0.2
Sweden	0.4	-0.8	-2.5

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

Food and drink turnover by Member State

Member State	2016 Q4 / 2016 Q3 (% change)	2017 Q1 / 2016 Q4 (% change)	2017 Q1 / 2016 Q1 (% change)
EU	1.3	1.0	4.3
Austria	1.4	1.8	0.4
Belgium	2.7	-1.0	7.0
Bulgaria	-2.2	1.3	0.2
Czech Republic	2.3	1.8	6.2
Denmark	2.6	-1.8	3.3
Estonia	3.0	2.6	3.7
Finland	-0.4	-0.4	-1.0
France	1.0	1.1	2.8
Germany	1.0	0.8	2.9
Greece	-2.3	3.2	2.8
Hungary	5.5	-1.6	2.8
Ireland	-0.8	2.3	4.3
Italy	0.9	-1.2	2.5
Latvia	2.6	3.6	4.5
Lithuania	3.2	1.1	7.8
Netherlands	0.7	3.2	4.5
Poland	4.1	1.8	9.8
Portugal	2.2	-0.2	8.2
Romania	-0.8	0.9	6.7
Spain	2.4	1.8	5.2
Sweden	3.4	-0.2	4.4

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

Employment in the EU food and drink industry

Employment index

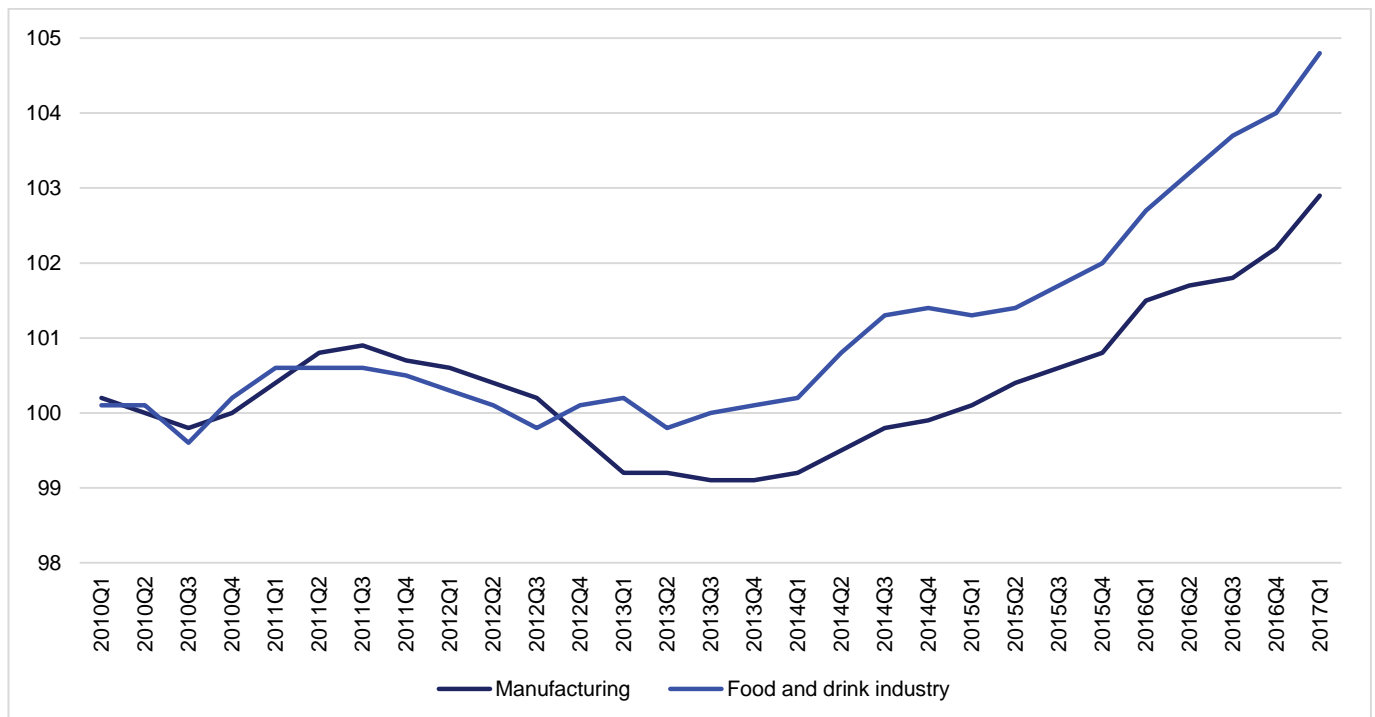
Employment	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	y-o-y
Total manufacturing	101.5	101.7	101.8	102.2	102.9*	
% change	0.7	0.2	0.1	0.4	0.7	1.4
Food and drink industry	102.7	103.2	103.7	104.0	104.8*	
% change	0.7	0.5	0.5	0.3	0.8	2.0

Source: Eurostat

*Eurostat estimate (phased out)

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 total manufacturing, 2010-2017 (2010=100)



Source: Eurostat

Food and drink industry employment by Member State

Member State	2016 Q4 / 2016 Q3 (% change)	2017 Q1 / 2016 Q4 (% change)	2017 Q1 / 2016 Q1 (% change)
EU	0.3	0.8	2.0
Austria	0.5	1.2	2.7
Belgium	0.3	0.6	1.8
Bulgaria	1.4	0.9	1.3
Croatia	-0.3	-4.7	-4.2
Czech Republic	-0.2	0.5	2.1
Denmark	0.1	-0.1	0.3
Estonia	1.3	1.1	0.6
Finland	4.6	-8.1	-13.5
France	0.4	1.3	2.4
Germany	0.6	1.2	2.7
Ireland	-2.3	4.7	9.7
Latvia	-1.3	-2.2	-3.0
Lithuania	-0.4	-2.7	-4.4
Netherlands	0.6	na	na
Poland	0.6	1.7	3.5
Portugal	1.1	0.4	2.6
Romania	0.8	0.2	0.9
Spain	0.5	0.0	6.4
Sweden	1.1	na	na
United Kingdom	-1.7	1.4	-0.3

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

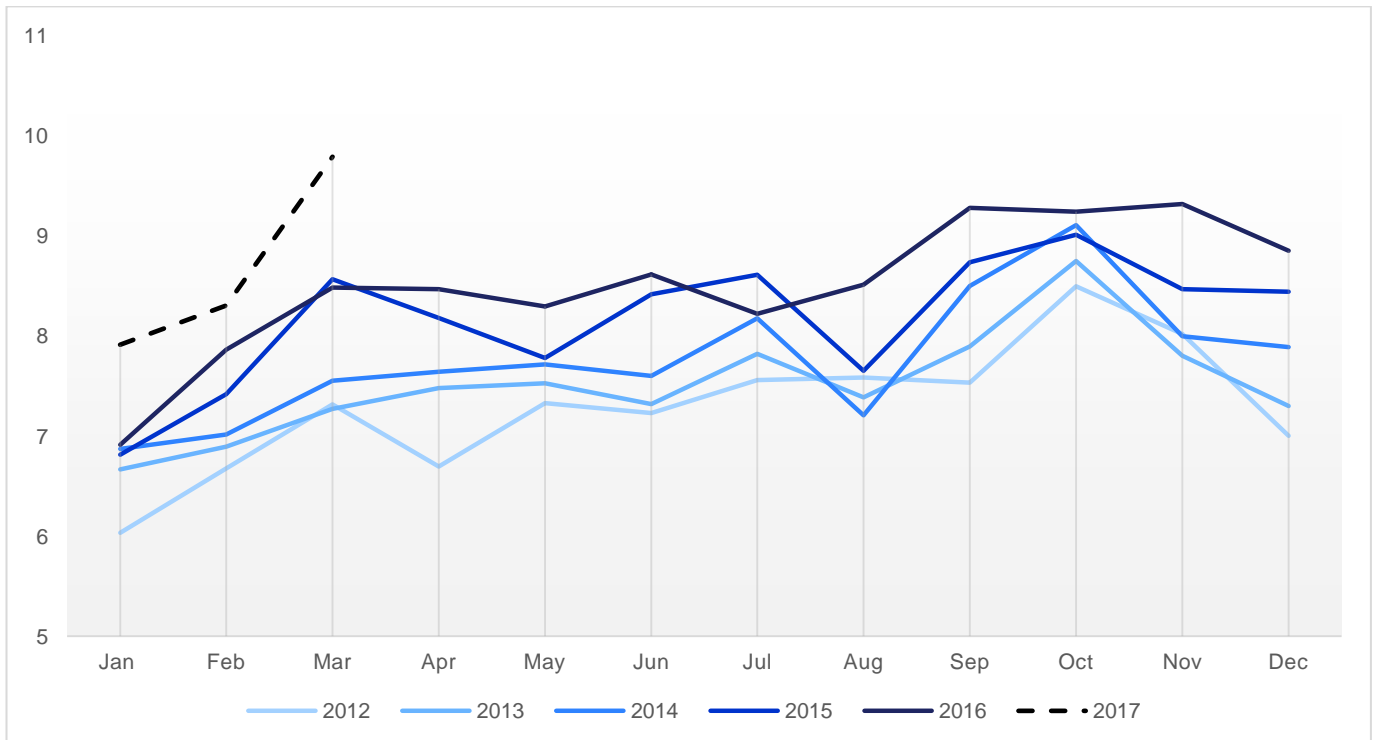
External trade

EU food and drink trade (€ billion)

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q1 / 2016 Q1 % change
Exports	23.3	25.4	27.4	27.4	26.0	11.8
Imports	17.5	17.8	18.7	18.7	18.5	5.5
Balance	5.8	7.5	8.8	8.8	7.5	30.9

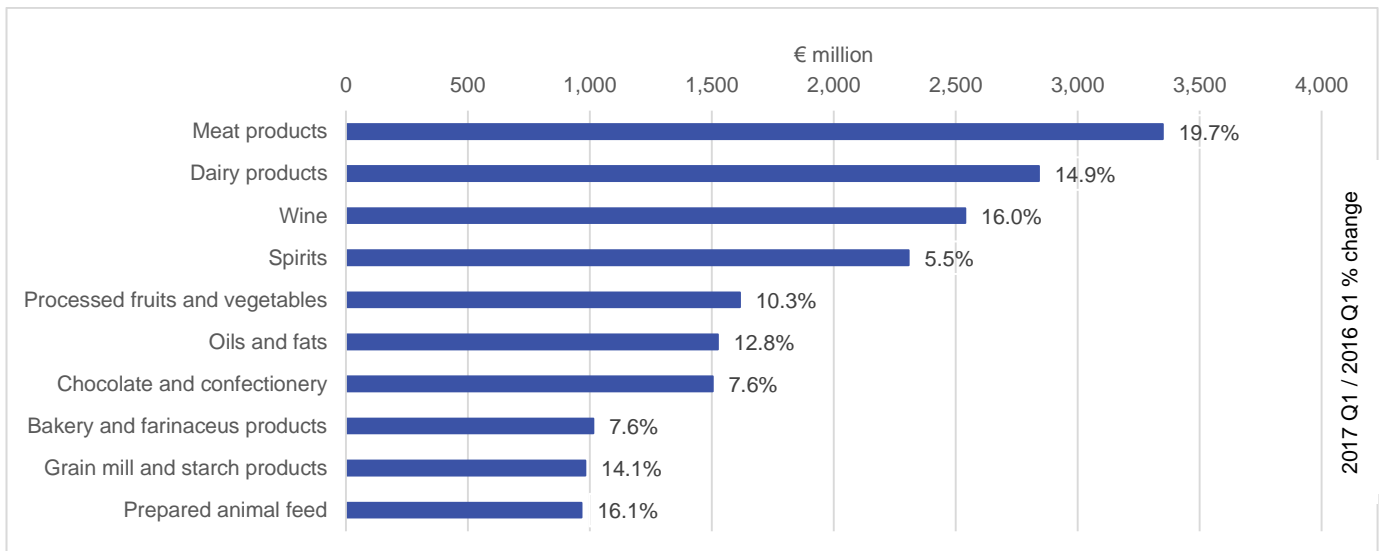
Source: Eurostat

EU food and drink export, 2012-2017 (€ billion)



Source: Eurostat

Export performance by sub-sector in Q1 2017



Source: Eurostat

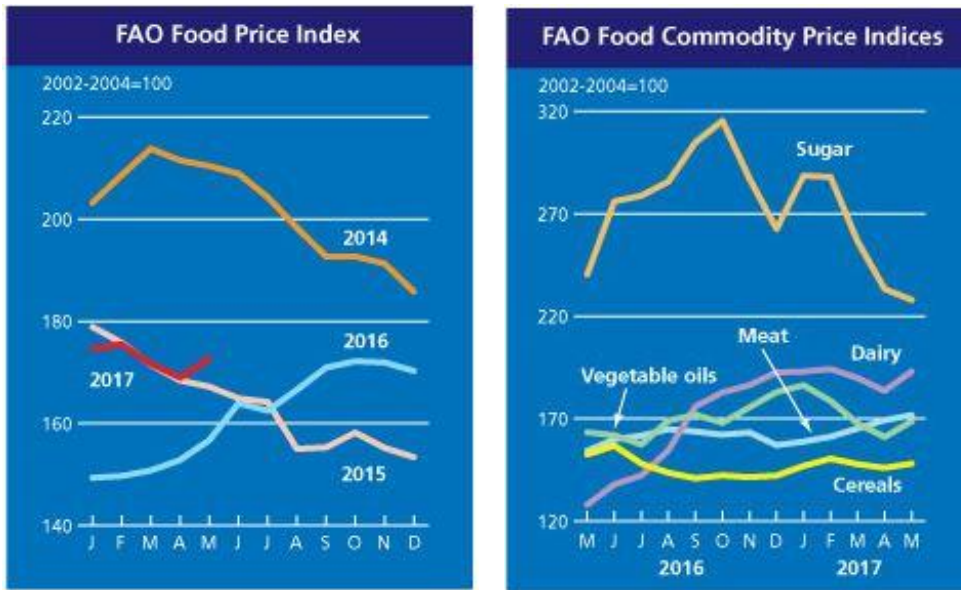
Trade by sub-sector in value and volume in Q1 2017

FLOW	VALUE_IN_MLN_EUROS									QUANTITY_IN_1000 tonnes					
	IMPORT	IMPORT	% change	EXPORT	EXPORT	% change	Trade Balance			IMPORT	IMPORT	% change	EXPORT	EXPORT	% change
	Q1 2016	Q1 2017		Q1 2016	Q1 2017		Q1 2016	Q1 2017	trend	Q1 2016	Q1 2017		Q1 2016	Q1 2017	
Food and drink	17,493	18,461	5.54	23,258	26,008	11.82	5,765	7,546	31%	17,226	16,838	-2.25	12,663	13,621	7.57
Food	16,206	17,113	5.60	16,938	19,110	12.82	732	1,997	173%	15,865	15,428	-2.76	9,359	10,204	9.03
Drink	1,287	1,348	4.74	6,320	6,898	9.13	5,033	5,549	10%	1,360	1,411	3.69	3,305	3,417	3.41
Meat products	1,766	1,698	-3.87	2,798	3,349	19.69	1,032	1,651	60%	499	491	-1.66	1,853	1,969	6.30
Dairy products	176	160	-9.05	2,473	2,841	14.86	2,297	2,681	17%	63	51	-19.66	1,106	1,130	2.14
Wine	603	596	-1.15	2,189	2,539	16.02	1,586	1,943	23%	329	320	-2.88	480	545	13.52
Spirits	335	347	3.78	2,188	2,308	5.49	1,853	1,961	6%	61	70	15.13	292	302	3.64
Processed fruits and vegetables	2,228	2,209	-0.84	1,464	1,615	10.30	-763	-594	-22%	1,927	1,825	-5.29	1,235	1,347	9.00
Oils and fats	3,847	4,238	10.16	1,352	1,525	12.85	-2,496	-2,713	9%	9,137	8,732	-4.43	1,046	1,140	8.98
Chocolate and confectionery	532	550	3.51	1,397	1,504	7.64	865	954	10%	40	40	-1.01	329	357	8.38
Bakery and farinaceous products	189	200	6.26	942	1,014	7.64	754	814	8%	86	89	3.36	414	440	6.36
Grain mill and starch products	486	501	3.15	861	982	14.07	375	481	28%	707	729	3.06	1,008	1,237	22.66
Prepared animal feed	278	310	11.63	832	966	16.07	555	656	18%	308	271	-11.90	699	767	9.75
Fish and seafood products	4,404	4,674	6.12	804	952	18.48	-3,600	-3,722	3%	1,212	1,179	-2.71	356	428	19.98
Beer	112	150	34.17	795	863	8.60	683	713	4%	288	455	58.20	824	865	5.04
Mineral waters and soft drinks	229	242	5.55	791	841	6.25	563	599	7%	677	553	-18.30	948	986	3.97
Processed tea and coffee	532	550	3.51	510	549	7.81	-22	-1	-95%	40	41	1.43	77	77	-0.06
Cider	7	6	-1.79	53	60	13.70	46	54	16%	4	4	-2.86	38	44	15.94

Sources: Eurostat Easy Comext; own calculations

Prices of agricultural commodities

FAO Food Price Index



Source: FAO Food Price Index

Main agricultural commodity prices

Agricultural commodity	Q1 2017 average	EU		Q1 2017 average	WORLD	
		Q1 2017/ Q4 2016	Q1 2017/ Q1 2016		Q1 2017/ Q4 2016	Q1 2017/ Q1 2016
	EUR/T	% change	% change	EUR/T	% change	% change
CEREALS						
Corn	162	4.9	2.3	152	8.4	3.8
Soft Wheat	162	6.4	2.9	167	11.0	-3.8
DAIRY						
SMP	1,967	-2.9	18.8	2,236	3.8	36.0
WMP	2,979	3.0	42.9	3,007	6.6	60.7
SUGAR						
White Sugar	496	4.0	15.4	504	0.0	32.7
				USD/T	%	%
OILS AND OIL CROPS						
Soybean oil				840	-4.8	12.2
Soybean				419	1.7	13.1
Soybean meal				378	2.9	-13.6
Rapeseed				445	2.5	12.5
Palm oil				772	2.7	22.5
COFFEE & COCOA						
Cocoa				2,096	-16.2	-29.7
Coffee				3,019	-2.2	20.7

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

Retail trade

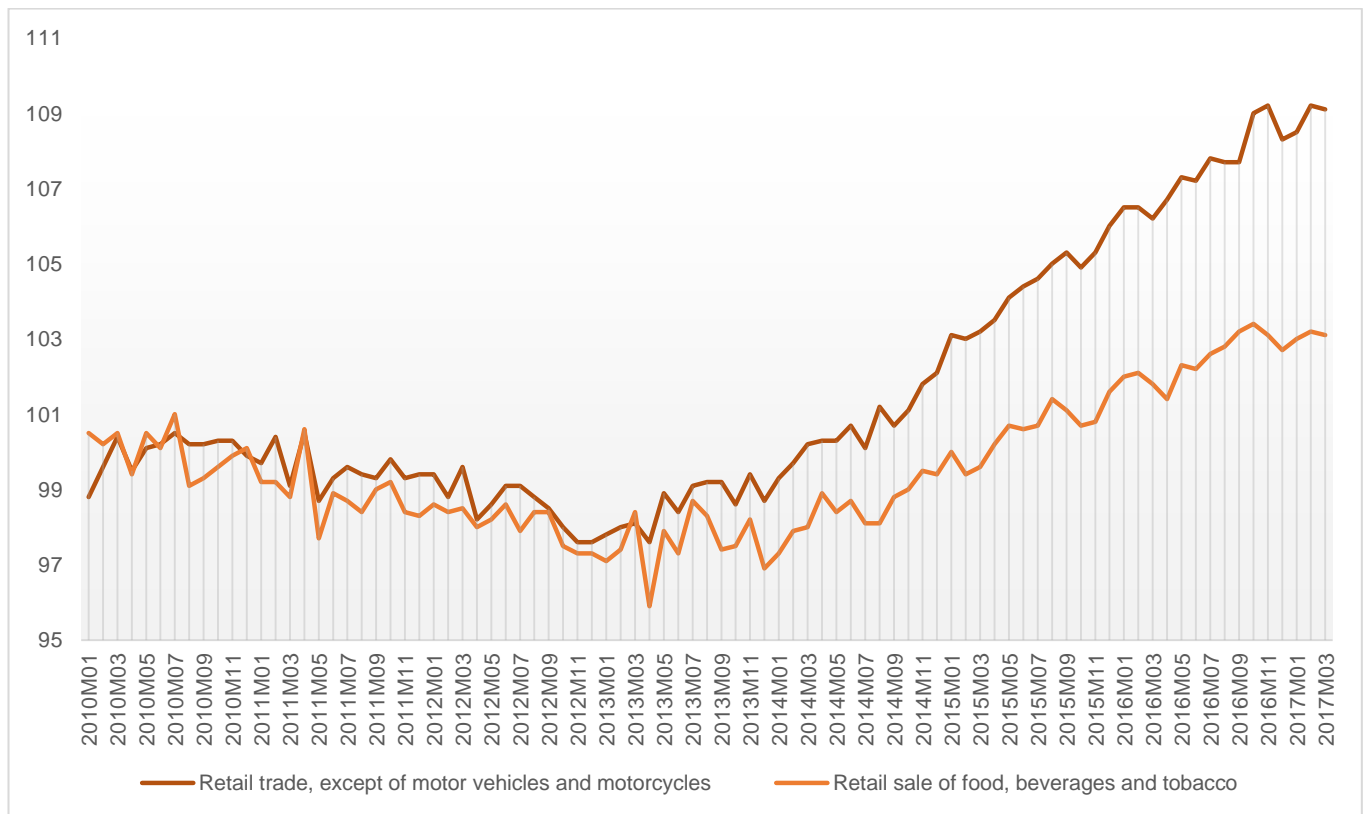
Volume of retail trade (% change)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	y-o-y
Total retail	0.2	-0.8	0.2	0.6	-0.1	2.6
Food, drinks and tobacco	-0.3	-0.4	0.3	0.2	-0.1	1.0

Source: Eurostat

The index of the volume of retail trade measures the monthly changes of the deflated turnover of retail trade.

EU monthly retail trade volume by product group, 2010-2017 (2010=100)



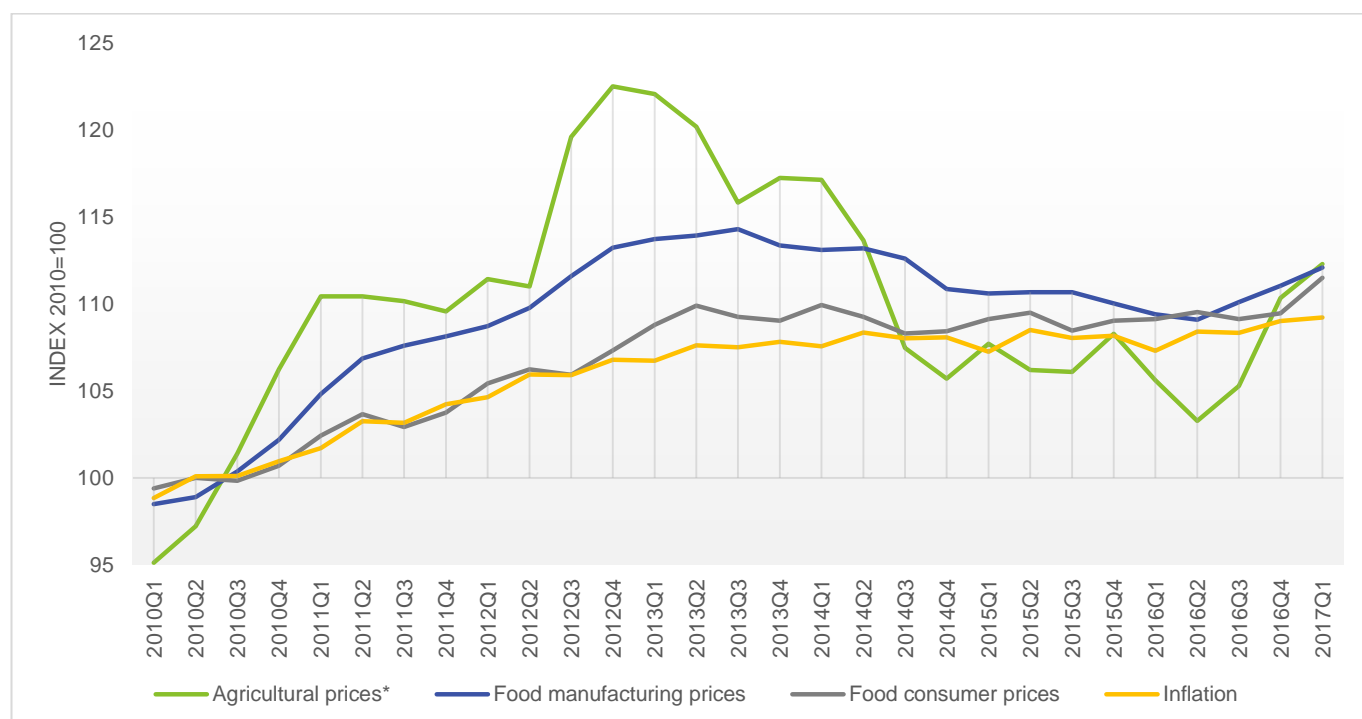
Sources: Eurostat; [Eurostat News Release 89/2017](#)

Price developments along the EU food chain

Price developments (% change)

	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	y-o-y
Agricultural prices*	-2.5	-2.2	1.9	4.8	1.8	6.3
Food manufacturing prices	-0.6	-0.3	0.9	0.8	1.0	2.5
Food consumer prices	0.1	0.4	-0.4	0.3	1.9	2.2
Inflation	-0.8	1.0	-0.1	0.6	0.2	1.8

Source: FoodDrinkEurope, based on DG Agriculture and Rural Development and Eurostat



Source: FoodDrinkEurope, based on DG Agriculture and Rural Development and Eurostat

* Eurostat monthly indices for EU agricultural prices are not available since 2013. Until December 2016, the index is estimated based on Member States data weighted by their share in the agricultural output. Beyond, the index is estimated based on cereal, sugar, milk and meat monthly prices weighted by annual production.