



# The Food and Beverage Market Entry Handbook: UNITED KINGDOM

A Practical Guide to the Market in the UK  
for European Agri-food Products



*Promotion of  
agricultural  
products*





# The Food and Beverage Market Entry Handbook

UNITED KINGDOM

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Note: the term EU in this handbook refers to the EU-27 excluding the UK, unless otherwise specified. For product trade stats, data is presented in order of exporter size for reasons of readability.

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# 1 The Food and Beverage Market Entry Handbook: UK

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the UK market. This Handbook provides **step-by-step guides** on entering the agri-food market in the UK including relevant information such as an **analysis of the UK market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the UK market.

## How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be of help to a varying extent for your business strategies.

For those wishing to learn more about the UK food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the UK market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the UK market.

## 2 Country introduction and overview



<b>Capital:</b>	London						
<b>Population:</b>	67.2 Million						
<b>Area:</b>	243 610 Km <sup>2</sup> (The world's 80 <sup>th</sup> largest country by area)						
<b>Political structure:</b>	Parliamentary constitutional monarchy						
<b>Major languages:</b>	English (official), Welsh (Recognised in Wales), Scots and Scots Gaelic (Recognised in Scotland)						
<b>Major religions:</b>	Christianity 59.5%, Atheist 25.7%, Islam 4.5%, others 10.3%						
<b>Life expectancy:</b>	81.2 years (Male 79.3 years, Female 83.1 years)						
<b>Currency:</b>	Pound Sterling (£); 1 EUR = 0.86 GBP (2022 average)						
<b>GDP growth (real):</b>	7.4% (2021)						
<b>Exports:</b>	31.08% of GDP (2021)						
<b>Imports:</b>	32.32% of GDP (2021)						
<b>Main exports*:</b>	Machinery including computers (14.7%), Gems, precious metals (14.3%), Vehicles (8.7%), Minerals including oil (7.3%)						
<b>Main imports*:</b>	Gems, precious metals (12%), Machinery including computers (11.5%), Minerals including oil (10.1%), Vehicles (9.2%)						
<b>Unemployment rate:</b>	3.7% (February 2021)						
<b>Labour force:</b>	75.5 % (February 2021)						
<b>Main industries:</b>	<table> <tr> <td><b>Agriculture:</b></td> <td>0.58 % of GDP</td> </tr> <tr> <td><b>Industry:</b></td> <td>19.6 % of GDP</td> </tr> <tr> <td><b>Services:</b></td> <td>80.2 % of GDP</td> </tr> </table>	<b>Agriculture:</b>	0.58 % of GDP	<b>Industry:</b>	19.6 % of GDP	<b>Services:</b>	80.2 % of GDP
<b>Agriculture:</b>	0.58 % of GDP						
<b>Industry:</b>	19.6 % of GDP						
<b>Services:</b>	80.2 % of GDP						
<b>Average household income (2022):</b>	EUR 36 900						
<b>Household expenditure on food and beverages (2022):</b>	EUR 3890						
<b>Food and beverage market size (2022):</b>	EUR 117bn						

Sources: Euromonitor International: Economies and Consumers, 2022; IMF; UN, World Bank; WHO, OECD. \* Goods only listed

## 2.1 Country overview: the UK at a glance

### 2.1.1 Past economic and political trends

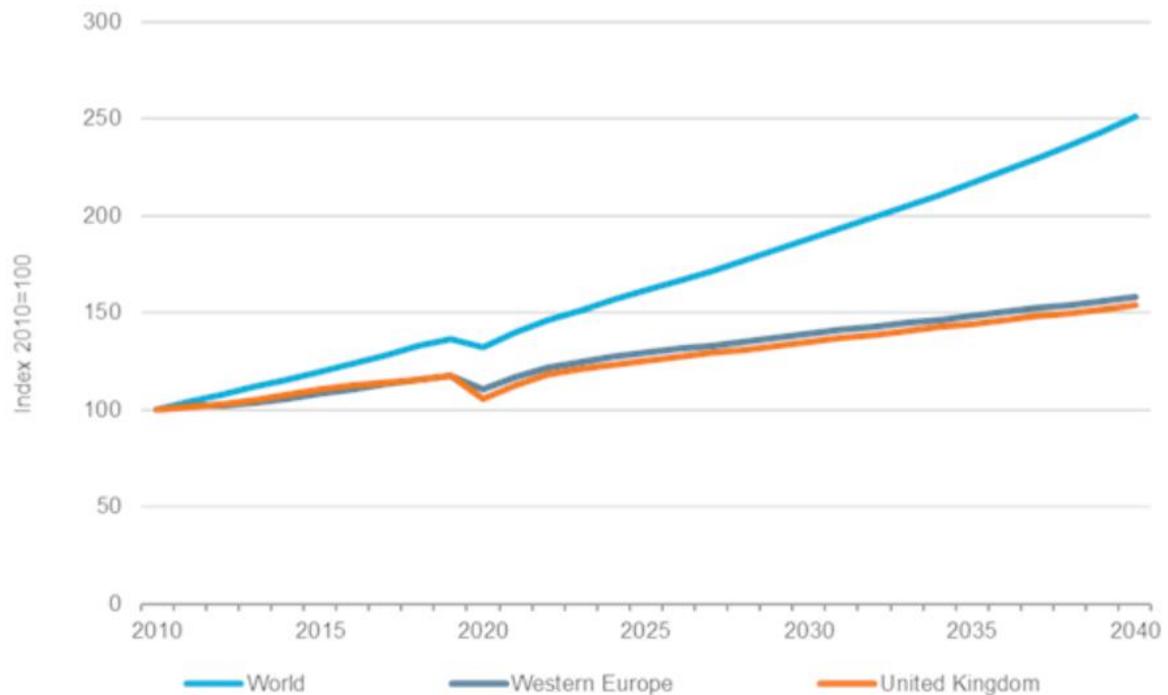
- *The United Kingdom (UK) has historically been one of the most influential nations within both Europe and the globe, spreading its culture and influence across all continents of the world via the British Empire, the world's largest-ever empire.*
- *The UK was at the forefront of global innovation during the industrial revolution, often referred to as the workshop of the world; and between 1815-1914, the UK was positioned as a global hegemon in an era known as Pax Britannica.*
- *The two world wars and subsequent events through the second half of the twentieth century weakened the UK's economy. Despite this and the rise of other global powers, it nonetheless remains one of the global leaders in many fields.*

The United Kingdom (UK) has historically been one of the most influential countries on the European and global stage. The UK was once the seat of power of one of the world's largest empires which stretched across the globe. The UK emerged as a key global leader in innovation and technology during a period known as "Pax Britannica"; an era when the UK was also a global hegemon and largely influenced events far away from its shores. This era of history continues to influence cultures and politics today as many former territories of the British empire such as Australia and Canada have retained a parliamentary system adopted from the British and have retained the use of the English language. The UK remained a key global player in geopolitics at the beginning of the 20<sup>th</sup> century; however, its standing in the world was severely affected by the two world wars which led to shifting geopolitics including the rise of the US and USSR as global powers. The UK's economy was severely impacted by the war years and by the end of WW2 this economic situation began to threaten the UK's standing in the world. The slow process of decolonisation further moved to see a decline in the UK's influence in the world as key territories which had been under British control such as British India and parts of Africa began to gain independence. The growth of members of the European common market and the Suez crisis further highlighted that the UK's economic and global political standing was falling. During the 1960s and 1970s, the UK was often categorized as the "sick man of Europe" due to the economic challenges the country was going through. The UK joined the EU in 1972 alongside Ireland and Denmark. In the period after this, two notable factors - the rise of oil prices which made drilling for North Sea oil economically viable and lucrative for the UK and economic reforms instigated largely in the 1980s - helped the economy to bounce back; although de-industrialisation emerged as a key issue in the country. During the 1990s the UK economy once again faced some difficulties which culminated in the decision of the UK to leave the European exchange rate mechanism (ERM) due to pressure being placed on the pound sterling currency as a result of a combination of actions by speculators and ERM restrictions. Going into the new millennium, the UK's economy returned to growth and unemployment reached record lows. This put the UK in a good economic situation at the start of the 21<sup>st</sup> century. Despite the various economic hardships during the second half of the 20<sup>th</sup> century, the UK has remained a global leader in politics through its membership of the UN security council; in finance through its capital London which is a major financial centre; culture through its many famous musical bands and pop icons; and soft power through the organisation of the Commonwealth, a political organisation of former countries that were a part of the British empire.

### 2.1.2 Current economic situation and mid-term outlook

- *The UK economy was heavily impacted by the 2008 global recession which led to an economic downturn in the country.*
- *The UK voted to leave the European Union in 2016 in a referendum.*
- *The UK officially left the EU in 2020. This coupled with the outbreak of COVID-19 and subsequent global geopolitical and macroeconomic challenges that considerably impacted the UK's economy between 2020 and 2021.*
- *Looking ahead, the UK's economic future is likely to be heavily influenced by the decision to leave the EU. Leaving the EU may further push the UK to examine more greatly alternative markets for its goods and services.*

The UK economy continued to grow at the beginning of the 21<sup>st</sup> century although the continuation of de-industrialisation coupled with the beginning of the UK's involvement in two large-scale international conflicts in both Afghanistan and Iraq which increased defence spending put pressure on the economy. The UK's economy entered a recession by mid-2008, influenced by the wider global financial crisis which had begun to take place. The economy had largely recovered by 2010 however the impact of the wider European financial crisis continued to negatively impact the UK. Politically, over the years the UK saw a rise in Eurosceptic parties and politicians who advocated for the withdrawal of the UK from the EU. This culminated in a referendum in June 2016 in which 52% of the electorate voted to leave the EU. This vote also highlighted political divergences within the UK as Scotland (which itself had narrowly voted to remain in the UK just two years earlier) and Northern Ireland both voted to remain in the EU but were legally bound to leave the EU as constituents of the UK. The UK officially notified the EU of its intention to withdraw in March 2017 which began a long process of negotiation between the UK and EU regarding terms of the UK's withdrawal from the EU. The Withdrawal Agreement was signed in 2019 and entered into force on 1 February 2020. During the transition period that followed the official withdrawal of the UK from the EU, the EU and the UK negotiated their future relationship which culminated with the EU-UK Trade and Cooperation Agreement (TCA), signed on 30 December 2020 and applied since 1 January 2021.

**Figure 2-1: Real GDP Growth and Per Capita GDP in the UK: 2010-2040 (Projected)**


Source: Euromonitor International: Economies and Consumers, 2022

The UK officially left the EU at the beginning of 2020 and shortly after began to experience the outbreak of COVID-19 which triggered a recession in the country. The UK shut down many sectors of its economy with lockdowns similar to those found elsewhere in the world; though the high exposure of the economy to service industries was one of the reasons for the economic impact of COVID initially being so strong in the country. However, the UK emerged as a leader in COVID-19 vaccine innovation and rollout which allowed the country to reopen its economy faster than many other countries in the west which resulted in the economy exiting recession by mid-2021.

Nonetheless, the mid-term outlook for the UK is somewhat unclear at present with the economy forecast to grow more slowly than that of most other developed ones in 2023, labour shortages in many sectors and inflation rates hitting 40-year highs in mid-2022. Ultimately, the country is still adapting to the rapid changes brought on by the reduced access it now has to the European single market, against a broader macro-economic backdrop of global challenges from the conflict in Ukraine and the supply chain challenges across the world. The UK will likely seek to expand its global presence via the conclusion of trade agreements with new markets, such as the recently concluded agreements with Australia and New Zealand; and in parallel, there is likely to be a divergence from EU legislation toward new British legislation in upcoming years, as reaffirmed by the introduction of the retained EU law bill in September 2022.

### 2.1.3 Populations trends

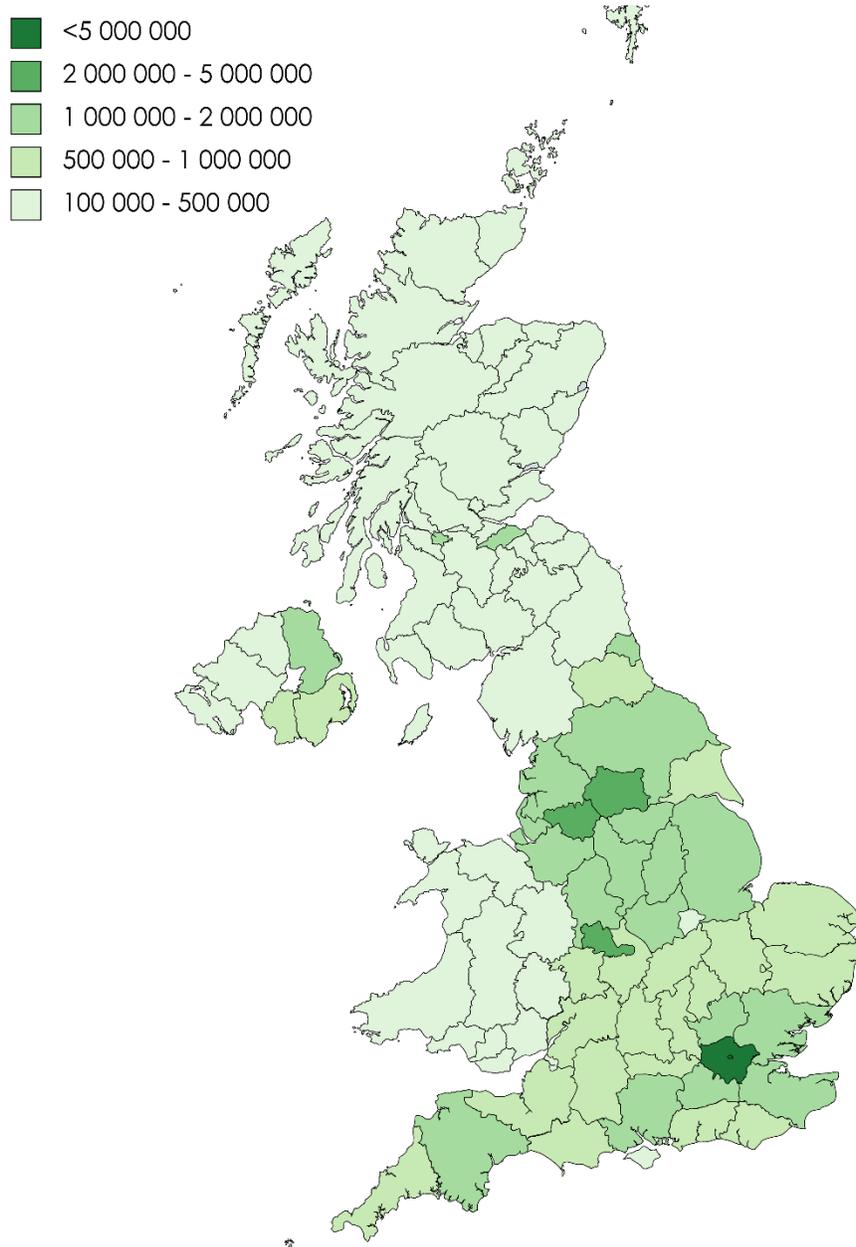
- *The population of the UK is currently 67.2 million which makes it the second most populous country in western Europe; and the world's 21<sup>st</sup> most populous country.*

- *The UK's current fertility rate is at 1.65 children per woman which is below the generally accepted replacement level of 2.1 children per woman. As a result, immigration accounts for most of the population growth in the UK.*
- *The population of the UK is expected to continue growing for the majority of this century with a population peak of around 75 million expected by 2060.*
- *The population of the UK is unevenly spread across the four constituents of the UK, with England accounting for 84% of the population followed by Scotland (8.5%), Wales (5 %) and Northern Ireland (3%). This makes England by far the largest consumer market in the UK.*

The UK is the second most populous country in western Europe behind Germany with a current population of 67.2 million. Should population growth rates be sustained (birth rates and immigration), then the UK is likely to match Germany's population during the second half of the 21<sup>st</sup> century. Immigration is a key driver of population growth in the UK with many of the larger immigrant communities coming from former territories of the British empire such as India, Pakistan, the West Indies, various parts of Africa (notably Nigeria and South Africa) and Hong Kong. Total fertility figures in the UK currently stand at 1.65 children per woman which is below the generally accepted replacement level of 2.1 children per woman. The population of the UK is forecasted to peak at around 75 million around 2060 before a forecasted decline is set to take place, which will follow patterns found in many other European countries. The population is spread unevenly across the four constituent countries of the UK with England accounting for 84% of the UK's population, consequently, the larger consumer markets in the UK are found in England. At present, roughly 83% of the UK population live in urban areas while 17% of the population live in areas categorised as rural. The Greater London region alone accounts for 13.4% of the total population.

Figure 2-2 shows the four countries of the UK by population, as can be observed, England is by a considerable distance the most populous country, England is also much more urbanised than Scotland, Wales and Northern Ireland resulting in the largest population centres found in the UK being largely in England. In Scotland, the larger population centres are focused in the centre of the country around the cities of Glasgow and Edinburgh. The Welsh population is largely focused in the south of the country along the coast near the cities of Cardiff and Swansea while in Northern Ireland the population is largely focused in the cities of Belfast and Derry. In England, the major population cores are the greater London area, Birmingham and the wider midlands region and the north western region incorporating the large cities of Manchester and Liverpool.

**Figure 2-2: Countries of the UK by population**



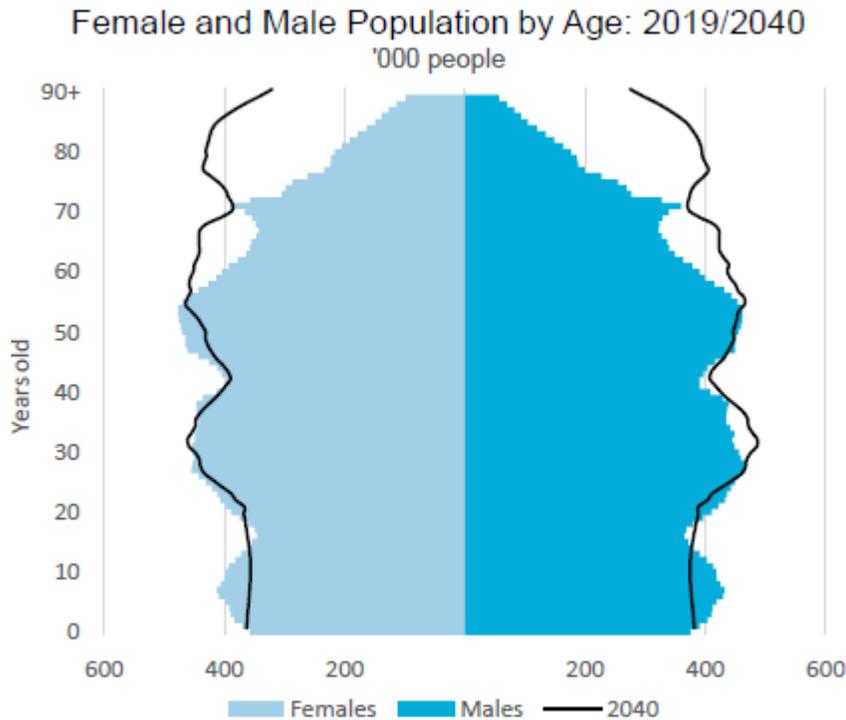
Source: Agra CEAS based on various

Most of the UK's inhabitants are ethnically British; however, the country is home to a wide variety of ethnic groups from across the globe, with the influence of the British empire further acting as an incentive for ethnic groups from former colonies to immigrate the UK. This influx of immigration to the UK makes the country, particularly in larger urban centres, very multicultural. The larger ethnic groups found in the UK include Indians (1.4 million), Poles (700 000), Pakistanis (500 000), Romanians (345 000) and Nigerians (200 000); though these communities make up a larger portion of the immigrant community which spans numerous countries with 9.6 million individuals living in the UK being born in a different country. There is a large percentage of the population from a mixed ethnic background with the most recent census figures from 2011 showing that 2%

of the population identifies itself as being of mixed origin and this figure is likely to have increased substantially since.

Due to the influx of immigration, the UK's population is expected to continue to rise despite the below replacement level of fertility in the country. A proportion of the population is also from the EU (most notably from Poland, Ireland, France and Romania). In total it is estimated that over 3.5 million individuals living in the UK are also EU citizens.

**Figure 2-3: Age Pyramid in 2019 and 2040 in the UK**



Source: Euromonitor International from national statistics/UN, 2021

Note: Data for 2040 is forecast

## 2.2 Geography and key markets

The United Kingdom is situated in western Europe and is an island nation. The UK encompasses the island of Great Britain, the northern part of the island of Ireland as well as many other smaller islands. The UK only shares one land border with another country, which is the border between Northern Ireland and the Republic of Ireland. Other than this, the UK is bordered by four seas, which are the English Channel to the south, the North Sea to the east and the Irish Sea as well

as the Atlantic Ocean to the west. The English Channel is the separation between continental Europe and the UK.<sup>1</sup>

In total, the UK nearly covers a land area of about 245 000 km<sup>2</sup>. From west to east the UK spans around 500 km and from north to south around 1 000km. No part of the UK is more than about 120 km from the sea. The capital city of the UK is London, which is located in south-eastern England on the River Thames.

The archipelago that is formed by the island of Great Britain and all the other smaller islands has a rather irregular shape that has diverse geology and landscape. This diversity comes from underlying rocks, which are a westwards extension of European structures, that also create the shallow waters in the Strait of Dover as well as the North Sea. In Northern Ireland, a westward extension of rock structures from Scotland can be found, which are breached by the rather slim North Channel.<sup>2</sup>

### 2.2.1 Overview of urban markets

The UK has four constituents, which are also depicted in Figure 2-4: England, Wales, Scotland and Northern Ireland.

England can further be divided into nine regions, which have been formerly known as the government office regions. Even though these regions do not fulfil government functions anymore, they are still used for statistical or administrative reasons.

Scotland, even though smaller by land area compared to England, is further divided into 32 council areas. These council areas are governed by councils which are unitary authorities. Every council area can further be divided into different wards. At a higher level, Scotland may be considered to comprise four NUTS 2 level regions<sup>3</sup>: Eastern Scotland; Highlands and Islands; North Eastern Scotland; and South Western Scotland. While this higher-level division does not have a relation to government functions, it may nonetheless provide a broader view of the country.

Wales is divided into a different number of undefined regions that are more or less in line with historical, geographical, administrative, cultural and electoral boundaries within Wales. However, these regions are not set in stone and have no official boundaries, which is why a variety of different groupings are being used. Wales regions are often divided according to their geographical location e.g. North Wales, South Wales etc.

Northern Ireland on the other hand is clearly divided into six counties. More detailed information on the regions, council areas and counties can be found in Table 2-1.

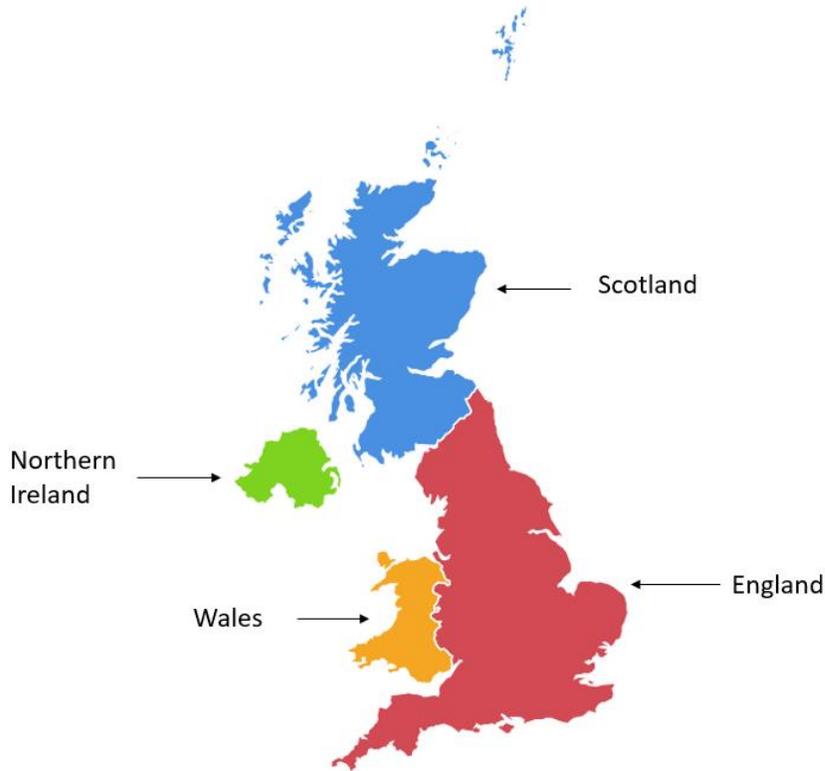
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<sup>1</sup>Geographic Regions of the United Kingdom (2019), <https://www.thoughtco.com/geographic-regions-of-the-united-kingdom-1435712#:~:text=The%20UK%20is%20made%20up,Wales%2C%20Scotland%20and%20Northern%20Ireland.>

<sup>2</sup> Land United Kingdom, <https://www.britannica.com/place/United-Kingdom>

<sup>3</sup> NUTS 2 level regions are geographical divisions which typically contain between 800 000 and 3 million inhabitants. For more information on NUTS regions, please see: <https://ec.europa.eu/eurostat/web/nuts/background>

**Figure 2-4: Regions of the United Kingdom**



Source: Agra CEAS based on various

**Table 2-1: Regions, council areas and counties within the United Kingdom**

	Region/Council area/Counties	Largest city/ administration
<b>England</b>	South East	Brighton and Hove
	London	London
	North West	Manchester
	East of England	Norwich
	West Midlands	Birmingham
	South West	Bristol
	Yorkshire and the Humber	Leeds
	East Midlands	Leicester
	North East	Newcastle upon Tyne
<b>Scotland</b>	Glasgow City	Glasgow
	City of Edinburgh	Edinburgh
	Fife	Dunfermline
	North Lanarkshire	Cumbernauld
	South Lanarkshire	East Kilbride
	Aberdeenshire	Peterhead
	Highland	Inverness
	Aberdeen City	Aberdeen
	West Lothian	Livingston
	Renfrewshire	Paisley
	Falkirk	Falkirk

	Region/Council area/Counties	Largest city/ administration
	Perth and Kinross	Perth
	Dumfries and Galloway	Dumfries
	Dundee City	Dundee
	North Ayrshire	Irvine
	East Ayrshire	Kilmarnock
	Angus	Arbroath
	Scottish Borders	Galashiels
	South Ayrshire	Ayr
	East Dunbartonshire	Bearsden
	East Lothian	Musselburgh
	Moray	Elgin
	East Renfrewshire	Newton Mearns
	Stirling	Old Viewforth
	Midlothian	Penicuik
	West Dunbartonshire	Clydebank
	Argyll and Bute	Helensburgh
	Inverclyde	Greenock
	Clackmannanshire	Alloa
	Na h-Eileanan Siar (Western Isles)	Stornoway on Lewis
<b>Wales</b>	Shetland	Lerwick
	Orkney	Kirkwall
	North Wales	Wrexham
	Mid and South Wales	Cardiff
	West Wales	Swansea
<b>Northern Ireland</b>	Antrim	Belfast
	Armagh	Armagh
	Down	Downpatrick
	Fermanagh	Enniskillen
	Londonderry	Coleraine
	Tyrone	Omagh

Source: Agra CEAS based on various

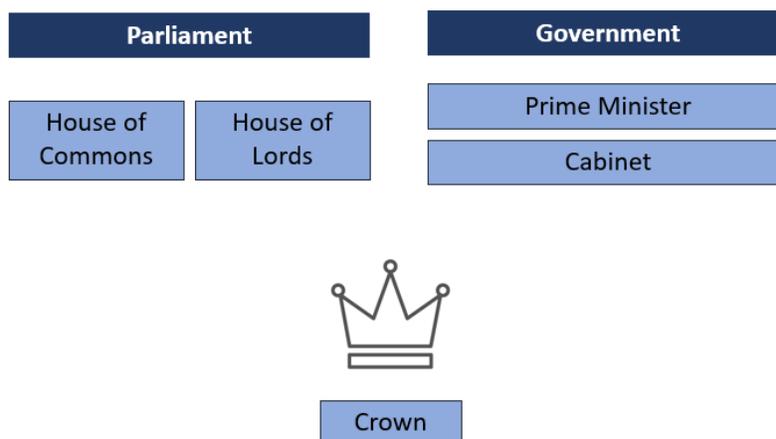
When examining population centres in the UK, it is more meaningful to look at urban areas rather than cities. Due to the development of the UK, the major “cities” have expanded from historically small entities, joining on to surrounding towns and ultimately other “cities” in some cases to form large urban areas. There are four urban areas in the UK with a population of over 1m (Greater London, Greater Manchester, West Midlands and West Yorkshire); plus another nine urban areas with a population of over half a million. It should be noted that some urban areas are almost geographically joined (e.g. approximately 15km separate the urban areas of Greater Manchester and Liverpool; and the area in-between the two is highly urbanised with a number of towns such as Warrington and St Helens filling the gap). Therefore, some urban areas effectively link up to make larger urban agglomerations.

In the United Kingdom, members of parliament are elected by the people through a “first past the post system”, and the party (or occasionally coalition) with the most members of parliament can form a government. This makes it a parliamentary democracy. In parallel to this system, the UK also is a constitutional monarchy. The monarch, who currently is now Charles III following the passing of Queen Elizabeth II in September 2022, should show political impartiality and has very little actual power.

The government holds the executive power and thus runs the UK. The government is made up of the Prime Minister, their Cabinet and junior ministers, and is supported by civil servants from several teams who work in the government departments.

The parliament holds the legislative power in the UK and is mainly responsible to oversee the work of the government and to approve new laws. Within the parliament, a two-house system is in operation. These two houses are the House of Commons and the House of Lords. The House of Commons is elected by the British people, and the political party with the most members in the House of Commons forms the government. The House of Lords complements the House of Commons and reviews legislations proposed by the House of Commons.<sup>4</sup>

**Figure 2-5: Overview of the political structure of the United Kingdom**



## 2.2.2 Snapshots of important markets

Despite already being high, the number of people living in urban areas is on the rise in the UK. The rural population on the other hand is forecast to slightly decline overall. In 2020 over 80% of the population was living in urban areas.<sup>5</sup> Urban centres such as Greater London, Bristol and Edinburgh are expected to show higher population growth rates than the UK as a whole. Urban centres also contribute much more to the UK’s GDP than rural areas.<sup>6</sup>

London currently is one of the cities with the highest GDPs worldwide – it is only one of two European cities alongside Paris on the top ten list. From 2001 to 2019, London’s population grew the most of all cities in the UK. Inner London’s population grew by about 27% and Outer London’s population by around 19% in this timeframe.<sup>7</sup>

<sup>4</sup> UK Political Hierarchy, <https://www.hierarchystructure.com/uk-political-hierarchy/>

<sup>5</sup> United Kingdom - Urban Population (2020) <https://tradingeconomics.com/united-kingdom/urban-population-percent-of-total-wb-data.html>

<sup>6</sup> Trend Deck 2021: Urbanisation [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/900910/Land\\_Use\\_in\\_England\\_2018\\_-\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900910/Land_Use_in_England_2018_-_Statistical_Release.pdf)

<sup>7</sup> Trend Deck 2021: Urbanisation [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/900910/Land\\_Use\\_in\\_England\\_2018\\_-\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900910/Land_Use_in_England_2018_-_Statistical_Release.pdf)

The UK is a great place for local as well as global shoppers as it has a high number of retail centres, most of which are located in cities. As the capital and largest city, London has the highest number of operating stores in the UK by far, followed by Manchester and Glasgow.<sup>8</sup>

The UK has many important urban centres. Taking into account the information above, the market size and the extent to which European agri-food products might be of interest at present, the following regions and their cities are considered to be the key markets for EU agri-food exporters of the UK and will be presented in more detail below:

- London and the South-East;
- the North-West including Manchester and Liverpool;
- the West Midlands including Birmingham;
- Central Scotland including Edinburgh and Glasgow;
- South Wales including Cardiff and Swansea;
- Yorkshire and The Humber including Leeds, Bradford and Sheffield.

It should be noted that there are other markets which are substantial in size and may also be of potential interest, such as Bristol and Newcastle.

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<sup>8</sup>

**Figure 2-6: Location of focus markets**



Source: Agra CEAS

## London and the South-East



### **Key facts:**

#### **Total GDP (2020, estimated):**

*London - EUR 577 billion*

*Rest of South-East England - EUR 364 billion*

*Combined: EUR 941 billion*

#### **Population:**

*London - 9m (capital region); 14.5m (Metro)*

*Rest of South-East England – 9.2m*

*Combined: ~25 million*

London, situated in the south-east on the river Thames is the capital city of the UK and its biggest urban area. It consists of an area of close to 1 600 km<sup>2</sup> and has a density of 4 500 people per km<sup>2</sup>. The South-East is the third biggest region of England and the most populated one. It is situated south of London and includes notable cities such as Brighton, Southampton, Reading and Oxford.

Due to the proximity to London and the good transport connections, the South-East became an economically highly important area having the second biggest economy of all regions in the UK, after the London region. The UK's second biggest airport, Gatwick airport, is located in the South-East, and Heathrow Airport, which is the busiest airport in the UK is situated close to the boundary between Greater London and the South-East. The English Channel offers many ferry crossings to Europe's mainland and indeed serves as the main entry and exit point for goods to and from Europe as well as a major entry and exit point for goods to the rest of the world.

The South-East and London make up around 40% of the UK's economy. Yet, not all areas are prosperous as shown by the GDP that is much lower in some more rural areas as well as in some poorer urban areas. London alone makes up about 1/4 of the UK's total economy. In the ten years before 2019, the GDP of London grew close to 50% compared to around 30% in the rest of the UK.

Both regions have very strong financial and service sectors. The service sector is very varied, with strong professional services as well as very well-developed tourism and retail sectors, alongside more local services. Around 20 million tourists visit London every year making it the third most visited city in the world. London and the South-East are the biggest manufacturing regional economy in the UK that is worth about EUR 32.7 bn per annum. The region's main manufacturing sectors are electronics, food and drinks as well as transport equipment. London's food and drink manufacturing industry has a gross value added (GVA) of close to EUR 2.8 bn and one of the South-East EUR 2.4 bn. The industry employs around 34 000 in London and about 25 000 people in the South-East. The share of UK food and drink manufacturing businesses is close

to 15% from London and approximately 11.5% from the South-East; combined the two areas are home to over ¼ of the UK's food and drink manufacturing businesses.

The population of London in particular is highly ethnically diverse. Around 58% of London's population identifies as white, 8% as Black African and 7% as Indian. The rest of the population identifies itself as either being of another ethnicity or mixed. This in turn impacts the food. It is not easy to classify the cuisine as it has been influenced by that of historical immigrants and a lot of food from other cultures is available in many places as well. A huge range of restaurant types can be found from modern European ones to more traditional English ones, from food markets to high-end restaurants. Good areas for food in London are for example Camden, Islington, Shoreditch, Clapham, and the city of Westminster (notably Soho). Currently, 71 out of the total 166 Michelin star restaurants in the UK are located in London and London is the 6th most Michelin-Starred city in the world.

While it is difficult to generalise, people commonly enjoy meals that contain meat and a lot of gravy. Fish and Chips, while popular across the country, are common in the area due to coastal proximity and hence probably one of the most popular dishes. London is also known for its jellied eels. Some typical south-eastern dishes include the Isle of Wight doughnuts, Kentish Huffkins (bread rolls), and Sussex Pond pudding (pudding with a suet pastry).

Sources: London and south-east now accounts for £4 in £10 of total UK economy <https://www.cityam.com/london-and-south-east-now-accounts-for-4-in-10-of-total-uk-economy/>; London and the South East an emerging industrial powerhouse [https://www.ipresearch.co.uk/page\\_1128563.asp](https://www.ipresearch.co.uk/page_1128563.asp); London and the South East Spotlight: Capital gains <https://www.themanufacturer.com/articles/london-and-the-south-east-capital-gains/>; Food and Drink Manufacturing Across the UK <https://www.fdf.org.uk/globalassets/resources/public/general/fdf-regional-map-of-statistics-2020.pdf>; How Does London Measure Up? [https://www.savills.co.uk/research\\_articles/229130/189977-0#:~:text=Contacts%20%26%20Related%20Articles,stands%20at%2014.5%20million%20people](https://www.savills.co.uk/research_articles/229130/189977-0#:~:text=Contacts%20%26%20Related%20Articles,stands%20at%2014.5%20million%20people); London population 2022 <https://worldpopulationreview.com/world-cities/london-population>; 15 London Foods You Must Try on Your First Trip <https://londonmymind.com/must-try-london-foods/>; London Tourism Statistics <https://www.condorferries.co.uk/uk-tourism-statistics#:~:text=London%20attracts%20around%2030%20million%20visitors%20from%20around%20the%20world%20every%20year>; Population estimates by ethnic group and religion, England and Wales, [https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/populationestimatesbyethnicgroupandreligionenglandandwales/2019#:~:text=London%20was%20more%20ethnically%20diverse.%2C%20and%20Indian%20\(7.0%25\)](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/populationestimatesbyethnicgroupandreligionenglandandwales/2019#:~:text=London%20was%20more%20ethnically%20diverse.%2C%20and%20Indian%20(7.0%25)).

**The North-West including Manchester and Liverpool****Key facts:**

**Total GDP (2020, estimated):** *EUR 238 billion*

**Population:** *7.3 million*

The North-West is the third most populated region in the UK, just after the South-East and Greater London. It is situated east of the Pennines and the Irish Sea is to its west. Geographically the North-West is known for the Lake District and the Cheshire Plain. The highest peak in England is in the North-West region. However, the key focus of this region can be found around the biggest cities in the region of Manchester and Liverpool. The two cities are only about 56 km apart from each other (the urban areas are even closer about 15km apart) and thus connected in different ways. Liverpool is the 5<sup>th</sup> most popular tourist city in the UK as it is known for its architecture, culture (most notably it was home to the Beatles and hosts two globally renowned football clubs) plus good transport system and connections. It is particularly popular for its music scene as well as art galleries, museums and parks. It is also home to one of the UK's biggest ports, with the city's history closely linked to migration to and from both nearby Ireland and the more distant Americas. While different, Manchester is popular for its culture, architecture and music, good transport connections plus two of the world's most famous football teams as well. These two large cities are surrounded by a number of smaller, but still sizeable cities and towns such as Blackburn, Preston and Warrington, effectively creating a huge urban agglomeration.

Some centuries ago, the North-West's main industry was textiles, which has now nearly completely disappeared. Today the North-West is a manufacturing hub in the UK with around 15 000 manufacturing businesses being located in the region. Automotive, aerospace and pharmaceutical manufacturers each account for about 20% of manufacturing and chemicals for about 15%. Overall, North-West England accounts for 10% of the UK's GDP.

Farming is an essential part of the region, in particular dairy cattle. Most milk is made into locally popular cheeses such as Cheshire or Lancashire cheese. The North-West has one of the biggest food and drinks sectors within the UK. Many large important brands and manufacturers of food and drinks maintain their operations in the North-West. The food and drink manufacturing industry in the North-West has an approximate gross value added (GVA) of about EUR 3.8 bn and employs around 45 500 people. The North West is home to 10.5% of the UK's food & drink manufacturing businesses.

The food and drink scene in Manchester is flourishing and many new bars, restaurants and pubs open every week to add to the already large offering. The city offers fine dining as well as street food and places to have afternoon tea. It is one of the main cities for foodies in the UK. Liverpool's

food and drink scene is just as good and offers very varied food and restaurant options as well, ranging from fine dining to small bistros and pop-up food places.

The typical traditional cuisine is often very hearty, such as rag pudding, which is a dish combining ground meat and onions in a suet pastry, or scouse, which is a meat and vegetable stew that is often served with bread. Cumberland sauce is a traditional sauce originating from Cumberland, which is sweet and spicy due to a combination of orange and lemon juice, port, orange and lemon zest, mustard powder, cloves, and raisins and currant jelly. Cumberland sausages, which are pork sausages made to a specific recipe are a traditional dish in the North-West as well. On the sweet side, Eccles originating in the Manchester area is popular. It is a puff pastry usually filled with raisins, brown sugar and cinnamon.

Sources: The growing economy of north-west England <https://www.icaew.com/technical/corporate-finance/mergers-and-acquisitions/the-growing-economy-of-north-west-england/>; Northwest England <http://tradeinvest.babinc.org/britam/uk-regions/england/northwest-england/>; Food and Drink Manufacturing Across the UK <https://www.fdf.org.uk/globalassets/resources/public/general/dfd-regional-map-of-statistics-2020.pdf>; Food NW <http://www.foodnw.co.uk/>; 10 Most Popular North-western English dishes <https://www.tasteatlas.com/most-popular-dishes-in-north-west-england/>; Food and Drink in Manchester <https://www.visitmanchester.com/food-and-drink/>; Food & Drink in Liverpool <https://www.visitliverpool.com/food-and-drink>

## West Midlands including Birmingham



### **Key facts:**

**Total GDP (2020, estimated):**

*EUR 180 billion*

**Population:**

*2.9 million (county); 5.7 million (region)*

The West Midlands is a landlocked region that is geographically very varied and includes urban centres as well as rural counties. The River Severn, which is the longest river in the UK passes through the region. The West Midlands county (which comprises the main urban areas) spans a total area of about 1 000 km<sup>2</sup>, while the broader region (which includes rural areas) covers 13 000 km<sup>2</sup> and borders Wales. Birmingham is the largest and most populated city in the West Midlands and is the core city within the UK's second biggest metropolitan borough. It is the third biggest urban area in the UK overall. Birmingham is located about 160 km away from London and is known to be the cultural, social, financial and commercial centre of the West Midlands. Its architecture is varied with a lot of the city rebuilt after 1945, and Birmingham is particularly known for its modern Bullring shopping centre. Various other towns and cities in West Midlands county comprise the main urban area. These include Wolverhampton, Dudley, Walsall, Solihull, Sutton Coldfield and Coventry, among others.

The economy of Birmingham is mainly reliant on the service sector because the city is a large commercial centre as well as a hub for retail, transport, events and conference. The broader West

Midlands urban area has a history of manufacturing, and while the more traditional manufacturing has disappeared to a high extent, more modern manufacturing has replaced it alongside the well-developed service industry.

The food and drink manufacturing sector in the West Midlands has a GVA of close to EUR 2bn and aims to increase this up to EUR 2.4 bn by 2030. The sector employs around 32 000 people; most of them in the bakery, meat processing and beverage sectors. The West Midlands' share of UK food & drink manufacturing businesses is currently around 7.8% and three of the top ten food and drinks companies in the UK are located in the West Midlands. Several well-known brands have their origins in the West Midlands such as Typhoo Tea, Bird's Custard, Bournville cocoa, Cadbury chocolate, and HP Sauce.

The West Midlands has a particularly high level of ethnic diversity, with strong populations of Indian, Pakistani, West Indian and Irish origin. Close to one in four inhabitants of Birmingham were born outside of the UK. Even though around 58% of the city's population is classified as white, a notable 27% of inhabitants are of Asian origin. Besides these, 9% of people are black and the remaining are mixed or of other ethnicities.

In particular, the city of Birmingham is known for its diverse dining scene which includes everything from small eateries to a total of five Michelin star restaurants. The local cuisine has been strongly influenced by the aforementioned population of diverse origins. Some traditional dishes include but are not limited to Faggot, which is a pork meatball dish; Pork Scratching, which is a popular pork snack; Birmingham soup, which is brewed with beef and vegetables and is often served with bread and Balti, which is a specific style curry. Brummie bacon cakes, which are a bit like scones are popular as well. One of the most common desserts is the Shrewsbury cake, which is a combination of biscuits and cakes.

Sources: Birmingham <https://www.visitbritain.com/gb/en/england/central-england/birmingham#>; Advanced manufacturing food and drink <https://gbslep.co.uk/sectors/advanced-manufacturing-food-and-drink/>; Midlands food and drink manufacturers eye return to growth - report <https://www.insidermedia.com/news/midlands/midlands-food-and-drink-manufacturers-eye-return-to-growth-report>; 8 Best Birmingham Foods Everyone Should Try <https://de.hotels.com/go/england/best-birmingham-foods-should-try>, All Five Of Birmingham's Michelin Star Restaurants Have Retained Their Stars In 2022, <https://secretbirmingham.com/michelin-star-restaurants/>

## Central Scotland including Edinburgh and Glasgow



### **Key facts:**

#### **Total GDP (2020, estimated):**

*Edinburgh – 30 billion; Glasgow – 28.5 billion  
Combined 58.5 billion*

#### **Population:**

*Edinburgh - 488 000; Glasgow – 612 000  
Combined 1.1 million*

The two main cities in Central Scotland are Edinburgh and Glasgow. Edinburgh is the capital of Scotland and is situated close to the Firth of Forth which leads into the North Sea. It is known for its rock formations, rustic buildings and medieval flair. It is one of the main tourist destinations in the UK and one of the liveliest cities. Edinburgh was the first UNESCO City of Literature. Glasgow is the most populous city in Scotland and the fourth most populous city in the UK. It is located on the River Clyde and grew during its 1 500 years of history from a small rural settlement into the second biggest seaport in Scotland. Its many museums and galleries make Glasgow a city of art. Moreover, the use of the Gaelic language is more common in Glasgow than in most other places in Scotland with the exception of the Highlands. The two city centres are under 70km apart and are joined by a motorway.

People in Edinburgh mainly work in the service industry. Just about 10% of jobs are in the manufacturing sector. After Glasgow, Edinburgh is the second biggest city in Scotland as well as its cultural and political centre; and thus highly important. The city's economy is based on e.g. engineering and manufacturing, aerospace technology and communication technology.

The food and drink industry is one of the main sectors in Scotland and has developed a lot during the last decade, and central Scotland is a notable hub for the sector. About 10 years ago the industry's growth was static, but today it is one of the best performing sectors of the economy. The presence of Scottish food and drink brands in the UK has increased substantially in recent years. More and more Scottish labelled products can be found in the UK and abroad, with the country particularly well known for whisky and salmon. Overall, the food and drink industry in Scotland has a turnover of around EUR 17.3 bn and a GVA of EUR 6.5 bn. By 2030 Scotland's target is to increase turnover to nearly EUR 35 bn. The food and drink manufacturing industry more specifically has a GVA of about EUR 4.7 bn and employs about 46 000 people. Scotland's share of UK food and drink manufacturing businesses is over 10%.

Traditional Scottish food is mainly cooked with ingredients such as meat, seafood e.g. salmon as well as with other products from primary agriculture. Brewing and distilling are big in Scotland, as best demonstrated by the world-renowned whisky industry. The Scottish national dish is haggis, which is a savoury meat pudding that is often eaten together with mashed potatoes, turnips and a whisky sauce. Another typical savoury dish is Cock-a-leekie, which is a Scottish take on French chicken soup. Traditional Scottish desserts include Cranachan, which is a shortbread-like sweet

treat, and Aberdeenshire butteries, which are a sort of bread roll. Seafood-wise, Dundee Cake and Cullen Skink, which is a rather creamy seafood soup, is popular.

When it comes to dining out, Central Scotland offers a lot of options from traditional pubs to restaurants, comfortably cafes, tearooms and simple takeaways; with Edinburgh and Glasgow home to a wide range of restaurants.

Sources: Edinburgh <https://www.britannica.com/place/Edinburgh-Scotland/People#ref61143>, Food and Drink Manufacturing Across the UK <https://www.fdf.org.uk/globalassets/resources/public/general/fdf-regional-map-of-statistics-2020.pdf>; Glasgow <https://www.britannica.com/place/Glasgow-Scotland>; About the industry <https://foodanddrink.scot/about-the-industry/>; Scottish food and drink <https://www.sdi.co.uk/key-sectors/food-and-drink/>; Food and Drink <https://www.scotland.org/about-scotland/food-and-drink/>; 10 Traditional Scottish Foods to Try <https://www.cietours.com/blog/10-traditional-scottish-foods-try/>; 30 interesting facts about Glasgow, <https://outaboutscotland.com/interesting-facts-about-glasgow/>

### South Wales including Cardiff and Swansea



**Key facts:**

**Total GDP (2020, estimated):**

*Cardiff – 18 billion; Swansea ~10 billion  
Combined – ~28 billion*

**Population:**

*Cardiff – 363 000; Swansea – 246 000  
Combined – 600 000*

South Wales is a region in Wales that borders England and as the name suggests is located in the southern part of Wales. The most populated cities and regional commercial centres in South Wales are Cardiff and Swansea. Cardiff is just about 2 hours away from London by train and is the biggest city in Wales and its capital. The city is known for its many castles on the one hand, but also its Welsh rugby and football stadium on the other hand. Cardiff is a vibrant city with an interesting cultural scene. It is a centre for film and television production such as Doctor Who, and Sherlock, and it is the base for Welsh broadcasters. It is also the main seat of the *Senedd* (Welsh Assembly) and hence plays an important role governmentally. Swansea is the second biggest city by population in Wales and is situated along Swansea Bay in the southwestern part of South Wales. The city is known for its large indoor market that was established in 1897 and today has over 100 stalls. The two cities are around 70km apart and connected by a motorway, with various smaller towns in between them plus the larger town of Newport next to Cardiff.

The economy in Wales mainly reflects the one of the UK in general, yet more people in Wales work in agriculture, forestry and manufacturing compared to other regions. On the other hand,

Wales offers less employment in the business and financial services sectors. Overall, there is a lot of foreign investment in the manufacturing industry in Wales. Cardiff creates the main growth factors for the Welsh economy and even though only around 10% of the Welsh population lives in Cardiff, the city's economy accounts for close to 20% of Welsh GDP. This is partly possible because of the many daily commutes that come to Cardiff every day from surrounding areas. Swansea's economy originally developed due to the metals and mining industries in the surrounding area. In particular copper was important for the city. Today Swansea is South Wales's second biggest engine for growth and a commercial centre as well with diversified industry and services plus some governmental and administrative functions.

Wales is one of the few areas in the UK where it is possible to create food and drinks from concept to consumer in one place as people are working in all the necessary areas; from primary production to retail, hospitality and wholesale. In total the food and drink manufacturing sector in Wales has a GVA of around EUR 1.82 bn and is home to 4.8% of the UK's food and drink manufacturing businesses. The sector employs close to 24 000 people in Wales.

Wales, including Cardiff and Swansea in the south, is known for its diverse and interesting food, which origins often date back centuries. A lot of varied speciality foods are grown and prepared here. These include everything from honey to ham, as well as cockles and some special sauces. Wales even produces whisky and white wine as well as yoghurt and ice cream. The traditional Welsh diet stems from the working class, meaning people such as fishermen, farmers, coal miners and other labourers, and thus includes a lot of fresh vegetables, fish and meat. As lamb in South Wales is popular, lamb crawl is a popular local dish. It is a slow-cooked lamb and leek broth. Welsh rarebit is another example of Welsh cuisine and consists of melted cheddar cheese on bread, thus being a type of cheese toast. Vegetarian Glamorgan sausages are made with potato, cheese and leek. Overall, the leek is very important in many Welsh dishes; and so are cockles (a shellfish that mainly can be found close to Swansea and have been sold for centuries on the city's market). One sweet dish that originates in Wales and can be found in many traditional restaurants in Swansea and Cardiff is bara birth, which essentially is a fruit cake with a unique flavour profile.

Sources: Facts about Wales <https://www.wales.com/about/facts-about-wales/>; Wales  
<https://www.britannica.com/place/Wales/Economy>; Food and Drink Wales  
<https://businesswales.gov.wales/foodanddrink/>; Economic Appraisal: Welsh Food and Drink  
sector <https://businesswales.gov.wales/foodanddrink/welsh-food-drink-performance/economic-appraisal-welsh-food-and-drink-sector/>; Industry overview <https://tradeandinvest.wales/key-industries/food-and-drink/>; Traditional Welsh Food  
<https://www.historic-uk.com/CultureUK/Traditional-Welsh-Food/>; What is Welsh Food?  
<https://freetourcommunity.com/blog/what-is-welsh-food/>; Cardiff, <https://www.visitbritain.com/ae/en/wales/cardiff>

## Yorkshire and The Humber including Leeds, Bradford and Sheffield



### **Key facts:**

**Total GDP (2019, estimated):** *EUR 165 billion*

**Population:** *5.5 million*

Yorkshire and The Humber region include some of the biggest cities in the UK such as Leeds, Sheffield and Bradford. The region is located in the north-central part of England just between the North Sea and the Pennines. Leeds is the largest city in the region with close to 800 000 inhabitants. The city is full of life and cultural energy with a lively community, high-class dance companies and a national theatre. Bradford with its 540 000 inhabitants has a rich history and particularly high level of ethnic diversity, a great art scene, exhibitions and architecture. Sheffield is known as an outdoor city due to its scenic location close to the Peak District national park.

Leeds is currently one of the fastest growing cities in the UK and a main economic driver in the region with its EUR 75bn economy and a workforce of close to 1.4 m from the city and its immediate surrounds. During the next decade, the city's economy is forecast to increase by over 20%, most notably due to the financial and business sectors. Other important sectors include retail, leisure, construction, as well as creative and digital industries. Bradford's economy is the tenth-largest in England with EUR 13.8bn. The city's economy grew by more than 16% during the five years to 2019. Main sectors include engineering, chemicals, automotive components and food manufacturing. Overall, there are about 1 200 manufacturing businesses in Bradford. Sheffield's economy is worth EUR 13.1 bn and the city is among the top ten cities in the UK by population with around 580 000 inhabitants.

Overall, the food and drinks manufacturing sector in Yorkshire and the Humber makes up around EUR 4bn to the regional economy with a workforce of 55 000 people being employed in the sector; the second-highest amount in this industry in the UK. The share of UK food and drink manufacturing businesses in the region is about 8.4%.

The Yorkshire area is very diverse and the cultural hotspot of the UK with a thriving food scene and countless restaurants, local producers and even some major food brands. Food has a strong heritage. The most famous dish from the area is Yorkshire pudding, which is made with eggs, flour and milk. The dish is somewhat similar to pancakes but generally eaten as a sour accompaniment to roast beef. A well-known sweet dish is Parkin, which is a ginger cake. The Yorkshire Curd Tart is another dessert, a pastry filled with curd cheese, butter, eggs, sugar, fruit

and spices. Overall cheese plays an important role in the local cuisine as well as there are around 85 artisan cheese makers in the Yorkshire area.

Sources: Leeds economy [https://www.leeds.gov.uk/leeds-economy/#:~:text=Leeds%20is%20the%20UK%27s%20fastest,a%20workforce%20of%201.37%20million](https://www.leeds.gov.uk/leeds-economy/#:~:text=Leeds%20is%20the%20UK%27s%20fastest,a%20workforce%20of%201.37%20million;); About Bradford's economy [https://www.bradford.gov.uk/business/bradford-economy/about-bradford-economy/#:~:text=Bradford%20is%20a%20big%20economy,the%20five%20years%20to%202019](https://www.bradford.gov.uk/business/bradford-economy/about-bradford-economy/#:~:text=Bradford%20is%20a%20big%20economy,the%20five%20years%20to%202019;); Sheffield <https://www.corecities.com/cities/cities/sheffield#:~:text=England%27s%20fourth%20largest%20city%2C%20with,of%20over%201.8m%20people>; Yorkshire And Humber Food And Drink Manufacturers Battle Covid-Brexit Double Whammy But Look Ahead To Growth <https://yorkshiretimes.co.uk/article/Yorkshire-And-Humber-Food-And-Drink-Manufacturers-Battle-Covid-brex-it-Double-Wha->; Yorkshire Food – What Food Is Yorkshire Famous For? <https://theyorkshirepress.co.uk/yorkshire/what-food-is-yorkshire-famous-for/>

## 2.3 Domestic agricultural production and regions

Agriculture is the dominant land use in the UK as it covers around 71% of total land, which equals an area of approximately 17 million hectares.<sup>9</sup>

Over 35% of agricultural land is currently cropped land out of which around 3.2 million hectares are used for cereal crops, and 352 000 hectares for cultivating oilseed crops.

There are around 9.6 million cattle and calves in the UK. Of this, around 3.3 million animals are part of the breeding herds<sup>10</sup> and 2 million are part of dairy herds, leaving around 4 million animals which are part of the beef herd. The total number of pigs is lower than that of cattle and calves, but still at 5.3 million. Lamb and sheep numbers are the highest among ruminants at about 3.3 million, with a high concentration of these in Wales. The most commonly produced meat, however, is poultry.<sup>11</sup>

Agriculture and farming contribute, directly or indirectly, a total of EUR 140 billion to the UK's economy and employ more than four million people, with close to 150 000 farms in the UK. Overall, the farming sector manages to provide 3/5<sup>th</sup> of the needed food in the UK.<sup>12</sup>

In 2020, the harvested production of the following commodities was as set out below:

- wheat is about 9.7 million tonnes
- barley at around 8.1 million tonnes
- sugar beet approximately 6 million tonnes

The value of production of other commodities in 2020 was as follows:

- vegetable production close to EUR 1.9 billion
- fruit production close to EUR 1.2 billion
- beef and veal nearly EUR 3.4 billion

<sup>9</sup> Land use on England 2021 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1106562/AUK\\_Evidence\\_Pack\\_2\\_021\\_Sept22.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1106562/AUK_Evidence_Pack_2_021_Sept22.pdf)

<sup>10</sup> Farming Statistics [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/973322/structure-dec20-ukseries-25mar21i.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/973322/structure-dec20-ukseries-25mar21i.pdf)

<sup>11</sup> Agriculture in the United Kingdom, 2020 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1056618/AUK2020\\_22feb22.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056618/AUK2020_22feb22.pdf)

<sup>12</sup> Agriculture in the UK <https://www.evangelatefs.com/agriculture-in-the-uk/>

- Pig meat over EUR 1.6 billion
- Mutton and lamb around EUR 1.5 billion
- Poultry meat around EUR 3.3 billion
- Milk and milk products over EUR 5.1 billion
- Eggs over EUR 850 million

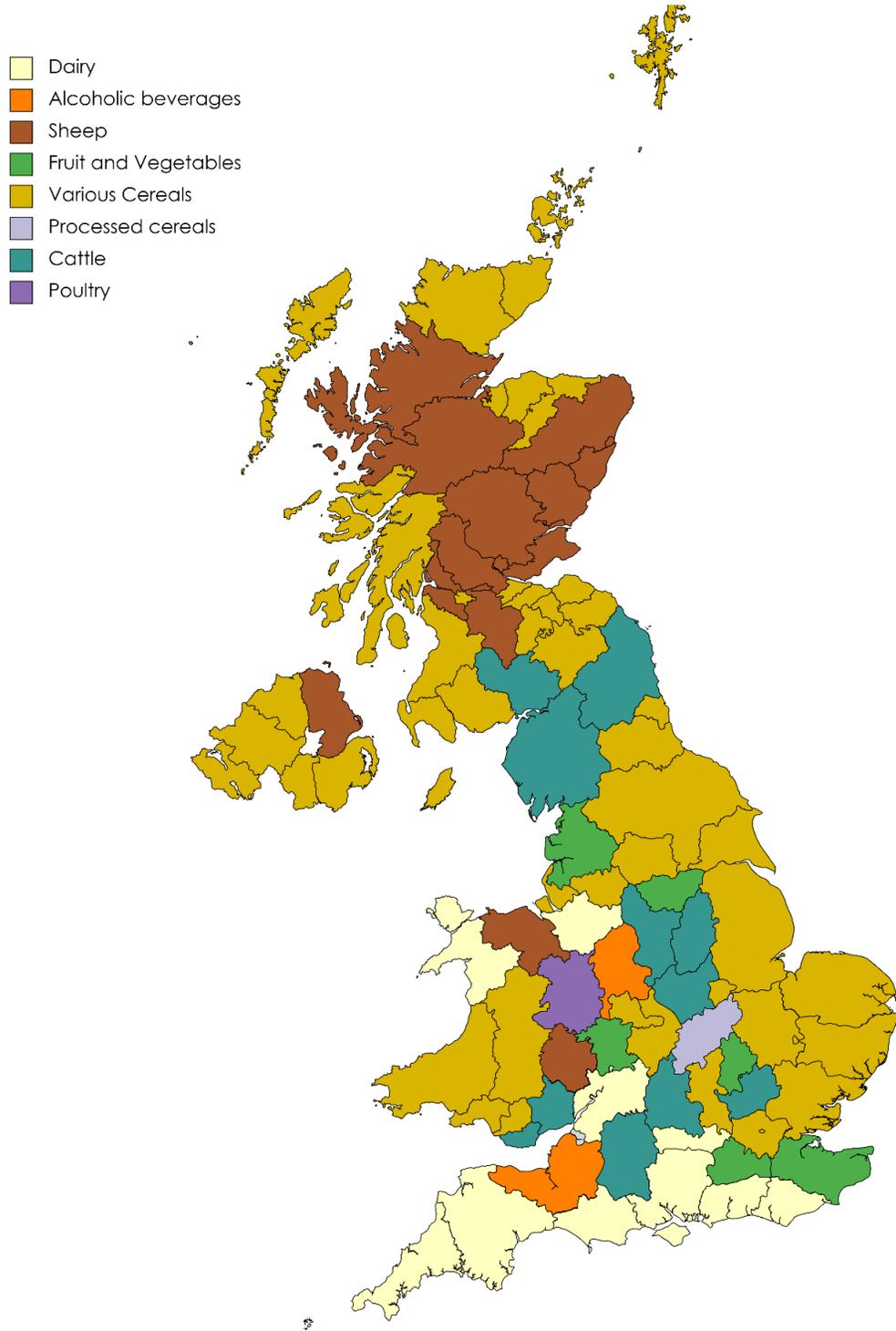
Organic farming is becoming increasingly popular in the UK. 490 000 hectares are farmed organically, and the area in conversion is about 31 000 hectares, which is an increase of about 12% in 2020 compared to 2019 numbers.

Agriculture varies greatly across the different regions of the UK. Even though Wales, Scotland, Northern Ireland and England have an overall similar terrain, there are differences when it comes to agricultural practices and land use. 4/5<sup>th</sup> of the farming area in Wales and even more in Scotland are less favoured areas, meaning that these areas usually have low agricultural yields. In these areas, many hill farms and upland moors can be found, which is why land is mainly used for dairy and sheep farming instead of crops. Fields in eastern and southern areas, including England, are very well suited for growing cereals due to the flatter and more open spaces while northern and western areas are better suited for livestock farming due to their hillier relief.<sup>13</sup>

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<sup>13</sup> Agriculture in the United Kingdom, 2020  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1056618/AUK2020\\_22feb22.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056618/AUK2020_22feb22.pdf)

Figure 2-7: an overview of agriculture in the UK



Source: Agra CEAS

Note: map shows predominant agri-food production, but it should be noted that there is also substantial production of other agricultural products in many regions (e.g. – pork production in the East of England and Yorkshire).

Five main farming types are used in the UK: arable farming, pastoral farming, mixed farming, intensive farming and market gardening.

### **Arable farming**

Arable crop farming mainly occurs in the south-eastern areas where summers are warm; and the land is low, flat, and mainly fertile. These areas usually have good transportation networks, and the farms are often located in proximity to big cities; notably London. Cereals such as wheat, barley and oats are grown, as well as pulse crops like beans and peas. Root vegetables, including potatoes and sugar beet, are popular crops in the UK as well. Some areas even grow forage crops such as rape, kale, vetches and cabbages. The main fruit crops are apples and pears.

Due to temperatures, most crops are grown during the summer months, with some in spring and autumn. Autumn sown crops include frost-hardy beans, winter wheat or vetch.

### **Pastoral farming**

This farming type includes livestock farming for meat, milk, eggs and wool and is a highly important agricultural output in the UK. Cattle most notably are used for their meat and milk. Sheep are used for their wool as well as their meat. Pastoral farming of other livestock is rarer, with notable overlap with intensive and mixed farming described later in this section.

In total there are around 17 000 dairy farms in the UK, which are nearly all situated in the west of the country. The area has a good climate and relief as well as a good road network and thus offers fast access to close-by farms and markets. The average herd size is the highest in Scotland with 102 cows, followed by England with 86 cows and Wales with 75 cows. The breed 'British Friesian' is mainly used for milk, while the 'Aberdeen Angus' is used for beef.

Over 41 000 sheep farms are situated in the UK, with half of them being located on hills or upland farms, which is why there are a lot of sheep farms in the Lake District (in the north west of England), Wales including Snowdonia, the Pennines and the Scottish Highlands. Romney Marsh and the Downs in the south-east, even though lowlands, have many sheep farms too. The UK is the biggest lamb producer in Europe.

The UK has approximately 4 600 pig farms. Pig farming mainly occurs in Yorkshire and East Anglia. The UK pig farming industry produces about 90% of the pigmeat that is demanded by consumers, however, it only produces 60% of the bacon and ham required to meet UK consumers' needs. The most popular pig breeds that are farmed for meat in the UK are the British Saddleback or Welsh, the Cumberland, the large and the small White, and the Wild Boar. As noted above a lot of this pig farming is intensive or mixed rather than pastoral.

On a smaller scale, the UK also farms goats for meat and milk as well as poultry for eggs on pastures.

### **Mixed farming**

In some areas mixed farms are common. These farms combine growing crops and keeping animals for various uses. The areas used for mixed farms need to have fertile soils on a flat relief as well as a warm and slightly wet climate. Thus, mixed farming is mainly used in Central Scotland and Central England.

### **Intensive farming**

Even though poultry is the minority in the UK when it comes to pastoral farming, the reality is different for intensive farming. The number of large industrial farms for chicken and pigs is increasing partly to combat the cheap prices of low welfare imports from other countries. There

are currently around 2 000 such large-scale farms. Chicken farms are viewed as large scale when they consist of more than 40 000 animals, and intensive pig farms need to have at least 2 000 pigs for meat or 750 sows for breeding. As chicken is a highly popular meat in the UK, around 20 million animals are slaughtered weekly to keep up with the demand. Close to 90% of all industrial-sized farms in the UK are chicken farms and the largest of them house over 1 million chickens each. There is an increasing intensification of farms in the UK, as farmers try to stay competitive in the global market.<sup>14</sup>

### **Market Gardening**

Market gardening includes farming high-value crops like fruits, vegetables and flowers mostly in the proximity of ready markets. The practice is commonly used in East Anglia close to London and Birmingham as well as in rural areas of the south-east.<sup>15</sup>

#### **Effects of Climate Change on domestic agriculture<sup>16</sup>**

Like it is the case in many countries, climate change also is the largest medium to long-term risk to domestic agricultural production in the UK. Other prevalent environmental issues such as soil degradation, biodiversity loss and reduced water quality also affect the country's domestic production.

For example, the wheat yields declined by around 40% in 2020 due to unlikely heavy rainfall and droughts during unfavourable times of the growing season. Increasingly more common unreliable weather patterns are likely to continue to negatively influence agriculture in the UK in future.

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<sup>14</sup> Industrial-sized pig and chicken farming continuing to rise in UK, <https://www.theguardian.com/environment/2020/apr/07/industrial-sized-pig-and-chicken-farming-continuing-to-rise-in-uk>

<sup>15</sup> Distribution of Farming Types in the UK <https://geography-revision.co.uk/gcse/agriculture/distribution-of-farming-types/>

<sup>16</sup> United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources, <https://www.gov.uk/government/statistics/united-kingdom-food-security-report-2021/united-kingdom-food-security-report-2021-theme-2-uk-food-supply-sources>

## 3 Introduction to the food and beverage market and consumers

### 3.1 Overview of the food and beverage market and demand for imported products

#### 3.1.1 F&B market summary

Over 17 million hectares are used for agricultural practices in the UK, which is about 70% of the UK's total land area. Around 1/4 of the total land area is arable land and used for planting different crops, with the type depending on the area, the rainfall and the nutrients in the soil. The remaining agricultural land is mainly woodland, grassland or rough grazing. These different land areas are being used to maximise potential which is why the UK mainly produces livestock products (meat, milk, eggs, wool); certain cereals; certain fruit and vegetables; and sugar beet.<sup>17</sup>

Even though the food and agricultural industry is very large in the UK and employs close to half a million people and has around 150 000 farms it produces less than 3/5th of the needed food for consumption in the country.

To make sure the UK has enough food to meet the demand of its population, the country relies not only on domestic production but also on imports. Resilient food supply is ensured through a combination of domestic production of the UK's agriculture and food manufacturing sectors and a diversified range of supply sources from elsewhere in the world.<sup>18</sup>

The food and drink industry is the biggest manufacturing sector in the UK and is part of a complex and diverse supply chain. Most of the 11 700 food and beverage manufacturing businesses in the UK are small and medium-sized companies.

In 2021, the output of the food and drink industry was valued at around EUR 35 billion, with a total turnover of about EUR 130 billion, and domestic sales of approximately EUR 117 billion. In total, around 4.2 million people work in the farm-to-fork chain in the UK, and close to 470 000 people work in the food and drink industry directly. In 2021, the total business investment in the food and beverage industry was about EUR 4.7 billion.<sup>19</sup>

The industry in the UK is consumer-oriented and a lot of money is invested into research and development, which helps to develop many new food and beverage products.<sup>20</sup> Overall, the growth of the UK food and beverage market looks positive, however, some challenges exist as well such as uncertainties due to the economic and changing political situation.<sup>21</sup>

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<sup>17</sup>The Top 20 Agricultural Products Of The United Kingdom (2022), <https://www.worldatlas.com/articles/the-top-20-agricultural-products-of-the-united-kingdom.html>

<sup>18</sup> United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources, <https://www.gov.uk/government/statistics/united-kingdom-food-security-report-2021/united-kingdom-food-security-report-2021-theme-2-uk-food-supply-sources>

<sup>19</sup> Facts and stats, <https://www.fdf.org.uk/dfd/business-insights-and-economics/facts-and-stats/>

<sup>20</sup>What You Should Know about UK's Food and Beverage Industry, <https://blog.bizvibe.com/blog/food-beverages/uk-food-and-beverage-industry>

<sup>21</sup> UK food & beverage industry: new opportunities and challenges, <https://www.matchplat.com/en/uk-food-beverage-industry-new-opportunities-and-challenges/>

Market development is driven by consumer spending patterns as well as the availability of new products. There is currently good potential for packed and ready-to-consume food products, as well as health ingredients, and different beverage categories. Moreover, trends such as the development of partnerships with distribution channels, product innovation, digital ubiquity, mass-market brand development, and different mergers and acquisitions can be observed in the food and beverage industry.<sup>22</sup>

### 3.1.2 International trade in F&B

The UK is a large importer of food and drinks partly due to structural issues, and the demand for products that for example cannot be grown or manufactured within the country. It imports products from many different countries in many different areas of the world. Major imports include fruit and vegetable, meat, cheese, as well as drinks such as beer and wine.<sup>23</sup>

In 2020, the UK imported close to half of the food it consumed. The UK has many different longstanding trade links. No single country accounts for more than 11% of total UK food and beverage products imported into the UK. Nonetheless, the main exporter of food and beverage products to the UK as a block is the EU. Overall, around 30% of the food consumed in the UK comes from the EU.

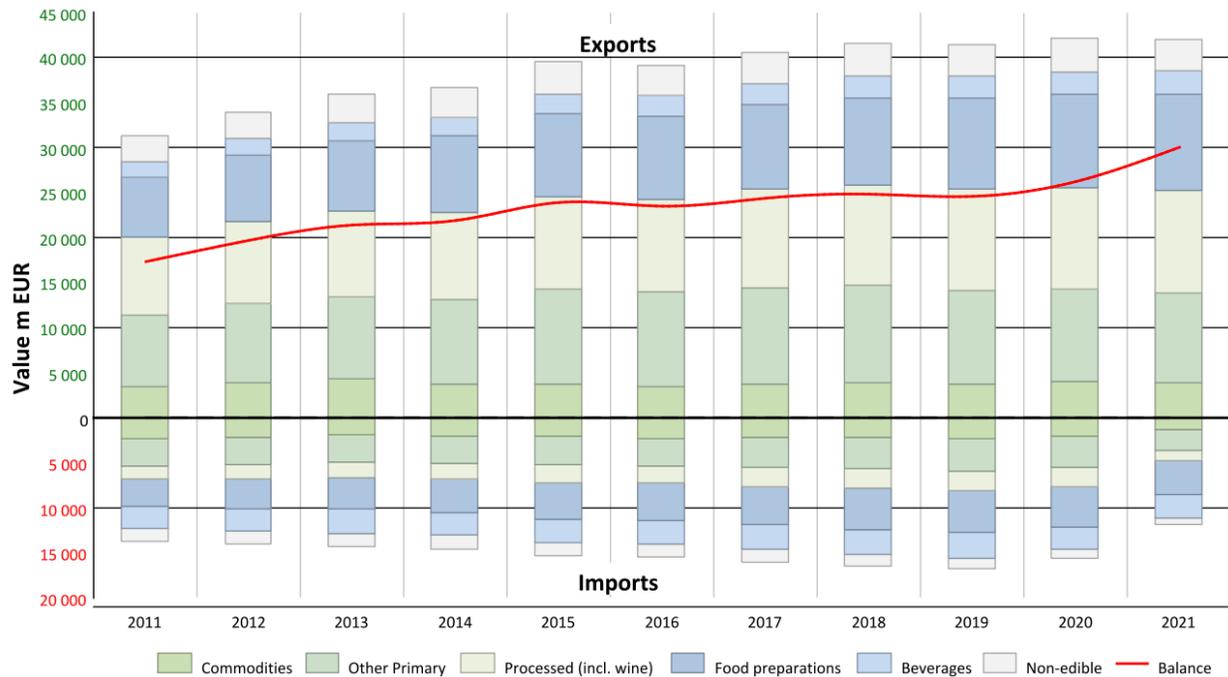
By value, whisky is by far the number one export of the UK. However, the UK's exports of chocolate and salmon are also notable. In addition to the EU, the UK mainly exports its food and beverage products to the United States, Switzerland, and China.<sup>24</sup>

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<sup>22</sup> U.K. Food and Beverages Market Outlook 2021, <https://www.businesswire.com/news/home/20211119005377/en/U.K.-Food-and-Beverages-Market-Outlook-2021---Market-Size-Share-and-Companies-to-2028---ResearchAndMarkets.com>

<sup>23</sup> The UK's Top Food Imports And Where They Come From, <https://www.glotechrepairs.co.uk/news/the-uks-top-food-imports-and-where-they-come-from/>

<sup>24</sup> United Kingdom's Top Trading Partners (2021), <https://www.worldstopexports.com/united-kingdoms-top-import-partners/>

**Figure 3-1: Structure of EU Agri-Food trade with the UK, 2011 - 2021**


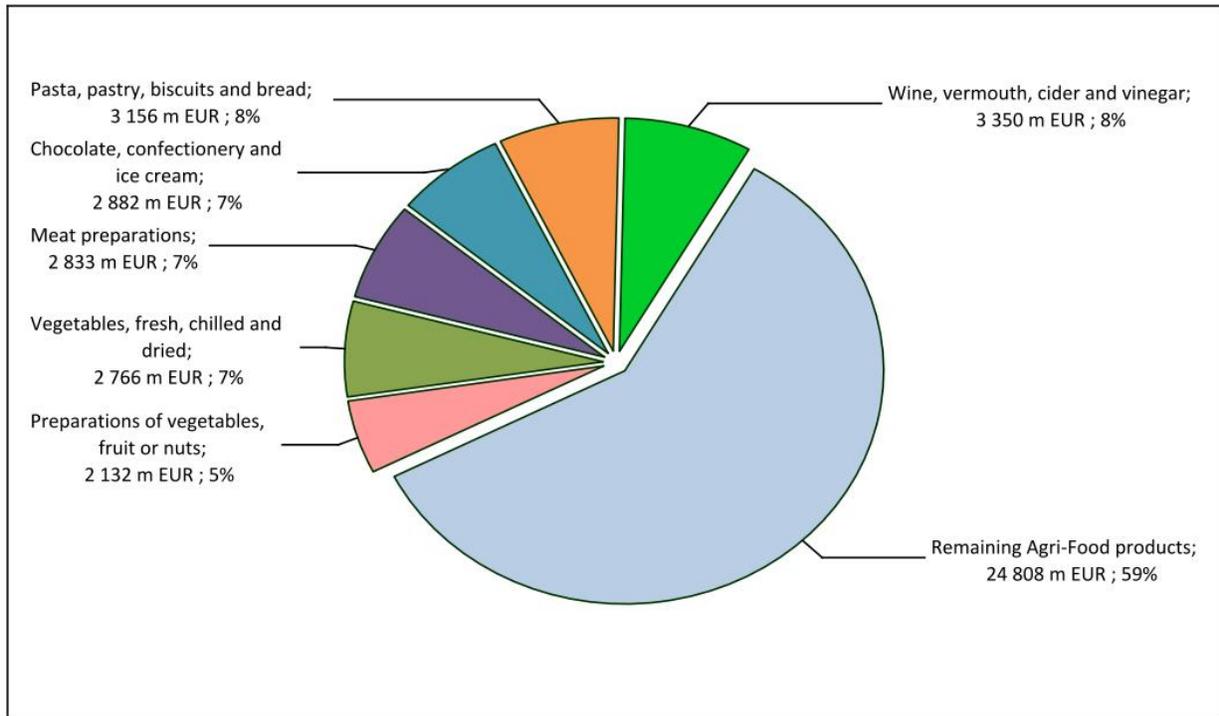
Source: European Commission: agri-food trade statistical factsheet, European Union – United Kingdom. Based on Eurostat-COMEXT data.

When it comes to agri-food trade with the EU, the UK currently is a net importer of these products as shown in Figure 3-1. Trade between the EU and UK has been influenced by recent events such as Brexit, the COVID-19 pandemic and global supply chain issues. However, currently, the UK rules for importing agri-food products from the EU are generally less restrictive than the rules for exporting from the UK to the EU; thus, according to most trade data sources, exports from the EU to the UK in most categories grew between 2017-2021, while imports from the UK fell slightly.

Wine, vermouth and cider is the largest EU agri-food group exported to the UK with the category having a total trade value of EUR 3.35 billion in 2021, accounting for 8% of total EU agri-food exports to the UK (Figure 3-2). Pasta, pastry, biscuits and bread exports amounted to EUR 3.16 billion which equates also for close to 8% of all EU agri-food exports to the UK, followed by chocolate, confectionery and ice cream with an export value of EUR 2.88 billion or 7%. Meat preparations are another key product category exported from the EU with a value of EUR 2.83 billion (7% of all EU agri-food exports to the UK). Vegetables, fresh, chilled and dried account for about 7% of exports too, and preparations of vegetables, fruit or nuts for about 5%.

In 2021 the UK mainly exported spirits and liqueurs (19% of exports, comprised primarily of whisky from Scotland) to the European Union. The following product categories ranked second and each accounted for around 6% of exports: chocolate confectionery and ice cream; food preparations; pasta, pastry, biscuits and bread.

**Figure 3-2: Top EU Agri-Food exports to the UK in 2021**



Source: European Commission: agri-food trade statistical factsheet, European Union – United Kingdom. Based on Eurostat-COMEXT data

### 3.1.3 The market for imported F&B

In 2020, around 30% of food and beverage consumed in the UK came from the EU.<sup>25</sup> The UK's imports from the EU, have not been impacted as much by recent events as is the case the other way around, though the EU share did fall slightly to 28% in 2021. Against this background, there are good opportunities for most products though the following product categories stand out as particularly good opportunities in the market:

- Alcohol products
- Cereal-based products
- Chocolate and confectionery

## 3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market in the UK are:

<sup>25</sup> United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources (2021), <https://www.gov.uk/government/statistics/united-kingdom-food-security-report-2021/united-kingdom-food-security-report-2021-theme-2-uk-food-supply-sources>

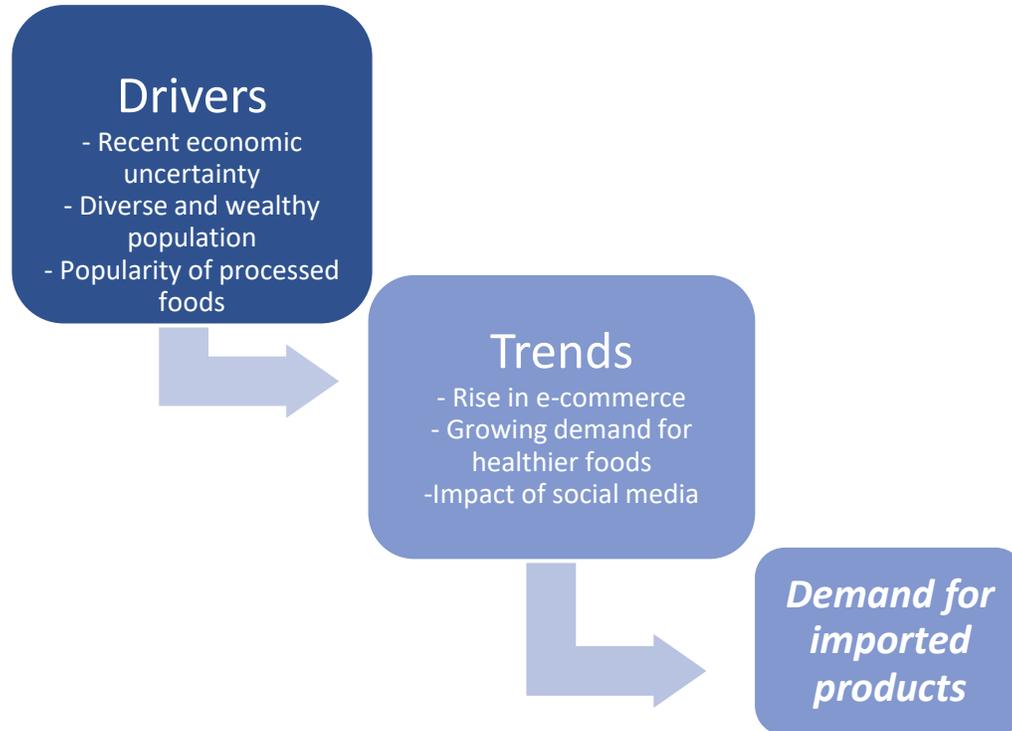
- **Recent economic uncertainty due to COVID-19, global supply chain challenges, inflation and the impact of Brexit:** Between 2020 and 2021 the UK entered a new era of economic uncertainty spurred on by the outbreak of COVID-19 alongside the country leaving the EU, and further impacted by recent global challenges with supply chains and inflation. Consumers have been exposed to increased worries regarding food security due to harvesting and transportation issues. This has encouraged consumers to hoard food and buy in bulk due to supply uncertainties and has also led to some sporadic challenges with the availability of certain products. This was particularly a concern during the COVID-19 pandemic when the capacity to harvest crops became an issue in the country but has also subsequently been an issue with domestic production of certain products recently impacted by labour shortages, input shortages and/or rising input prices. More recently, with the economic uncertainty, consumers have tended slightly more towards private label products rather than brands; this is against a background of the share of private label products already being quite high in the UK due to the dominance of supermarkets. The factors above affect all four constituents of the UK.
- **Generally wealthy population with diverse cultural influences:** Immigration to the UK over the previous decades and indeed centuries has brought a number of new culinary dishes to the country which have become very popular amongst consumers. Some of the more popular dishes in the UK include foods from the country's Indian community (such as chicken tikka masala), Chinese community (such as chicken chow mein), and middle eastern community (such as doner kebab) and Jamaican community (such as jerk chicken). Influences from the country's many ethnic communities have allowed for a wide variety of foods from different origins or countries to become popular in the country. It is now common for retailers to stock shelves according to the ethnic origin of the food, with the products commonly purchased across all consumer groups in the country. Similarly, there are various chains of restaurants and countless independent restaurants focused on the food of different specific origins in the UK. The UK also has a generally wealthy population which allows consumers to purchase slightly more expensive foods which have been imported into the country.
- **The popularity of processed and convenience foods:** In the UK processed foods are commonly consumed in the country. Furthermore, there is also a high consumption of foods which fall into the "ultra-processed" category and usually contain ingredients which would not be used during common home cooking practices. These foods include foods such as sausages, pre-packaged meals, snacks and breakfast cereals. What makes these products particularly popular in the UK is the convenience of preparing them which can largely be done in a five-to-ten-minute timeframe which appeals to busy UK consumers. There is also a strong culture of consuming convenience foods outside of the home for lunch and dinner. The most common example of this is sandwiches, which are very popular at lunchtime and often accompanied by processed foods such as crisps, chocolate and soft drinks. Although consumers are slowly moving away from the mass consumption of processed foods towards the healthier alternative product, processed foods remain very popular in the UK with an estimated 56% of calories that an average UK consumer consumes coming from ultra-processed foods.<sup>26</sup> The UK ranked as the fourth most obese country in Europe at the beginning of 2022 with an estimated 63% of adults in the country

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<sup>26</sup> What is ultra-processed foods, The BBC, available at [https://www.bbc.co.uk/food/articles/what\\_is\\_ultra-processed\\_food](https://www.bbc.co.uk/food/articles/what_is_ultra-processed_food)

being categorised as obese, and various investigations have linked the high level of consumption of processed foods to this condition<sup>27</sup>.

**Figure 3-3: Growth drivers and trends – the British food and beverage market**



Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various others (see footnotes).

In terms of current trends, the following stand out:

- **The rise in the use of e-commerce; but against continued domination by large retailers.** The UK has the highest level of e-commerce within Europe, with over ¼ of all retail purchases in the UK completed through e-commerce. This compares to 10 to 15% in most other major European countries.<sup>28</sup> Following this trend, there has been a significant rise in technology regarding the delivery of foods in the UK in recent years with an estimated 10% of consumers in the UK doing a main weekly grocery shop online.<sup>29</sup> This has been coupled with the rise in food delivery apps such as Uber Eats and Just Eat has further made it easier for UK consumers to get food delivered to their homes. However, the overall food retail landscape in the UK has long been dominated by supermarkets; they account for around 90% of grocery sales, and it is the same supermarket chains

<sup>27</sup> UK ranked fourth for having most overweight and obese adults in Europe, according to WHO study, Sky News, available at <https://news.sky.com/story/uk-ranked-fourth-for-having-most-overweight-and-obese-adults-in-europe-according-to-who-study-12604643>; Urgent action needed to reduce harm of ultra-processed foods to British children, available at <https://www.imperial.ac.uk/news/223573/urgent-action-needed-reduce-harm-ultra-processed/>

<sup>28</sup> <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsj>

<sup>29</sup> Online grocery shopping in the UK, Statista, available at <https://www.statista.com/topics/3144/online-grocery-shopping-in-the-united-kingdom/#dossierKeyfigures>

which are dominating grocery sales through e-commerce. All the main supermarket chains offer groceries through e-commerce. The only other notable overarching players in the e-commerce grocery space are Ocado and Amazon Fresh; though there are some other players specialised in e-commerce sales of certain specific food or drink products.

Consumers in the UK particularly utilised online shopping channels and food apps during the COVID-19 pandemic as going outside were discouraged by the government. Patterns from this period have been retained by a large segment of the consumer group as the economy exits from COVID-19 restrictions, though the usage of online shopping has fallen from the pandemic peak of almost 40% of retail sales (all product categories). Nonetheless, with the major grocery retailers very active and intensely competitive in the e-commerce area, the trend in the increased use of technology is likely to continue.

It should be noted there is a dedicated case study chapter on e-commerce in the UK in this handbook (section 6.1).

- **Increased focus on a healthy and balanced lifestyle:** The COVID-19 pandemic highlighted the benefits of a healthy and balanced diet which further pushed demands for healthier goods in the UK; a factor that has emerged even before the COVID-19 pandemic. Consumers are increasingly concerned with the ingredients used in their foods and a number of alternative and healthy products have emerged in the UK market in recent years such as gluten-free and sugar-free alternative products. Indeed, the UK has one of the widest range of “free-from” foods in the world. The traffic light labelling, introduced in 2013 (see section 4.2.3) has also aimed to assist consumers to focus on eating more healthily against the background of a high level of processed food consumption. Despite this increased focus on health, processed foods remain highly popular for various reasons including the aforementioned one of convenience, with the traffic light labelling (see section 4.2.3) helping consumers to identify the healthier version of processed foods. Going forward, products that are most likely to be impacted by this trend include alcoholic beverages with a growing demand for no and low alcoholic beverages emerging in the UK; meat alternative products and alternative dairy products; plus products of all types with reduced fat and sugar contents.
- **Impact of social media:** British consumers are among some of the higher users of social media platforms in Europe which further provides another avenue for food and beverage producers to market their products to consumers in the country. The need to use social media to promote special offers or new products has become a market must for retailers and producers in the country. Food influencers are also becoming a new important avenue for producers and retailers to promote their products to UK consumers with the more popular social media platforms for this practice being Instagram, Tik Tok and YouTube. Any producer active in the UK market will be at a distinct disadvantage if they do not properly utilise their social media presence to advertise to UK consumers.

## 3.3 Consumer profiles and preferences

### 3.3.1 Consumer profiles

Certain aspects of the British population that were touched upon in sections 2.1.3 and 2.2 are worth bearing in mind when considering British consumers. Most notably:

#### **Country and regional divide**

As the UK is made up of four constituent parts, each of these parts will have its own culinary demands and expectations. This divide is further present within the constituent parts; most

notably in areas of England with northern regions and southern regions also showing a preference for specific foods as well as having differences in culture and income. Below is a simplified overview of foods and beverages which are historically particularly popular across the different parts of the UK

- **Wales:** Popular traditional Welsh culinary foods include local variants of other popular foods such as Welsh soup, Welsh cakes and Welsh fruit bread. These foods often incorporate foods which are more available within Wales such as lamb.
- **Scotland:** Popular traditional Scottish food and beverages include haggis (a type of pudding made from the liver, heart and lungs of a sheep), scotch whiskey, and scotch pies.
- **Northern Ireland:** Popular foods in Northern Ireland are commonly derived from popular foods in the Republic of Ireland such as soda bread, colcannon and apple tarts. Consumers in Northern Ireland will often experience a mix of foods of both Irish and wider British influence to a greater degree than the rest of the UK.
- **Northern England:** Popular traditional foods in the north of England include Yorkshire pies, pork pies and hotpots. As many cities in the north of England once had a large industrial base, many of the more popular foods are relatively quick to prepare as consumers in this part of the country typically had less time to prepare foods during the workday historically, this remains an influence on the region to this day.
- **Southern England:** Popular traditional foods in Southern England (which includes the city of London) include Cornish pastries, crab and certain pudding varieties. GDP per capita is highest within this region of the country allowing for consumers to purchase a wider variety of food and beverages and to experiment with experiencing new products.

### Communities of different ethnicities and origins

Particularly within larger urban centres of the UK, there exist several communities of different ethnicities and food traditions which are important consumer markets. Cities such as London, Birmingham and Manchester have highly multicultural populations comprising different communities; for example, an estimated 40% of London's population is born outside of the UK<sup>30</sup>. Some of the larger communities across the UK include the Indian, Pakistani, West Indian, Irish and Nigerian communities with large, more recent immigrant groups from countries such as Poland, Romania and Bangladesh also being present in the UK. Each of these groups will have its own food and beverage preferences based on religion and culture, with some shops specialising in the sale of products for a certain community. Company ethnics are also an important factor for consumers of all ethnic backgrounds and it is important to avoid marketing practices that may cause offence to any one group.

### Wealth divide

While consumers on average are wealthy, there is a notable divide in the UK in relation to per capita income across the country. The south-east of England has the highest per capita income in the UK (though also the highest cost of living, around 20% above the UK average); while areas in the midlands of the UK, Wales and the North east of England have lower GDP per capita income<sup>31</sup>. Regions with lower GDP per capita income have typically gone through a process of de-industrialisation in recent decades which has severely impacted the earning potential for

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<sup>30</sup> Migration statistics ,The UK parliament commons library, available at <https://commonslibrary.parliament.uk/research-briefings/sn06077/#:~:text=The%20UK's%20migrant%20population%20is,the%20UK%20as%20a%20whole>.

<sup>31</sup> <https://abcfinance.co.uk/blog/the-true-cost-of-living-in-uk-cities/>

consumers in these regions. As a result, care should be taken in relation to pricing and brand image by producers seeking to target consumers in these areas of the country.

Against the considerations set out above, notable overarching consumer types in the UK are set out below. It is important to note that, while these overarching types have relevance across the country to some extent, the various aforementioned nuances must be taken into account given that in such a diverse country, the relevance of universal consumer types is limited:

- **Balanced optimist:**  
A third of UK consumers fall into the category of a balanced optimist consumers, these consumers generally seek a balanced lifestyle while focusing on enjoying the present. This consumer group is concerned about the environment and will be most likely to seek out foods and packaging that have been produced sustainably. These consumers seek out healthy foods which coincide with this consumer group also being generally quite active physically.
- **Secure traditionalist:**  
About a quarter of UK consumers fall into the category of secure traditionalist. This consumer group generally dislike shopping and will be more influenced by the price point of products. While this consumer groups is less concerned about environmental issues they are a consumer group that is quite active on the internet which caters to demand for products via the e-commerce channel. This consumer group is more likely to already have established brand loyalty with certain products and will be less swayed by the latest trends on the market.
- **Cautious planner:**  
Just under a fifth of UK consumers fall into the category of cautious planner. Consumers in this group are particularly careful with their money and highly unlikely to impulse buy products or splurge. Trends also have less appeal to this consumer group. Cautious Planners have often decided what they are going to buy before making a purchase and are unlikely to deviate from their shopping lists to make impulse purchases of nonessential items. They are highly likely to conduct in-depth research online and in-store before making purchases to ensure that they are fully aware of both features and value for money offers - often taking the time to closely look at labels and additional reviews before making their purchasing decision.

### 3.3.2 Cultural Sensitivities and Other Considerations

There are many interesting and important cultural sensitivities and other considerations that should be kept in mind when entering the British market. Those listed below are the ones which stand out as particularly important for exporters of food and beverage products.

#### **Multiculturalism and Ethics**

As the UK is a multicultural country, producers need to take care with their advertising practices so as not to offend an ethnic or religious group in the UK. Advertisers will likely face severe social media condemnation should they use promotional practices that can be perceived as offensive towards an ethnic or religious group. There are cases of producers in recent years having to perform product recalls or issue apologies due to advertising or product practices which cause offence. However, on the other hand, some effective campaigns in the UK have played, to a limited extent, on ethnic stereotypes (one notable example is the long-standing advertising campaign for Compare The Market, which features Russian meerkats as the key characters).

There is a very fine line between what is acceptable and what is not in the area of advertising and multiculturalism, and in the case of doubt it is recommended to veer on the side of caution as well as to listen to local professional advice.

### Regional differences

It is important to note that the UK is made up of four constituent countries each having unique cultural sensitivity factors to take into account; and with further differences within each constituent. The countries of Scotland and Wales have a segment of the population which solely identifies as being from these countries rather than from the UK; as a result, these consumers are more likely to be attracted to products which demonstrate Welsh or Scottish pride rather than British pride; and indeed they may show a stronger affinity to local products overall. The sensitive situation in Northern Ireland means it is best that producers and products do not express or reflect any political alignments. Even within England itself, there are a number of different regions such as Cornwall and Yorkshire which all have regional sensitivities which should be researched before specifically targeting these regions of the country.

### Festivals and holidays

Many of the major UK holidays reflect the country's historic achievements such as its participation in World War I or holidays which are religious such as Christmas. Below is an overview of the biggest festivals and holidays that are celebrated in the UK and their connections to foods where relevant.

- **New Year's Day (1<sup>st</sup> January)** and the preceding day New Year's Eve are widely celebrated in the UK with a number of fireworks displays occurring as the clock strikes midnight to welcome the New Year. This day is marked by family get-togethers and the gifting of products such as chocolates and champagne to enjoy the celebrations.
- **Valentine's Day (14<sup>th</sup> February)** is an important date for consumers in the UK engaged in romantic relationships. It is viewed as a day to celebrate and express the love consumers have for their partners, as a result, on this date spending on products such as chocolate and wine spikes as these products are often gifted by consumers celebrating Valentine's Day.
- **Saint David's Day (1<sup>st</sup> March)** is the national holiday of Wales and celebrates the country's patron saint, St David. On this day, Welsh consumers typically dress in traditional Welsh clothing and consume Welsh foods to celebrate the country's culture.
- **Mother's Day (End of March)** in the UK is a day to celebrate the role of the mother in society. During this day it is common for consumers to gift their mothers' food or drink products such as chocolate or biscuits and sometimes wine to acknowledge and celebrate the role their mothers have had in their lives; as well as of course flowers.
- **Easter (Various dates but generally the end of March – Beginning of April)** is marked by a number of working days off in the country followed by the celebration of easter on a Sunday. During easter, demand for special chocolate and confectionery goods spike as these products have become synonymous with easter celebrations in the UK. Lamb is traditionally consumed as the Easter Sunday meal.
- **St George's Day (23<sup>rd</sup> April):** is the celebration of England's patron saint, St George. While this holiday is not as widely celebrated as the patron saint celebrations of neighbouring countries including Wales and Scotland, there are a number of events which occur around this holiday such as medieval re-enactments and parades.

- **May Day (1<sup>st</sup> Monday in May):** This date is historically associated with the beginning of summertime in the UK (and also in many countries in Europe). On this date, a number of small celebrations will take place across the UK such as flower festivals. The Monday nearest to this date in May is also a public holiday in the UK.
- **Remembrance Day (11<sup>th</sup> November):** This date is the date of remembrance for British soldiers who died in combat during the first world war. This day is marked by a minute silence and the presence of poppies on the clothing of consumers as a symbol of remembrance. It is celebrated on the Sunday closest to 11<sup>th</sup> November.
- **St Andrews Day (30<sup>th</sup> November):** This date is the celebration of Scotland's patron saint, St Andrew. The day is an official holiday in Scotland and is viewed as a date to celebrate Scottish cultural traditions and achievements; and may include the consumption of traditional Scottish food.
- **Christmas (25<sup>th</sup> December):** Christmas is widely celebrated across the UK and is viewed as an important date on the calendar to engage in family celebrations and religious celebrations regarding the birth of Jesus Christ the founder of the UK's largest religion Christianity. Roast turkey is traditionally consumed on this day, accompanied by potatoes, vegetables and cranberry sauce. Most non-teetotal families will also consume a large and varied range of alcohol over the Christmas period and indeed a wide range of other food products will be consumed as well – most notably chocolate.
- **Boxing Day (December 26<sup>th</sup>):** Boxing day is a public holiday which occurs the day after Christmas, the date is generally associated with the extension of Christmas celebrations and shopping as it marks the beginning of the winter sale period for most retailers.

As the UK is multicultural, there will be a number of festivals that are observed and celebrated in the UK even if they are not acknowledged as a full holiday in the country. These events include festivities such as Eid, Diwali and St Patrick's day, with consumption of certain foods and drinks popular during these events (in line with consumption patterns during these celebrations in the countries and regions of origin). There is also Halloween (31<sup>st</sup> October), during which confectionery and to a lesser extent biscuit products are in high demand.

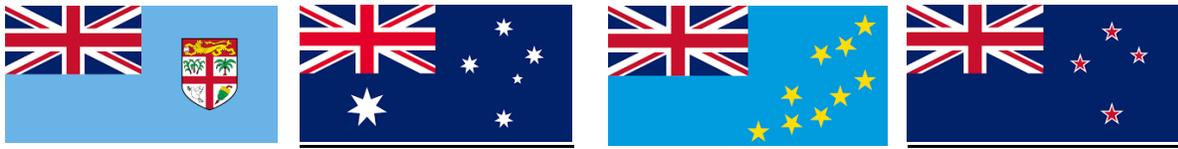
### Important cultural symbols

The UK is home to some of the oldest political and cultural institutions of the world which have garnered the respect of the consumer base of the country, this will be further reflected below as important cultural symbols in the UK are outlined. It is important to note that as the UK is made up of four separate constituent countries and there are important cultural symbols within each country that should be considered such as the Welsh Dragon and the Scottish thistle / tartan designs.

#### The British flag (*The Union Jack*)



The British flag (also commonly referred to as the Union Jack) is designed via the incorporation of important cultural flags that make up the four countries of the UK including the St Georges Cross (England), the Irish Saltire (Northern Ireland – unofficial, one of two main variations) and the Scottish Saltire. The flag is a major cultural symbol both within the UK and outside of the country as reflected by the UK's colonial past. The Union Jack is present on a number of national flags outside of the UK; most notably Australia, New Zealand, Fiji and Tuvalu. The flag is also prominent in many overseas territories of the UK spread out across the world such as The Falkland Islands, the Cayman Islands and Bermuda. The Union Jack also appears across many territories and states associated with the US and Canada such as Hawaii and Ontario.



*Above: The four national flags of Fiji, Australia, Tuvalu and New Zealand, each bearing a Union Jack*

The flag is commonly displayed in the UK during moments of national significance and also above many of the country’s major political institutions. Pride in the union jack is high in the UK amongst consumers and any disparaging of the flag will not be well received.

It should, however, be noted that the flags of the individual constituent countries (the official flags of England, Scotland and Wales; plus the unofficial flags of Northern Ireland) may have different connotations depending on the context; and as a general rule, to be on the safe side, their use in promoting products and advertising is best avoided.



*Above: the three flags of England, Scotland and Wales. While there are two major unofficial flags in Northern Ireland, neither are officially recognised and the Union Jack is used.*

### The British Royal Family

The British royal family is one of the well-known global royal families in the world and on balance the monarchy remains a popular institution in the UK. The UK is known for being particularly proud of its royal family with many celebrations in the country revolving around the activities of the royal family such as a birth or a wedding. Deaths in the royal family are also associated with a period of national grieving with many major UK broadcasters dressing in black as a mark of respect, such is its popularity.



### Poppy

The poppy flower is commonly worn by members of the British public during the run-up to remembrance Sunday (Sunday nearest to the 11<sup>th</sup> November). The poppy’s association with remembrance Sunday comes from a poem entitled “In Flanders Field” which discusses the growth of the poppy flower in the Belgian region of Flanders during the first world war. Today, charities sell poppies to raise money for veteran organisations active in the UK.

### The Lion

Despite never having inhabited the UK alongside humans, the lion is an important cultural symbol in the UK often representing British pride and endurance. The lion is commonly displayed across the country in major parks, political organisations or buildings of cultural significance. It is also used by some popular brands in the UK; including certain food products. The lion has also historically been used to refer to the British empire as a whole with many historical accounts of the British empire referencing the lion. The lion today remains an important symbol of Britishness and is also displayed on the badge of the English national football team which is often referred to as the “Three lions”.



*Left: Historic association of the British empire with the lion. Right: Modern association of the England football team with the lion*

### **Britain's many cultural icons**

The UK has been home to some of the most significant cultural icons to have impacted society globally in recent decades. The country is synonymous with many of the biggest musical bands and musical trends to have emerged in the past century such as the Beatles, the Rolling Stones, Oasis and Brit-Pop, to name a fraction of the many famous musical bands and trends that have come from the country. These bands are important cultural exports of the UK and their music is often associated with the UK as a whole which makes them an important cultural symbol for the country internationally. Outside of music, the UK is also a major innovator in the film industry with many of the world's most popular movie and series franchises such as James Bond, Harry Potter and Mr Bean coming from the UK. Popular phrases, movie graphics and visualisations are often further associated as important culturally symbols of the UK as well. It is not uncommon for some cultural icons to be used in advertising – with the corresponding permissions of course.

## 4 Market access and entry

This section provides details on the necessary requirements for entry into the UK market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

### 4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The EU has a dominant position as the import origin of agri-food products – both overall and in the majority of individual products.</li> <li>▪ At the time of writing, the legislation in place is effectively the same as the EU legislation and hence compliance should be fairly straightforward.</li> <li>▪ EU food is generally well regarded, with particularly positive associations for certain EU products of certain origins (e.g. French cheese and wine, Italian and Spanish charcuterie and wine).</li> <li>▪ Geographical proximity makes trade easier.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Trade friction resulting from the UK's decision to leave the EU, which may impact both transport time and availability.</li> <li>▪ With the UK now a third country, administrative barriers (e.g. customs paperwork, need for SPS certificates in some cases) have arisen; and full checks and certification requirements are expected from 2024. While arguably fairly straightforward compared to those of other third countries, this is nonetheless a barrier for smaller companies which have previously only operated in the EU market (and hence have no experience of export to third countries).</li> <li>▪ Domestic production tends to be highly concentrated in most sectors, creating large competitors.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Structural deficits both in agri-food products as a whole and in multiple specific products (e.g. wine). Most notably, there are certain products which have to be imported due to the challenges with producing them in the UK.</li> <li>▪ Wealthy and diverse market providing a range of opportunities for importers.</li> <li>▪ All GIs which were protected in the EU as of end 2020 are now protected in the UK, providing protection and potential opportunities for a huge number of products.</li> <li>▪ Market at the forefront of trends for alternative products such: as non-alcoholic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Grocery retail overall is dominated by four large supermarket chains (section 4.4.2), which are very aggressive on price when dealing with suppliers. Furthermore, these retailers only tend to sell high volume mass market products – something which makes it very challenging for smaller producers to get their products on these retailers' shelves.</li> <li>▪ Private label products are very popular in some segments; a situation facilitated by the dominance of large grocery retailers noted above. This further limits the possibility for smaller brands to enter the</li> </ul>

<p>beer/spirits; dairy-alternative products; meat alternatives; and “free-from” (e.g. gluten, dairy free) products. Resulting opportunities in these segments.</p> <ul style="list-style-type: none"> <li>▪ The TCA ensures continued duty free quota-free access of EU agri-food products to the UK, hence providing favourable trading terms compared to most competitors.</li> </ul>	<p>market, though it provides an opportunity for the exporters to supply their products for unbranded sale by the retailers.</p> <ul style="list-style-type: none"> <li>▪ Potential for legislative divergence over time (with some small divergences beginning to emerge and more likely to emerge as future trade deals are signed); and when this divergence appears it may be difficult to follow.</li> <li>▪ Potential increasing competition from other countries as the UK signs new trade agreements granting tariff free access or large Tariff Rate Quotas (TRQs) – the recent agreement between the UK and Australia / New Zealand being an example.</li> </ul>
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## 4.2 Food and beverage legislation and regulations

At the time of writing, food legislation in the UK is fundamentally based on EU legislation at the time of the end of the transition period (end 2020), with EU legislation at that point rolled over into British law. However, it is important to note that this is likely to change, and indeed the first signs of differing legislation are beginning to appear. Firstly, some amendments are being made to specific parts of the rolled over EU legislation. Secondly, as new legislation is introduced in the EU, it is not automatically introduced in the UK as well. Furthermore and most importantly, the Retained EU Law (Revocation and Reform) Bill was introduced into the UK parliament in late September 2022. It aims to end the special status of retained EU Law in the UK statute book by the end of 2023 (with a period till 2026 for certain pieces of legislation). The bill has not yet been finalised, more details on it can be found at the following two links:

<https://www.gov.uk/government/news/the-retained-eu-law-revocation-and-reform-bill-2022>

<https://bills.parliament.uk/bills/3340>

In addition, the situation with the import regime in the UK is not yet definitive. While food and beverage exports from the UK to the EU have been subject to full sanitary and phytosanitary checks and certification requirements since 1<sup>st</sup> January 2021, full checks and certification requirements on the UK side (i.e. for EU imports) for most products have been repeatedly postponed. At the time of writing, they are scheduled to enter into force by the end of 2023 following revision expected to be detailed in autumn 2022. This means that certification requirements and border checks at present therefore are effectively partial and the permanent import regime that will eventually be in force is not yet clear.

## 4.2.1 Import / export requirements / restrictions, customs procedures and documentation

### Import requirements– focus on Great Britain

It is important to note that, while England, Scotland and Wales left the single market, Northern Ireland stayed within it. This means that goods can move freely from the EU directly into Northern Ireland; but there are restrictions on sending goods from the EU to Great Britain. The information in this section therefore relates to requirements for Great Britain; with the term Great Britain meaning England, Scotland and Wales.

The general documentation requirements for shipments to Great Britain are set out in Table 4-1. A summary of specific requirements by food and beverage type covered in this handbook is set out in Table 4-2 with further explanations regarding some of the general registrations / notifications required for food products provided thereafter. As a general rule, documents should be provided in English.

**Table 4-1: General requirements for goods exported to Great Britain (including F&B)**

Name	Description	To be prepared by	Language
Air Waybill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or his agent)	EN
Bill of Lading / sea waybill	A document containing the details of the international transportation of products by sea. A bill of lading is a document of title to goods; if goods are shipped without a document of title of good, a sea waybill is used.	Carrier (or his agent)	EN
Rail Waybill conforming to COTIF and SMGS	A document notifying of international transportation of goods by rail. Must conform to the convention concerning international carriage by rail (COTIF) and the agreement concerning international freight traffic by rail (SMGS).	Carrier (or his agent)	EN
Waybill	A document notifying of international transportation of goods by road.	Carrier (or his agent)	EN
Entry summary declaration	A document providing HM Revenue and Customs with information to access the risk of imported goods. Must be completed before arrival, time before depends on method of arrival. Online form exists. This applies to imports other than from the EU.	Carrier (or his agent)	EN
Single administrative document	Official form used for customs clearance, also containing all information required for the assessment of dutiable value.	Importer (or his agent)	EN
Commercial Invoice	A document containing the details of the transaction. There are requirements on minimum content for customs clearance	Exporter	Any language with

Name	Description	To be prepared by	Language
	though these are fairly standard invoice requirements.		translation to EN.
Declaration of dutiable value	Document containing information for the assessment of dutiable value.	Importer (or his agent)	EN
Packing List	A document containing the details of the shipment and serving as a basis for the treatment of goods by customs.	Exporter	EN
Economic operator registration and identification	Document confirming that the participants in trade have registered with the national customs authority and have an Economic Operator Register and Identification number (EORI).	Importer / exporter	EN
Proof of non-preferential/preferential origin	A document confirming the preferential / non-preferential origin of the goods to be imported. Proof of preferential origin needed to ensure preferential treatment of goods in the context of the TCA or other UK Free Trade Agreements, the latter if goods are not originating in the EU but could still benefit from preferential treatment in Great Britain because of originating in other UK partner countries .	Exporter in the EU or a third country	EN
Importer's knowledge	In the case where no statement of origin is used to prove the origin of the goods, the importer may make a claim on the basis of their knowledge.	Importer	EN

Source: European Commission Access2Market

Table 4-2: Specific market entry requirements mapped to handbook categories (food and beverages)

Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits, wine, beer)	Olive oil	Sugar, chocolate confectionery	Pasta	Ice Cream	Processed F&V	Processed meat	Biscuits / cereal bars, baked goods	Processed cereals	Baby food	Fruit juice, jams	Honey
<b>Veterinary health certificate for animal products.</b> Issued by authorities of the country of export.	X		X							X					X
<b>Registration with the IPAFFS.</b> Document certifying that businesses dealing with certain animal products are registered with the import notification system of the UK.	X		X							X					X
<b>Licence to import animal products and pathogens.</b> Document proving the bearer is authorised to import these products.	X		X							X					X
<b>Automatic licence verification system (ALVS).</b> Document allowing import transactions controlled by the Animal and Plant Health Agency (APHA) to be cleared from customs after passing through the ALVS.	X		X							X					X
<b>Health entry document for animal products</b> certifying that products of animal origin have been inspected on arrival.	X		X			1806	?	X		X	?	?	X		X
<b>Optional indications certificate for poultry meat</b> for optional indications ( <i>only for poultry meat; only if optional indications used</i> ).	?														
<b>Phytosanitary certificate.</b> Issued by authorities of the country of export.		R													
<b>Certificate of conformity for fruit and vegetables.</b> Confirms product meets specific marketing standards.		S													

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<b>Certificate of inspection for organic produce</b> ( <i>only if product is organic</i> ). Must be issued by a recognised control body by the EU.	f	f	f	f	f	f	f	f	f	f	f	f	f	f	f
<b>Entry document for high risk food and feed products</b> , certifying that certain high risk products have been inspected on arrival. <b>Only required for certain origins considered high risk.</b>		?				?			?		?			?	

Source: Agra CEAS based on Access2Market and gov.uk

X = required for category;

? = only required for category in specific cases, consult Access2Market for more details;

R = regulated products only at present; subject to change as full checks and certification requirements are implemented, scheduled from 2024;

S = scheduled from 2024; f = while listed as a requirement in Access2Market, not currently required in reality at present and until further notice; see <https://www.gov.uk/guidance/importing-and-exporting-organic-food> for more details.

Petfood and live plants are excluded as requirements are substantially different given their non-food status. Details are provided in the product snapshots.

Other product categories not covered by the handbook may have additional requirements. For example, for hops an attestation of equivalence for hops may be required (see <https://www.gov.uk/guidance/hops-and-hops-products-marketing-standards#importing-hops-and-hop-products-into-great-britain>)

**Her Majesty's Revenue and Customs (HMRC)** is the body responsible for customs in general, including customs declarations in the UK. The Animal and Plant Health Agency (APHA) of Defra / APHA Centre for International Trade are responsible for controlling import requirements for livestock products. Imports of certain products from non-EU countries – most notably animal and livestock products – can only pass through points of entry with border control posts (BCPs). While this is not yet a requirement for EU products, it may become so in the future. It is important to follow the UK's updates on the Border Operating Model on the UK Government [website](#). Border control posts exist at most major points of entry into the UK; a full list can be found at the following link: <https://www.gov.uk/government/publications/uk-border-control-posts-animal-and-animal-product-imports/live-animals-animal-products-and-food-and-feed-of-non-animal-origin-border-control-posts-bcp-in-the-uk>

**Import of products, animals, food and feed system (IPAFFS)** is the system that importers must use to notify UK authorities of imports of products of animal or plant origin (plus certain other categories of product). As a general rule, health or phytosanitary certificates are required for these imports and in some cases other requirements like import licence/authorisation may apply; prenotification is also required as of 1 January 2022.

A full list of general import authorisations can be found here: <https://www.gov.uk/guidance/importing-live-animals-or-animal-products-from-non-eu-countries-general-licences-and-authorisations>. The UK is in the process of establishing a system for processing sanitary and phytosanitary certificates with an electronic signature; at present shipments already subject to certification must be accompanied by paper certificates although some interim measures for the acceptance of e-signed electronic documents may also apply. It is likely that this electronic signature will be in place by the time that full checks and certifications on imports of animal and plant products come in to force (see next paragraph).

Full certification and **checks on imports of animal and plant products from the EU** have been postponed, currently till the end of 2023 (there is the possibility that these checks be further postponed). There are currently no details of these future checks available. The UK is in the process of developing a Target Operating Model (TOM) which will set out the nature of any new future checks on imports from the EU. It is expected that this TOM will be finalised in the Autumn of 2022. More details can be found here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1083393/2022-06-15 Border Operating Model 1 .pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083393/2022-06-15_Border_Operating_Model_1_.pdf)

It should be noted that establishments exporting animal products to Great Britain need to be **registered by the UK authorities for that purpose. The establishments registered on TRACES NT** by the Competent Authority of their Member State according to EU rules, are also registered by the UK authorities for export to Great Britain.

Certain food products require **authorisation** before they can be sold in the UK. The products affected by this are the same as those under EU law and do not pertain to any specific category

or product covered by this handbook – rather certain very specific categories and ingredients.<sup>32</sup> However, authorisations which existed under EU legislation before 1<sup>st</sup> January 2021 have been rolled over.

#### Updated guidance on requirements for importing food and feed from the UK

The situation with import requirements from the EU to Great Britain is likely to remain somewhat fluid as full certification requirements and controls are introduced. The UK government has a webpage with guidance which it updates as requirements changed. A link to this webpage can be found below:

<https://www.gov.uk/guidance/import-or-move-food-and-drink-from-the-eu-and-northern-ireland-to-great-britain>

With the Trade and Cooperation Agreement (TCA) in place, **proof of preferential origin** is required for imports to benefit from the preferential treatment under the TCA, including tariff and quota free access. This proof is a statement of origin that must indicate that the goods are of EU origin to benefit from preferential treatment. To qualify, the product must comply with the rules of origin provisions (see box below), and care must be taken in compliance – the use of non-EU components may affect compliance with these rules.

There are however some specific nuances to be aware of with the rules of origin provisions. While these are unlikely to affect all but a very small minority of cases, details of these nuances are set out below.

- In instances of triangular trade, where different stages of a production chain spans the UK and the EU, the EU or UK origin might be lost upon the re-import of the product into the other party.
  - For example, within the meaning of the Agreement, if a product of EU origin is shipped to the UK under preferences for processing, the processing in Great Britain might have been sufficient for the good to obtain UK origin. In this case, the good can be shipped back to the EU using preferences (goods of UK origin can enter tariff free into the EU).
  - If, however, the products originating in the EU have been exported to Great Britain where they have been insufficiently processed (e.g. simple repacking) or not processed at all, the situation is different. In this case the goods that are imported back into the EU cannot benefit from the preferences provided for in the Agreement when they are released for free circulation in the Union. This is because the products have not undergone any/sufficient processing in the UK therefore they have not acquired UK origin within the meaning of the Agreement. Unless they can be considered returned goods, customs duties will be due.

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<sup>32</sup> More specifically these can be classified as: extraction solvents; feed additives; feed for particular nutritional uses (PARNUTS); feed detoxification processes; flavourings; food contact materials; food additives; food enzymes; genetically modified organisms (GMOs) as food and feed; irradiated food; novel foods; and smoke flavourings.

- Goods which are imported into the EU from third countries and then re-exported to the UK without undergoing sufficient processing cannot be considered goods originating in the EU. Subsequently they are likely to be subject to tariffs upon import into the UK.

#### DG TAXUD guide on rules of origin

DG TAXUD has published a guide on the rules of origin under the TCA, along with various Q+A. This can be found at: [https://taxation-customs.ec.europa.eu/customs-4/international-affairs/third-countries/united-kingdom\\_en](https://taxation-customs.ec.europa.eu/customs-4/international-affairs/third-countries/united-kingdom_en)

Finally, as set out above, it should be remembered that **Northern Ireland remains in the single market**, and consequently shipments directly to Northern Ireland from the EU (including most notably from Ireland) are not subject to the same customs checks and certification requirements as outlined in this section. However, in the rare case goods pass from the EU through Great Britain on the way to Northern Ireland, extra checks may be required<sup>33</sup>.

Overall, it is important to note that the exit of the UK from the EU has led to the erection of administrative barriers, with extra paperwork linked to the customs and SPS requirements – even if the TCA tries to alleviate some of the burden and UK import requirements have not been fully implemented in certain areas. While larger companies or those SMEs already exporting to non-EU markets may be used to dealing with such customs paperwork and the obtention of SPS certificates where necessary, smaller companies active only on the EU market need to be aware of the extra administrative barriers and weigh the benefits of serving the market against the extra administrative work / cost required for full compliance.

#### 4.2.2 Food safety and other food certification requirements

There are two key bodies responsible for imported food regulation in the UK:

- The **Food Standards Agency (FSA)**, a non-ministerial government department<sup>34</sup> is responsible for food safety and standards for food sold to consumers, whether packaged or loose. Food Standards Scotland is the Scottish equivalent (see box below).
- The **Department for Environment, Food and Rural Affairs (DEFRA)** is responsible for agriculture, food production standards and trade in certain food products.



As the areas covered by DEFRA are devolved policies (see box below), DEFRA is the department responsible for England, and it leads agricultural issues for the UK in the international arena. The devolved administrations in Scotland, Wales and Northern Ireland are responsible in the corresponding countries, and there is close co-operation between them. APHA (mentioned in the previous section) is the agency of DEFRA responsible for animal product imports.

<sup>33</sup> General UK guidance on moving goods in and out of Northern Ireland can be found at: <https://www.gov.uk/guidance/trading-and-moving-goods-in-and-out-of-northern-ireland>

<sup>34</sup> This means it does not have direct policy oversight i.e. does not fall under a government minister or government department.

Enforcement of regulations is implemented by local **trading standards offices**, of which there are many. Local offices can be identified through the following website:

<https://www.tradingstandards.uk/consumer-help/#LocalTS>.

### Devolution in the UK

Following discussions and votes in the late 1990s, increased devolutionary powers were given to the constituent countries of the UK. Critically, the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly<sup>35</sup> were established in 1998 as legislatures for the corresponding countries. The UK parliament remains the legislature for the UK as a whole and it also governs England.

As a result of this, the corresponding national legislatures have the power to make laws in certain policy areas, as well as to deliver public services. However, there are certain powers which are reserved for the UK parliament, meaning that they are set at the level of the UK. With regards to policies of relevance to agri food export: agriculture is a devolved policy area, as is health; while trade policy is set at a UK level.

**The FSA is responsible for food policy in England, Wales and Northern Ireland;** and the FSA is accountable to all three of the governments in the areas which it sets policies. **Food Standards Scotland (FSS)** was established in 2015 and is responsible for food policy in Scotland. There is a Memorandum of Understanding between the FSA and FSS. More precisely, in the area of food safety and labelling, the following powers have been devolved:

- food and feed safety and hygiene
- nutrition and health claims, standards and labelling
- food compositional standards and labelling

It is important to note that, while the FSA is responsible for food policy in three countries, the mandate it has been given varies between countries. More precisely:

- It is responsible for **food and feed safety and hygiene** in all three of England, Wales and Northern Ireland.
- It is responsible for **nutrition and health claims** in Northern Ireland only. In England, the Department of Health and Social care is responsible for this; in Wales it is the Welsh Assembly.
- It is responsible for **food compositional standards** in Northern Ireland and Wales. In England, DEFRA is responsible for this.

**DEFRA** is responsible for the policy areas corresponding to its remit in England. The Scottish Parliament, Welsh Assembly and Northern Ireland Assembly are responsible for this area in the corresponding countries (through the part of the parliament / assembly focused on environment, agriculture and food)

For the simplicity of this section and subsequent sections on legislation for specific products; while taking into account the relative importance of the focus markets identified in section 2.3, the situation in England will be described. If another constituent country of the UK is being targeted, it is strongly recommended that the rules be verified with the corresponding body in

<sup>35</sup> The Northern Ireland Assembly, while established in 1998, was suspended between 2002 and 2007; and again between 2017 and 2020.

that country. While, in general terms, the rules are similar across different countries, it is important to note that differences can exist.

Finally, while not an issue of devolution, it is important to remember that Northern Ireland remains in the EU single market, as set out in the withdrawal agreement. Consequently, EU single market legislation applies within the territory of Northern Ireland.

## Relevant legislation

### *UK and EU legislation*

Since Brexit at the beginning of 2021, the UK has thus far effectively rolled over EU law relating to food and agriculture into domestic law, meaning there is no theoretical change. This was done as part of the European Union Withdrawal Act which effectively identified EU law which, in its state at the end of 2020, is directly applicable in the UK. A list of EU retained law can be found at the following link: <https://www.legislation.gov.uk/eur>.

However, it is important to note some points. Firstly, while legislation was the same as EU legislation and still remains essentially the same as EU legislation at the time of writing, there are the first signs of divergence and this is likely to continue, as witnessed by the clear indications of an intention to change some laws in the future. The first signs of divergence currently come from two origins. The first of these is minor amendments to retained EU legislation. The second of these is the introduction in the EU of new law (i.e. post 2020) which is not being incorporated into UK law. The potential other path for divergence – the introduction of entirely new legislation – has not yet occurred in the area of food. A list of legislation by DEFRA can be found at the following link: <https://www.legislation.gov.uk/defralex>. Those market with “Amendment” are largely amending retained EU legislation. Furthermore, as mentioned in the introduction the Retained EU Law (Revocation and Reform) Bill was introduced into the UK parliament in late September 2022. It aims to end the special status of retained EU Law in the UK statute book by the end of 2023 (with a period till 2026 for certain pieces of legislation) and hence is likely to lead to further divergences. It should be noted that until the bill has fully passed through parliament, the timelines indicated in the draft are not definitive.

Finally, even though EU legislation is currently in force, it must be remembered that the implementation and to an extent interpretation of legislation may depend on the authorities.

***It is therefore recommended that the situation with legislation be monitored by companies exporting to the UK; notably with the assistance of local partners.***

### Upcoming or possible future legislative divergences

As noted above and in previous sections, there have so far not been any major divergences from EU legislation. However, it is worth noting that a first notable legislative divergence is expected.

Firstly, a **law which requires non-wholemeal flour to be fortified with folic acid** is due to enter into force. This will only apply to flour (not to bakery products, biscuits, etc – and hence does not directly impact the products covered later in this handbook). However, it will apply to all flour in the UK, i.e. both domestically produced and imported. The change to legislation requiring this was considered alongside changes for several other products including products containing meat and spreadable fats – though ultimately only the flour fortification requirement was taken forwards. A press release on the change can be found here: <https://www.gov.uk/government/news/folic-acid-added-to-flour-to-prevent-spinal-conditions-in-babies>

The consultation document on this change requiring fortification of flour and other changes considered alongside this can be found at the following link: <https://www.gov.uk/government/consultations/domestic-food-legislation-amendments-to-rules-in-england>

Discussions about two further changes affecting agri-food products have been ongoing. The first relates to the **taxation of alcoholic beverages**, with the possibility that rates increase for **wine** products with higher alcohol content. A consultation on this change was completed in late 2021/early 2022, and can be found here: <https://www.gov.uk/government/consultations/the-new-alcohol-duty-system-consultation>. While the original intention was for the changes to be implemented in the summer of 2022; however this was subsequently delayed until at least 2023, with HMRC working on the systems to implement the change. There have also been various discussions over the last few months about cancelling these changes; though with governmental changes it remains uncertain whether these changes will be kept or cancelled.

The changes are complicated, as they relate to the whole taxation system, but fundamentally they increase the duty on still wines with alcohol contents between 11.5 and 22% and sparkling wines between 15% and 22%. The impact basically increases in line with alcohol content.

The second discussion relates to **gene editing**, with the UK potentially moving gene editing out of the scope of GM legislation.

While there is no clear information of other future legislative divergence for agri-food, the **UK government's document on Brexit opportunities** can provide some indications of the areas where changes may be considered. The September 2021 document can be found at the following link: <https://www.gov.uk/government/publications/brexit-opportunities-regulatory-reforms>. The only area of notable relevance to food and drink imports is that on units of measurements, with the indication that the use of imperial measurements (e.g. pounds and ounces for weight) may be considered. Whether or not this is ultimately introduced; whether it is mandatory; and whether it will be an imperial-only system or dual (imperial and metric system) is to be seen. Any mandatory system would inevitably have a knock on effect on imported products.

A subsequent February 2022 **document on Brexit benefits** can be found at the following link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1054643/benefits-of-brexit.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1054643/benefits-of-brexit.pdf). The latter, while more comprehensive and with two pages

dedicated to the issues of food and drink, does not raise any points which are likely to strongly impact food and beverage imports.

### Food additives

The UK has inherited the EU's list of approved additives under Regulation (EC) 1333/2008. However, amendments to this regulation after 2020 are not necessarily adopted (for example, Regulation (EU) No 2022/63 amending Regulation (EC) 1333/2008 was adopted in Northern Ireland but not in England and Wales; this adoption in Northern Ireland can be attributed to the Northern Ireland Protocol of the Withdrawal Agreement).

More information on food additives and E numbers can be found at: <https://www.food.gov.uk/business-guidance/approved-additives-and-e-numbers>

And for Scotland at: <https://www.foodstandards.gov.scot/consumers/healthy-eating/nutrition/additives-e-numbers>

### Pesticide residues; contaminants

The Chemicals Regulation Directorate (CRD) of the Health and Safety Executive (HSE) is responsible for pesticides. Maximum Residue Levels (MRLs) up until the end of 2020 were carried forward into UK law; but changes to EU MRLs and authorisations after that date have not been carried into UK law, with the UK having an independent regime. More information on the regulation of pesticides from 1<sup>st</sup> January 2021 can be found at: <https://www.hse.gov.uk/pesticides/brexit.htm>

A register of MRLs can be found here: <https://secure.pesticides.gov.uk/MRLs/Main>

And a link to various databases relating to authorised pesticides more broadly can be found here: <https://www.hse.gov.uk/pesticides/databases/index.htm>

Contaminants are the responsibility of the FSA, with EU legislation at the point of Brexit (end 2020) retained. More information on contaminants can be found at: <https://www.food.gov.uk/business-guidance/chemical-contaminants>

### Restrictions on the advertising and promotion of products that are high in fat, salt and sugar (HFSS); the soft drink industry levy (SDIL); and other ingredient based levies

The UK is in the process of introducing a range of measures to **restrict the advertising and promotion of HFSS products**. These measures have been introduced to help combat child obesity. They include:

- Restrictions on the placement of less healthy products within larger retail spaces (e.g. by checkouts in supermarkets).
- Restrictions on multi-buy offers (e.g. buy one get one free – BOGOF – or similar).
- Restrictions on the times that HFSS foods can be advertised (only between 9pm and 5:30am).

The first theoretically entered into force in October 2022. The second and third have been postponed until later in 2023 or 2024.

A levy has been introduced on **soft drinks with added sugar** – this is commonly known as the SDIL. More information is provided in the market access section for fruit juices (5.20.4). While there have been discussions about introducing similar **levies for food products high in sugar**, these have not materialised and their introduction seems unlikely in the immediate future.

### 4.2.3 Labelling Requirements

Labelling in the UK is regulated by the Food Information to Consumer Regulation of the EU - Regulation (EU) No 1169/2011 – which was rolled over into UK law at the end of 2020. There are very minor differences in requirements between the constituent countries of the UK, with summary guidance provided by the different authorities.

#### Links to summary guidance on labelling by country

England <https://www.gov.uk/guidance/food-labelling-giving-food-information-to-consumers>

Scotland, Wales and Northern Ireland <https://www.food.gov.uk/sites/default/files/media/document/food-information-regulations-2014-summary-guidance-for-food-business-operators-and-enforcement-officers-in-wales-northern-ireland-and-scotland-updated-2020.pdf>

There are also various videos which help explain labelling requirements on the FSA's website: <https://www.food.gov.uk/business-guidance/packaging-and-labelling>

In brief, labels for packaged food must contain the following information:

- Name of food (with the prescribed name in law to be used if it exists)
- List of ingredients in order of weight (fresh F+V, single ingredient foods and a few others exempt)
- Allergen information<sup>36</sup>
- Quantitative declaration of ingredients (% next to food name or in list of ingredients)<sup>37</sup>,
- Net quantity
- Best before or use by date
- Name and address of the manufacturer or importer\*
- Country of origin
- Preparation instructions
- Nutritional declaration

For non-prepacked food, only the following are required:

- Name of the food
- Presence of any of the 14 allergens
- Quantitative declaration of ingredients

These can be either on a label attached to the food, or a label clearly visible and linkable to the food product at the place of purchase.

There is a minimum font size of 1.2mm (x-height). This falls to 0.9mm if the surface area of the label is under 80cm<sup>2</sup>.

<sup>36</sup> This is if the food contains one of 14 allergens: celery, cereals containing gluten, crustaceans, eggs, fish, lupin, milk, mustard, molluscs, peanuts, sesame, soybeans, sulphur dioxide and sulphites (if the sulphur dioxide and sulphites are at a concentration of more than ten parts per million) and tree nuts.

<sup>37</sup> This is required if (a) appears in the name of the food or is usually associated with that name by the consumer; (b) is emphasised on the labelling in words, pictures or graphics; or (c) is essential to characterise a food and to distinguish it from other products with which it might be confused with it.

**\* Name of manufacturer or importer - UK addresses from 1 January 2024**

While EU or UK addresses were originally accepted on labelling post-Brexit, from 1 January 2024 pre-packaged food or caseins sold in the UK must include a UK address for the FBO. If the FBO is not based in the UK, the address of the UK-based importer must be included.

**Weights and measures**

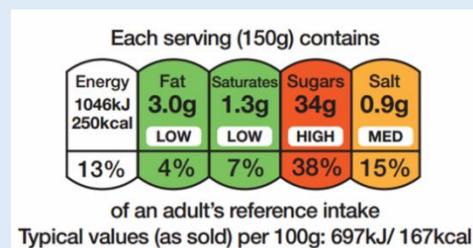
Weights and measures on labels must use the metric system (grams, kg, millilitres, litres). As the UK previously used the imperial system, it is common for some products to be sold in quantities equivalent to notable imperial measurements (or their multiples), but expressed in the metric system for example:

- 568ml (which equals one pint)
- 454g (which equals one pound)
- 28g (which equals one ounce)

There have been recent political discussions on reintroducing the imperial measures (as noted in the previous section); however at the time of writing there is no indication that this will occur in the foreseeable future and if it does it is likely to be an option only.

More information on weights and measures in the UK can be found at: <https://www.gov.uk/guidance/packaged-goods-weights-and-measures-regulations>

**Multiple traffic light / front of pack labelling**



The UK government introduced voluntary multiple traffic light (MTL) labelling in 2013. Under the system, the content per 100g or 100ml of certain nutrients – fat, saturated fat, sugars and salt are indicated on the front of pack alongside the % of reference intakes for adults; and each is coded from green (low) to red (high) based on its value. Energy is also indicated, without colour coding.

While in theory different front of pack labelling schemes are possible in the UK as long as they adhere to the requirements set out for such schemes, in practice the MTL is both the government recommended scheme and the most widely used. A guidance document on the requirement for front of pack labelling more broadly can be found here: [https://www.food.gov.uk/sites/default/files/media/document/fop-guidance\\_0.pdf](https://www.food.gov.uk/sites/default/files/media/document/fop-guidance_0.pdf)

**Non-pre-packaged calorie labelling (including restaurants, cafes)**

As of April 2022, it is obligatory for large businesses with over 250 employees to display calorie information on non-pre-packaged food and drinks. There are certain exemptions (see link below), but effective it extends a calorie labelling obligation to restaurants, cafes, bakeries, etc. More information can be found at:

<https://www.gov.uk/government/news/new-calorie-labelling-rules-come-into-force-to-improve-nations-health#:~:text=The%20changes%20%E2%80%93%20which%20were%20approved,prepacked%20food%20and%20soft%20drinks.>

## Alcohol labelling

Requirements for alcohol labelling are slightly different. More specifically:

- Alcohol content must be declared using one of the formats: 'x% vol.', 'alc x% vol.' or 'alcohol x% vol.' There are tolerance levels for the stated figures, depending on the drink type and alcohol level.
- The following are not mandatory: ingredients list, nutrition declaration; best before in the case that alcohol by volume is over 10%. Nonetheless, the inclusion of the first two elements is encouraged.
- Health claims are not permitted; and only nutrition claims relating to alcohol or energy content may be made on alcoholic beverages.

While warning labels / drinking guideline labels are not mandatory, they are recommended; and many alcoholic beverages contain them. This typically contains reference to the number of alcohol units contained in a drink; with one unit being 10ml or 8g of pure alcohol; as well as reference to the weekly recommended limits and a reference to the website of an alcohol charity, Drinkaware (<https://www.drinkaware.co.uk/>). The indication not to drink during pregnancy may also be included. The image on the right is an example of the information typically included on a warning label.



## Organic labelling

Following the EU-UK equivalence agreement in organics, under Annex 14 of the Trade and Cooperation Agreement, the EU, the UK or both organic logos can be used on EU and Great British organic products at least until end of 2023, when the equivalence recognition should be reassessed. The categories of products covered by the equivalence agreement are:



- Unprocessed plant products
- Live animals or unprocessed animal products (including honey)
- Aquaculture products and seaweeds
- Processed agricultural products for use as food
- Processed agricultural products for use as feed
- Seeds and propagating material

The full text of the equivalence agreement can be found in Trade and Co-operation agreement (Annex 14), available at the following link:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L.2021.149.01.0010.01.ENG&toc=OJ%3AL%3A2021%3A149%3ATOC>

At the time of writing, a certificate of inspection is not required for importing organic food from the EU. More information on importing organic food can be found at: <https://www.gov.uk/guidance/importing-and-exporting-organic-food>

More information on organic labelling in the UK can be found here: <https://www.gov.uk/guidance/organic-food-labelling-rules>

It is important to note that ***the equivalence agreement for organic products between the UK and EU only covers products which are grown and processed in the respective territories.*** Organic products which are imported from other territories are not covered by the agreement; therefore it is not possible to import a product into the EU from a third country territory, label it organic in the EU and then re-export it to the UK.

### **Packaging / food contact material (FCM)**

Packaging and FCM legislation are based on the corresponding EU legislation, having last been updated in 2015 and 2012 respectively. There are special requirements relating to contamination and cleanliness if vacuum pack (VP) or modified atmosphere pack (MAP) are used. A free training course on this is offered (<http://vacuumpackingtraining.food.gov.uk/introduction/>)

#### **Plastic packaging tax for non-recycled plastics**

A plastic packaging tax was introduced in the UK in April 2022. Effectively, the law behind the tax pushes for the use of recyclable plastic packaging or non-plastic alternatives, rather than non-recyclable plastic. Companies which manufacture or import plastic packaging components which contain less than 30% recycled plastic are subject to the tax. More information can be found at: <https://www.gov.uk/guidance/check-if-you-need-to-register-for-plastic-packaging-tax>

## 4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

The Intellectual Property Office (IPO) is the body responsible for IP in the UK.

The UK has set up its own **GI** scheme which protects registered product names in England, Scotland and Wales. The EU GI scheme protects product names registered in Northern Ireland. As provided for in Article 54(2) of the Withdrawal Agreement, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31<sup>st</sup> December 2020. New EU GIs registered after 1 January 2021 need to apply directly under the UK GI scheme to seek protection in Great Britain. The process to apply for GI protection of a new product name depends on the type of the product. There are four GI scheme; these are listed below along with a link to guidance as to how to apply:

- Food, agricultural products, beer, cider and perry <https://www.gov.uk/guidance/protect-a-geographical-food-or-drink-name-in-the-uk>
- Wine <https://www.gov.uk/guidance/protect-a-geographical-wine-name-in-the-uk>
- Aromatised wine <https://www.gov.uk/guidance/protect-a-geographical-wine-name-in-the-uk>
- Spirit drinks <https://www.gov.uk/guidance/protect-a-geographical-spirit-drink-name-in-the-uk>

#### **Database of registered GIs and trademarks**

There is a database of GIs registered in the UK. This can be found here: <https://www.gov.uk/protected-food-drink-names>

The database of trademarks can be found here: <https://www.gov.uk/search-for-trademark>

With regard to trademarks, for EU trade marks (EUTMs) registered as of 31<sup>st</sup> December 2020, a comparable UK trademark registration was created. For EUTMs pending as of 1<sup>st</sup> January 2021, action was necessary for the trademark to be protected in the UK. More information on the process for trademarks falling into this very specific case can be found here:

<https://www.gov.uk/guidance/eu-trade-mark-protection-and-comparable-uk-trade-marks>

Registering a new trademark in the UK costs £170 (if performed online) and typically takes between three and four months, if there is no opposition to the application. Protection is valid for ten years and is renewable. More details on how to register trademarks can be found at: <https://www.gov.uk/how-to-register-a-trade-mark>

#### 4.2.5 Relevant authorities for IPR and GI protection and further contacts

##### **UK Intellectual Property Office (IPO)**

Concept House

Cardiff Road

Newport

South Wales

NP10 8QQ

United Kingdom

✉ [information@ipo.gov.uk](mailto:information@ipo.gov.uk)

 <https://www.gov.uk/government/organisations/intellectual-property-office>

## 4.3 International trade

### 4.3.1 The UK and foreign trade

The UK is currently the world's sixth-largest economy by GDP which provides a clear incentive for potential partners to conduct trade missions and agreements with the UK. The UK was party to all the EU's trade agreements while it was a member. Post-Brexit, the UK rolled over the existing agreements it had in place as a member of the EU with most third countries, albeit with rewording to display that the UK was no longer a member of the EU and in some cases, minor modifications. While some agreements have yet to be ratified, the UK and third-country partners have established a bridging mechanism that allows for the continuity of trade. In 2021, total exports from the UK were valued at around EUR 728 billion while total imports were valued at around EUR 762 billion. The EU is the largest foreign trade partner of the UK in regard to both exports and imports with the US being the second-largest partner and China being the third. The most important EU member states that trade with the UK include Germany, the Netherlands, Ireland and France which together account for roughly a quarter of the UK's total import value.

### 4.3.2 Key trade agreements, present, and future

The UK currently has agreements in place with 97 countries (which includes the 27 member states of the EU thanks to the EU-UK agreements), many of these agreements were formally established during the period of which the UK was a member of the EU. Post Brexit, the UK has retained these agreements by replicating the existing EU agreements via the EU-UK Withdrawal Agreement and amending the trade agreement text to reflect that the UK is no longer a member of the EU. Due to this and as seen below, most trade agreements legally came into effect on the 1<sup>st</sup> January 2021, despite an agreement being in place for a number of years beforehand while the UK was covered by EU agreements. A few trade agreements either include minor modifications of the EU agreement (e.g. Japan) or are new agreements albeit based on the EU drafts under negotiation (e.g. Kenya, based on the under negotiation EU-EAC agreement).

The main agreements are listed in Table 4-3 below.

**Table 4-3: Chronological list of British trade/economic agreements with third countries/regions**

Partners	Type of agreement	Date of application
Japan	Free Trade agreement	December 2020
Chile	Association agreement	January 2021
Eastern and Southern Africa trade bloc (Comoros, Madagascar, Mauritius, Seychelles)	Association agreement	January 2021
Faroe Islands	Trade continuity agreement	January 2021
Switzerland	Trade continuity agreement	January 2021
Israel	Trade continuity agreement	January 2021
Pacific States (Fiji, Papua New Guinea, Solomon Islands, Samoa)	Trade continuity agreement	January 2021
CARIFORUM (Dominican Republic, Antigua, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Suriname, Trinidad and Tobago)	Trade continuity agreement	January 2021
Central American States (Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua and Panama)	Trade continuity agreement	January 2021
Andean Community (Colombia, Ecuador, Peru)	Trade continuity agreement	January 2021
South Korea	Trade continuity agreement	January 2021
Lebanon	Trade continuity agreement	January 2021
Tunisia	Trade continuity agreement	January 2021
SACUM (Botswana, ESwatini, Lesotho, Namibia, Mozambique, South Africa)	Trade continuity agreement	January 2021
Georgia	Trade continuity agreement	January 2021

Partners	Type of agreement	Date of application
Morocco	Trade continuity agreement	January 2021
Ukraine	Trade continuity agreement	January 2021
Ivory Coast (Cote d'Ivoire)	Trade continuity agreement	January 2021
Kenya	Trade agreement	January 2021
North Macedonia	Trade continuity agreement	January 2021
Egypt	Trade continuity agreement	January 2021
Moldova	Trade continuity agreement	January 2021
Turkey	Trade continuity agreement	January 2021
Singapore	Free trade agreement	February 2021
Canada	Trade continuity agreement	March 2021
Jordan	Trade continuity agreement	May 2021
European Union	Trade and co-operation agreement	January 2021
Albania	Trade and co-operation agreement	May 2021
Serbia	Trade and co-operation agreement	May 2021
Mexico	Trade continuity agreement	June 2021
Cameroon	Economic partnership agreement	July 2021
Norway, Iceland and Liechtenstein	Free trade agreement	July 2021

Source: Agra CEAS based on various

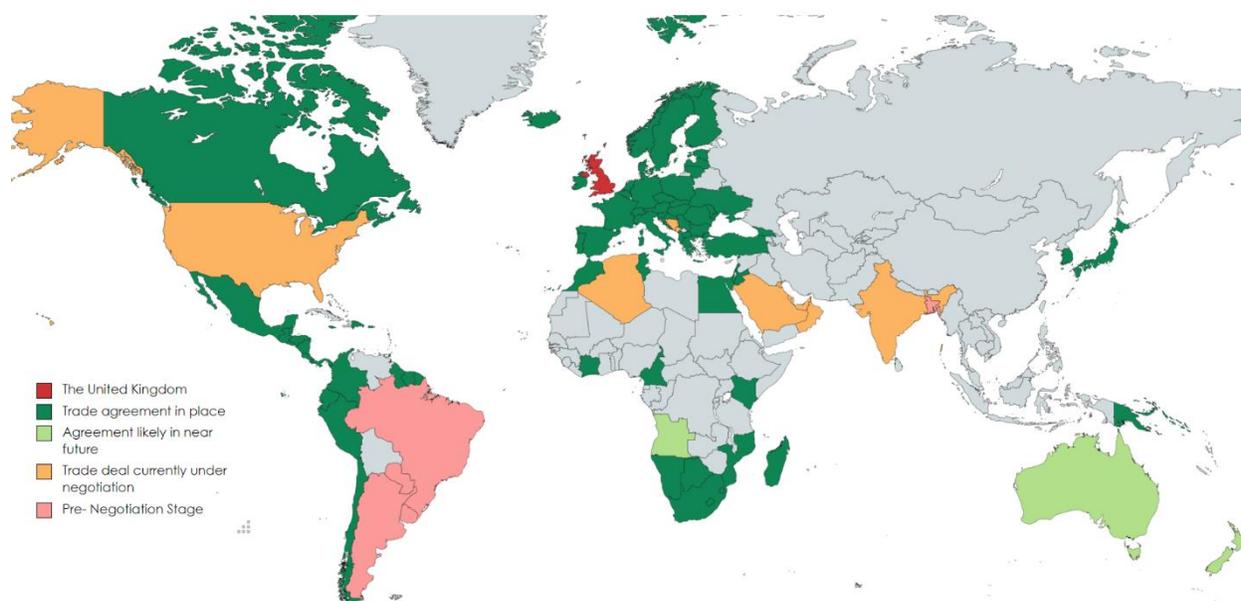
The UK is also expecting, at the time of writing, to have free trade agreements with both Australia and New Zealand enter into force by the end of 2022. Both have already been signed (December 2021 and February 2022 respectively).

Since leaving the EU, the UK has made the negotiation and ratification of new trade deals a notable objective of the government. As a result, the country is currently negotiating a number of potential trade agreements such as:

- UK- Algeria trade agreement
- UK- India trade agreement
- UK- Bosnia and Herzegovina trade agreement
- UK -Gulf council member states trade agreement
- UK- Montenegro trade agreement

Indications are that these negotiations are at different stages. Another observation worthy of note is that the UK has applied to join the Trans-Pacific partnership agreement (CPTPP). Should the UK be accepted, it would put the country in a trade bloc with the countries of Canada, Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Other countries that have applied to join the CPTPP include China and Ecuador which may become members before the UK formally joins, if indeed it is accepted. A consistent aim of the UK government since Brexit has been to agree a FTA with the USA; however it was recently recognised by the UK government that no such deal is possible at present. This does not preclude future efforts if positions of the UK and US change in future.

Finally, Angola is largely expected to join the SACUM trade bloc in the near future which will grant the country a trade agreement with the UK by virtue of an existing trade agreement in place between the UK and SACUM.

**Figure 4-1: Overview of the UK's current and prospective trade agreements**

Source: UK Trade agreements with non-EU countries, the Government of the UK Available <https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>

While continuity trade deals do not pose a threat to the position of EU exporters (as competition was already taking place on similar terms), new trade deals may, over time, pose challenges to EU exports to the UK. This may occur as tariffs are removed or large TRQs granted to exporters from other countries which previously faced tariffs. The recently signed Australia / New Zealand FTA stands out at present as possibly providing such challenges. Products from Australia and New Zealand which may pose greater threats to EU imports include: beef, sheepmeat, dairy and some sugar. The reason for this is the substantial tariff liberalisation as a result of the deal (including through the use of large TRQs), coupled with the price competitiveness of production – though geographical distance provides some headwinds and e.g. means that only frozen meat exports are viable. Sectors such as wine are less likely to be affected due to EU products targeting different markets from Australian / New Zealand ones; and the relatively smaller impact of tariff removal.

### 4.3.3 EU- UK trade and co-operation agreement (TCA)

The EU-UK trade and co-operation agreement (TCA) is a free trade agreement signed on the 30<sup>th</sup> of December 2020. It marked the end of the transitional period the UK was going through while leaving the EU. This agreement allows for the free trade of goods and limited market access to services between the EU and the UK. As the UK left the EU it also left policy agreements with the EU which had to be amended in the drafting of the TCA. These policy agreements that the UK exited include: membership of the EU single market and customs union; freedom of movement principles; participation in most EU programmes such as the CAP and Erasmus; and the authority of the European court of justice in judicial matters. It is important to note that due to the unique geographic and political status of Northern Ireland several exemptions and amendments were agreed to in a protocol of the EU-UK Withdrawal Agreement known as the Protocol on

Ireland/Northern Ireland. Under this protocol, Northern Ireland effectively remains inside of the EU single market for goods, ensuring that the flow of goods and services between Northern Ireland and the Republic of Ireland (which is an EU member state) is upheld and there are no customs checks when travelling between both territories. This ensures that a hard border on the island of Ireland – which would be highly sensitive given the history – is avoided; and the so-called “Good Friday” agreement – which helped end decades of violence in Northern Ireland - is respected. However, this arrangement created an effective border in the Irish Sea between Northern Ireland and the rest of the UK (Great Britain) due to customs and SPS checks at ports of entry. This has therefore been a sensitive issue for successive UK governments, which has resulted in the UK government’s refusal to apply certain parts of the Protocol as regards checks and controls at the border. Fairly recently, the current UK government has indicated that it will move to unilaterally disapply vast elements of the protocol; a controversial move which could result in retaliatory moves by the EU.

#### 4.3.4 WTO disputes and other trade barriers

The UK has, so far, remained broadly in line with EU production and processing standards and there has not been any major WTO dispute which has arisen in the years since the UK left the EU. The major trade challenge which has arisen between the EU and the UK has been issues surrounding the transportation of food and beverages between both markets as checks have been placed – an inevitable consequence of the UK leaving the EU single market and customs union rather than a barrier. While food and beverage exports from the UK to the EU have been subject to full sanitary and phytosanitary checks since 1<sup>st</sup> January 2021, full checks on the UK side (i.e. for EU imports) have been postponed and are scheduled to enter into force by the end of 2023 following revision; checks at present therefore are effectively partial. The UK has committed to protect GIs registered in the EU as of 31 December 2020. This allows for the continued intellectual property right protection of key EU foods in the UK which has helped to further reduce trade barriers between both markets. It is important to note that Northern Ireland continues to operate under the EU's GI scheme.

**Further information, as well as an up-to-date list of trade barriers, can be found here:**

[Access2Markets Barriers \(europa.eu\)](https://ec.europa.eu/economy_finance/dbpedia/Access2Markets/Barriers)

#### 4.3.5 Summary of key trade barriers

As stated, at present there has yet to be any major trade barrier which has inhibited the ability of EU food and beverages from entering the UK market. The UK has thus far retained most EU production and processing practices which ease checks between both markets. Transportation of goods between both markets is now longer which increases the chances of food waste as hauliers have additional checks, however, ports on both sides of the market have tried to adapt to reflect the new reality of the UK being outside of the EU in an attempt to limit waiting times for hauliers.

### 4.4 Operating in the UK food and beverage market

#### 4.4.1 Logistical services and transportation infrastructure

As seen in section 2.2, most of the major urban areas of the UK are located within the country of England - Greater London, Greater Manchester, the West Midlands, and West Yorkshire. In

Scotland, the largest urban centre is the Greater Glasgow region followed by Edinburgh; in Wales, it is the cities of Cardiff and Swansea; and in Northern Ireland, it's the city of Belfast. The UK is heavily urbanised which facilitates the trade of goods and services across most of the land mass. Northern Scotland, Cornwall and central Wales are amongst the least urbanised areas which may take additional transportation time to reach. Additionally, the UK has a number of islands located outside of mainland Britain which will take additional time to obtain goods and services from the mainland. These include the Shetland Islands, the Isle of Man and Orkney, among many others. An overview of the UK's transportation and logistical infrastructure in relation to shipping, airfreight, rail, road and waterway is provided below.

### Shipping

Historically, shipping has been the key driver of economic growth in the UK as the country utilised shipping to spread its influence and culture across the globe. As a result, the identity of the UK as a maritime nation is somewhat entrenched. Many cities have grown their reputation abroad on account of their proximity to major ports; these include the cities of Liverpool, Hull and Southampton. In 2021, the biggest ports in the UK in regard to container cargo traffic were the ports of Felixstowe, Grimsby and Immingham, Southampton, London and Liverpool.

In addition to this, the port of Dover is a critical port for the transport of goods to and from the European continent; though it is first and foremost a freight port with goods transported by lorries that board a ferry, rather than in containers. Around 1/3 of the UK's trade with the EU passes through the port of Dover.

**Figure 4-2: Major Ports in the UK**



Source: Agra CEAS based on various

## Airfreight

The biggest airport hubs for cargo in the UK are the airports of London Heathrow, London Stansted, London Gatwick, East Midlands airport and Manchester airport. These airports account for the majority of airfreight which arrives in the UK. Airfreight currently accounts for around 40% of UK imports and exports by value making this method of transportation a key component of the UK economy.<sup>38</sup>

**Figure 4-3: Major International Cargo Airports in the UK**



Source: Agra CEAS based on various

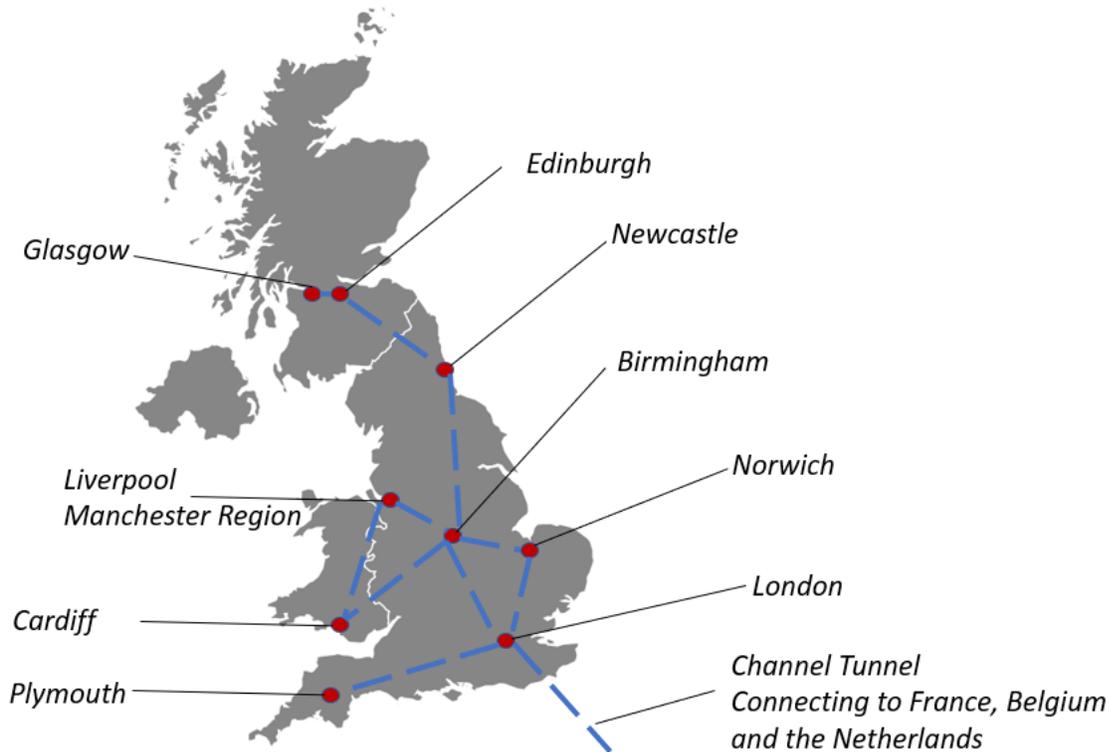
## Rail freight

Rail freight remains a key piece of infrastructure in the UK for the movement of goods and services within the Island and also outside of the island. The opening of the Channel Tunnel to freight movement in 1994 led to rail freight traffic from both the UK and also from the EU and further afield. Similar to the Port of Dover, the channel tunnel primarily handles freight transported by lorries through the company Eurotunnel, with lorries boarding the train for the crossing. Many large retailers in the UK such as Asda and Tesco which had used rail freight to get products from the EU to the UK such as the movement of fruit and vegetables grown in the south of Europe

<sup>38</sup> Call for action : what's next for UK freight in a post Brexit world, Logistics UK, available at <https://logistics.org.uk/getattachment/Components/Link-Boxes/Modes-of-Transport/Air/Air-Freight-Achieving-sustainable-growth/Logistics-UK-call-to-action-report.pdf?lang=en-GB>

towards the UK in refrigerated rail containers<sup>39</sup>. In 2021, total rail freight in the UK came to 16.8 billion net tonnes. <sup>40</sup> It is important to note that food and beverages are a small fraction of rail freight movements, with the major of freight being construction materials or raw minerals.

**Figure 4-4 Major rail freight lines**



Source: Agra CEAS based on various

### Road Freight

The UK has a well-established network of motorways across the country connecting the country's largest urban centres, this helps facilitate the movements of goods across the country. Notable motorways of importance in the UK include: the M1 which is the main artery northwards, connecting London with cities in Yorkshire; the M3 which is the main motorway between London and the central south coast; the M4 which is the main artery westwards connecting London to Bristol and Wales; and the twin motorways of the M20 and M2 (A2) which lead from the port of Dover to the London orbital motorway, the M25 (to which all other aforementioned motorways also connect). Road freight is also a vital component of moving goods arriving at British ports throughout the country. In 2020, road freight as used to move roughly 1.27 billion tonnes of goods across the UK (of which food accounting for 11.5 million tonnes). At the beginning of 2021 there 485 000 heavy goods vehicles registered in the UK. It should be noted that lorries moving goods internationally did until recently require an access pass to enter the county of Kent (home to the

<sup>39</sup> British Supermarket chain keeps shelves stocked thanks to rail, railfreight.com, available at <https://www.railfreight.com/railfreight/2021/10/18/british-supermarket-chain-puts-supply-stability-down-to-increased-use-of-rail-freight/>

<sup>40</sup> UK Rail freight usage and performances bounces back in first quarter of 2022, railfreight.com, available at <https://www.railfreight.com/>

port of Dover). While that requirement has been removed, there are frequent temporary traffic arrangements in Kent to manage lorry traffic flows. Despite this, current indications are that food and beverage imports from the EU continue to still cross the channel and enter through Kent on lorries.<sup>41</sup>

### **Waterway freight**

Waterway freight in the UK is a small component of the country's transportation infrastructure. Historically the river Trent and river Thames were the two most predominant waterways used to transport freight in the UK as these rivers flowed through major urban centres, however with the rise in alternative modes of transportation the method of waterway freight transport has declined.

## **4.4.2 Distribution – retail channel overview**

The UK is the second-largest consumer market in Europe after Germany. The UK is also the largest e-commerce market in Europe with the country being at the forefront of online e-commerce innovation ahead of other countries in Europe, and as noted in section 3.2 this has been compounded by the outbreak of COVID-19 in the country. In 2021, e-commerce sales were estimated to account for 30% of all retail sales in the UK.<sup>42</sup> Retail distribution channels are well established throughout the country and virtually all urban centres with a significant population will have a number of retailers present. A notable feature of the UK retail landscape is the high presence of chain retailers and low presence of independent retailers; though in recent years independent retailers have slightly increased their number of stores. Some of the larger retailers in operation in Europe and globally are also of a UK origin and will be discussed further below.

### **Hypermarkets and Supermarkets**

The UK hypermarket and supermarket space is dominated by four large players, those being Tesco, Asda, Sainsbury's and Morrison's which together accounted for over 60% of the UK grocery market in 2021. Two large German supermarket chains are also in operation in the UK - Aldi and Lidl, which combined account for around a further 15% of grocery sales. As of 2021, Tesco is the largest chain present in the British market with the company also operating outside of the UK in countries such as Ireland and Hungary; Tesco has consistently accounted for over ¼ of grocery sales in the UK. There are roughly 19 000 supermarkets and hypermarkets spread out across the UK employing over 1 million individuals. The total turnover for supermarkets and hypermarkets in the UK in 2021 was estimated to be roughly EUR 214 billion.<sup>43</sup>

### **Department Stores**

Many traditional department stores have struggled to keep up with the growth of supermarkets and hypermarkets in the UK, while also suffering from the increase in the use of e-commerce leading to the closure of many stores and some chains. Some of the more well-known department stores in the UK include John Lewis, House of Frazer and Mark and Spencer. The latter of these,

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<sup>41</sup> Domestic road statistics in the United Kingdom 2020, UK Department for transport, available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1006792/domestic-road-freight-statistics-2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1006792/domestic-road-freight-statistics-2020.pdf)

<sup>42</sup> United Kingdom, highest share of retail sales in Europe, Direct Link, available at <https://www.directlink.com/united-kingdom-highest-share-of-retail-sales-in-europe/>

<sup>43</sup> Supermarkets in the UK, Market research report, IBIS world, available at <https://www.ibisworld.com/united-kingdom/market-research-reports/supermarkets-industry/#:~:text=Over%20the%20five%20years%20through,to%20reach%20%C2%A3187.7%20billion.>

Marks and Spencer's, has a very successful grocery arm with grocery stores both integrated into its department stores and also in some cases free-standing (e.g. at train stations). The majority of products it sells are private label products under the "Marks and Spencer's" brand and target a more premium segment.

Many department stores occupy key spaces within larger urban centres which has helped them to be associated with the wider city itself, with such examples including Harrods in London and TJ Hughes in Liverpool. The total turnover for department stores in the UK in 2021 was estimated to be roughly EUR 40.4 billion.<sup>44</sup>

### Convenience Stores

Small shops and convenience stores are present throughout the UK, more often in smaller towns or within suburban areas of larger cities. In smaller villages, convenience stores are often one of the few ways to obtain food and beverages quickly for consumers. Notable chains that operate a number of convenience stores throughout the UK include Spar, Londis and Cost cutter. Co-op is a chain which bridges both supermarkets and convenience stores. In 2021 it was estimated that roughly 47 000 convenience stores are in operation in the UK<sup>45</sup>

### Food markets

Food markets are a fairly common sight in most large British cities with many traders offering a selection of food and beverages to consumers coming to the market. While they may also exist in towns, they are increasingly pushed out by the larger retailers. Notable food markets in the UK include the Swansea market, St Georges market in Belfast and the borough market in London. During large food festivals, it is common for foot traffic to increase in food markets and consumers seek to celebrate and try out new foods. Many owners of food market stalls in more affluent areas will have partnerships with EU producers allowing them to sell EU cheeses, bread, alcoholic spirits and meats. Products from the EU are often accompanied by a small flag on the food stall indicating the foods or beverages' place of origin. In addition to the consumer focused markets, there are some notable wholesale markets – the most famous of which is Spitafields fruit and vegetable wholesale market in East London.

### E-commerce

The UK e-commerce market is the largest in Europe with a total value of EUR 112 billion.<sup>46</sup>The biggest player in the UK e-commerce market is Amazon followed by Tesco and Argos (which is owned by supermarket chain Sainsbury's). The process of purchasing food and beverages online via e-commerce has become much simpler in recent years, aided by the outbreak of COVID-19. Currently, an estimated 10% of consumers in the UK are doing their shopping online on a weekly basis. Going forward, it is likely that e-commerce will continue to grow as an important channel of food and beverage distribution in the UK as consumers return to work but have become accustomed to using e-commerce to purchase their groceries.

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<sup>44</sup> Department stores in the UK, Facts and Figures, Statista, available at <https://www.statista.com/topics/4823/department-stores-in-the-united-kingdom-uk/#dossierKeyfigures>

<sup>45</sup> Number of local convenience stores located in Great Britain between 2012 and 2021, Statista, available at <https://www.statista.com/statistics/325771/local-shop-convenience-store-numbers-in-great-britain/#:~:text=Over%20this%20period%20the%20number,convenience%20stores%20in%20Great%20Britain.>

<sup>46</sup> The eCommerce market of the UK, Ecommerce DB, available at <https://ecommercedb.com/en/markets/gb/all#:~:text=The%20eCommerce%20market%20in%20the,rate%20of%2029%25%20in%202021.>

More information on the e-commerce channel specifically for food and beverages can be found in the corresponding case study in section 6.1.

### 4.4.3 Intermediaries

As noted in the previous section and as will be seen in the various product snapshots, the UK grocery market as a whole is majority controlled by a small number of larger supermarkets. For many product categories, private label products play an important role. This is an important overarching characteristic for any EU producer wishing to send products to the UK to bear in mind. EU producers should decide fairly early in their export journey which market sector they wish to penetrate; and in the case that it is supermarkets, whether products will be private label or branded as both these business models have their own specificities. In general terms, EU producers of speciality products are best positioned to utilise their brands in the UK and to aim for the high-end income spectrum of the market – likely through channels other than the large supermarkets. This is particularly true for smaller manufacturers of products such as dairy, chocolate and beer. However, in the following paragraphs the various considerations are examined in more detail.

#### End markets and requirements

With regards to working with retailers directly (and more specifically, the big four **UK supermarket chains** which dominate the market - **Tesco, Sainsbury's, Asda** and **Morrison's**), larger EU companies with the financial ability may be able to work either directly with the retailer or with an importer to supply them. More commonly, however, larger retailers will expect products to have been successfully listed with smaller retailers first to prove there is a market for them before taking them on.

An additional challenge in working with larger retailers (notably supermarkets) at present is that they are pushing for **fixed price agreements**. With constant fluctuation in transport and production costs, it is very risky for suppliers to fixed prices causing difficulties. Small and medium-sized producers seeking to reach out to independent and discounter retail outlets should consider that these larger retailers often push for very low wholesale prices; this means that profit margin both for suppliers and importers can be very low.

As previously mentioned, the UK is a large market for **private label** products, with the major retailers all offering an extensive private label selection. Indeed, around half the products sold in supermarkets in the UK are private label ones. While various factors may feed in to whether or not to target the UK's private label market, key considerations to bear in mind include:

- **Margin.** This is generally very low on private label products and there is little if any chance to influence price. In contrast, **volumes** are likely to be high, with regular and fast deliveries expected. These latter points mean that there is little room for smaller companies in the private label segment
- **Reputation.** Generally a private label producer from abroad will have to have a good reputation for the product category within their country of origin. Furthermore, the country of origin and product category combination itself may provide a reputational boost (e.g. pasta from Italy, chocolates from Belgium, olive oil from Spain are combinations which benefit from this product/origin combination boost). Specifications for private label products are also generally very strict, with little margin for deviation (positive or negative) in terms of quality.
- **The importance of private label for the category and retailer, plus the nature of private label products.** Producers should investigate in advance to understand: the

importance of brands compared to private label; prices / price differences; promotions; packaging format and design; plus other factors. As a general rule, private label products have a greater share in categories that are considered essential or basic. Some of the product categories from this handbook with higher private label shares include pasta, olive oil, meat and fresh fruit and vegetables. It should however be noted that many retailers offer private label products specifically targeting higher (more premium) segments in certain product categories e.g. cheese and dairy, and some processed categories, as well as to an extent in aforementioned categories.

- **Competition from local private label producers.** Stronger local competition will make the private label segment more difficult for EU producers, due to a combination of pricing pressure and the potential for logistical challenges. In contrast, where there is no or little local competition, the private label segment may be more approachable. It should be noted in many cases, contracts will be done through tender.

For producers considering the UK's private label segment, it is worth looking at the activities of the private label manufacturer's association (PLMA); most notably its annual European trade show in Amsterdam. More details can be found at: <https://www.plmainternational.com/>. The biggest supermarkets also have webpages where companies can register their interest directly in supplying private label products; e.g. <https://www.rangeme.com/tesco> and <https://www.about.sainsburys.co.uk/suppliers/becoming-a-supplier>.

In order to **compete with private label products** on the other hand, brand building and innovation is important. Some notable ways of differentiating lesser-known products from private label ones include: the use of sustainability credentials; higher animal welfare standards; and a focus on the quality of the product. Ultimately, as noted above with private label products, producers need to examine the market landscape for private label products compared to branded ones, for the specific product category and targeted retail channel.

It is normal for small and medium-sized EU companies to work with an **importer (or in some cases, directly with a wholesaler)** to focus on product listings in **department store food halls, delicatessens, and independent retailers**. If a good record and volume of sales can be established, it may then be possible for the importer to attempt listings in smaller retail chains, with the possible aim of ultimately supplying the four major supermarket chains which dominate the retail space of the UK.

The **foodservice** industry more often than not purchases products from specialist wholesalers/distributors such as Aramark, Bidfood and Brakes. These companies are skilled in offering a range of products and fulfilling frequent, smaller sized orders. Smaller food service operators may purchase from cash and carry stores. The foodservice industry offers the advantage of demanding a range of products of different qualities; unlike the retail industry, which tends to request a fairly standardised quality (very standardised in the case of private label products).

**Food processing** manufacturers are likely to source the ingredient themselves directly. **Deli** stores which are specialised in a product from a certain country may deal directly with suppliers in that country in order to cut out intermediary costs. These delis are likely to be quite strongly focused on the quality of the products they source.

Larger retailers in the UK expect that the producer will **support the brand financially**. Many retailers – including all the major supermarkets – will expect **BRC or IFS accreditation** for listing brands to protect themselves in case there are issues concerning the product. Compliance with the [Ethical Trade Initiative](#) (ETI) may also be requested by larger retailers in particular. If an EU

producer wants to penetrate elements of food service, convenience, or speciality grocery sectors, the financial support required may not be as great.

### Importer selection

In **choosing a UK importer**, it is essential to consider the retail outlets or channels to which they currently supply. An EU producer needs to understand a UK importer's distribution capacity and ensure that the UK importer can supply the retail outlets that best fit the appropriate UK consumer base they wish to target. For example, the largest importers are likely to only consider a product if it has high volume potential UK supermarket chains and is backed by substantial marketing and financial support. However, there are plenty of importers which focus on independent grocery and will be less demanding on volume potential.

It should be noted that there are a number of **importers which specialise in products of a certain origin** (e.g. Greek, Spanish, Italian, French, Polish). It may be of interest, particularly for smaller companies, to look into working with such an importer if one for their country of origin exists. As noted above, there are also many importers/distributors which specialise in supplying food service. Numerous examples of both are provided in the importer list (see box at end of this chapter).

Prior to the UK leaving the EU, it was common to work with **multiple partners**; however, now most importers will prefer an exclusive agreement. This is because of the high cost of shipping products to the UK which means that profit margins of importers are affected. Exporters can have multiple partners; however, this needs to be cautiously planned, i.e., having more than one distributor for a certain product/brand within a specific region/city can cause **conflicts** between the importers/distributors and this should be avoided to maintain business transparency. An exporter should make sure that the multiple partnerships should not cause such conflicts as this is a risk to retaining long-term partnerships which will be increasingly key to operating in the UK market. Also, most importers are not keen to work with brands that have multiple distributors / partners given that the marketing is commonly performed by the import partner. Finally, with the administrative requirements now in force, some importers may focus on finding partners who know how to deal with export and customs requirements – unfortunately making it tougher for companies which do not have that knowledge / experience.

### E-commerce

#### **Case study on e-commerce**

*Note: section 6.1 contains a dedicated case study on e-commerce, with more details on the players and possibilities. The information in the following two paragraphs is higher-level and intended to enable an overview of e-commerce when compared to other channels and intermediaries.*

E-commerce is a growing and key channel of distribution in the UK, with the UK currently being the largest e-commerce market by retail value in western Europe. The e-commerce landscape in the UK is highly developed which acts as an incentive for EU food and beverage companies that are entering the market to define an online channel strategy. At a high level, EU exporters have the option to supply to retailer websites, sell through an online marketplace or create an online sales portal. EU market entrants have the option of **registering as suppliers** to internet retail companies operating in the UK. Large retailers play a major role in the e-commerce landscape, and the top 10 companies in online grocery retail include supermarket names such as Tesco, Asda etc. As a result, relationships of these large grocery retailers with suppliers are either an extension of agreements relating to physical locations or a close approximation.

Establishing a role as a supplier for e-commerce players requires an investment in building relationships with buyers and understanding the retailer's requirements in all areas from packaging to delivery. E-commerce is a means for importers to directly reach consumers and therefore key importers are investing in this channel. It is not easy for suppliers to directly sell (from abroad) to consumers in the UK, due to high shipping costs and customs formalities. An alternative, common means of having access to the UK market could be to use an importer which sells the supplier's products via their e-shop or distributes it to other marketplaces. Prospective exporters should note that although marketplaces or their own sales portal are an easy channel to get started with, selling on marketplaces requires a number of commitments and requirements. Sellers need to: manage their presence / promote their marketplace/portal; research competitors; monitor sales; and take care of returns, among other tasks. Some marketplaces also stipulate conditions partners are required to meet, such as, for example, maintaining a minimum stock of 15 to 20 product styles at any one time and maintaining a high standard of marketing.

### Final tips

Some final tips and considerations are:

- Keep in mind that the United Kingdom is a **union of countries** (England, Scotland, Wales and Northern Ireland). Scotland, Wales and Northern Ireland have special devolved powers that allow them to pivot away from UK policies in some key areas impacting the food and beverage sector. One of the more recent examples of this is the introduction of minimum pricing by the unit of alcohol legislation in Wales and Scotland. Make sure to research the policies and regulations of the country of operation as well as the UK.
- Participation in **food fairs and exhibitions** can be one way of presenting a new product to potential business partners and making contact with them. However, be aware that one of the first questions that many potential business partners may ask is "where is the product currently available?" Therefore, a dedicated stand at food fairs and exhibitions may be of limited use for those entering the market for the very first time; but of more use to those with some kind of presence in the market that they are trying to expand. For companies entering the market for the first time, it may be worth contacting the national trade promotion organisation (see section 9.3.1) as some may organise national stands at exhibitions, providing easier and lower cost ways to first showcase products which are not yet in the market. A list of trade shows can be found in section 9.4.
- **Flexibility** is important. Suppliers should be open to negotiating different types of packaging, the possibility of creating/modifying their own label, flexibility in volume i.e., minimum order, etc. The capacity to customise depending on client/importer requirements can maximize growth potential - from being able to adjust labelling/packaging, offering products that fall into different price bands, to customising volumes i.e., cases per palette for smaller and larger retailers/foodservice operators.
- **Minimum order volume requirements** are likely to be impacted both by the type of good and the importer. There may be larger, less frequent orders for less perishable goods. Meat and fruit and vegetables on the other hand are likely to be high frequency – consumer facing food service operators will normally expect three deliveries a week.
- **Importer fees** will vary greatly. Some importers may ask for a start-up fee, some are commission-only agents, and others may seek a fixed fee that switches to a commission when sales reach a target level. A full brokerage rate for importers may range anywhere between 17 and 25 percent.
- Offering products that are **unique**, original and that stand out from other brands is crucial.

- It is important to make sure the product **follows UK food law, packaging, and labelling requirements**. If required, obtain animal product health certificates. As a result of food scares over the past two decades, the UK food supply chain is now heavily scrutinized, meaning that UK retailers, foodservice operators and manufacturers are uncompromising on traceability and quality assurance – as witnessed by the common requirements for BRC or IFS accreditation. UK buyers often require technical specifications above the level mandated by government legislation.
- Include a promotion/advertising budget into your overall export plan. Highlight product selling points, such as sustainability, organic, plant-based etc.
- A partnership with an importer or distributor is essential for **small companies entering the UK market**. There are various additional challenges post Brexit. Working with an importer or distributor can help small companies address these. That said, it is important to note that there are financial costs arising from customs costs and increased transport costs; and these are likely put some pressure on financial arrangements with partners.
- Importers increasingly try to find **suppliers which offer a wide range of products** and can deliver a higher volume of these, as this helps tackle challenges of higher shipping costs which have emerged post-Brexit. Smaller scale exporters or suppliers may want to partner up with other similar companies e.g. through co-operatives in order to offer a wider range of products and hence be attractive to importers. That said, some care should be taken in mixing product categories. For example, while it is attractive to be able to offer a range of different meat products, these meat products should not be sent in the same consignment as non-meat products as this may result in the whole consignment being subject to sanitary requirements.
- Companies interested in exporting need to bear in mind the challenges that the UK's status as a third country now poses, and the costs related with this. It is recommended that companies perform an initial rough analysis to determine whether or not exporting is financially attractive. As a general rule, it may not be attractive for companies to export very small quantities, or for companies that are considering exporting on a seasonal basis (e.g. two or three months a year only). **National trade promotion agencies** are generally in a good position to provide assistance and advice to companies once they have performed their own initial rough assessment. A list of such bodies can be found in section 9.3.1.

#### **Business Contact Database:**

A database of importers, wholesalers, retailers, and distributors can be found in section 9.5.

*N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms, and no corresponding responsibility or liability is accepted by the authors.*

#### 4.4.4 Business environment

The UK is a very pro-business country with many of the world's largest financial institutions having their headquarters or offices located in the country. Due to the UK having a limited number of natural resources, the country has a tradition of reaching out to foreign partners to stimulate economic growth in the country, and successive governments have adopted generally pro-

business policies in recent years. London is the key hub of business activity in the UK and is also a global leader in finance and commerce. Outside of London, the larger business hubs of the UK include the Midlands (cities such as Birmingham, Nottingham and Leicester), the north-west (Liverpool and Manchester) and the Glasgow-Edinburgh region of Scotland. As the UK is largely quite urbanised there exist plenty of potential business opportunities throughout the country. The UK was ranked as the world's 8<sup>th</sup> easiest country for business in 2021 and achieved the classification of "very easy". Many of the financial rules and regulations that have become commonplace across the globe are of British origin and the courts of the country are well accustomed to dealing with business disputes in a transparent manner which encourages investor confidence in the country. For EU producers, the UK has thus far largely retained many business practices it had during its time in the EU which makes navigating the legislative market of the country easier than other third countries.

#### 4.4.5 Key operational considerations and challenges: summary

Key issues to bear in mind when operating in the British market are:

- London is the predominant hub of financial and commercial activity in the country, but operating in the city is more expensive when compared to other urban areas of the country.
- English is the main language spoken in the UK and will be the language of the majority of business activity undertaken in the country. Welsh is an important regional language that has been more successful in its revival than other regional languages, as a result, business activity in Wales may incorporate the usage of the Welsh language to a limited degree, knowing a few phrases will be greatly received. In Northern Ireland, Irish may be used amongst some members of the community particularly near the border regions. In Scotland, small areas of the country such as the Shetland islands have retained the usage of Scots Gaelic although again English will be widely understood.
- Many regions of the UK will have their own "*slang*" words or expressions specific to their region, this may present confusion for non-native and indeed native speakers of English from outside of the region. Generally, however, the British are well aware of their regional expressions and peculiarities and will make an effort to downplay them amongst people from outside of their region.
- As the UK is a multicultural country (particularly England), it is important to factor in that some elements of an advertising campaign may be perceived as offensive amongst some ethnic groups in the country. Appropriate care in this regard will help ensure there is no damage to the brand attractiveness of your product.
- The UK may appear to be a geographically small island however in reality it is quite large - the world's 9<sup>th</sup> largest island. It is best not to assume trips across the country can be done quickly as this is generally not the case. Travelling from London to Newcastle (both within England) takes over 5 hours by road and around 3 hours by train; London to Glasgow is at least 7 hours nonstop by road and 4.5 hours by train. Make sure to take appropriate account of the distances needed to travel when doing business in the UK and furthermore make sure to drive on the **left side** of the road.
- In the UK, the countries of Wales, Scotland and Northern Ireland have devolved powers which allows them to pivot away from specific UK policies in a number of areas. It is important to note the particular policies in place for the region of the UK you plan to do business in rather than looking at the UK as a whole.
- Figure 4-5 below shows the currency exchange rate between the Euro and the pound sterling which is the official currency throughout all of the UK. It is important to take into account the current currency exchange rate and projection between the Euro and the

Pound before planning long-term business activity in the UK as this exchange is prone to some fluctuation, as can be seen in the chart. Political developments, in particular, have impacted the exchange rate in recent years.

**Figure 4-5: Five-year evolution of the EUR-GBP currency exchange rate: 2017-2022**



#### 4.4.6 Other relevant information

##### Methods of payment in the UK.

The currency of the UK is the British pound sterling which is used throughout the entirety of the UK. Most ports of entry to the UK will include an exchange kiosk which allows for the exchange of Euros or Dollars to pounds, albeit not at the most advantageous rates. Along the Northern Irish border, it is possible to purchase some goods using Euros at the retailer’s discretion however further into Northern Ireland this is not the case. Card payments in the UK are extremely popular with the majority of consumers opting to purchase goods via this method of payment, a trend that became even more popular during the outbreak of COVID-19. All major credit cards such as Visa, Mastercard and American express are accepted in the UK. Alternative systems such as Apple pay, Revolut and Google Pay are also gaining in popularity in the UK.

While tipping is not a compulsory practice in the UK as it is in countries such as the US, it is the norm in certain environments such as restaurants and will be well received in some other contexts - although consumers should only tip if the service, they have received has been very good and in some cases a service charge may be included.

### Travel from the EU to the UK

Post-Brexit, freedom of movement to the UK came to an end resulting in checks for EU passengers seeking to enter the UK (*with the exception of travelling from Ireland which shares a common travel area with the UK*). Citizens of the EU are allowed to enter the UK for a period of 6 months visa-free. EU citizens can enter the UK with their passport although will need to apply for a visa should they wish to stay longer than 6 months (*with the exception of Irish citizens due to a bilateral agreement*). Going forward, the EU has indicated it will apply travel information and authorisation system which will require UK citizens to fill in a travel form and pay a small fee to enter the EU, this will likely be in place by mid-2023 and it is possible that the UK will apply a reciprocal policy for EU citizens seeking to travel to the country.

## 5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh fruit and vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate confectionery	Beer	Sugar confectionery
Pasta	Ice cream	Processed fruit and vegetables
Pet food	Biscuits / cereal bars	Baked goods
Live plants	Processed Meats	Honey
Prepared baby food	Fruit Juice	Processed Cereals
	Jams	

## 5.1 Fresh meat

### 5.1.1 SWOT analysis

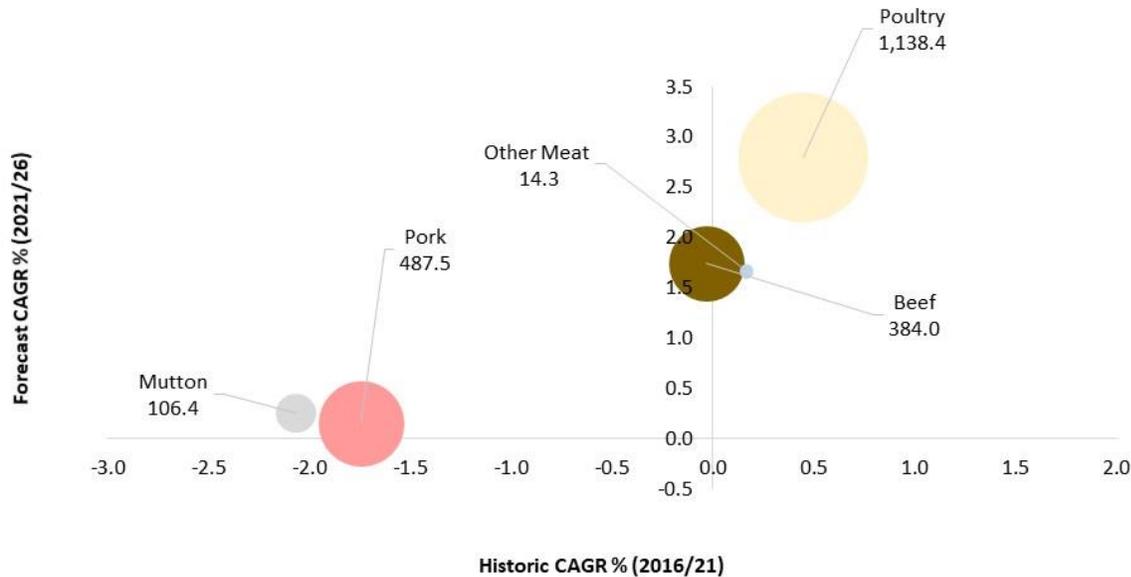
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ UK per capita consumption of fresh meat is high and broadly in line with European levels.</li> <li>▪ Outside of goat and sheep meat exports, the EU is dominant in fresh meat imports into the UK.</li> <li>▪ The ethnic diversity of the country leads to demand for a wide range of meats.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Uncertainties surrounding Brexit and the future introduction of checks and certification requirements concerning fresh meats.</li> <li>▪ Total consumption amongst younger generations is declining with a sizeable amount identifying as vegetarian.</li> <li>▪ Australia and New Zealand dominate imports of sheep and goat meats.</li> <li>▪ Most meat in UK supermarkets is clearly labelled as being of UK or regional origin and consumers are used to this indication.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Spike in demand for fresh meats around the holidays of Christmas and Easter.</li> <li>▪ Labour shortages in the UK are impacting the country's ability to sustain domestic production levels, requiring sporadic imports to meet supply deficits.</li> <li>▪ Demand for organic meat and that produced under certain other production methods will continue to increase representing a key opportunity in the UK fresh meat market going forward.</li> <li>▪ Channels where origin is not so strictly scrutinised (e.g. food service) may provide opportunities for imported meat of which the origin itself and/or production methods are not a key inherent characteristic.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UK is a large producer of most fresh meat products including poultry, lamb and pig meats.</li> <li>▪ UK government has previously signalled increasing fresh meat imports from other markets such as the US and Brazil due to the fallout of Brexit. The FTA with Australia and New Zealand with substantial TRQs is a first step in this process.</li> <li>▪ An ongoing cost of living crisis is restricting the ability of consumers to purchase fresh meats such as beef and veal, and is causing a shift between cuts in terms of consumption.</li> </ul>

### 5.1.2 Consumption

#### Evolution of consumption

Figure 5-1 below shows that poultry is the most popular fresh meat product consumed in the UK with a total volume of 1.1 million tonnes in 2021. Poultry consumption has grown by a compound annual growth rate (CAGR) of 0.4% between 2016 and 2021, looking ahead, the CAGR of poultry will continue to grow at a rate of 2.8% between 2021 and 2026 and it will remain the most popular fresh meat in the UK. Pork is the second most popular fresh meat product in The UK with a total volume of 487 000 tonnes in 2021. The total volume of pork declined by a negative CAGR rate of -1.7% between 2016-2021 however the product is forecasted to grow at a CAGR of 0.1% between 2021 and 2026 which will see it remain the second most popular fresh meat product in the country. Beef is the third most popular fresh meat with a total volume of 384 000 tonnes and is expected to grow at a CAGR of 1.7% between 2021 and 2026. Mutton is a smaller meat category in the UK with a total volume of 106 000 tonnes, the product is expected to grow at a CAGR of 0.2% between 2021 and 2026.

**Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in the UK, 2016-2026; total volume**



Source: Euromonitor International: Fresh Food, 2021.

## Consumers

The levels of consumption of fresh meat in the UK are broadly in line with those of other European countries with an annual per capita apparent consumption rate of around 80 kg per year. Poultry meat is the most commonly consumed fresh meat in the UK owing to this fresh meat being cheaper and readily available across the country. Beef, veal, pork and lamb are other fresh meats which are commonly consumed throughout the UK. The consumption of fresh meat overall in the UK has been levelling off due to various factors relating to environmental and health concerns. A breakdown of some notable considerations with regard to consumers is outlined below.

- Millennial and Gen Z consumers.** This age group consumes less fresh meat products than previous generations due to fears regarding health concerns and the impact of mass fresh meat production on the environment. It is estimated that roughly a quarter of consumers within this age group identify as vegetarian<sup>47</sup>. This cohort of consumers is more likely to be drawn to the consumption of meat substitute products and plant-based products. Consumers that do consume fresh meat products within this age group are further likely to consume lower per capita quantities than older generations, and are more likely to prefer white meat to red. On the other hand, meat consumption is more common among the over 50s, with this group notable consumers of lamb.
- Ethnic and religious groups.** As mentioned throughout this handbook, the UK is quite diverse in ethnicities and religions which further impacts the fresh meat market. Consumers who follow the Islamic religion (roughly 5% of the population) will likely abstain from the consumption of pork products. Hindus (2% of the population) will not consume

<sup>47</sup> How many vegetarians are there in the UK?, finder.uk, available at <https://www.finder.com/uk/uk-diet-trends>

beef and indeed may well abstain either partially or fully from fresh meat consumption. Ethnic groups that do consume fresh meat products are likely to consume them via traditional dishes which often become popular throughout the rest of the UK with notable examples including Jollof (west African rice and meat-based dish which has grown in popularity in the UK) and chicken chow mein (traditional Chinese dish that is also popular in the UK).

- **Gender.** Men are on balance bigger meat consumers, and most notably greater consumers of red meats.
- **Traditionalist consumers.** The consumption of fresh meat products is in line with many traditionalist practices in the UK such as the consumption of turkey at Christmas and New Year's Day or lamb at Easter; with demand for these meats peaking around these periods. It is also traditional in the UK to have a Sunday roast (made up of roasted fresh meats such as beef, chicken, pork and lamb). In addition to the above practices, consumers that lean into traditionalism are more likely to seek out dishes such as shepherd's pie (made from minced lamb), haggis and steak and kidney pie. While consumption of fresh meats in the UK is forecasted to grow slowly if at all, demand for fresh meats will continue to see a spike around holidays such as Easter, Christmas and New Year's Day aided by traditionalist consumers who associate the consumption of fresh meats with these holidays.

### Drivers and method of consumption

There are many drivers of fresh meat consumption in the UK; while total consumption is declining the UK remains a massive market for fresh meat product consumption. UK consumers are readily exposed to fresh meat products throughout their day-to-day activities with the UK being fairly unique in the sense that both national and foreign dishes that incorporate fresh meats are popular in the country. A key driver in the UK is the celebration of key events such as a wedding, birthday or religious holiday often incorporates the consumption of fresh meats as families and friends get together. Meals at weddings or Christmas will often incorporate a fresh meat product of some variety. Indeed, there is a certain seasonality to UK meat consumption, with peaks in consumption around the religious festivals of Christmas (when turkey is traditionally consumed) and Easter (lamb). UK consumers are also likely to have a BBQ during the summer months as consumers rush to make the most of the good weather, this further acts as a driver of fresh meat consumption; though it should be noted that often UK consumers will favour either meat preparations or processed products such as hamburgers and sausages for barbecues.

Consumers in the UK are also largely attracted to the protein and nutritional values found in fresh meat, which is another key driver of consumption, this is particularly true for consumers working in more physical jobs than sedentary ones. Consumers can consume fresh meats and meat products throughout the entirety of the day with many of the more popular meals in the UK incorporating a fresh meat product; for example, even the traditional UK breakfast comprises meat-based elements such as sausages, bacon and black pudding (made from blood). On-trade consumption of fresh meat is also popular with the UK having a large number of both national and foreign-themed restaurants which offer consumers a wide variety of dishes that incorporate fresh meats. Indeed, some restaurants are based primarily around one or more specific types of fresh meat; the most notable examples are the chains Nando's and KFC (chicken).

## Purchase criteria

Price sensitivity is a key purchasing criterion in the UK with the price of fresh meats in the country rising steadily in recent years in light of various economic challenges, including labour shortages and the outbreak of COVID-19. This helps to explain why poultry meats remain, by a considerable margin the most popular fresh meat products in the UK. These meats are cheaper than alternatives and provide good nutritional content for consumers, nutritional content itself also being a key purchasing criterion. The UK consumer has a clear preference for breast meat; over 1/3 of sales of poultry in the UK are breast meat. Whole birds are also popular, notably due to their use for roasting as well as in food service; they account for around 40% of sales.

The sale of beef, veal and poultry is linked to the perception from the consumer that these fresh meats are of high nutritional content and can be consumed as part of a balance and healthy diet. Consumers retain fears surrounding the consumption of pork, lamb, mutton and goat as the perception of these products being unhealthy and of a lesser nutritional content has emerged in the market. Consumer preferences for cuts of these meats tend to reflect their intended usage. For example, mince is fairly popular for use in various stews and dishes, but steaks are also popular with topside, silverside and top rump particularly popular for over roasting e.g. as part of Sunday roasted dinners. In very recent years, a notable minority of consumers have shown an increased tendency to purchase leaner cuts of the meat suitable for the intended usage in order to limit fat intake.

Animal welfare concerns are another key purchasing criterion that has emerged in recent years which aids demand for organic fresh meat products in the UK. As a result of this, some consumers actively look on labels for organic certifications or animal welfare schemes such as RSPCA assured. UK consumers are also more likely to be drawn to fresh meats which have been produced within the UK as consumers seek to spend money in the local economy, this is particularly true in countries such as Wales and Scotland. It is common for the origin of meat products to be clearly displayed on the packaging via a flag. The UK flag tends to be used across the UK to some extent to indicate origin, though in Scotland it is common to find meat products bearing the Scottish flag – in line with the above point on supporting the local economy.

Red tractor certification (<https://redtractor.org.uk/>) is sought out by many consumers. It plugs into the aforementioned trends of origin and animal welfare; and consumers may also consider it a sign of quality as well. The certification, first launched in 2000, has grown in popularity in recent years with the range of standards increasing accordingly. The standard is trusted by around ¾ of UK consumers.

While package format does not play a critical role in the purchase decision of most consumers, it is worth that it may do for consumers with fast paced lifestyles. These consumers may look for fresh meat products that ease meal preparation (e.g. diced); and often they will favour white meat due to its versatility and cooking time. The growing consumer segment of one and two person households will also take into account the pack size.<sup>48</sup>

*Below: poultry section of a major supermarket. The use of the UK or home nations flag is common in meat sections, as reflected by the flag in the top right next to the aisle sign. Poultry, as the UK's*

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<sup>48</sup> Looking ahead at UK poultry trends : a retail update, poultry world, available at <https://www.poultryworld.net/poultry/looking-ahead-at-uk-poultry-trends-a-retail-update/>; Euromonitor International: Fresh Food, 2021

*most commonly consumed meat, often has its own aisle in supermarkets with other meats organised in a separate aisle.*



### Recent market trends

The rise in health consciousness, vegetarianism and environmentalism in the UK is resulting in a fresh market that is likely to see an overall decline in consumption, particularly amongst younger millennial and Gen Z consumers who are already consuming far less fresh meat than older generations in the UK. This is resulting in a fresh meat market that is working to adapt to a new reality via methods such as the introduction of plant-based substitutes, organic fresh meats and information advertising campaigns to highlight the benefits of fresh meat consumption regarding nutritional content. It is likely that producers going forward will need to pay particular attention to consumer fears regarding the environmental impact of fresh meat production and animal welfare issues.

Labour shortages and the rising cost of living may impact the purchasing capacity for consumers to purchase more expensive fresh meats such as beef, lamb and mutton; however, poultry as the cheaper alternative will benefit from consumers seeking cheaper alternative fresh meats. Nonetheless, this relies on a smoothly running supply chain; the UK pork industry, in particular, suffered in late 2021 and 2022 due to labour shortages, with an estimated 40 000 pigs<sup>49</sup> culled in early 2022 for this reason, leading to concerns about possible shortages. Despite the outlined factors above, the UK will remain a large market for fresh meat products going forward as many of the most famous UK culinary dishes incorporate fresh meat products and the consumption of fresh meat remains synonymous amongst many consumers with holidays such as Christmas and Easter.

<sup>49</sup> Pig industry facing “biggest crisis” for 25 years, say Norfolk farmer, The BBC, Available at <https://www.bbc.com/news/uk-england-norfolk-60516864>

Subscription and recipe boxes are two recent trends which are impacting the market for fresh meat. While the subscription concept has gained traction for various food and beverage products in recent years for reasons of convenience, meat is one of the categories it has impacted the most. Notable providers include meatbox.com and Meat and Cleaver. Recipe boxes – which offer all the ingredients necessary to cook a certain meal - are less specific to meat. Nonetheless, meat is generally one of the more important ingredients in these boxes.

A COVID-specific trend was that of recreating restaurant food at home, leading to increased demand for certain types of meat. For example, retail demand for duck has increased slightly in the last two years as consumers try recreate restaurant-based duck dishes such as Peking duck. It is to be seen if this trend continues going forwards now the food service industry is fully open again. There is a possibility that consumers will continue to try to create meals at home in response to the increasing cost of living crisis; but this is to be seen.

Finally, the cost of living crisis itself is starting to affect demand for different meat types and cuts. With pressure on budgets, demand for meat with as animal welfare and other certifications is falling. Some consumers are also downgrading in cut quality in response to their squeezed budgets. The price of most red meat cuts increased by at least 10% over the period August 2021 to August 2022. Some categories such as lamb mince and pork loin steak increased in price by around 25%. Sales data from the second and third quarters of 2022 indicate increases in sales of mince (beef in particular) at the expense of other cuts, and this is believed to be in response to the cost of living crisis.

### 5.1.3 Offer

#### Domestic production

The domestic production of fresh meat in the UK is large with the country producing 4.1 million tonnes of fresh meat in 2021.<sup>50</sup> This can be further broken down into 891 000 tonnes of beef/bovine meat, 982 000 tonnes of pigmeat, 277 000 tonnes of sheep meat and 1.91 million tonnes of poultry meat. The total value of the UK domestic meat production sector was estimated at EUR 10.7 billion in 2021. Total cattle production has fallen in the UK due to reduced demand for UK cattle abroad due in part to uncertainties as the country left the EU. Production of pig meat reached its highest level in 20 years in 2021 at 982 000 tonnes, this is due to the UK government enacting a number of measures to support the industry such as a visa liberalisation scheme for foreign butchers<sup>51</sup> and payments to cover overweight price penalties. Sheep meat production fell in 2021 due to lowering demand for these meats from the EU due to Brexit, although total trade is expected to return to normal levels by the end of 2022. Poultry meat production grew by around 1% in 2021 despite fears regarding labour shortages in the sector. The UK has enacted measures to help support the industry such as the enactment of a visa liberalisation scheme for individuals seeking to work in the country's pigmeat sector to address labour shortages; and has committed to providing financial support to help poultry farmers improve the health and welfare of their

<sup>50</sup> National Statistics 2021, Livestock, The UK government, available at <https://www.gov.uk/government/statistics/agriculture-in-the-united-kingdom-2021/chapter-8-livestock#:~:text=Total%20meat%20production%20in%202021,higher%20than%20a%20decade%20earlier>.

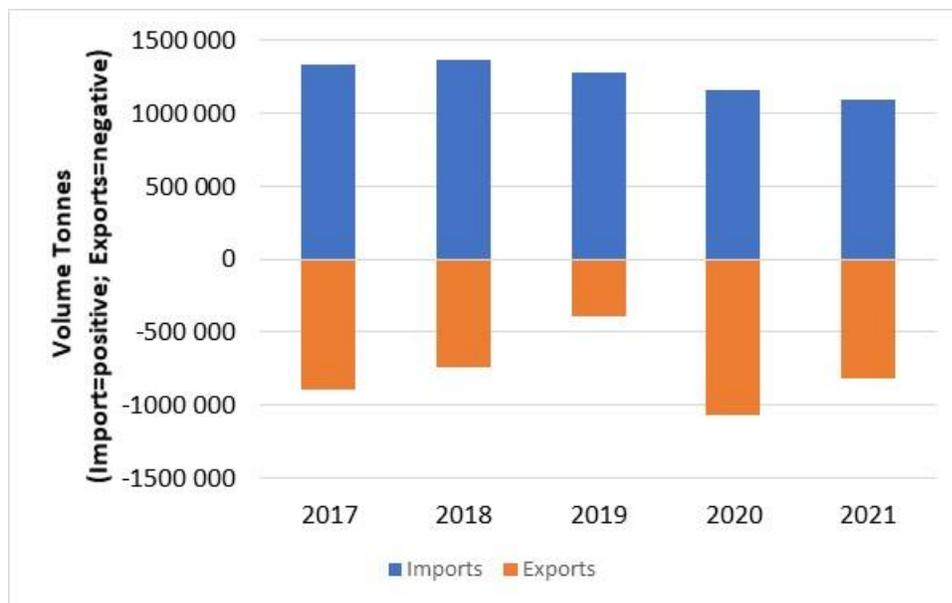
<sup>51</sup> UK turns to the EU for helping hand after Brexit butchers meat sector, Euractiv, available at <https://www.euractiv.com/section/agriculture-food/news/uk-turns-to-eu-for-helping-hand-after-brex-it-butchers-meat-sector/>

animals through the better chicken commitment.<sup>52</sup> Some of the larger fresh meat companies operating in the UK include the ABP Food Group; the 2 Sisters Food Group; and Dawn Meats. The areas of the UK with the greatest cattle density include Ayrshire, Dumfries and Galloway and Cumbria. About 25% of the UK's poultry production comes from just three counties, Hereford, Shropshire and Powys. The core of sheep production in the UK is in the southwest of the country (including notably Wales); and finally, a significant proportion of pigmeat production comes from the counties of Yorkshire and Humber.

### Imports and exports

Figure 5-2 shows that the UK has been a net importer of fresh meat for the past five years with the country importing a peak of 1.35 million tonnes of fresh meat in 2018; this has since fallen back to just over 1 million tonnes. The country exported a total of just over 1 million tonnes of fresh meat in 2020 which represents the most amount of fresh meat it has exported in the past five years; by 2021 exports had fallen back to around 800 000 tonnes. Despite being a net importer of fresh meat, the majority of fresh meats consumed in the UK are also produced in the UK.

**Figure 5-2: Trade balance (imports and exports) of fresh meat in the UK, 2017-21; volume tonnes**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

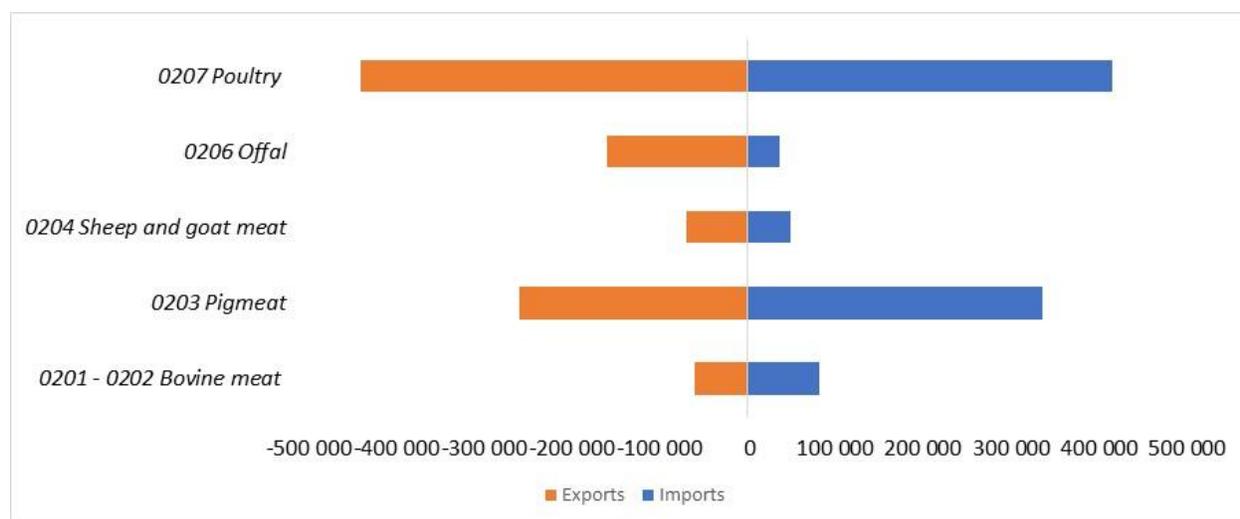
Figure 5-3 shows that poultry is one of the most important fresh meat products both imported and exported from the UK. Imports of poultry reached 415 000 tonnes in 2021 while total exports in the same year reached 440 000 tonnes which makes the UK a slight net exporter of the product. The next most significant fresh meat both imported and exported from the UK is pigmeat which the UK imported a total of 335 000 tonnes worth of in 2021. The country in the same year exported

<sup>52</sup> Government announces support for the better chicken commitment, The Humane league, available at <https://thehumaneleague.org.uk/article/government-announces-support-for-the-better-chicken-commitment>

259 000 tonnes of pigmeat. The UK is by a moderate margin a net importer of beef while it is a net exporter of offal and sheep and goat meats. There are a number of factors that influence the various cuts of fresh meats that are imported by the UK. Overall, a certain amount of trade – both with the EU and the world as a whole – is effectively carcass balancing (i.e. the UK exports meat cuts which are not in demand domestically and imports those which are). There is also historically a certain amount of carousel trade (i.e. the UK exports carcasses and half carcasses and then imports the further processed cuts). More specific factors affecting patterns of trade by meat type include:

- **Poultry:** UK consumers have a preference for chicken breast cuts of meat, however, the country does not produce enough chicken breast cuts of meat requiring them to be imported. Due to consumers' preferences for chicken breasts cuts of meat, the UK produces an excess of chicken wings and thighs than it consumes which largely makes up the cuts of meats that are exported by the UK.
- **Lamb:** UK consumers have shown a preference for the taste of cuts of lamb from New Zealand, with New Zealand being one of the larger producers of lamb meat globally. Australian lamb meat is also common in the UK and together with New Zealand accounts for roughly 80% of total lamb imports in 2021.
- **Pork:** The UK imports substantial amounts of bacon, ham and gammon which are amongst the larger meat products in which domestic supply is not matching domestic demand.

**Figure 5-3: Trade balance (imports and exports) of fresh meat in the UK, by type, 2021; volume tonnes**



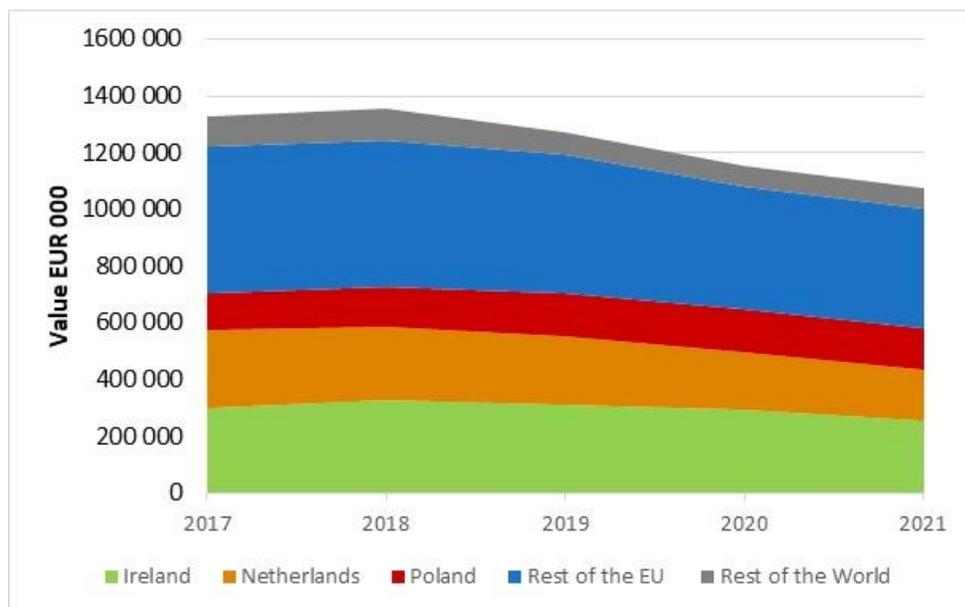
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-4 shows that Ireland is the largest exporter of fresh meat to the UK with the country predominantly exporting bovine meats to the UK at a total tonnage of 139 000. Total fresh meat exports from Ireland came to a total tonnage of 256 000 in 2021. The Netherlands is the second largest exporter of fresh meat to the UK with a total tonnage of 176 000 in 2021, predominantly also bovine meats. Poland is the largest exporter of poultry meats with a total tonnage of 116 000 in 2021. EU countries accounted for the absolute majority of fresh meat exports to the UK in 2021; combined they make up roughly 90% of total UK imports. Other large exporters of fresh meats

from the EU which have not been previously mentioned include Germany, Belgium, Italy and Spain.

**Figure 5-4: British imports of fresh meat by country, 2017-21; Volume Tonnes**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any fresh meat GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main trade-based competitors for EU fresh meat products in the UK are the countries of New Zealand and Australia. New Zealand and Australia benefit from similar production and packaging practices to the UK which allows for a relatively smooth exportation process however the logistics of exporting from these countries to the UK means that EU products remain cost competitive in the UK. New Zealand and Australia are the main exporters of sheep and goat meat to the UK with these two countries alone accounting for roughly 80% of the sheep and goat meat imported by the UK. Outside of sheep and goat meat, the EU dominates in exports of pork, poultry and bovine meats. However, overall domestic production is the main competitor for EU products as most fresh meat products produced in the UK such as poultry, bovine and offal meats are also consumed in the country.

## 5.1.4 Specific market entry requirements

### Market Access and Entry

As set out in Table 4-2, a variety of documents are or will be required in the future (details to be confirmed as full checks and certifications enter into force) for the import of fresh meat products, including:

- a veterinary health certificate
- a licence to import animal products and pathogens
- automatic licence verification system
- health entry document for animal products
- poultry: optional indications certificate for poultry meat (see <https://www.gov.uk/guidance/poultry-meat-marketing-standards> for more details).

Establishments exporting animal products to Great Britain need to be **registered by the UK authorities for that purpose. The establishments registered on TRACES NT** by the Competent Authority of their Member State according to EU rules, are also registered by the UK authorities for export to Great Britain

It is important to note that full certification requirements and checks on imports of most animal products from the EU to the UK have been postponed until the end of 2023 at the earliest. Therefore, it is likely that the requirements set out above will change after that date. There are currently no details on likely changes (see section 4.2.1).

It is worth monitoring Defra’s guidance on importing food and drink from the EU to keep up to date with the latest requirements.

**Detailed information on import duties, Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – poultry category (0207) from Spain to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0207&origin=ES&destination=GB>

### Standards, SPS measures, labelling

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for fresh meat. Fresh meat must comply with the labelling requirements outlined in section 4.2.3.

## 5.1.5 Distribution

The retail market is the most common distribution channel for fresh meats by a considerable amount with this channel accounting for 84.3% of all sales. This channel is dominated by outlets such as supermarkets and hypermarkets which are each large distributors of fresh meat in the UK. Many supermarket chains are committed to selling high quantities of British meat; for example, Morrisons has announced that all the fresh pork, beef, lamb and poultry then sell comes from British farms. Asda has committed to ensuring 80% of the pork it sells is of UK origin.

Nonetheless, imported fresh meat does continue to be sold in supermarkets more broadly. Butcher's shops, the traditional outlet for meat, have been declining steadily in number over the last 20 years, and only around 6 000 butchers shops now remain in the UK (i.e. one for every 10 000 people). E-commerce is a growing channel. In addition to the e-commerce sales of major retailers, there are specialist on-line meat retailers such as Farmison & Co, Turner & George and Springfield Organics.

The food service sector in 2021 accounted for 12.8% of all fresh meat sales which is a decline of 4.1% over a five-year period. This can be largely explained by the outbreak of COVID-19 which forced many food service outlets to close with many never reopening, it is forecasted to take a number of years for the food service industry to rebound fully to pre-COVID levels of distribution. Institutional channel shares of fresh meat sales in the UK accounted for 2.9% of all sales.

**Figure 5-5: distribution of fresh meat in the UK by volume, 2021**



Source: Euromonitor International: Fresh Food, 2021.

### 5.1.6 Challenges for EU products

The main challenges for EU producers in the UK come from strong, well-developed domestic production (plus a preference for domestically produced meat in many cases where origin is indicated); adapting products to enter a market that is seeing a decline in conventional fresh meat consumption; and the challenge of Australia and New Zealand – most notably in the sheep and goat meat sector, but also in the bovine meat sector going forwards.

Full checks and certification requirements on meat products entering the UK from the EU are likely to be in place by late 2023 which will impact the exportation process, making it longer and more costly than was previously the case; though the nature of checks which will enter into force are not yet fully known as they are under revision.

As previously stated, total consumption of fresh meat amongst younger consumers is declining with many identifying now as vegetarian or consuming far less fresh meat than older generations

and focusing on production and sustainability issues. This, in turn, has resulted in producers having to adapt their products via a method such as organic meat to appeal to consumers in this age cohort and as a result, EU producers will likely have to follow similar practices if they are to target this market.

Australia and New Zealand are a threat in competition terms. The goat and sheep meat sector is much more competitive than other fresh meat sectors with the two countries dominating exports of these products to the UK, this makes the sector particularly challenging for the EU. However, going forwards, the two countries may pose a threat both in this sector and the bovine meat sector due to the entry into force of the FTA between the UK and Australia / New Zealand. This will introduce substantial and increasing tariff rate quotas for beef, hence nullifying the advantages EU products currently have in terms of tariffs. Distance will nonetheless remain a challenge for these countries.

Despite the outlined challenges, the EU continues to dominate total fresh meat exports to the UK accounting for 90% of total exports of fresh meats to the UK in 2021. The UK will remain a large consumer of fresh meat going forward despite declines which will see the UK remain a lucrative market for fresh meat producers in the EU despite the various concerns.

#### Market Takeaway: Fresh meat

**Consumption:** Total consumption of fresh meat is declining in the UK as younger consumers adapt their diets in line with health and environmental concerns. Despite this, the UK will remain a large market for fresh meat products as many of the more popular dishes in the country incorporate fresh meats. UK per capita consumption of fresh meat is in line with EU levels.

**Competition:** Domestic production is the main competitor for EU products as the UK is a large poultry, lamb and pig producer. The UK is almost self-sufficient in fresh meats in quantity terms due to domestic production, however, remains a large importer of fresh meats, most notably due to carcass balancing. The main competition from third countries is from Australia and New Zealand which dominate the exportation of sheep and goat meat to the UK.

**Distribution:** Dominated by retail markets which account for 84.3% of all sales, a figure that continues to rise. Supermarkets are dominant within the retail channel. Foodservice outlets and institutional outlets still have a small share of the market that declined notably due to the COVID-19 related closures.

**Challenges:** Uncertainties regarding future import requirements on fresh meats being exported from the EU to the UK; adapting products to appeal to a market which is consuming less fresh meat; competition from domestic producers for most meats (and often a preference for these domestically produced meats); plus competition from Australia and New Zealand in the sheep / goat sectors (and potentially bovine meat sector in the future) are the biggest challenges for EU producers.

**Opportunities:** The UK sees a spike in demand for fresh meats such as lamb and turkey around holidays such as Easter and Christmas which should be taken advantage of. Labour shortages in the UK have impacted domestic production despite initiatives from the government to address this. This has led to sporadic demand for imported fresh meats. Channels where origin is not so strictly scrutinised (such as food service, meal boxes etc) may be of interest if for EU meat in the cases the origin itself and/or production methods are not a key inherent characteristic / added value.

## 5.2 Fresh fruit and vegetables

### 5.2.1 SWOT analysis

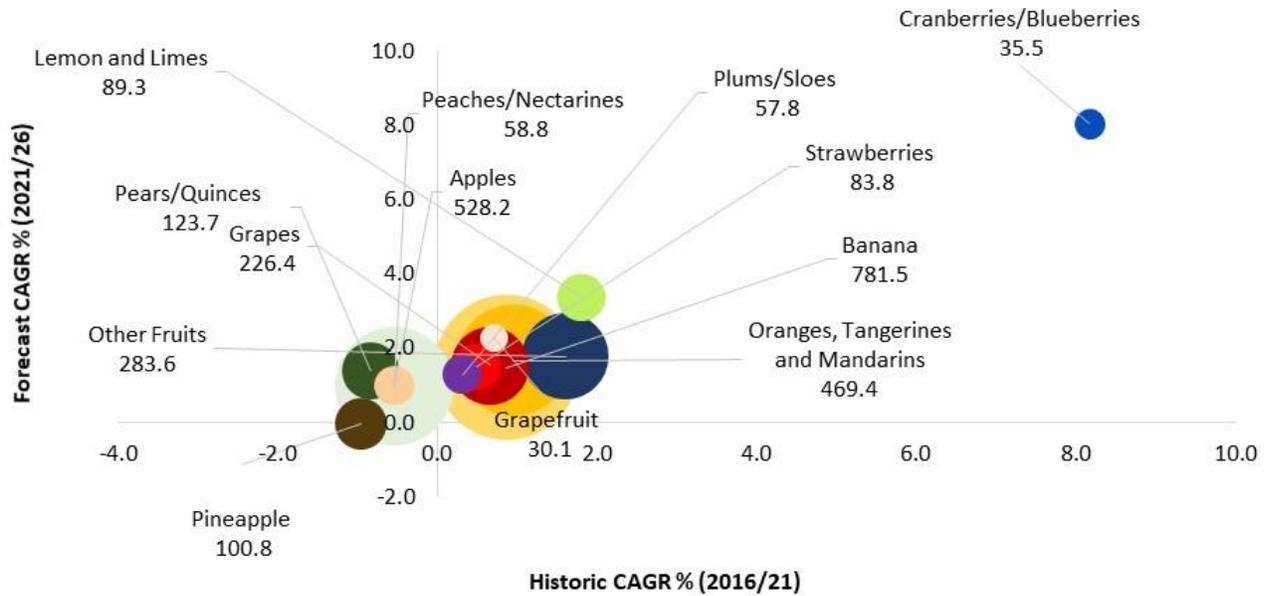
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The EU accounts for half of all fruit exports to the UK and three-quarters of all vegetable exports to the UK.</li> <li>▪ Due to decades of EU membership, consumers in the UK are well accustomed to seeing fruit and vegetables from the EU on their shelves and hold them in high regard.</li> <li>▪ UK domestic production is unable to meet domestic demand for both fruit and vegetables, something that has become more apparent as the country has recently experienced a labour shortage.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UK has a trade surplus in potatoes.</li> <li>▪ Despite growth in consumption, the UK per capita consumption of fruit and vegetables remains below-recommended rates.</li> <li>▪ The cost of fruit and vegetables is likely to rise which may price out lower income earners in particular; the rise in price is linked to ongoing economic issues including gas prices and labour shortages.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Fruit and vegetable consumption is expected to continue growing in the UK.</li> <li>▪ The growth of plant-based on-trade establishments throughout the UK has created key new channels of fruit and vegetable distribution.</li> <li>▪ An ever-growing percentage of the population identifies as vegetarian, particularly younger consumers.</li> <li>▪ Interest in sustainable and ethical production methods continues to grow.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The introduction of certification requirements and import checks of fruit and vegetables currently expected in 2024 has the potential to disrupt a once smooth transportation process.</li> <li>▪ The UK also imports from countries such as South Africa, Chile and Peru which have reverse seasonality with the UK. While not direct competition with EU imports, it is also a segment the EU is unable to tap in to.</li> <li>▪ Demand for exotic fruits and vegetables is growing, however this will likely benefit Asian and African producers rather than EU producers, and the UK is seeking FTAs with some of these countries.</li> </ul>

### 5.2.2 Consumption

#### Evolution of consumption

Figure 5-6 shows that bananas are the most popular fruit category in the UK by total volume, with a total volume of 781 000 tonnes in 2021. This is followed by apples with a total volume of 528 000 tonnes and oranges, tangerines and mandarins with a total volume of 469 000 tonnes. Across all fruit categories with the exception of pineapples, there is a predicted growth rate forecasted, with the fastest-growing fruit category expected to be plums which are predicted to grow at a CAGR of 8.0% between 2021 and 2026. This is far ahead of the second fastest-growing fruit category which is lemon and limes with a predicted CAGR of 3.4% in the same period. Bananas will remain the most popular fruit category by 2026 if the current predicted growth rates remain the same.

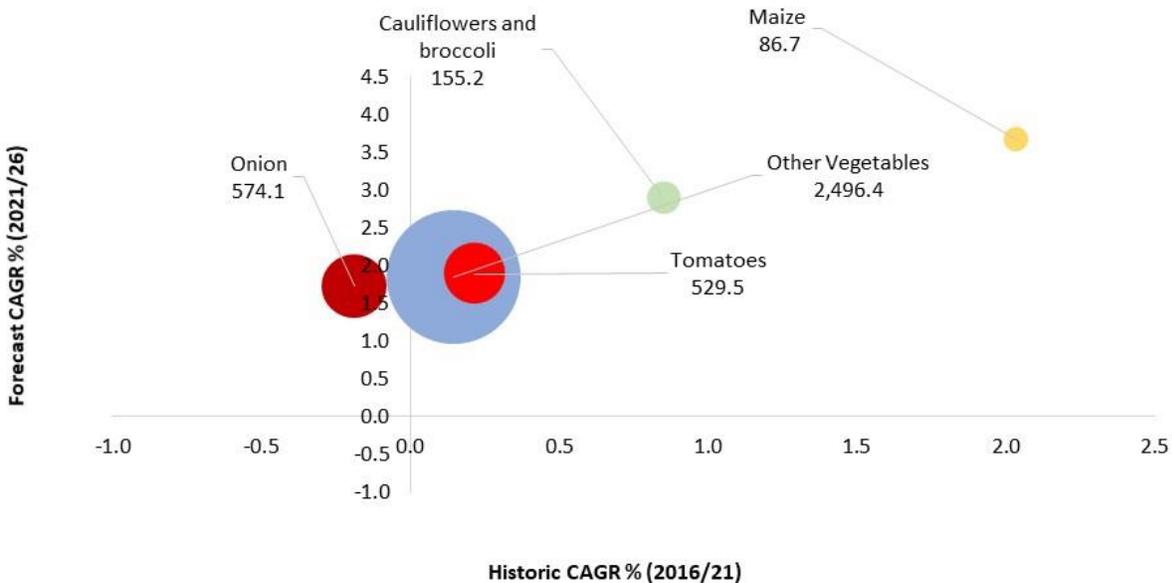
**Figure 5-6: Evolution and forecast of fruits market (000 tonnes) in the UK, 2016-2026; total volume**



Source: Euromonitor International: Fresh Food, 2021.

Figure 5-7 below shows that other vegetables are the largest consumed vegetable category in the UK by a considerable amount with a total volume in 2021 of 2.4 million tonnes. Onions have a total volume of 574 000 and are the largest sole vegetable category in the UK with a predicted CAGR between 2021 and 2026 of 1.7%. Tomatoes are closely behind onions with a total volume in the UK market of 529 000 and with a forecasted CAGR of 1.9% between 2021 and 2026; tomatoes will slowly catch up more with onions. Cauliflowers and broccoli have a total volume of 155 000 and are forecasted to grow at a CAGR of 2.9% between 2021 and 2026. Maize will be the fastest growing vegetable category in upcoming years in the UK with a forecasted CAGR of 3.7%, however it will most likely remain the smallest vegetable category in the UK by 2026.

**Figure 5-7: Evolution and forecast of the vegetable market (000 tonnes) in the UK, 2016-2026; total volume**



Source: Euromonitor International: Fresh Food 2021.

### Consumers

Fruit and vegetable consumption in the UK has grown in recent years aided by the outbreak of COVID-19 which pushed forwards the importance of a healthy and balanced diet amongst the consumer base in the UK. Currently, it is estimated that at least a quarter of the UK consumer base consumes at least one piece of fruit or berries on a daily basis while 11% of the consumer base rarely or never consumes fruit weekly.<sup>53</sup> The UK government recommends consuming five pieces of fruit and vegetables on a daily basis with roughly one in three adults reaching this target.<sup>54</sup> Below provides further insights into consumer groups and trends that help to explain overall consumption in the UK.

#### **Connection of fruit and vegetable consumption with age**

It is notable in the UK that children consume less fruit and vegetable products than adults with an estimated 89% of children (aged below 16) consuming less than 5 portions of fruit and vegetables per day. This stands in stark contrast with adults above the age of 16 where 66% of them are consuming fewer than 5 portions of fruit and vegetables per day. Multiple studies suggest that overall consumption of fruit and vegetables grows as consumers get older which can be explained by increased health consciousness and overall, more awareness about the nutritional value of

<sup>53</sup> Frequency of fruit and berry consumption in the UK 2021, Statista, available at <https://www.statista.com/statistics/1280501/uk-fruit-and-berry-consumption-frequency/#:~:text=In%202021%2C%20more%20than%20half,portion%20a%20week%2C%20or%20never.>

<sup>54</sup> Veg Facts 2021, Peas Please, available at <https://foodfoundation.org.uk/sites/default/files/2021-09/Peas-Please-Veg-Facts-2021.pdf>

fruit and vegetable consumption. In very broad terms, adults can be split into the group of 18-35s which consume less fruit and vegetables; and over 35s which consume greater quantities.

### ***Fruit and vegetable consumption linked to ethnic and religious group status***

Many of the bigger consumers of fruit and vegetables in the UK come from religious or ethnic groups that either abstain from meat consumption or produce heavy fruit and vegetable-oriented dishes. Hindus and Buddhists who together account for nearly 2% of the population will likely abstain from meat consumption in favour of a plant diet. Some ethnic groups will come from a plant-oriented culinary culture which favours fruit and vegetable consumption, these groups include ethnicities from south-east Asia, the Indian sub-continent or the Middle East.

### ***Income class***

Income plays a large role in daily fruit and vegetable consumption with those in the top 20% income bracket far more likely to consume fruit and vegetables on a daily basis than those in the bottom 20% of the income bracket. The gap remains high with 16.5% of the poorest 20% of consumers in the UK eating less than one portion of fruit and vegetables per day, compared to just 4.5% of the richest 20% of consumers.<sup>55</sup> There are signs however that consumption is growing amongst poorer consumers as more of these consumers, particularly younger ones switch to a more plant-based diet.

Overall, total consumption of fruit and vegetables is forecast to grow in the UK as the country's consumer base increasingly becomes concerned about their own personal health and the environment. COVID-19 helped to accelerate a prior growing trend of health consciousness which saw a spike in demand for fruit and vegetables in 2020.

### ***Regional differences***

There are some slight differences in levels of fruit and vegetable consumption across the UK. Coventry, Southampton, Aberdeen, Newcastle and Sheffield are the cities with the highest level of fruit consumption in the UK. On the other hand, Oxford, Cardiff, Glasgow, Edinburgh and Birmingham have the lowest levels of fruit consumption.

## **Drivers and method of consumption**

Key drivers of fruit consumption in the UK come from a demand for healthy products combined with an ever-increasing proportion of the population that is following a plant-based diet. Fruits will benefit from a population that has emerged from lockdown and is now largely back to normal day-to-day activities. Consumers appreciate that fruits provide a convenient, healthy and on-the-go-oriented snack with apples, bananas and grapes being a favourite amongst consumers desiring foods that can be quickly consumed on the go. Fruits are one of the most common lunches in the UK due to their versatility as discussed earlier. Vegetables are more diverse in this aspect; indeed, vegetables are consumed during lunches too such as via a salad although vegetables are also largely associated as dinner food. Vegetables such as broccoli, legumes beans and carrots are a common feature on the dinner plates of many UK consumers. Some traditional British dishes are also based on certain vegetables (or in some cases fruit) and as a result help drive demand for them. Examples include cauliflower cheese, mushy peas, shepherd's pie (carrots) and pork with

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<sup>55</sup> Veg Facts 2021, Peas Please, available at <https://foodfoundation.org.uk/sites/default/files/2021-09/Peas-Please-Veg-Facts-2021.pdf> |

apple sauce. The seasonality of British fruit and vegetables can also drive consumption of certain fruit and vegetable types during certain periods of the year.

Looking more specifically at some of the most popular fruit and vegetable types in the UK:

- **Peas** are frequently consumed and popular across all generations; with over-45s being particularly strong fans. They are generally either consumed steamed or cooked and mashed. Notably they are often associated with fish.
- **Broccoli** is most commonly just steamed and eaten as a side dish to meat and fish mains. While universally popular, their popularity peaks among the 25 to 55 year old cohort.
- **Onions** are universally used. They are an integral part of many traditional British dishes; and are also consumed in salads and fried/caramelised.
- **Potatoes** are widely consumed as a staple and often considered comfort food. Popular cooking methods include boiling, roasting and deep frying; plus they are often consumed mashed.
- **Tomatoes** are most commonly either consumed as part of salads; or fried as part of the traditional British breakfast. While they may be used in sauces, this is not particularly common inside traditional British cuisine; and in the case tomatoes are used in sauces e.g. as part of curries or pasta dishes, consumers are more likely to use tinned or pureed versions.
- **Strawberries** are strongly associated with the summer. They can form part of traditional desserts such as the Eton mess; may be consumed simply with cream; or can be an accompaniment to more special food and drink (e.g. scones and cream, sparkling wine).
- **Bananas** are popular in the UK due to their suitability for on-the-go consumption and affordability. They are particularly popular among children.
- **Apples** may either be eaten raw or used in traditional recipes such as apple crumble and apple pie. A large number of varieties are popular in the UK, including Bramley, Pink Lady, Jazz, Braeburn, Granny Smith, Red Prince, Gala and Cox.
- **Cranberries and blueberries** have grown in popularity in recent years, driven by their consumption at breakfast (e.g. with yoghurt, oatmeal or waffles) and their use in smoothies.

The increased presence of plant-based only on-trade establishments is compounding consumption rates in the UK with it now possible to find avocado, salad and fruit-only restaurants in the UK. The further presence of restaurants deriving their theme from cultures that heavily consume fruit and vegetables acts as another avenue of fruit and vegetable distribution in the UK with exotic fruits and vegetables such as durian, dragon fruit and wasabi being readily available throughout the UK.

### Purchase criteria

As noted earlier, there is a direct correlation between income class and fruit and vegetable consumption. Consumers of a lower income class are more likely to consume fruits and vegetables that have been produced in the UK or close by as these fruits and vegetables such as apples, carrots and broccoli will be cheaper than fruits and vegetables that need to be imported from far afield. Price is often the determining factor behind whether a consumer will purchase a fruit or vegetable product, and indeed many retailers will provide multi-buy offers (e.g. GBP 2 for 1 packet or GBP 3 for 2 packets) in order to play on this pricing aspect.

UK consumers are increasingly concerned about the origin of their fruit and vegetable products which often requires a label or indication within a retailer of where they source their fruit and

vegetable products. Large UK retailers will generally have a dedicated fruit and vegetable section in their stores that displays fruit and vegetables picked in both the UK and abroad. The seasonality of UK harvest may also affect consumer choices, with many consumers more likely to purchase fruit or vegetables that they believe to be “in season” in the UK.

Curiosity is growing as a purchase criterion as consumers increasingly switch to a plant-based diet. There is an opportunity for producers of particularly exotic fruit and vegetables to take advantage and market their products to a consumer base that is increasingly consuming fruit and vegetables, a key window to obtain a consumer base exists at present. Any exotic fruit and vegetable producer who can keep their products cost competitive will be in a good position to become ever more active in the UK market. Along similar lines, there is increased interest in fresh produce with certifications such as organic among some groups.

Consumers may be influenced by perceived quality-related factors such as size, shape, colour, maturity/ripeness and cleanliness. However, it should be noted that supermarkets – where the majority of consumers purchase their fresh produce – historically have very strict quality criteria, at least partially eliminating the need for consumers to pay close attention to quality. In recent years however, some supermarkets – partly on the back of media drive to reduce food waste – have started selling “wonky” (odd-shaped) fruit and vegetables. This has exposed consumers again to quality-related criteria while also making them aware that the shape of the vegetable does in fact not impact taste. Against this background, the use of perceived quality-purchase criteria by consumers may further evolve in coming years.

Convenience is often a notable consideration. Many consumers also want to consume a piece of fruit or vegetable quickly after they purchase it which results in fruits and vegetables being packaged and stored both in bulk packaging and individually to be picked by a consumer. Some consumers will look for pre-cut fruit and vegetables due to reasons of convenience.<sup>56</sup>

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<sup>56</sup> Euromonitor International: Fresh Food, 2021.



**Above:** fruit and vegetables are often organised by type in supermarkets, with separate aisles for different categories as demonstrated by this tropical fruit aisle.

**Below:** fruit and vegetables may be sold both packaged and loose, as demonstrated by this tomato display.



### Recent market trends

Fruit and vegetable consumption in the UK has been growing steadily during the past decade and the outbreak of COVID-19 has accelerated this process. Consumers are increasingly very aware of the health benefits of fruit and vegetable consumption which is seeing a growth in demand for these products in the UK. Supply issues have emerged as the UK has reduced access to labour following its exit from the EU. The harvesting of fruit and vegetables in the UK was heavily influenced by the country's ability to entice labour from the EU to come to the country to carry out the work during the harvesting season and it has now become more difficult for the country to fully harvest all of its fruit and vegetables leading to some supply shortages, the increased need to import from abroad and finally to higher prices. Higher prices may impact the progress that has been made over the past decade to get lower-income earners to consume fruit and vegetables which is a notable concern.

The sustainability and ethical trend is expected to continue to play out in the fruit and vegetable market through various mechanisms. Some supermarkets are increasingly adopting plastic-free packaging for fruit and vegetables. The market share of organic produce is expected to continue to grow; it is around 4% in the fruit category and 7% in the vegetable category, each up around 50% over the last decade.

Overall, consumption of fruit and vegetables is forecast to continue growing due to more of the population continuing to identify as vegetarian or flexitarian, the growth of on-trade plant-based food establishments and increased health concerns following COVID-19. Nonetheless, it is necessary to be aware of the risks around the current emerging cost of living situation which could ultimately have an adverse negative impact on fruit and vegetable consumption.

### 5.2.3 Offer

#### Domestic production

The UK is a large fruit and vegetable producer however it continues to rely on imports to meet domestic demand. The country produces under a fifth of the fruit it consumes while this rises to just over half for vegetables. British farms produce 3.5 million tonnes of fruit and vegetables annually on 153 000 acres. The value of domestic fruit production in 2021 is estimated to be roughly EUR 2 billion while domestic vegetable produce is valued at EUR 1 billion. In value terms, the major vegetables producers are:

- Lettuce GBP 187 million (EUR 215 million)
- Carrot GBP 185 million (EUR 213 million)
- Onion GBP 154 million (EUR 177 million)
- Tomatoes GBP 123 million (EUR 141 million)
- Mushroom GBP 118 million (EUR 136 million)

Other common vegetables produced in the UK include carrots, broccoli and potatoes. The major fruits produced are:

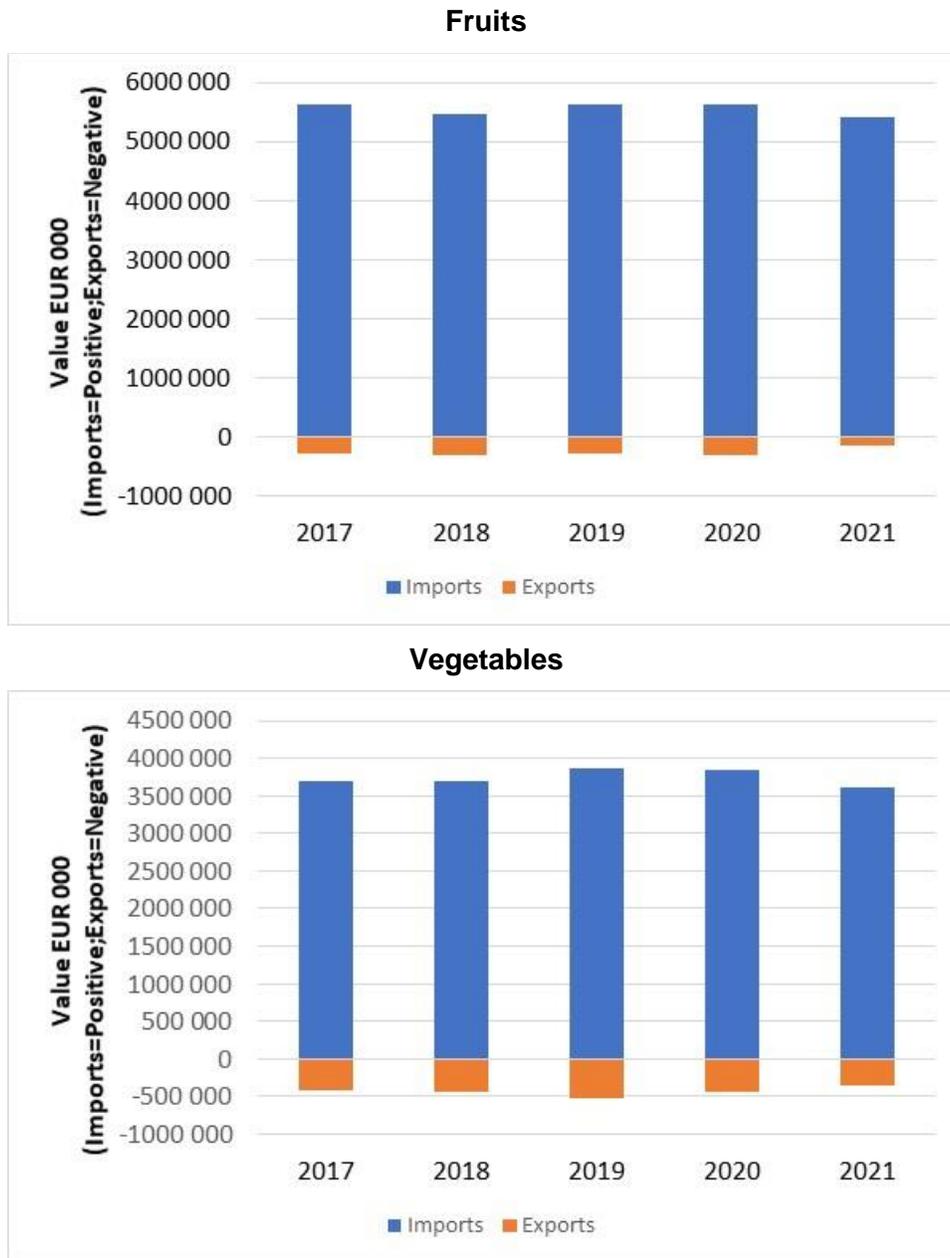
- Strawberries GBP 352 million (EUR 405 million)
- Dessert apples GBP 154 million (EUR 177 million)
- Raspberries GBP 148 million (EUR 170 million)
- Culinary apples GBP 43 million (EUR 49 million)
- Pears GBP 22 million (EUR 25 million)

Apples are the most common fruit in volume terms, with the UK producing around 500 000 tonnes of apples annually. Most apple production in the UK is focused in warmer regions of the country such as Kent, Herefordshire and Essex. These regions are also key for the production of berries and pears. Vegetables are more appropriate for the climate of the UK and are grown throughout the country from Scotland to southern England. Some of the bigger fruit organisations in the UK include Berry gardens, Asplin's and Farm fresh while some of the bigger vegetable organisations include Greenyard fresh, MS Veg and fruits UK and Fresca group.

#### Imports and exports

As Figure 5-8 shows, the UK is a net importer of both fruit and vegetables. While the country itself does produce a large share of the vegetables it consumes it is far from self-sufficient with this being even more apparent for fruits. Demand for fruits which cannot be grown, at least in an economically viable fashion, due to climatic reasons in the UK is the key reason behind the trade deficit for fruits; while demand for vegetables comes from a combination of exotic vegetables or more common vegetables from nearby countries that have a large production of vegetables such as Spain and the Netherlands. Despite supply chain issues recently, total imports have remained roughly the same for the previous five years for both fruit and vegetables with fruit imports coming to a value of roughly 5.5 billion each year between 2017-2021. Total vegetable imports during the same period came to a value of EUR 3.6 billion.

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables in the UK, 2017-21; value EUR 000



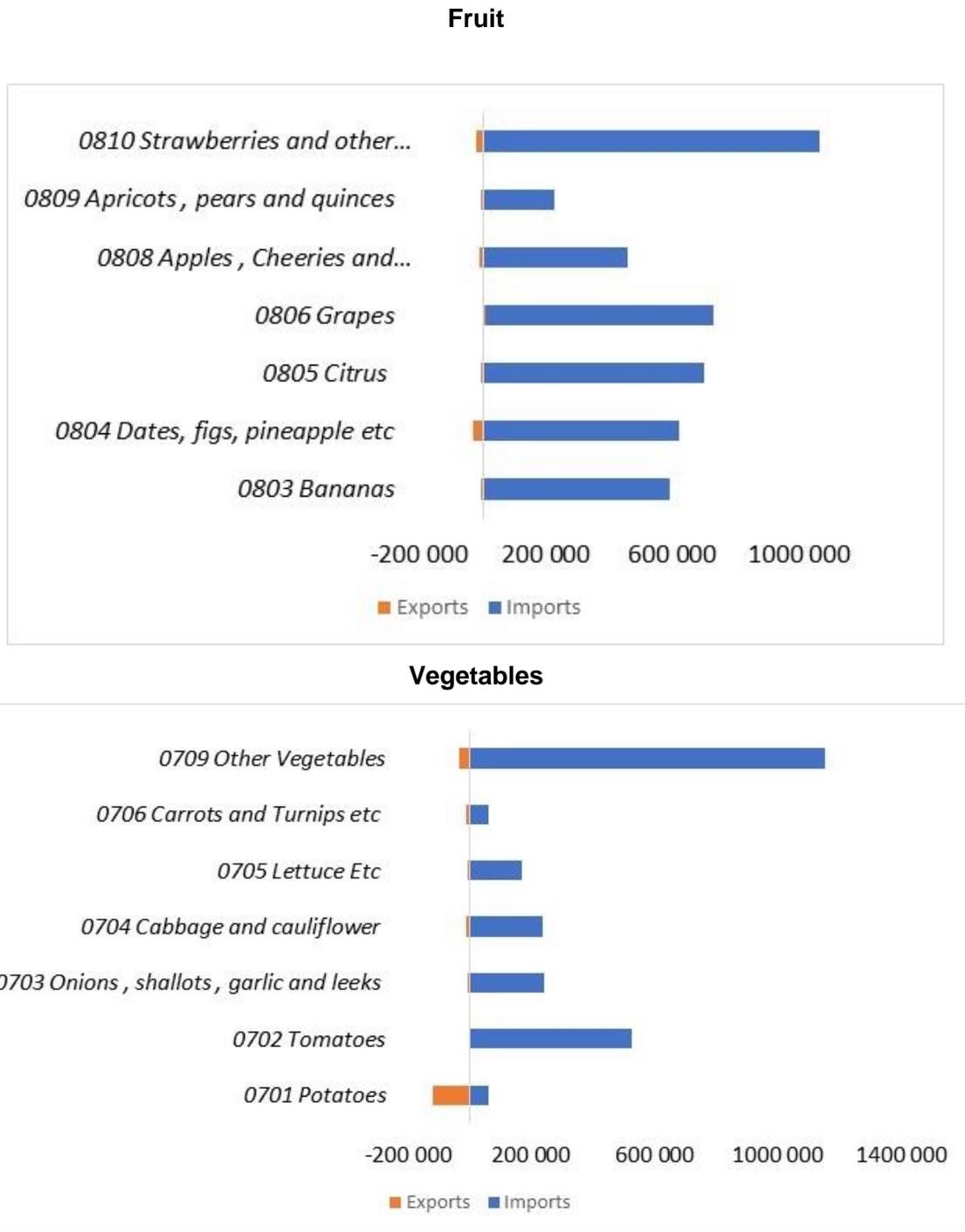
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 07 and 08.

Figure 5-9 shows a breakdown of which fruits and vegetables are commonly imported and exported into the UK. As is to be expected from a country with such a large trade deficit in these products as a whole, most individual fruit and vegetable categories are a trade deficit for the UK. Potatoes stand as the only fruit and vegetable product in which the UK has a trade surplus; this is due to the climate of the UK being particularly complimentary to potatoes production. Strawberries are by a considerable distance the most imported fruit product by the UK with total

strawberry imports coming to a value of EUR 1 billion in 2021. This is followed by grapes with a value of EUR 730 million and citrus fruits with a value of EUR 700 million. Total exports of fruits from the UK are minimal. The other vegetable category which includes legumes vegetables are the most imported by the UK to a value of EUR 1.1 billion, this is followed by tomatoes to a value of EUR 525 million and cabbage to a value of EUR 237 billion.

Figure 5-9: British trade balance of fruit and vegetables by type, 2021 (value EUR 000; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

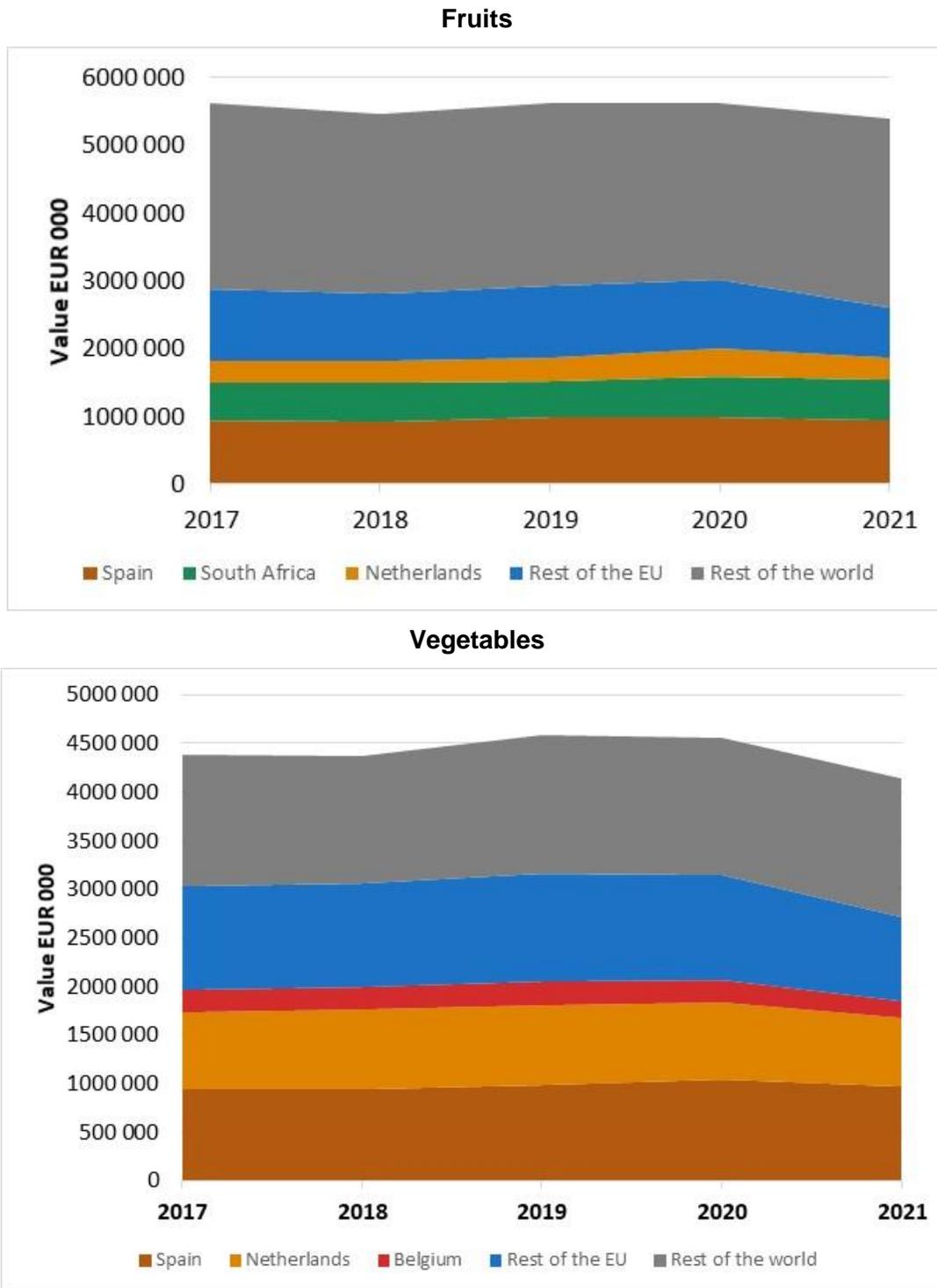
Note: names for CN codes are abbreviated in most cases.

Only indicated CN codes are presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

In terms of origin, Spain is the largest exporter of fruits to the UK with the UK predominately importing strawberries, citrus fruits and apricots from the country. Total fruit imports from Spain came to a value of just over EUR 1 billion in 2021. South Africa is the second largest exported with a total value of 715 million and enjoys reverse seasonality with both the UK and its nearby European trading partners, which encourages imports during colder months. The Netherlands is the third largest exporter with a value of EUR 400 million. Overall, the EU as a whole accounts for just under half of all fruit exports to the UK with other EU member states that export a substantial amount of fruit to the UK including Ireland, Poland and Italy.

In relation to vegetable imports from the UK, the EU is more dominant accounting for roughly three-quarters of all vegetables imported by the UK. Spain is the largest exporter of vegetables to the UK with a total trade value of EUR 1 billion to the country followed by the Netherlands and Belgium. Spain largely exports tomatoes, legumes and cabbages to the UK while the Netherlands largely exports cucumbers, onions and also legumes. Belgium is a large exporter of steamed or boiled vegetables to the UK. Other large vegetable exporters from the EU include Germany, Ireland and France.

Figure 5-10: British imports of fruits and vegetables by country, 2017-21; value EUR 000.



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 07 and 08.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any fresh fruit and vegetable GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competition for the EU comes from fruit products sent from South Africa, Peru and Chile which all have reverse seasonality with the UK and Europe, which gives them a clear market advantage when exporting to the country during the colder months of the year. The bigger competitors in vegetable products come from China, Morocco and India although the EU far exceeds all of these countries in relation to the trade of vegetables to the UK. Domestic production of fruit provides limited competition for EU products with the domestic production of vegetables being a bigger concern, but still, domestic vegetable production falls well short of demand. Supply and harvesting issues in the UK have somewhat stymied competition from domestic production in recent years however this will likely subside going forward.

### 5.2.4 Specific market entry requirements

#### Market Access and Entry;

As set out in Table 4-2, the main requirement for fresh fruit and vegetable products is a phytosanitary certificate; though there are a variety of unregulated plant and plant products which, when coming from the EU, do not need to go through any plant health controls or require this certificate at present. This includes e.g. citrus fruits.

A certificate of conformity for fruits & vegetables will be required from 2024. For more details see <https://www.gov.uk/guidance/importing-and-exporting-fresh-fruit-and-vegetables>.

The UK has a page with dedicated guidance on importing plant and plant products from the EU. This can be found at: <https://www.gov.uk/guidance/import-plants-and-plant-products-from-the-eu-to-great-britain-and-northern-ireland>

It is important to note that full checks and certification requirements on imports of plant products to the UK from the EU have been postponed until the end of 2023 at the earliest. Therefore, it is likely that the requirements set out above will change after that date. There are currently no details on likely changes (see section 4.2.1).

It is worth monitoring Defra's guidance on importing food and drink and the above guidance on plant/ plant products from the EU to keep up to date with the latest requirements.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – citrus fruit category (0805) from Spain to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0805&origin=ES&destination=GB>

### **Standards, SPS measures, labelling**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for fresh fruit and vegetables. Products must comply with the labelling requirements outlined in section 4.2.3.

### **5.2.5 Distribution**

The retail sector accounts for the majority of sales of both fruit (89%) and vegetables (82.7%). Total sales via the retail sector have continued to grow in recent years with large retail outlets such as supermarkets, hypermarkets and convenience stores offering a wide variety of fruit and vegetables on their shelves. Indeed, overall supermarkets chains dominate the distribution of fruit and vegetables; it is estimated that close to 4 consumers in 5 purchase their fresh produce from supermarkets (whether in-store or online). Just over 1 in 10 purchase fresh produce from smaller local supermarkets; with the remainder purchasing from specialist green grocers, markets, through subscription box services or other through channels.

A fairly new, emerging retail channel is that of subscription boxes, through which farmers send their produce on a regular basis directly to consumers. This is particularly common for organic fruit and vegetables, and some farmers providing this service also use it to promote their efforts in other areas of sustainability. There is by default a strong aspect of seasonality to subscription boxes.

The food service industry saw a decline in its share of sales for both fruit and vegetables in recent years with the outbreak of COVID-19 compounding this decline as food service outlets were forced to close, as some of them never reopened. Nonetheless a rebound is expected in coming years. The most popular fruits used in the food service channel are bananas (23% of total fruit volume), followed by apples (19%) and oranges / tangerines etc (17%). For vegetables, it is onions (14% of total volume) followed by tomatoes (13%). The institutional channel of distribution for fruit and vegetables is small with this channel accounting for less than 1% of both fruit and vegetable sales in the UK.

**Figure 5-11: distribution of fresh fruit (left) and vegetables (right) in the UK by volume, 2021**



Source: Euromonitor International: Fresh Food, 2021.

Looking specifically at imported fruit and vegetables, these are most likely to be sold through large modern retail channels – an estimated 60% pass-through supermarkets, hypermarkets and alike. A further 20% are sold through smaller retailers and open markets, with a further 13% split between independent retailers, convenience stores and other channels. Food service is not an important channel for imported fruit and vegetables – it is estimated to account for under 7%.

### 5.2.6 Challenges for EU products

The main challenge for EU fruit and vegetables in the UK will be the introduction of certification and routine checks and certification requirements currently scheduled to begin in January 2024 which will impact the transportation process for fruits and vegetables grown in the EU being sent to the UK. The previous smooth process is likely to become ever trickier as checks and restrictions are introduced. A further challenge at present is that the nature of these checks is not yet fully known as they are currently under review. EU producers may have to readjust the logistical

networks they have established over many years with the UK to account for the introduction of checks. However sufficient time before the changes become operational should allow the EU producers to smoothly adapt to the new requirements.

Domestic production is likely to continue to fail to meet domestic demand, resulting in continued high demand for EU fruit and vegetables in the coming years. This combined with a population that is increasingly consuming more fruits and vegetables, makes the UK a promising market but one that needs to be researched thoroughly as ever more restrictions are imposed.

### **Market Takeaway: Fresh fruit and vegetables**

**Consumption:** Consumption of fruit and vegetables in the UK is growing, compounded by the rise in health consciousness amongst the population, the rise in plant-based on-trade establishments and the growth of ethnic communities with a more plant-based culinary culture. However, a large part of the population still eats lower than the recommended amount.

**Competition:** Domestic production is somewhat limited. South Africa is the largest fruit competitor and enjoys reverse seasonality with the UK and the EU. Peru and Chile are also competitors but lag behind EU producers. The biggest vegetable competition comes from China, India and the US although these countries all lag behind bigger EU producers such as Spain and the Netherlands.

**Distribution:** Retail outlets account for around 85% of fruit and vegetable distribution which makes this distribution channel the key channel to target in the UK. Around 4 in 5 consumers purchase their produce from supermarkets (in store or online). Food service outlets account for between 10 and 16% of vegetable sales in the UK while sales for institutional channels of distribution are small at less than 1% for both fruit and vegetables.

**Challenges:** The introduction of fruit and vegetable checks and certification requirements planned to begin in 2024 will potentially pose the biggest challenge for EU fruit and vegetable producers exporting to the UK as previously smooth channels of distribution will need to be adjusted. This may lead to the restructuring of long-established supply networks for EU exporters exporting fruit and vegetables to the UK. Competition from domestic production is a minimal challenge for fruits but more significant for vegetables.

**Opportunities:** Growing demand for fruit and vegetables of a wider variety in the UK coupled with overall growing consumption patterns makes the UK a notable market of interest for EU producers. Continued interest in sustainability issues. Producers that can introduce new fruit and vegetable varieties at a cost-competitive price will be best positioned to take advantage of the opportunities a growing demand for fruit and vegetables in the UK will bring.

## 5.3 Dairy

### 5.3.1 SWOT analysis

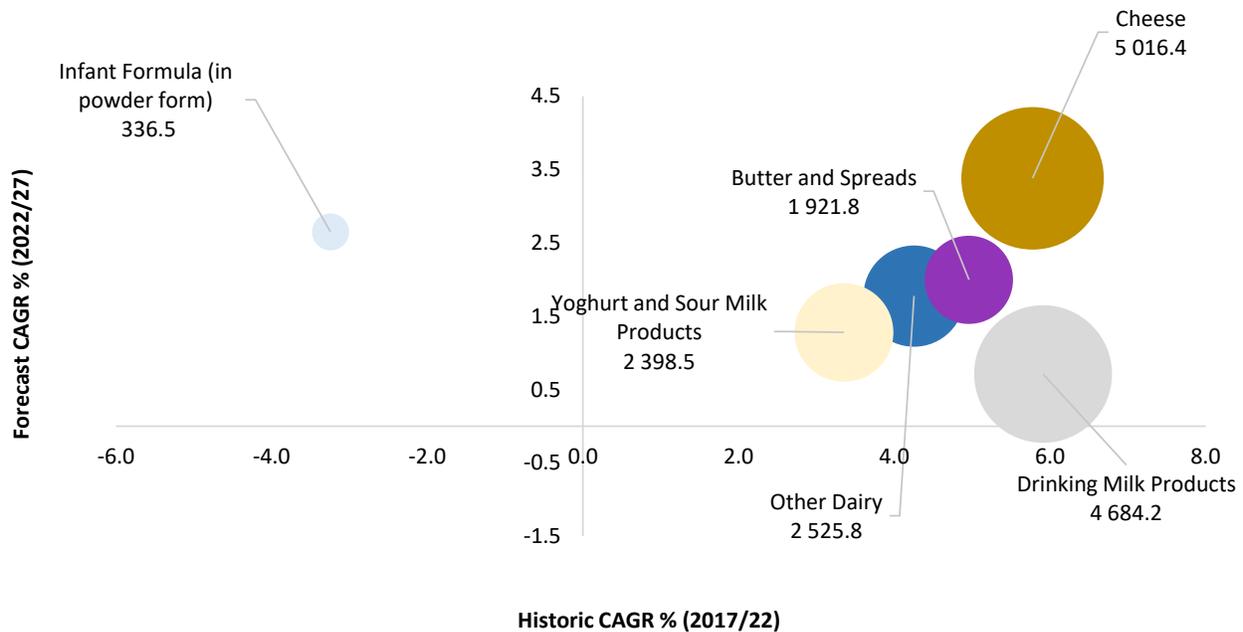
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ A strong tradition of dairy products and their consumption creates a massive market.</li> <li>▪ There is a group of discerning consumers with developed palates which appreciates quality imported cheese and butter products different from the UK norm.</li> <li>▪ The EU is the dominant origin for imports, accounting for close to 100% of all dairy imports.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Domestic production is very strong, both in terms of milk and in terms of subsequent processing. The UK is, in most years, around the world's 10<sup>th</sup> largest milk producer.</li> <li>▪ Mass-market consumer preferences for certain domestic types of products (e.g. cheddar cheese, sweet cream butter).</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ All GIs which were protected in the EU as of end of 2020 are now protected in the UK, including a large number of cheese products.</li> <li>▪ The UK has a significant structural shortage of cheese products, with high volumes being imported from the EU as a result.</li> <li>▪ Various interesting opportunities through alternative channels for artisanal cheese and butter products, including: food service, e-commerce (subscription boxes), and specialist delis / cheesemongers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The industry is dominated by a handful of large domestic dairy processors, led by Arla UK. Australia and New Zealand pose possible future major competitive threats due to the FTAs.</li> <li>▪ Private label products are popular across multiple dairy categories, with the dominance of supermarkets for dairy distribution and the focus on price as key drivers for this. This in turn creates more commodities like mass markets for many dairy products.</li> </ul>

### 5.3.2 Consumption

#### Evolution of consumption

Figure 5-12 below shows the various retail values of markets for dairy products in the UK. Cheese is the largest dairy product by retail value, with a market value of EUR 5 billion. Cheese grew by a CAGR of 5.8% between 2017 and 2022. However, this growth rate is expected to slow to a positive 3.4% per year between 2022 and 2027. Drinking milk products is the second-largest market by retail value and has a retail value of EUR 4.6 billion. The drinking milk products market is forecast to have a CAGR between 2022 and 2027 of 0.7%. The other dairy category is valued at EUR 2.5 billion with yoghurt and sour milk products valued at EUR 2.3 billion, butter and spreads at EUR 1.9 billion and finally infant milk formula at EUR 336 million. All dairy products are expected to see a positive CAGR in retail value between 2022 and 2027.

**Figure 5-12: Evolution and forecast of the dairy market (retail value, EUR millions) in the UK, 2017-2027**



Source: Euromonitor International: Packaged Food, 2021.

## Consumers

Dairy products have long been widely consumed in the UK. Indeed, they are such an integral part of the UK diet that generally consumers span the whole of society.

- **Milk:** consumption is basically universal, due to its common usage. On balance, consumption is slightly higher among children.
- **Cheese:** an estimated 98% of UK consumers purchase at least some cheese, making the product basically universal; and the average consumer will eat cheese two to three times a week<sup>57</sup>. Some interesting subsets of cheese consumers include:
  - *Working professionals*, who will tend to consume it in sandwiches as well as a snack e.g. with crackers or a post-dinner treat.
  - *Children*, who will often consume cheese at part of their packed lunch or as a snack. Mini cheeses of the cheddar, edam and Emmental varieties are popular with them, as are cheese strings.
  - *Higher income consumers*, who appreciate premium products including artisanal cheeses – most of which are considered an expensive/luxurious product.

Looking specifically at imported and artisanal cheese, as well as having higher incomes consumers tend to be above the age of 30. Not only is this segment more likely to be able to afford these products, but they also have the more developed palates to appreciate them.

<sup>57</sup> Case Study – Cheese in the UK, Daniel Keech, available at [https://www.researchgate.net/publication/293633080\\_Case\\_Study\\_-\\_Cheese\\_in\\_the\\_UK](https://www.researchgate.net/publication/293633080_Case_Study_-_Cheese_in_the_UK)

- **Butter and spreads:** again, consumers come from across the board. With butter consumption driven to a high extent by its use in cooking, culinary enthusiasts are a notable sub-group of butter consumer.
- **Yoghurt:** as with other dairy products, yoghurt is consumed more or less across the board in the UK. However, consumption tends to be higher among two groups: the very young (under 10) and the very old (over 65). Indeed, the under 3 segment is among the largest consumers of yoghurt in per capita terms in the UK, with an average of almost 50g per day consumed.<sup>58</sup>
- **Other dairy:** the segment is dominated by deserts and cream; combined they account for around  $\frac{3}{4}$  of the other dairy segment with fromage frais accounting for the majority of the rest. While consumers come from across the board, notable groups include home cooks for cream and children for fromage frais.

### Drivers and method of consumption

Dairy consumption in the UK is generally driven by long established consumption patterns. Looking on a product by product basis:

- **Milk:** there are two very common methods of consumption of milk in the UK. The first is in milk and tea (black). The average Briton drinks 1.5 cups of tea a day (making around 100m cups across the UK); and milk is traditionally used in tea. Similarly, coffee is commonly accompanied by milk. The second notable use is in breakfast cereals. Around an estimated 14 million people – about  $\frac{1}{4}$  of the UK population eat breakfast cereals at least once a day; and this is most commonly accompanied by milk.
- **Cheese:** a key driver of cheese is its use at mealtimes; most notably with bread – above all in sandwiches, which are more likely to be consumed at lunchtime. This usage drives consumption of both the most popular cheese in the UK, cheddar, as well as that of spreadable cheeses; though the consumption of cheese with bread can also extend to some imported cheeses. Consumption of certain imported cheeses such as mozzarella, feta, halloumi and parmesan are more commonly driven by their use in cuisine / meals. More premium or artisanal cheeses are likely to be consumed either during special events (e.g. at Christmas or at parties); on crackers as a higher end snack; on a dessert cheeseboard; or with wine. Some high end cheesemongers will offer cheeseboard collections specifically for certain wine types.
- **Yoghurt:** health is a major driver of yoghurt consumption in the UK. Traditionally there is an association with sport, most notably through protein content; though more recently, the gut health benefits of yoghurt are another clear health association. This driver most notably lends yoghurt to being consumed as a healthy snack. There is, nonetheless a notable indulgence segment in the UK yoghurt market – though it does face tough competition from products which may be considered more naturally indulgent, such as chilled desserts.
- **Butter:** Margarine consumption in the UK is slightly higher than that of butter, though the latter has been steadily growing at the expense of the former. While both products are

<sup>58</sup> Quantity of yogurt, fromage frais and other dairy dessert consumed per day in the United Kingdom (UK) from 2008 to 2012 by age, Statista, available at <https://www.statista.com/statistics/436566/quantity-yogurt-dairy-consumed-in-the-united-kingdom/>

used as a spread on bread to some extent, margarine is more likely to be used in this way. Butter on the other hand is more likely to be used in cooking and baking. Butter is also more popular than margarin in on-trade channels.

- **Other dairy.** As noted above, desserts form the largest segment within other dairy, with chilled deserts preferred to shelf stable ones. These are most commonly consumed at home after the main meal. Cream is also highly popular and is more likely to be used either in cooking/baking, or as a dessert accompaniment. There are smaller segments of fromage frais and quark – both plain and flavoured; with this product more likely to be consumed as a snack.

### Purchase criteria

In line with the general situation for dairy in The UK, price and natural products are frequent considerations for consumers of dairy products. Looking more specifically on a product-by-product basis:

- **Milk:** first and foremost, UK consumers are accustomed to buying fresh milk. Almost 95% of cow's milk sold in the UK is fresh. While the market for shelf stable milk has grown at a quicker rate in recent years than that of fresh, the clear preference for fresh milk remains undisputable. Secondly, milk can be considered a convenience commoditised market in the UK, meaning that consumers tend to take whatever is available at a cheap price with little interest taken in the brand. This is best reflected by the dominance of private label products; the own brand products of the largest four supermarkets account for over 50% of the market; this share is only slightly behind their share of overall grocery distribution (70%). Finally, consumers have a clear preference for reduced fat milk. Only ¼ of all fresh milk sales in the UK are full fat. Around 2/3 are semi skimmed and the remainder fat free.
- **Cheese:** overall, UK consumers have a clear preference for hard cheese, and more specifically, for cheddar. Hard cheese accounts for almost 75% of the UK market, with soft and spreadable cheeses each accounting for around 10% (processed cheese consumption is rare). Cheddar has consistently accounted for over half of the hard cheese market (and so almost 40% of the overall cheese market). While there are various other popular British produced cheeses which account for a large share of the remainder of the hard cheese market, some imported cheeses – most notably Parmesan and Emmentaler, but also Edam, Comte and Manchego are somewhat popular. Mozzarella is the most popular soft cheese. There are some regional differences in the popularity of cheeses. Mozzarella is more popular in Glasgow and Belfast; halloumi and feta style cheeses more popular in Edinburgh, Leeds and Brighton; and brie/camembert style cheeses more in demand in London, Bristol and Belfast.

The intended use of the cheese will play some role in the purchase decision, with the purchasing of some cheese varieties driven by their use in cooking certain dishes. Overall, UK consumers are more accustomed to purchasing cheese pre-packaged and in blocks, rather than either loose or sliced and pre-packed. While brand can influence the purchasing decision for some cheese types, private label products are common and the price advantage they offer can make the popular with consumers; a bit over 40% of cheese sold in the UK is private label (with the big four supermarket's private label products

accounting for around 1/3 of the market). Indeed, price is a notable criterion for many urban consumers; while rural consumers on balance are more likely to prioritise taste. Consumers of more premium and artisanal cheeses will pay attention to the label (if the product is packaged) and the story behind the product. Often these consumers appreciate more natural products and packaging which communicates this. They will also take into account smell and taste profiles – particularly if they purchase the product loose from a cheesemonger. Cheeses with olfactory profiles of dry hay, brine, fruit and strong/stinking (e.g. like strong blue cheeses) are some of the more sought out profiles.

- **Yoghurt.** UK consumers are more accustomed to flavoured yoghurt products; they account for around 60% of the market with plain and drinkable yoghurts each accounting for around 20%. Strawberry is the most popular flavour in the UK, followed at present by raspberry and then vanilla. Cherry, blueberry and peach are other popular flavours. With consumption of yoghurt as a snack common, smaller packaging sizes are popular. Unlike most other dairy segments, consumers do pay attention to brands when buying yoghurts.
- **Butter.** Brand is an important criterion in the butter and margarine market. Under 20% of sales are private label, leaving around 80% as branded products; and indeed, consumers tend to be quite brand loyal in this category. British consumers typically purchase lightly salted butter. The most common pack size are 250g and 500g; though there is increasing demand for 375g and 750g packs. While block butter is more popular overall, younger adults tend to prefer spreadable butter.

Most of the butter in the UK is sweet cream butter. However, artisanal and premium products often are lactic butter, with the qualities of this type of butter appreciated by more discerning consumers and high-end restaurants.

- **Other dairy.** Purchase criteria are somewhat divergent. While health is a common purchasing criterion, in the desserts segment many consumers seek indulgent products which may fundamentally be at odds with health; though there are producers which try to bridge this divide. While brand may play a role in the desserts segment, the market for cream is more commodity-like in nature.

#### Average cheese retail prices

Whilst generally not the primary purchase criterion, price does play a role in the segmentation of the UK cheese market. The list below provides approximate 2022 retail prices, per kg of the most common categories of cheese found on the UK market. It can be seen that cheddar is the cheapest by some margin.

- Mature / extra mature cheddar: GBP 6.20
- Vintage cheddar: GBP 7.70
- Soft continental cheeses: GBP 7.30
- Hard continental cheeses: GBP 9.90
- Blue cheeses: GBP 9.60



**Above and below:** non-UK cheeses are often grouped together with a limited number of larger brands or private label products generally offered, as these examples from different supermarkets show.



**Below:** extensive milk-alternative range demonstrates how popular dairy alternative products are becoming in the UK.



## Recent market trends

With regards to **milk**, three recent trends stand out. Firstly, the faster growth of shelf stable milk as consumers have started to stock up. This can be considered a result of the aftermath of COVID (when stocking up was common) and recent shortages of some products. Secondly, semi skimmed milk continues to gain in popularity due to the increased ongoing focus on health. Thirdly, milk alternatives are growing. The UK market is already well developed in terms of milk alternatives but consumption continues to grow with oat milk recently becoming the most popular milk alternative – largely accounted for by the successful launch of the brand Oatly in the UK. The continuing increase interest in milk alternatives is explained by a combination of health and sustainability concerns.

Recent trends for **cheese** include a focus on health and a focus on sustainability. The growth in plant-based cheeses arguably plays on both these trends. The market for these remains very much a niche but is emerging. In the specific area of health, there is an increase in products labelled as low in fat; and some higher protein and/or functional cheese can be found on the market. The main way in which the sustainability trend can be seen is in packaging, with various branded products at the forefront in trying to reduce the amount of plastic used in packaging while also clearly communicating this to consumers. These efforts with sustainable packaging are against the background of recent legislation on the use of recycled plastic (see section 4.2.3).

As implied above, the gut health segment of **yoghurt** is growing quickly at present, as is the functional segment. As is the case with other dairy segments in the UK, an increasing number of plant based products can be found on the market, though their share remains small.

In the area of **butter and spreads**, there has been a plant-based trend of late which inherently favours margarine to some extent. However, margarine consumption is on a long term downtrend, while butter consumption has been steadily growing; and this trend is expected to continue over the next couple of years. The tightening economic conditions most recently have provided a tailwind for economy brands and for private label products. However, there is also some interest in products coming from smaller dairies.

Different products in the **other dairy** segment show different recent trends. Healthy indulgence has been a notable trend for the desserts segment. Organic cream has been increasing in popularity in the UK, though it remains a small percentage of the market; and there is interest in plant-based products. In the fromage frais market, the push has been towards the product being considered a healthy snack; with higher protein and lower fat/sugar products being increasingly offered.

### 5.3.3 Offer

#### Domestic production

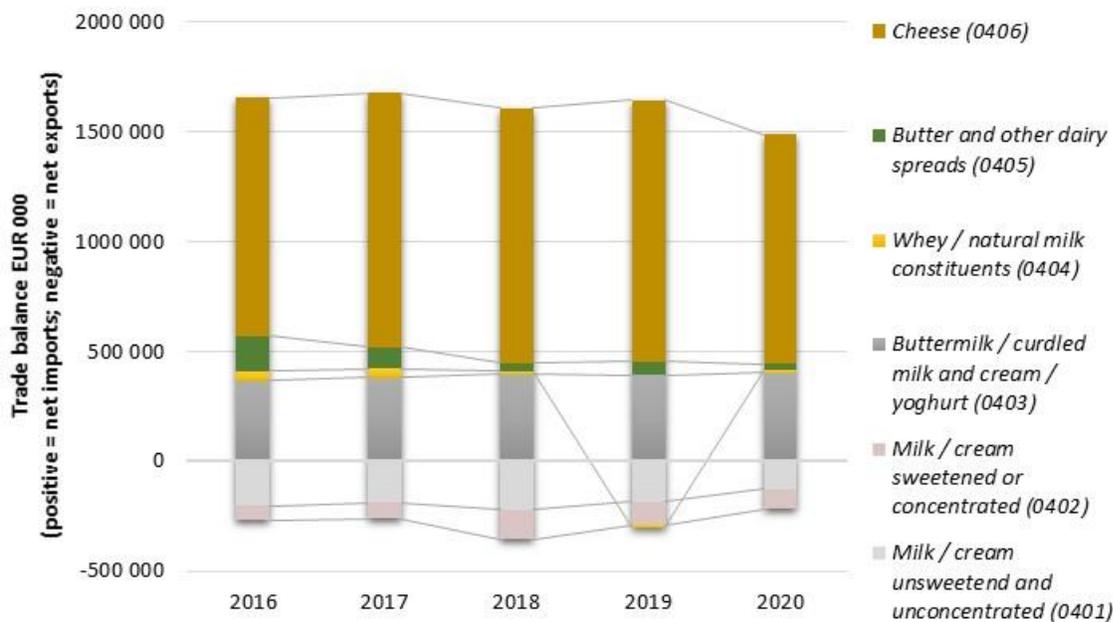
The UK has a well-developed dairy industry that accounts for over 15% of all UK agricultural production. There is a milking herd of around 1.6m cows distributed across just under 8 000 producers, creating an average per producer herd of 200 cows. The UK's dairy herd produces around 12.4 billion litres of milk each year. The milk produced and imported mainly goes to the production of liquid milk (just under 50% of milk utilisation) and cheese (around 1/3 of milk utilisation). The remainder is used for butter, milk powders, cream and other dairy products in small and roughly equal proportions.

Overall, the UK produces just over 6 million tonnes of liquid milk each year, 500 000 tonnes of cheese and 200 000 tonnes of butter. The overall dairy supply chain is dominated by a handful of large companies which have historically account for 90% of milk and dairy products coming to market. The most notable ones, are, in order of market share size: Arla UK, Weismann Muller (which includes Dairy Crest’s previous milk business), Ornuva Foods and Dairy Crest. Arla is the largest player with historically a strong position in supplying supermarkets for private label products, as well as some Arla-branded products. Weismann Muller has become stronger in the private label area but also offers its own branded products and following its acquisition of Dairy Crest’s milk business, is strong in the area of home delivery milk and catering. Dairy Crest owns the UK’s most popular non-private label cheese brands (Cathedral City and Davidstow).<sup>59</sup>

**Imports and exports**

The UK is a net importer of dairy products in value terms. While a slight net exporter of milk and cream, it imports a considerable amount of cheese as well as a fair amount of buttermilk (Figure 5-13). Levels of net imports and exports have been fairly stable over the last five years, with the small year-on-year fluctuations largely explained by corresponding small shifts in domestic production.

**Figure 5-13: Trade balance (imports and exports) of dairy in the UK, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

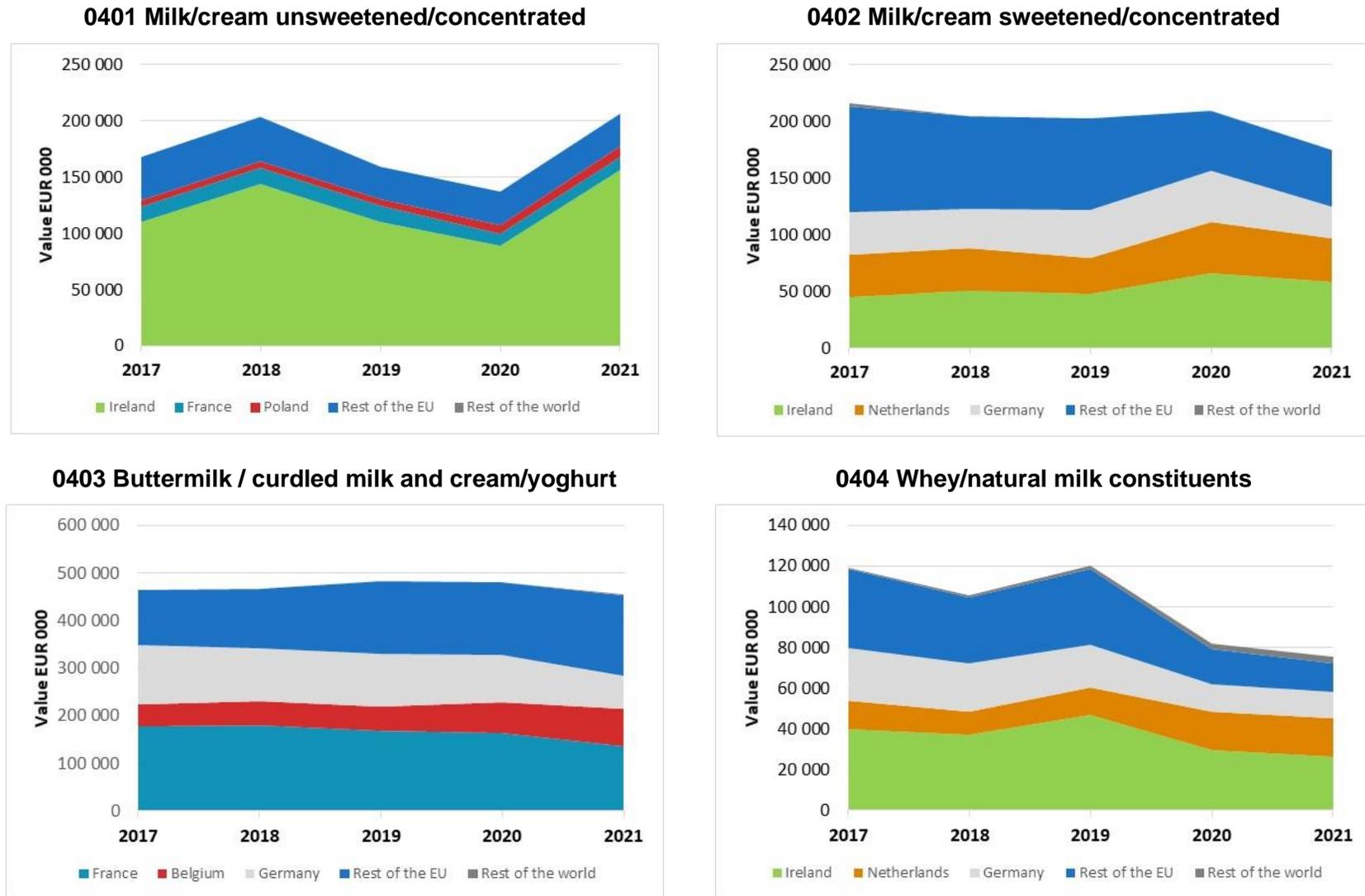
CN codes in brackets.

In terms of origins of imports, the EU is dominant accounting for close to 100% of imports, with notably Ireland as an important origin for multiple categories. More specifically, as shown in Figure 5-14:

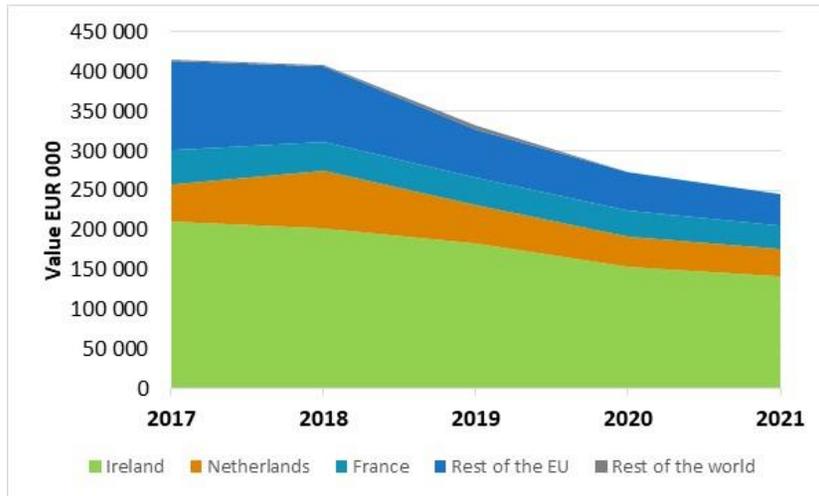
<sup>59</sup> <https://ahdb.org.uk/dairy/dairy-at-a-glance>

- **Sweetened/concentrated milk/cream:** Ireland accounts for around 75% of total imports.
- **Unsweetened/unconcentrated milk/cream:** Ireland accounts for a bit under 1/3 of imports, with the remainder split roughly equally between Germany, the Netherlands and the rest of the EU.
- **Buttermilk, curdled milk and yoghurt:** France is the largest origin, accounting for just under 1/3 of imports. Belgium and Germany each account for around 1/6<sup>th</sup>, and the remaining 1/3 is split among other EU countries.
- **Whey and natural milk constituents:** Ireland accounts for just under 40% of imports. The Netherlands, Germany and the rest of the EU split the majority of the remainder.
- **Butter/dairy spreads:** Ireland accounts for almost 60% of imports. The Netherlands, France and the rest of the EU split the remainder roughly equally.
- **Cheese:** there is much more diversity in origins than for other products. While Ireland is the biggest origin, it accounts for only around ¼ of imports. France and Italy each account for around 15%, with most of the balance split between other EU countries.

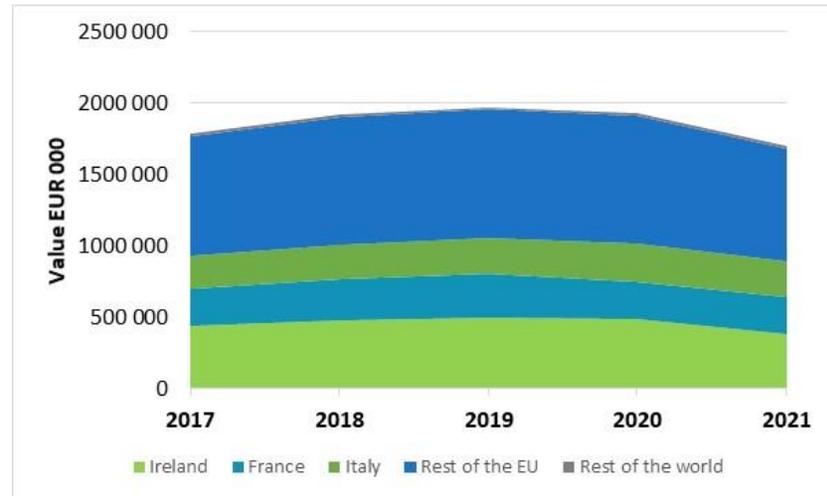
Figure 5-14: British imports of different dairy categories by country, 2017-21; value EUR 000



**0405 Butter/dairy spreads/**



**0406 Cheese**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes are indicated above graphs.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any dairy GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The key competition in the market comes from the UK's very well developed domestic dairy industry, which is dominated by a handful of large companies; led by Arla UK. The EU almost has a monopoly on imports, with Ireland holding a particularly strong position across categories.

### 5.3.4 Specific market entry requirements

#### Market Access and Entry

As a product of animal origin, there are multiple requirements for imported dairy products, including:

- a veterinary health certificate for animal products;
- registration with the IPAFFS;
- a licence to import animal products and pathogens;
- Automatic licence verification system (ALVS)
- a health entry document for animal products

Establishments exporting animal products to Great Britain need to be **registered by the UK authorities for that purpose. The establishments registered on TRACES NT** by the Competent Authority of their Member State according to EU rules, are also registered by the UK authorities for export to Great Britain

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general cheese category (0406) from France to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0406&origin=FR&destination=GB>

#### Standards, SPS measures

While legislation is effectively the same as it is in the EU at present, a dairy code of conduct is being worked on at present. This however is understood to target domestic production with the aim of ensuring a fairer supply chain. More information on the ongoing work can be found here: <https://www.gov.uk/government/news/new-code-of-conduct-to-ensure-a-fairer-dairy-supply-chain>

It is recommended that producers are aware of the legislation around HFSS products as depending on composition, some products may be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

## Labelling

Dairy products must conform to the labelling requirements set out in section 4.2.3.

### 5.3.5 Distribution

Modern grocery retailers are dominant in the retail distribution of dairy. They account for 69.2% of the distribution of dairy; with traditional retailers accounting for roughly a quarter of sales. Other foods non-grocery specialists account for just 1.1% of sales as shown below in Figure 5-15. However, this overarching picture for dairy masks some differences between products. More specifically:

- **Drinking milk:** there is a notable level of home delivery / e-commerce. This accounts for around 5% of distribution.
- **Butter and spread:** traditional grocery retailers account for around 15% of distribution. There is a small but growing e-commerce segment.
- **Cheese:** e-commerce is growing and now accounts for just under 5% of sales. While traditional grocery retailers (e.g. independent outlets, food and drink specialists) account for around 10% of the market, their share has steadily fallen over the last five years from around 15%.
- **Yoghurt and other dairy:** Modern grocery retailers almost entirely dominant, accounting for almost 95% of distribution.

Food service is an important channel for multiple dairy products. Just under 30% of all cheese is distributed through food service; and the channel holds a strong importance for artisanal cheese products, which are largely blocked from the mass market by the dominance of large retailers and their private label products. That said, there are some specialised retailers which offer ranges of artisanal cheese to consumers for domestic consumption. The food service channel is however of much lower importance for butter, with under 10% of butter passing through the channel compared to over 90% passing through retail. However, there is good demand for quality artisanal butter – particularly individually package products in the 6-7 gram range – from higher end food service outlets.

Finally, with challenges getting some artisanal cheeses onto supermarket shelves, other distribution channels are often used to a greater extent than for cheese as a whole. Most notably, e-commerce subscription services (such as Abel and Cole) and artisan delis or cheesemongers may be used to distribute the product. Both of these channels have the added advantage of providing opportunities for further consumer education on the cheese type.

**Figure 5-15: Distribution channel overview of dairy in the UK (2021); all dairy products; retail value**



Source: Euromonitor International: Packaged Food, 2021.

### 5.3.6 Challenges for EU products

The biggest challenge for EU products is arguably the well-developed domestic industry which is dominated by a handful of large, well-established players which are strong across more or less all dairy categories. A further challenge is the dominance of supermarkets and also the popularity of their private label brands in many categories. In particular, this is likely to be a notable challenge for smaller scale cheese makers wanting to export to the UK. The food service industry, some specialist retailers and carefully-selected e-commerce channels may, nonetheless, offer a path to market for such products. In the area of cheese, it is important that exporters are aware of the UK consumer’s overarching preference for hard cheese – domestically produced Cheddar in particular – and subsequently bear in mind this background when entering the market or targeting consumers.

Following the exit of the UK from the EU, some of the more specialist sellers of imported cheese have reported challenges due to the burden and cost of customs paperwork plus border delays (which have affected cheese with short shelf lives in particular). This has led to some resellers of these cheeses increasing prices; reducing the frequency of deliveries; avoiding cheeses with very short shelf lives; and in some extreme cases, prioritising and promoting British cheeses with profiles similar to the European cheese being requested by consumers. Nonetheless, the

underlying demand for these imported European cheeses remain, as long as challenges can be navigated and most notably the UK continues to have a structural shortage of cheese.<sup>60</sup>

Finally, an emerging threat comes from Australia and New Zealand. Under the recently-signed FTAs with the UK, tariffs on dairy products imported from these countries to the UK will gradually be removed and TRQs in place during the transition. This will erode the EU's tariff advantages and may ultimately threaten the EU's near monopoly as the origin of imported dairy in the UK (butter and cheese in particular) – though the EU maintains substantial advantages in terms of geographical proximity.

### Market Takeaway: Dairy

**Consumption:** Integral part of the diet. Cheese and drinking milk are the most popular products and largest markets; with clear preferences for Cheddar and fresh milk respectively.

**Competition:** while a net importer, domestic production is substantial. UK dairy processing is dominated by a small number of large, well established players. EU countries hold a dominant position among importers accounting for almost all imports.

**Distribution:** dominated by modern retail, though e-commerce is emerging as a channel for certain products (e.g. milk, cheese). Traditional retailers play a role in the distribution of butter, and a shrinking role in the distribution of cheese.

**Challenges:** strong competition from the domestic industry and potential future threats from Australia and New Zealand. Popularity of private label products for many dairy categories creating an effective commoditisation of some dairy markets.

**Opportunities:** structural shortages, most notably in terms of cheese with the EU filling these shortages.

<sup>60</sup> <https://www.specialityfoodmagazine.com/news/how-brexit-rules-on-importing-european-cheeses-are-affecting-uk-cheesemongers>

## 5.4 Wine

### 5.4.1 SWOT analysis

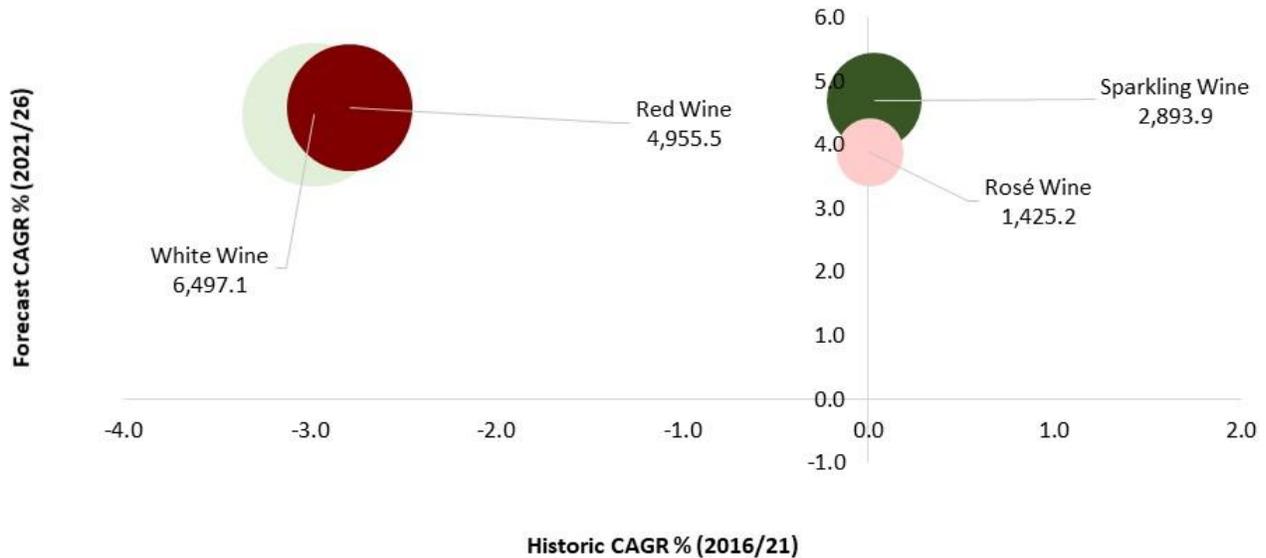
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU exports account for up to 70% of total wine imports by the UK with France, Italy and Spain being the three biggest wine exporters.</li> <li>▪ EU wines are well known and respected by UK consumers with many associating EU wines with important events such as weddings.</li> <li>▪ UK domestic production of wines is growing but remains unlikely to impact the wider market to a considerable degree.</li> <li>▪ The EU and the UK have recognised the equivalence of their oenological practices in the TCA.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Wine is taxed more severely than beer which may dissuade low-income consumers.</li> <li>▪ Consumption is declining among younger consumers who are more likely to abstain from alcohol consumption than older generations.</li> <li>▪ Total on-trade consumption levels of wine remain lower than pre the COVID-19 pandemic and are forecasted to take a number of years to fully recover.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Low and non-alcoholic variants of wines are positioned to grow quickly in demand in the UK in the coming years.</li> <li>▪ Wines that use and highlight sustainable production and packaging practices are well positioned to resonate with UK consumers.</li> <li>▪ Most EU wines already have a good reputation in the UK, and this is something that producers can leverage.</li> <li>▪ Wine tasting is a popular recreational activity in the UK and a key method to present new wines to consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing competition from other exporting countries such as Chile, Australia and New Zealand. The UK is likely to have an FTA with Australia and New Zealand by mid-2023 in place.</li> <li>▪ Rising temperatures are helping to boost the UK's domestic production of wine which previously was quite rare due to colder temperatures.</li> <li>▪ Potential for the wine market to shrink over the long term due to low consumption among the young. With mature consumers largely set in their ways, the market is notably tougher for smaller new entrants to gain a foothold.</li> </ul>

### 5.4.2 Consumption

#### Evolution of consumption

In 2021 the total wine market size in the UK was worth close to EUR 15.7bn. As shown in Figure 5-16, white wine is leading the market. In 2021, the white wine market was worth about EUR 6.4bn, followed by red wine with close to EUR 4.9bn. These two categories together made up around 3/4 of the total market size in 2021. The remaining quarter is made up of sparkling wine, which accounted for close to EUR 2.8bn and rosé wine with over a value of EUR 1.4 billion. Historically, between 2016 and 2021 the market for most wine categories was declining with red and white wines both declining by a negative CAGR of around -3%. This is expected to be drastically different in upcoming years with every wine category expected to grow in consumption between 2021 and 2026 with sparkling wine being the fastest growing with a forecasted CAGR of 4.7% between 2021 and 2026. White wine is expected to grow by a CAGR of 4.5% between 2021 and 2026 while red wine will grow by a CAGR of 4.6% in the same period.

**Figure 5-16: Evolution and forecast of wine market (million Euros) in the UK, 2016-2026; total value**



Source: Euromonitor International: Alcoholic Drinks, 2021.

### Consumers

Consumption of wine in the UK, while lower than in neighbouring countries such as France, is nonetheless relatively high at 19 litres per capita per year. There are some 26m regular wine drinkers in the UK - around half the adult population – though this number is down by about 4m since 2017. Consumers of wine in the UK tend to switch to the product as they age with an estimated 36% of wine consumers in the UK being aged 65 plus. There is also a notable and affluent consumer group aged between 45 and 65. Furthermore, as younger consumers are far more likely to abstain from alcohol completely this can make the millennial and generation Z consumer base particularly difficult to market to; it is estimated that 20% of adults in the UK abstain from alcohol consumption completely. Only around ¼ of 25-39 year olds drink wine regularly; and this percentage falls to just above 10% for the 18-24 year old segment.<sup>61</sup>

A 2021 YouGov poll looking into the wine market of the UK has yielded some interesting results. According to the poll consumers living in the southwest and east of England are the biggest consumers of wine.<sup>62</sup> Women are also bigger consumers of wine than men with 43% of women preferring wine over other alcoholic spirits; for men this figure drops to 21%. There are also some

<sup>61</sup> Alcohol Consumption UK, Drink Aware UK, available at <https://www.drinkaware.co.uk/research/alcohol-facts-and-data/alcohol-consumption-uk>

<sup>62</sup> Wine Drinkers UK, Raise a glass, one in three brits say wine is their favourite alcoholic tipple, <https://winedrinkersuk.co.uk/raise-a-glass-one-in-three-brits-say-wine-is-their-favourite-tipple/>

differences in preferences between men and women; the former tend to favour red wine and fortified wines such as port. Women are more likely to drink whites or rose.

Dry whites are the most popular wines consumed in the UK, particularly in Scotland and Northern England. Southern England including London has shown a general preference for red wines. British consumers of wine are known to be very brand loyal to the wines they choose which makes it particularly difficult for new wines entering the market to expand quickly; however, this also means that consumers attracted to new imported wines are likely to remain brand loyal to the product.

### Drivers and method of consumption

Key drivers of wine consumption come from social engagements, celebrations and consumption via on-trade establishments; this is particularly true of female consumers. Social engagements such as family get-togethers or drinks amongst friends often complement the consumption of wine as it is the alcoholic product of choice for many consumers. Celebrations such as a wedding or graduation also have become synonymous with wine consumption with wines such as Champagne, other sparkling wines and Sauvignon blanc being often consumed even by consumers that do not drink wine on a regular basis. Sparkling wines are also commonly consumed at brunch or afternoon tea social events.

Wine is often also consumed at restaurants during meals which makes the on-trade sale of wine a key driver of consumption. A final driver to mention is the popularity of wine tasting events in the UK which are also often one of the main channels in which consumers encounter a new wine for the first time. A number of hotels and recreational facilities offer wine tasting as a part of their accommodation package while smaller vineyards in the UK also offer wine tasting events throughout the calendar year.

### Purchase criteria

Consumers in the UK will have different criteria based largely on price. Lower-income earners are more likely to be concerned about the alcohol ABV level and price of wine rather than its country of origin or quality. These latter two factors appeal more to middle-income and higher-income earners than price. Consumers over the age of 45 are more likely to be traditionalist in their consumption and hence favour products they are historically familiar with. This segment of wine drinker is also on average more affluent, and hence likely to prioritise quality over price. The 18-34 year old consumer group on the other hand is very open to trying new wines, but also on average more constrained by price. UK consumers have become ever more conscious of the environmental impact of the wines they are consuming leading to a rise in demand for wines which have been produced using sustainable practices.

There are some preferences in terms of wine type. As seen above, white is the most popular wine overall in the UK; and more specifically, Pinot Grigio and Sauvignon Blanc are the most popular varieties. Chardonnay is also popular, most notably in Northern Ireland. Among red varieties, Malbec, Shiraz and Merlot are particularly popular. Slight geographical skews in wine preference exist. There is a marginal preference for red wine in London and the south west of the country (both more affluent areas); whereas white is preferred elsewhere.

In terms price (off-trade), around 1/3 of red wine by volume retails in the range of GBP 5.50 to 7 (EUR 6 to 8 approx.) and a further 40% between GBP 4 and 5.50 (EUR 4.50 to 6 approx.). Around 15% retails above GBP 7. In the case of white wine, the lower price categories are slightly more important; while in the case of rose wine, only 4% of wine retails above GBP 7 (EUR 8). The GBP

6.50 to 8 (EUR 7-9 approx.) and GBP 9-10 (EUR 10-11 approx.) are the most popular price brackets for sparkling wine, with each accounting for just over ¼ of sales.



**Above left:** it is normal for wines to be organised in supermarkets by colour and then by origin.

**Above right:** offers are common, and end of aisles may be used for promotion.

**Below:** despite stocking large volumes of wines, it is common for supermarkets to stock high volumes of a limited number of stock keeping units (SKUs) rather than smaller volumes of a wide range of SKUs.



### Recent market trends

The following recent market trends stand out:

- **Impact of COVID-19.** The outbreak of COVID-19 impacted the wine market as many on-trade establishments were forced to close coupled with the gathering of people being discouraged which saw a reduction in events that help to complement wine consumption such as a wedding or birthdays. While on-trade consumption of wine remains lower than pre-pandemic rates it is slowly recovering but this process may take a couple of years to fully recover. At-home consumption grew during the COVID-19 pandemic as consumers were required to spend less time outside to slow the spread of COVID-19. This had the effect of increasing home consumption of wines which is expected to remain popular even as the UK exits from COVID-19 pandemic restrictions.
- **Rise in demand for low/no alcoholic variants.** Across the UK there is a notable rise in demand for low/no alcoholic drinks which extends to the wine market. UK consumers have grown more health conscious in recent years, a trend that was further highlighted during the outbreak of COVID-19 in the country. Demand for low and non-alcoholic drinks is expected to grow by as much as 35% between 2022 and 2025 which will forward a further incentive for wine producers to tap into this new market demand; although beer and spirits will be more impacted / can profit more from this trend. Low and non-alcoholic wines are

increasingly available throughout the UK and will likely become an ever more common sight on the shelves of retailers in the country going forward.

- **Sustainability becoming an ever-increasing concern.** UK consumers are much more concerned with the sustainability practices of wine producers) than in previous years. This is due to concerns surrounding the growing and harvesting practises of grapes required to make wine coupled with an overall rise in environmentalism across various food and beverage sectors in the country. Producers who can showcase that they implement sustainable production and packaging practices with respect to their wine brands will be well positioned to resonate with consumers in the country. In the packaging area, simple actions such as the use of cork rather than plastic screw tops are common ways of showing sustainability. However, some producers have gone a step further – for example, selling their product in wine boxes made out of grape skins. Charitable donations, notably to environmental initiatives are an alternative method of addressing the sustainability concern that is used by some producers. Organic wine sales have risen in recent years largely as a result of this increased interest in sustainability.
- **Taste, variety and packaging trends.** Jammy, slightly sweeter red wines have proven popular of late – most notably among female consumers. White Burgundy is another product which has been more popular recently. There is also a trend of making wines more popular to broader audiences – for example, making red wines attractive to traditional consumers of white and vice versa. Finally in terms of taste, two very specific categories which have been popular of late are: 1. single varietal red wines; and 2. fortified wines. It should be noted that the consumption of the latter (fortified wines) has been boosted in Scotland by the minimum alcohol pricing policy, which has led to some consumers switching to stronger alternatives in order to minimise price impacts (due to the way the pricing formula is set up). In terms of packaging, there is an increased openness to the acceptance of canned wine – primarily for reasons of convenience, and mainly among younger consumers. Around half of wine consumers under the age of 44 are open to trying canned wine.

Overall consumption is yet to decline in the UK; but the point where decline sets in is likely to arrive soon as younger consumers increasingly abstain from alcohol consumption or consume alcohol at fewer rates per capita than older generations. This does, however, point back to a key opportunity area in this market going forward which will be the rise in demand for no and low alcoholic variants of wines in the country.

### 5.4.3 Offer

#### Domestic production

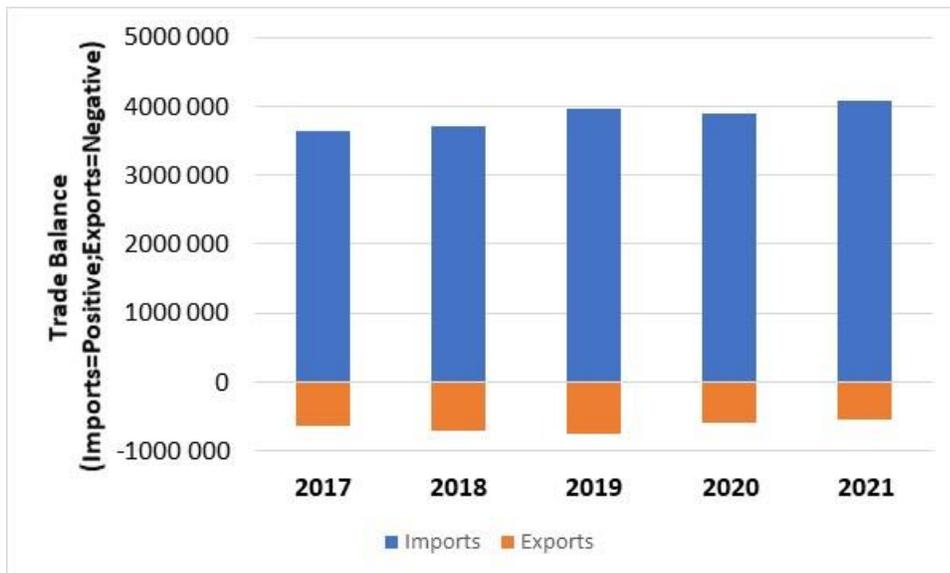
While the UK is a big wine consumer market it produces little of the product. The biggest reason behind this is due to climatic reasons as the UK has traditionally been too cold to economically produce wine to scale, this is changing however as climate change continues to make the weather in the UK warmer. The UK now has a small wine production sector based largely in the warmer parts of the country in the counties of Essex, Sussex, Surrey and Kent. Combined they account for around 2/3 of the UK's total vineyard acreage. It is estimated that there are roughly 600 vineyards of various sizes located throughout England which is the predominant hub of British wine production; this number of vineyards has nearly doubled since the year 2000. Sparkling wine is the most produced in the UK; in most years it accounts for around 2/3 of all wine product by volume. Smaller wine producers exist in Wales and Scotland although their impact on the total market is minimal. Overall, the UK produced approximately 80 000 hectolitres of wine in 2021; for

context, neighbouring France produced 33 million hectolitres in the same year which further highlights that wine production in the UK is indeed quite small when compared to other European countries. However, production is growing and the presence of British wine in various countries has grown. Warmer temperatures will lead to a rise in production in the UK although it is unlikely to rival wine production seen in Southern Europe.

### Imports and exports

As shown in Figure 5-17, the UK is a substantial net importer of wine and has been for a number of years. A small production base coupled with demand for luxury and therefore imported wines helps to explain why the UK is a net importer of wine with the country importing EUR 4 billion worth of wine in 2021, largely in line with the total import value seen in the previous four years.

**Figure 5-17: Trade balance (imports and exports) of wine in the UK, 2017-21; value EUR 000**

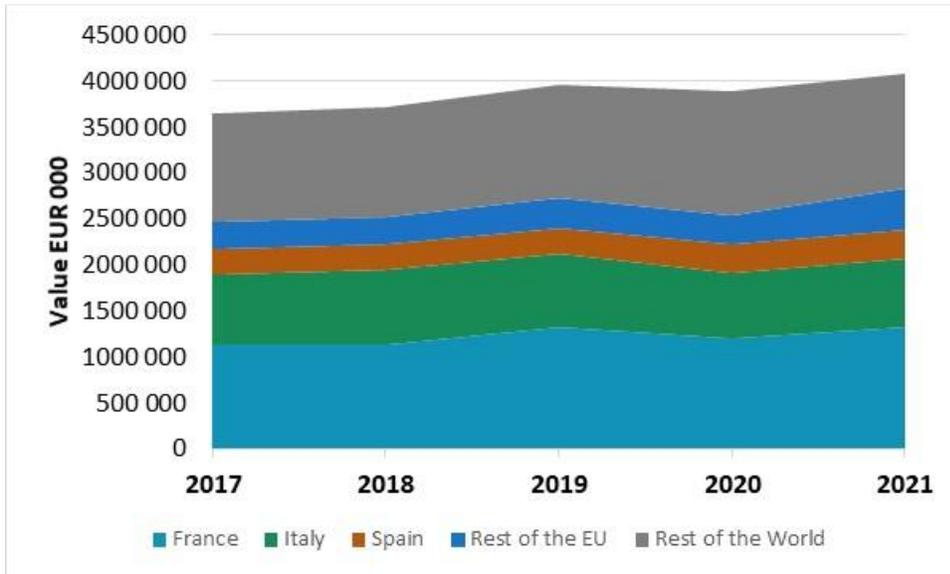


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

In 2021 France was the biggest exporter of wine to the UK (EUR1.4 billion) followed by Italy and Spain (Figure 5-18). Italy exported wine with a value of about EUR 750m and thus is far ahead of Spain, which exported around EUR 164m. France alone accounted for around 1/3<sup>rd</sup> of the total import market's value with the EU as a whole accounting for roughly 70% of total wine imports into the UK. Other large wine exporters from the EU to the UK include Belgium, Portugal and Germany (though combined they account for under 10% of UK wine imports). Outside of the EU, the biggest exporters of wine to the UK were Australia, New Zealand and Chile. It should be noted that New Zealand exports have been somewhat impacted by poor Sauvignon Blanc yields in recent years – providing an opening for other producers of this popular variety such as France to take advantage of.

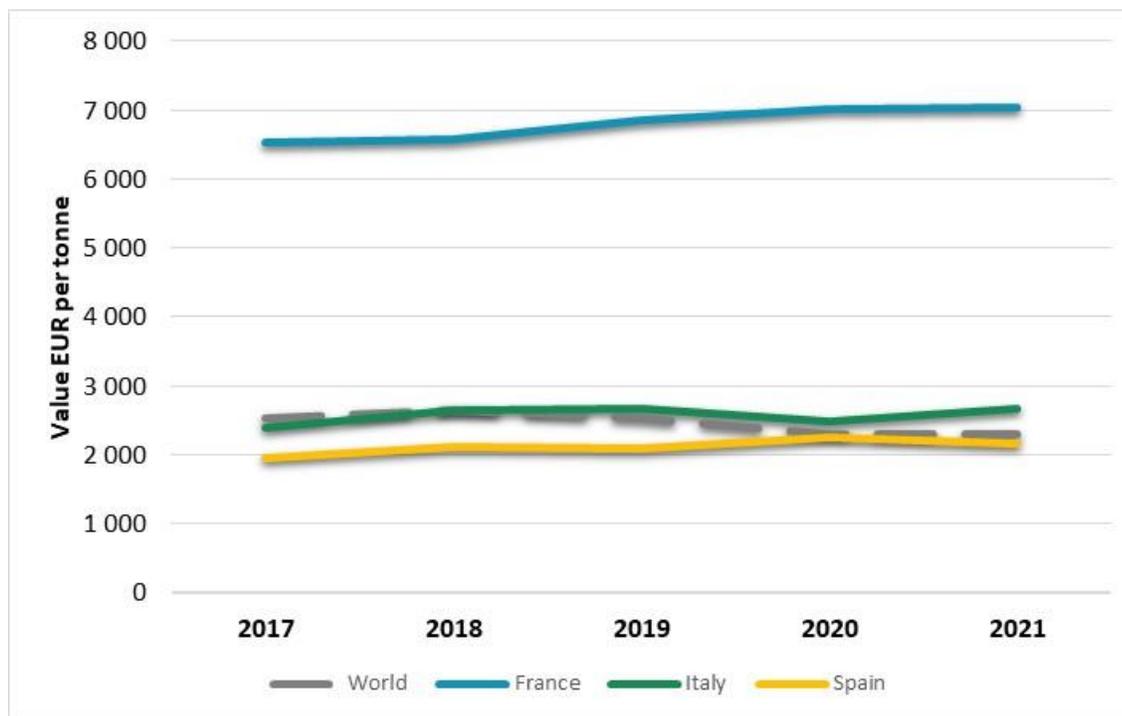
**Figure 5-18: British imports of wine by country, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

The world average unit value of wine exports to the UK was around EUR 2 310 per tonne in 2021 as depicted in Figure 5-19. The world average has been declining in the UK as the figure was EUR 2 550 in 2017. France has the highest unit value of wine exports to the UK by a considerable margin with around EUR 7 050 per tonne in 2021. Among EU countries this is followed by Italy at a value of EUR 2 660 per tonne and Spain with EUR 2 150 per tonne.

**Figure 5-19: British imports of wine by country, 2017-21; Value EUR per tonne**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

### EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any wine GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

### Main competitors

Southern hemisphere countries with a large wine production base are the biggest competitors to EU wines in the UK market with notable countries being Australia, Chile and New Zealand. Wines from South Africa and Argentina and to a lesser extent the USA are also further competitors in the UK market. The rise in domestic production will provide increased competition, particularly in the targeting of consumers who are particularly concerned about the environmental impact of wine production and who may opt for a local variant instead of one that needs to be imported. Overall, however, the EU is positioned to maintain its strong position in the UK wine market aided by EU wines being well received in the country and often considered to be luxury wines. Many on-trade establishments will be well stocked with EU wines as this will be expected from consumers seeking wine in these establishments and the association of EU wines such as Champagne and Sauvignon with celebrations such as birthdays and weddings is unlikely to go away.

## 5.4.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. With the removal of the requirement for a VI1 certificate in 2021, there are no specific requirements for wine, unless it is organic.

One challenge specific to wine to be aware of is the complexity of HS codes, with several hundred HS codes. This is likely to pose a challenge to any exporter who previously did not have to deal with HS codes when the UK was part of the EU; but needs to now the UK is a third country. There are several unofficial websites which provide full lists of these codes. The official page for finding commodity codes is <https://www.gov.uk/guidance/finding-commodity-codes-for-imports-or-exports>

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general wine category (2204) from France to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2204&origin=FR&destination=GB>

### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for wine. Annex 15 of the trade and co-operation agreement ([https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2021.149.01.0010.01.ENG&toc=OJ%3AL%3A2021%3A149%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2021.149.01.0010.01.ENG&toc=OJ%3AL%3A2021%3A149%3ATOC)) covers trade in wine; and it ensures mutual recognition between the EU and the UK of their oenological practices. Nonetheless, it is important to be aware of one existing specificity and one potential future change:

- Minimum alcohol pricing: this has been introduced in both Scotland and Wales.
- Potential future amendment of wine taxation: this is currently under consideration. It is likely to lead to a fall in taxation for sparkling wines up to 15%, but higher taxation for still wines between 11.5% and 22%. The consultation document containing details of this proposed change can be found at the following link: <https://www.gov.uk/government/consultations/the-new-alcohol-duty-system-consultation>

### Labelling

Wine must conform with the labelling requirements set out in section 4.2.3. This includes an alcohol warning label.

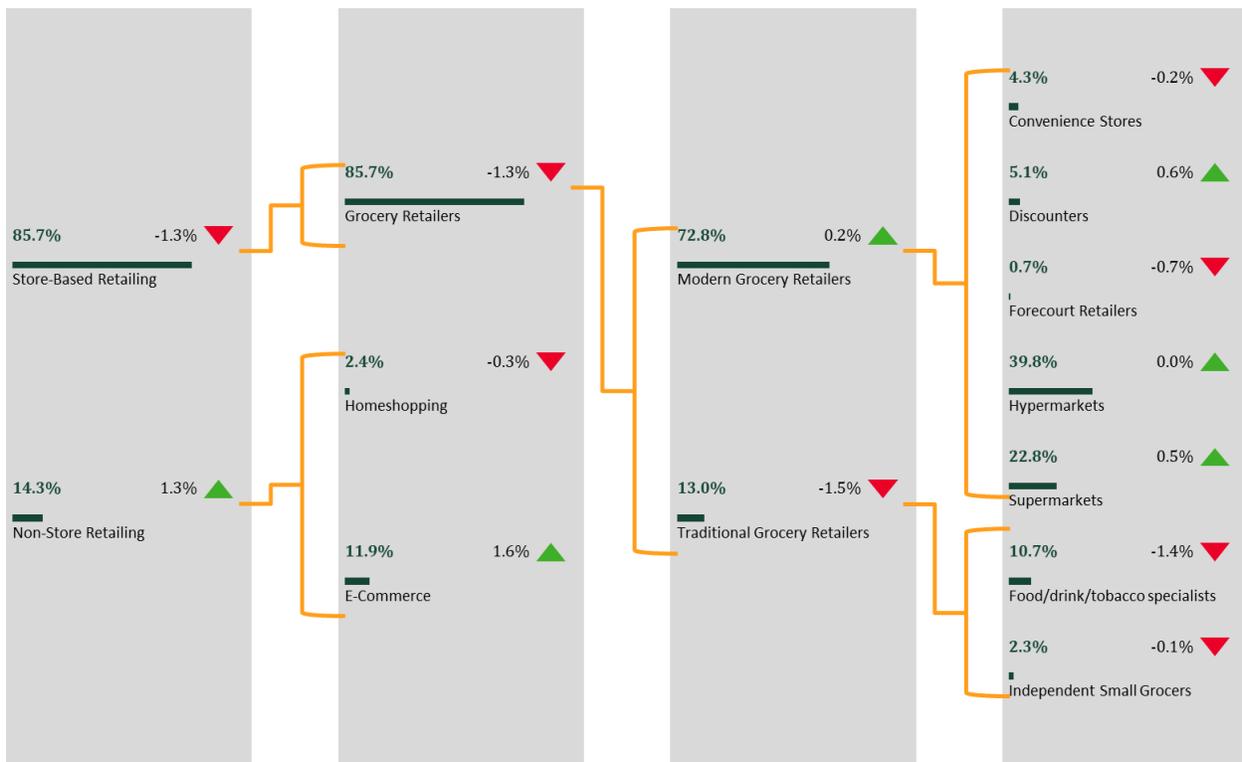
According to the TCA, EU wine produced and labelled according to EU rules at 1 January 2021, and not in compliance with UK labelling rules, can continue to be placed on the UK market until stock exhaustion.

### 5.4.5 Distribution

Approximately 89% of wine by value in the UK was sold off-trade and the remaining 11% is on-trade in 2021. Prior to COVID-19, the on-trade sector accounted for 15.7% of all wine sales, however the pandemic has negatively impacted this figure. Figure 5-20 shows the off-trade distribution channels. Modern grocery retailers are the preferred channel and accounted for 72.8% of the off-trade volume which is a figure that continues to grow slowly. Hypermarkets account for 39.8% of sales while supermarkets account for 22.8% of sales. Traditional grocery retail outlets accounted for 13% of off-trade sales in 2021 with 10.3% of these sales coming from food/drink and tobacco specialist stores. The e-commerce channel is growing rapidly and now accounts for 11.6% of all wine sales in the UK.

Finally, it should be noted that with the UK’s exit from the EU, duty free shopping has returned when citizens travel to and from the EU (including the busy Dover-Calais ferry route which transports around 2.5 million passengers per year). While this has an impact on all alcohol categories, arguably the impact on wine is the greatest, bar possibly spirits.

**Figure 5-20: Distribution channel overview of wine in The UK (2021); off-trade volume**



Source: Euromonitor International: Alcoholic Drinks, 2021.

### 5.4.6 Challenges for EU products

Declining overall rates of consumption particularly amongst younger consumers are the key challenge for EU wines in the UK going forwards. Adapting to this trend by offering low and no alcoholic versions of wines is a growing must in order to appeal to this consumer base. On-trade consumption levels of wine have yet to recover to pre-pandemic levels and may still take a couple

of years to fully recover. While the EU does have a dominant position at present, it should be noted that the UK has signed or is seeking FTAs with some of the EU's rivals. If these countries obtain favourable access terms, EU wines could face stronger competition in the future against the aforementioned background of a potentially shrinking market. That said, EU wines and those from e.g. Australia and New Zealand (which recently signed FTAs with the UK) do often target different segments of the market with many Australian wines being imported in bulk. Furthermore, with tariffs not particularly high pre-FTAs, the impact in competition terms on EU wines from these new access conditions for Australia and New Zealand may be limited.

Smaller producers of wine may face greater challenges in the UK market than larger and/or established producers. The dominance of modern retail (which demands larger volumes) provides a first barrier; and established/older wine consumers are more likely to buy wines that they are historically aware of, rather than try new products. Nonetheless, some ways in which smaller producers entering the market can try to gain some traction include: using sustainable production methods and clearly communicating this to consumers (including e.g. with appropriate certifications, such as organic); and using channels other than modern retail ones – most notably on-trade channels, independent/specialist retailers and e-commerce channels. Offering products at a slightly lower price point than products from well-known regions may also be effective, if an option for the producer.

Finally, with the UK withdrawn from the single market, the exportation process has become somewhat more complicated than it was previously the case; most notably the need to identify shipments with HS codes (of which there are around 350 for wine – with different codes for grape variety, different GIs, etc). In view of this added complexity, some logistics firms are reported to have ceased transporting wine, reducing the range of options and adding costs to transportation.

### Market Takeaway: Wine

**Consumption:** Consumption of white wines remains slightly more preferred in the UK although red wine is also commonly consumed in the country. Demand is decreasing amongst younger consumers with the majority of wine consumers in the UK being above the age of 50.

**Competition:** Mainly competing countries that have large wine production bases such as Australia, New Zealand and Chile. Competition from these countries may increase as the UK seeks FTAs with these countries.

**Distribution:** 11.2% on-trade and 88.8% through off-trade channels by value in 2021. E-commerce is a key channel accounting for 11.9% of all wine sales in the UK. Hypermarkets and supermarkets are the two biggest distributors of wines in the UK.

**Challenges:** Ever-growing health-conscious consumer base coupled with levels of consumption in the country's on-trade establishments remaining lower than pre-pandemic are the two biggest challenges in this market. Domestic production may rise as the temperature increases but this is unlikely to severally impact EU wines in the market, though FTAs may open the door to more competition from southern hemisphere producers. Logistics is more challenging than previously.

**Opportunities:** Low and non-alcoholic variants of wines are a key opportunity area in the UK wine market with this sector as a whole forecasted to grow by up to 35% between 2021 and 2025. Wine producers that use and highlight sustainable production and packaging practices are also well positioned to be attractive among UK consumers; particularly if they can also leverage the good reputation that EU wines already have in the country.

## 5.5 Spirits

### 5.5.1 SWOT analysis

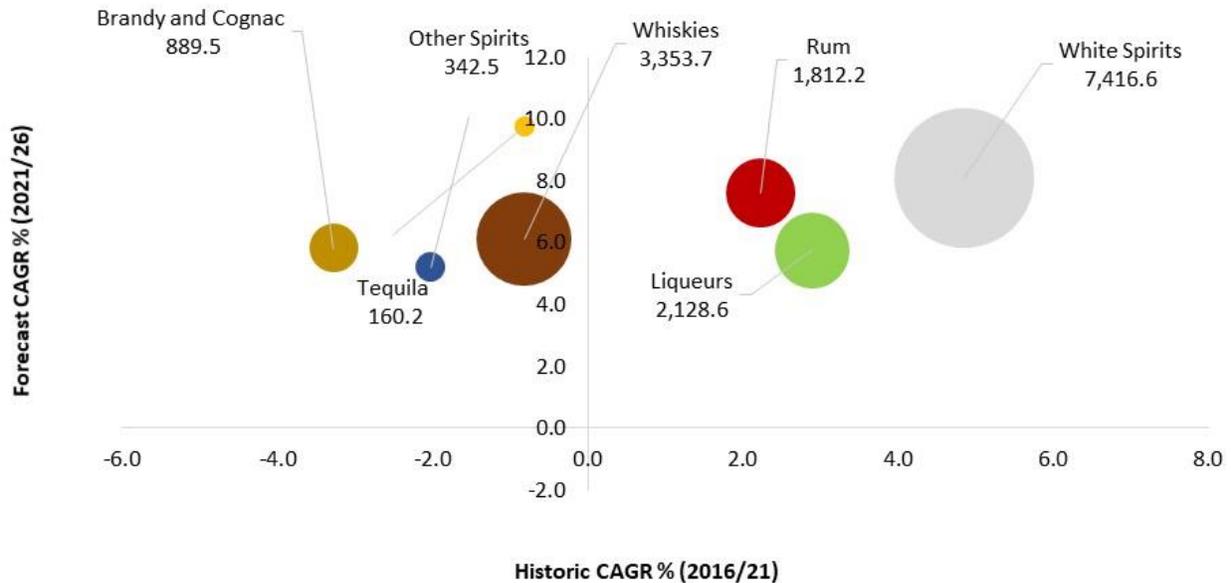
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Consumption of spirits in the UK remains high and on par with western European norms.</li> <li>▪ EU spirits dominate exports to the UK accounting for 75% of all spirits that the UK imports.</li> <li>▪ Growing demand for spirits that are not traditionally mass produced in the UK such as rum, tequilas and vodkas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumption of spirits is declining, and the younger generation of the UK is increasingly abstaining from alcohol consumption.</li> <li>▪ The UK is a large producer of spirits, most notably whisky plus gin and jenever products of high quality.</li> <li>▪ The once smooth exportation process from the EU to the UK has become more difficult.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Low and non-alcoholic spirit markets growing rapidly.</li> <li>▪ Versatile spirits that can be mixed and consumed via several methods are increasingly desired by UK consumers.</li> <li>▪ On-trade sector of the country reopened following COVID-19 opening a vital channel of distribution for imported spirits in the UK.</li> <li>▪ Possibility for UK consumers to purchase duty-free when travelling to and from Europe.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Competition from the massive UK spirits industry, as well as US imports. The introduction of a minimum pricing scheme for alcohol has occurred in Wales and Scotland and may be introduced in the future in England which will particularly impact the spirit sector.</li> <li>▪ Bigger brands in supermarkets dominate the overall landscape.</li> <li>▪ Craft production of spirits which have not been traditionally mass produced in the UK is increasing.</li> </ul>

### 5.5.2 Consumption

#### Evolution of consumption

As observed below in Figure 5-21, white spirits are the most popular spirit product in the UK by a considerable distance with a market value of EUR 7.4 billion. The market for white spirits is forecast to grow at a CAGR of 8.1% between 2021 and 2026 which will further push it ahead as the largest spirit category in the UK. Whiskies are the second-largest spirit category and have a market value of EUR 3.3 billion. This category is expected to grow at a CAGR of 6.1% between 2021 and 2026. Tequila will be the fastest-growing spirit product in the UK between 2021 and 2026 at a CAGR of 9.8%. Currently, tequilas have a market value in the UK of EUR 160 million also tequila is the smallest spirit product on the British market. Positive CAGR is expected across all spirit categories in the UK between 2021 and 2026.

**Figure 5-21: Evolution and forecast of spirits market in the UK, 2016-2026; total value, EUR millions**



Source: Euromonitor International: Alcoholic Drinks, 2021.

### Consumers

The consumption of spirits is high in the UK with annual per capita consumption of 5.7 litres. Total consumption has been declining in recent years due largely to the outbreak of COVID-19 in the country which heavily impacted the on-trade distribution of spirits. Health consciousness is also impacting total consumption of spirits with consumers increasingly abstaining from alcohol consumption in general. This is particularly notable amongst younger consumers; the total consumption of spirits in this segment is declining more quickly when compared to older generations, and this age cohort is more likely to utilise mixers with their spirits. On balance, women are more likely to consume spirits in the UK with cocktails that incorporate vodka being particularly popular amongst them; this has helped ensure that vodka is the most popular spirit consumed in the UK. Whiskey in the UK is also popular although this product is more likely to be consumed by men than by women; and is more commonly consumed neat.

In income terms, the biggest consumers of spirit products in the UK are middle to higher-income earners as spirits are expensive; particularly in Scotland where the country introduced a minimum pricing scheme for alcohol in 2018. Consumers in urban areas have more access to cocktail bars and bars that cater to specific themes hence favouring certain products, such as Latino bars that stock tequilas. Consequently, the biggest consumer bases for spirits in the UK are found in larger urban areas. Lastly, there is a growing market for low or non-alcoholic spirit products in the UK and this area of the market has seen substantial growth in recent years. This is a consequence of the aforementioned health wellness trends which have been a trend in the UK for a number of years, going forwards it is likely that an ever-bigger base of consumers will show a preference for low or non-alcoholic variants of their favourite spirit products.

Looking specifically at spirits categories which may be commonly imported from the EU:

- **Cognac and brandy** are typically consumed by affluent males over the age of 45. It is most commonly consumed as an after dinner drink. There is however a growing segment of young urban professionals (aged 20-25) who also appreciate the drink.
- **Vodka** – more specifically flavoured vodka – is gaining in popularity among young adults (aged 18 to 25). It should be noted that cheaper vodkas unfortunately have an association with binge drinking – particularly among lower income segments. However, the combination of the vast majority of vodkas now targeting the standard (rather than economy) segment and the increased popularity of flavoured vodkas is helping overcome this historical association.
- **Rum**, like flavoured vodka, is gaining in popularity among younger adults, most notably through its common usage in cocktails. However, consumers of rum tend to be slightly higher income professionals.
- **Irish whisky** drinkers are typically urban-based higher income males aged 24 to 25. This consumer segment tends to drink both Irish and American whisky.
- **Liqueur** drinkers, due to the nature of the liqueur category, are quite varied. However, overall the liqueur category is quite popular among urban professionals in their 20s and 30s, with liqueurs often used in cocktails and seen as a more sophisticated option when drunk neat. There are however certain liqueurs which resonate better with certain demographics. For example, Irish cream is popular among over 40s.

Finally, gin (primarily a domestic spirit) is the most popular drink among over 45, with a particularly high level of consumption among over 55s. Its consumers are more likely to be female than male. Flavoured gins however are gaining popularity among younger age groups.

### Drivers and method of consumption

Consumption of spirits in the UK is normal practice with many consumers being readily exposed to spirit products of a wide variety. Vodka is the most popular spirit in the country with the versatility of the product in relation to mixers helping to boost consumption of this product in the country. With on-trade outlets closed during the COVID-19 pandemic, consumers increasingly produced their own cocktails at home which helped maintain vodka sales in the country. Whiskey has traditionally been a popular spirit in the country with most consumers opting to consume it “neat” or without the introduction of mixers in whiskey glasses. Whiskey glasses are generally about 59 millilitres and are often included with the purchase of luxury whiskey bottles in retail outlets.

Gin sales, while declining, still remain high in the UK with many consumers opting to consume gin via a mix with tonic water (and also often a slice of fruit such as lime or lemon) in a cocktail known simply as gin and tonic. This cocktail is the primary driver of gin sales in the UK. Tequila has not traditionally been a popular spirit in the UK; however, sales are growing as consumers seek out alternative spirit products coupled with the rise in availability of the product in the UK. A number of celebrities - particularly from the US - have featured in commercials for tequila products in the UK which has aided exposure of the product. Rum products in the UK are increasingly associated with luxury with spiced rums being particularly popular amongst younger consumers seeking favourable spirits that can be sipped rather than drunk whole. Cognac and brandy products traditionally are drunk neat as an after dinner drink. However, increasingly alternative methods of are emerging, including cocktails and the serving of cognac alongside food such as cheeses or seafood. Liqueurs may be consumed neat or in cocktails; depending on the liqueur itself and consumer preferences.

Overall, while on-trade distribution remains lower than pre-COVID it is an important channel of distribution that further exposes consumers to a wider variety of spirit products compared to home spirit consumption where brand loyalty is more common. In 2021 it accounted for around 17% of spirit sales by volume, down from above 20% prior to the pandemic.

### Purchase criteria

As stated, consumers of spirits in the UK are, on balance, more likely to be of middle to higher income class due to these products being more expensive than wine and beer alternatives. Consumers will expect a level of quality from most spirits to justify paying the extra cost to consume them. In Scotland and Wales, the introduction of a minimum pricing scheme for alcohol raised the price of spirits significantly which further enhances the expectations of consumers regarding quality and spirits.

Apart from pricing, the brand is also important, with consumers likely to be brand loyal to one producer of a particular spirit product. This is particularly true of those who consume at home and hence make the purchasing decision in retail outlets. Premium scotch whiskey or premium vodka products will often include glasses or other merchandise in their packaging to incentivise consumers to purchase them in retailers; this is a fairly common practice in the UK. The alcohol content is a growing important criterion with younger consumers, in particular, being concerned about drinking too much alcohol; this further leads to the rising popularity of low and non-alcoholic products in the country, at least among this younger generation. However, for some products such as gin, it is particularly difficult to advertise as non-alcoholic as gin by its own definition must have an alcoholic content of no less than 40%; that said, there are ways producers have gotten around this. An example is simply retaining the same branding and packaging style of a standard gin product but omitting any reference to the word gin, instead simply highlighting that it is a 0.0% alcoholic drink, with the expectation being that the consumer will recognise it is a non-alcoholic gin variant by virtue of the product retaining the same branding as standard gin products. Some other spirits have more room to advertise their low or non-alcoholic variants and producers will often make this fact the main feature of any branding for their low and non-alcoholic products which an ever-larger number of consumers consider key purchasing criteria.

In terms of packaging, 700ml glass bottles are the norm for spirits. It is common for the heritage and authenticity of the product to be emphasized on the bottle. While screw tops are the norm, premium products are increasingly using cork closures.

Segmentation varies a bit by spirit type, but generally the standard segment is by far the most popular. Almost 90% of vodka by volume targets the standard segment (with under 4% targeting the premium and super premium segments). The story is fairly similar with white rum, though there is a much more developed premium dark rum segment (this accounts for around 1/5<sup>th</sup> of dark rum sales). It is also fairly similar for whisky. The domestically dominated gin segment is much more diverse, with under half of products targeting the standard segment and almost 1/3 targeting the premium segment or higher.

There are some spirits-specific criteria which are commonly used by UK consumers:

- **Cognac / brandy:** heritage and origin are often taken into account; most notably by connoisseur consumers.
- **White spirits:** colour often plays a role, with younger consumers in particular often attracted by more vibrant coloured drinks. The same is true to an extent for **liqueurs**.
- **Rum:** unique flavours and profiles are increasingly looked for by consumers. Some also pay attention to origin.

## Recent market trends

The outbreak of COVID-19 has been behind the key trend that has most impacted the spirit sector of the UK as many consumers switched to homemaking cocktails which aided versatile spirits such as vodka. On-trade sales plummeted as many of these establishments were forced to close or work under restrictions and total on-trade sales have yet to recover to pre-COVID levels.

Consumers furthermore are becoming more health conscious in a trend that was further accelerated by the outbreak of COVID-19. Due to this demand for low and non-alcoholic variants of spirits in the UK has grown significantly in recent years and most major producers have introduced a low or non-alcoholic version of their product in the past five years. Going forward, this will be a key area of opportunity in the UK spirit market and any producer who omits to introduce a low or non-alcoholic version of their product will be at a distinct disadvantage in marketing their products to consumers, particularly younger consumers, over the longer term. While there are some early signs of interest in sustainability related issues (such as environmentally friendly spirit production – as witnessed by the recent release of the world's first climate-positive gin), overall signs are that this is a much earlier stage trend than it is in most other agri-food areas.

The introduction of a minimum pricing scheme for alcohol in Scotland and Wales raised the total price of alcohol in the country which particularly impacted spirits and made them ever more difficult to purchase for lower-income earners. While England is yet to agree to implement a similar system, it is not unlikely that it will in the future which will impact the biggest market for spirits in the UK as a whole. Finally, US spirits had been heavily impacted by a 25% tariff rate that was introduced in 2018 by the EU in response to reciprocal tariffs from the US. This rate has been largely lifted with the rate for whiskies - one of the last remaining tariffs - being lifted in January 2022 by the UK government. Consequently, US spirits are now cheaper in the UK and are forecasted to return to growth in the country.

Finally, there are a number of ongoing shifts in methods of consumption. Historically, whisky, cognac and brandy have been consumed neat. However, there is an increasing consumption of all three of these drinks in cocktails. While vodka, gin and rum have long been used in cocktails to a greater extent, consumers are increasingly interested in different flavours of these drinks (with corresponding colours), and the use of an increasingly broad range of mixers. White spirits overall are undergoing somewhat of a premiumisation trend.

### 5.5.3 Offer

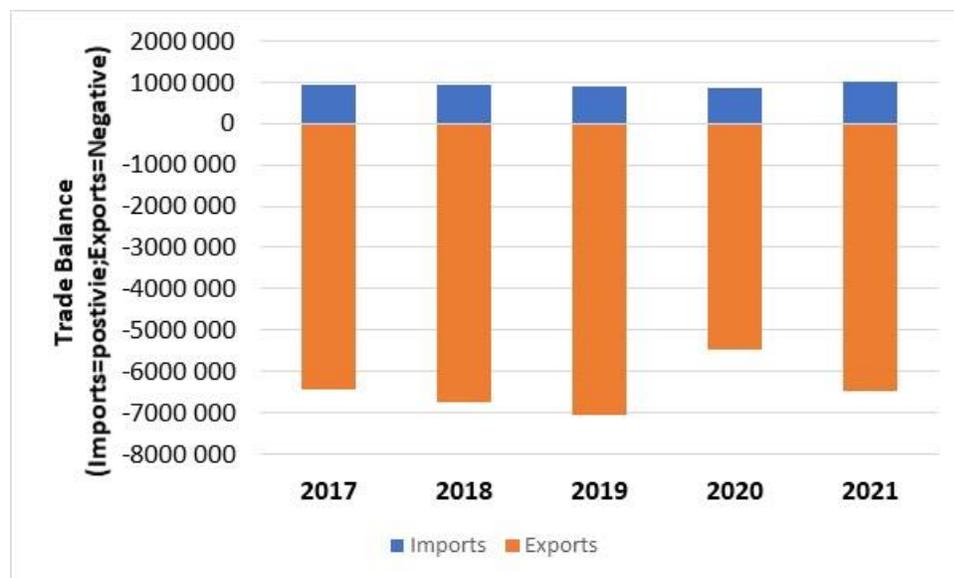
#### Domestic production

The UK spirit market is large with the sector contributing EUR 11.3 billion to the UK economy in 2021. In total there are an estimated 560 distilleries in operation in the UK with the highest concentration of them being in England and Scotland. This number has increased greatly over the last 5-10 years; a reflection of the development of the craft spirit industry. Scotland in particular is known for its production of whiskey which is a key export from the country, with scotch whiskey being a well-known product both domestically and internationally. Gin is another spirit that is commonly produced in the UK with notable brands including Beefeater and Tanqueray. Production of other spirits such as rum and vodka is small in the UK with most of the variants of these products found in the UK being imported from abroad. There are a small number of craft brewers in the country with many focusing on the production of niche spirits such as spiced rum.

## Imports and exports

As shown below in Figure 5-22, the UK is a large net exporter of spirit products with the country exporting a total of EUR 6.4 billion worth of spirits in 2021 compared to importing a total of EUR 1 billion in the same year. The UK has exported over 5.5 billion worth of spirits annually between 2017-2021 this figure reached a height of EUR 7 billion in 2019.

**Figure 5-22: Trade balance (imports and exports) of spirits in the UK, 2017-2021; value EUR 000**

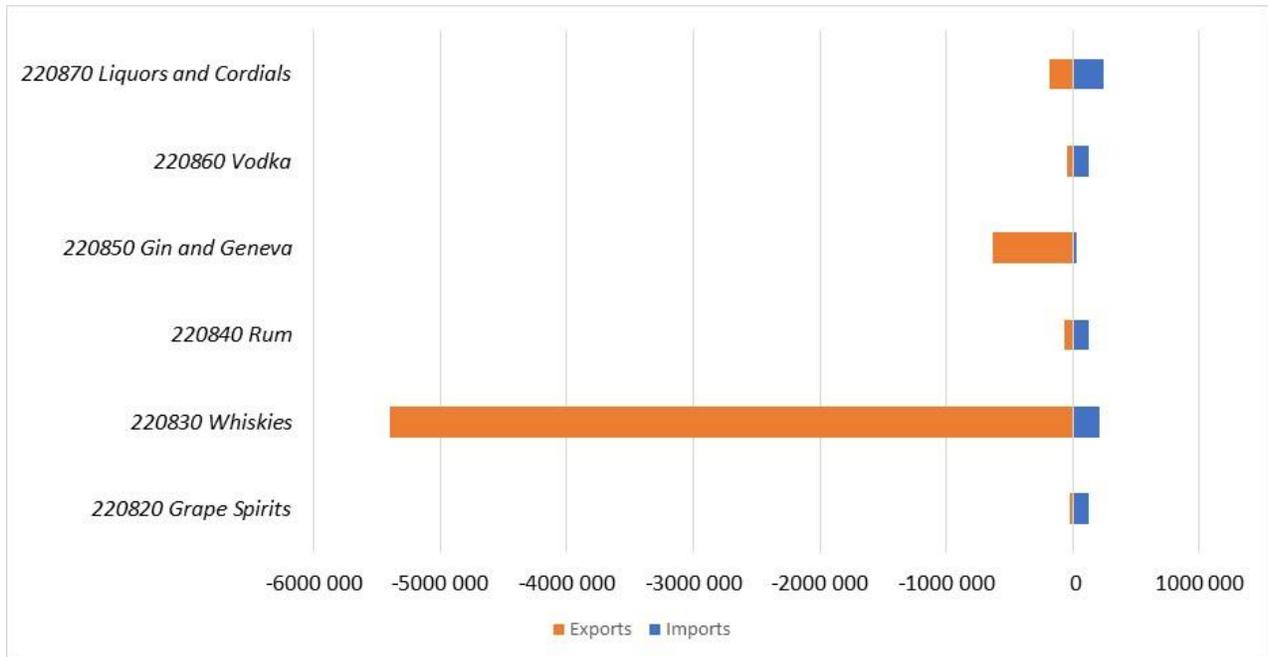


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208.

The UK's position as a net exporter can be largely explained by the massive Scottish whisky industry. As shown below in Figure 5-23, whiskey accounts for the absolute majority of UK spirit exports with the country exporting roughly EUR 5.4 billion worth of whiskey in 2021 or roughly 86% of all its spirit exports. Gin and jenever products are the second most exported spirit product with a total export value of EUR 630 million. Concerning the spirits that the UK imports, liquors and cordials are the most imported spirit product with a total import value of EUR 250 million followed by whiskies at EUR 208 million and vodka at EUR 123 million.

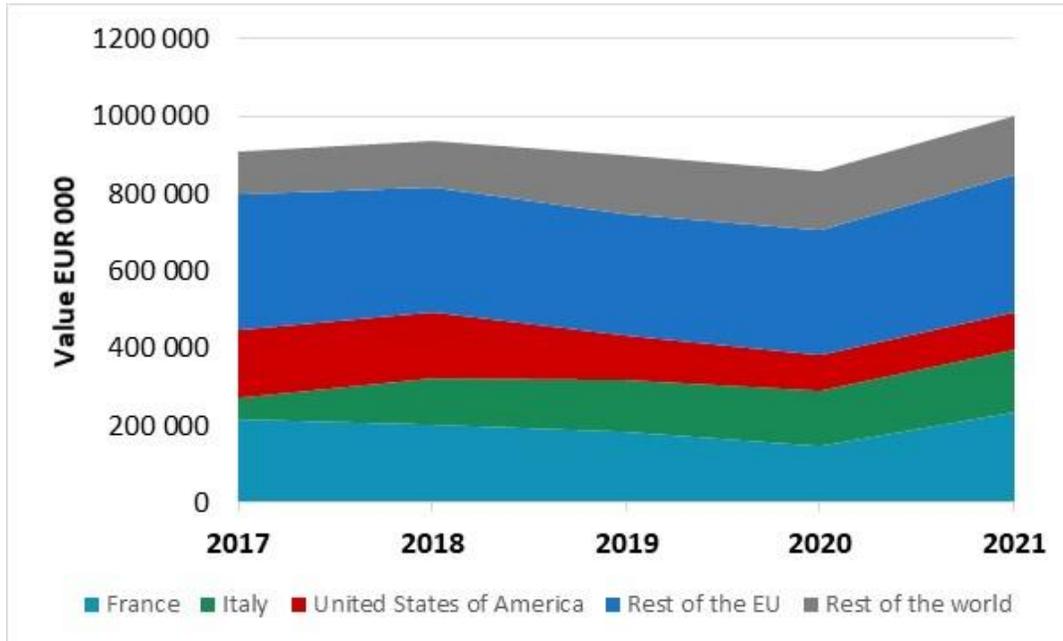
**Figure 5-23: Trade balance (imports and exports) of spirits in the UK, by type, 2021; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Spirit names shortened. CN codes before spirit name.

Figure 5-24 below shows the origin of British spirit imports with France being the biggest exporter of spirits to the UK with a value of EUR 232 million in 2021. This is followed by Italy with EUR 162 million and the US with EUR 95 million. The rest of the EU accounted for a total of EUR 350 million worth of exports with notable exporters including Ireland, the Netherlands and Spain. Overall EU exports to the UK accounted for roughly 75% of all spirits imported by the country.

**Figure 5-24: British imports of spirits by country, 2017-2021; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

### EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any spirit GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

### Main competitors

Domestic producers of whiskey, liquors and cordials and gins are the biggest competitors for EU spirits in the UK market as the UK has a large production base of these products. The US is the biggest competitor outside of the UK and benefits from the recent lifting of tariffs on US spirits which will make American spirits more cost competitive against EU spirits in the British market. Despite competition from the US and also other countries such as Mexico (tequila), the EU remains by far the largest exporter of spirits to the UK accounting for over three-quarters of all spirit exports to the country.

## 5.5.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general spirits category (2208) from France to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2208&origin=FR&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for spirits. Nonetheless, it is important to be aware of one existing specificity – that of minimum alcohol pricing which has been introduced in both Scotland and Wales.

### **Labelling**

Spirits must conform with the labelling requirements set out in section 4.2.3. This includes an alcohol warning label.

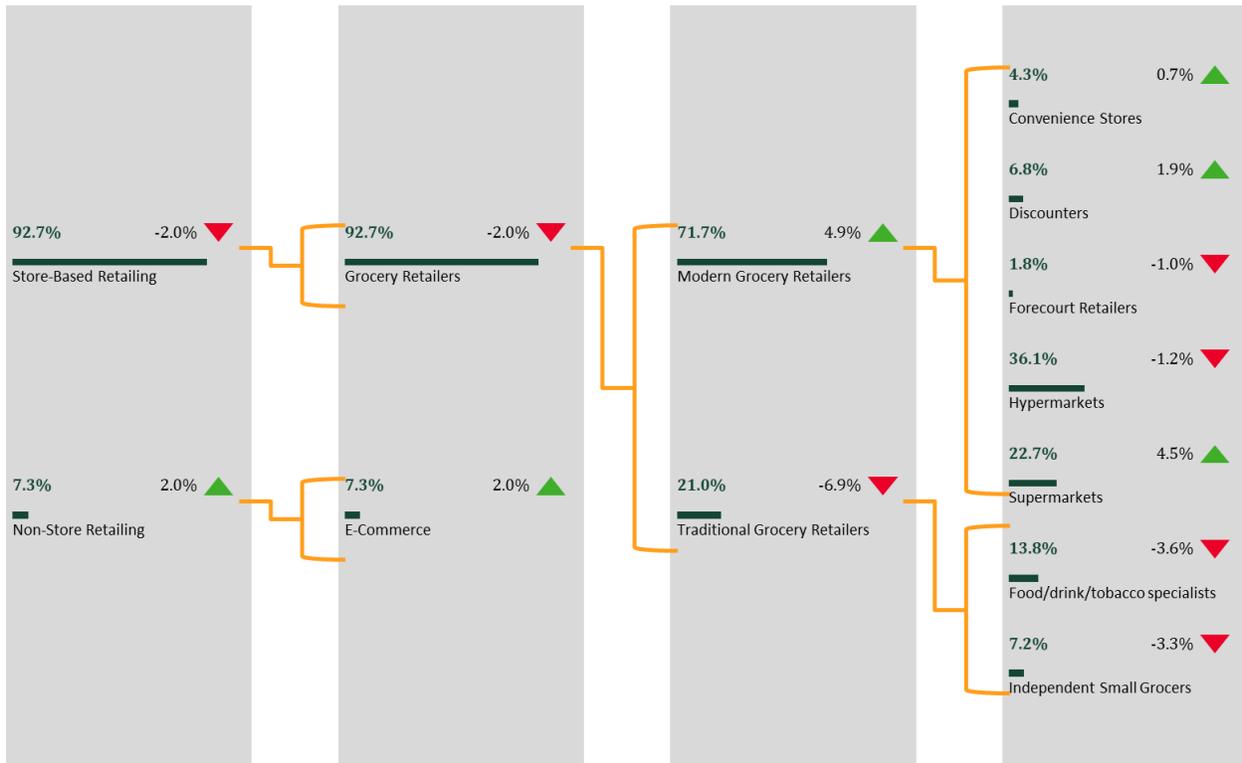
### **5.5.5 Distribution**

The distribution of spirits in the UK comes mainly from store-based retailers although e-commerce channels are growing quickly in the country. Modern grocery retail outlets account for roughly 72% of all off-trade distribution of spirits in the UK with hypermarkets and supermarkets accounting for the majority of these sales. Food/drink and tobacco specialist stores are the main distributors of spirits from traditional grocery outlets with a 13.8% share of sales. In 2021, on-trade sales of spirits accounted for 17% of all distribution of the product in the UK, down from above 20% before the pandemic.

The distribution landscape has been somewhat challenging for smaller brands in recent years. The negative impact of COVID-19 on the on-trade channel forced smaller craft-spirit players to rebuild their distribution strategies. Most commonly, they adjusted by moving to online sales and/or supplying more specialist alcohol retailers (rather than trying to enter the big brand dominated supermarket arena).

Finally, it should be noted that with the UK's exit from the EU, duty free shopping has returned when citizens travel to and from the EU (including the busy Dover-Calais ferry route which transports around 2.5 million passengers per year). While this has an impact on all alcohol categories, arguably the impact on spirits is the greatest alongside wine. The duty free allowance for spirits over 22% is four litres.

Figure 5-25: Distribution channel overview of spirits in the UK (2021); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

### 5.5.6 Challenges for EU products

Challenges for EU products in the UK include entering a market that is increasingly consuming less alcohol combined with the need to introduce low and non-alcoholic variants of their products to appeal to a growing segment of the consumer base. The UK's spirits industry is very well developed – arguably one of the largest in the world; and while production is very much focused around whisky followed by gin, it nonetheless means that there is strong domestic competition. The environment is made more difficult by the fact that supermarkets dominate distribution, and these channels favour the big, popular brands. Smaller producers tend to use alternative channels as a result. The removal of temporary trade barriers with the US has made spirits from the US more cost competitive again in the UK, providing an additional challenge for EU spirits in the country. The exit of the UK from the EU's single market has brought with it additional challenges, though the level of complexity with CN codes is nowhere near as high as it is for wine. One of the upsides of Brexit that favours spirits has been the removal of taxes on EU spirits purchased through duty-free outlets as citizens travel to and from the UK (whether it be through airports, ports or trains). As spirits are one of the main products that benefit from duty-free prices this has made it cheaper for British tourists to purchase EU spirits while they are travelling and bring them back to the UK where they may be exposed to additional potential consumers.

**Market Takeaway: Spirits**

**Consumption:** Spirit consumption in the UK is high but on par with western European consumption norms. Total consumption is declining, particularly amongst younger consumers. Non or low-alcohol spirits are increasingly popular and even necessary to market to younger and health-conscious consumers.

**Competition:** Domestic production is massive, though it is focused on whisky and gin. Among third countries, the US is the biggest competitor for EU spirits in the UK with the recent removal of temporary tariffs making US spirits cost competitive against EU spirits again.

**Distribution:** On-trade sales accounted for 17% of sales in 2021 with off-trade sales accounting for 83%. Modern grocery retail outlets accounted for 71.7% of off-trade sales with hypermarkets and supermarkets largely accounting for this share. E-commerce sales now account for roughly 7% of sales.

**Challenges:** Consumption is declining in the UK, particularly amongst younger consumers. Consumers who consume spirits appreciate spirits that are versatile and can be mixed and consumed in a number of ways which puts those that generally are not - such as whiskey and potentially cognac - at a disadvantage. Competition from the domestic production and the US is the next biggest challenge.

**Opportunities:** Versatile spirits, low and non-alcoholic spirits and the recovery of the on-trade sector stand as the three biggest opportunity areas for imported spirits in the UK. Vodka is the biggest spirit category in the UK by retail volume and offers a number of opportunities, especially as exports from Russia (which was previous ranked as the 10<sup>th</sup> largest exporter of spirits to the UK - mainly accounted for by vodka) are no longer occurring due to ongoing political disagreements.

## 5.6 Olive oil

### 5.6.1 SWOT analysis

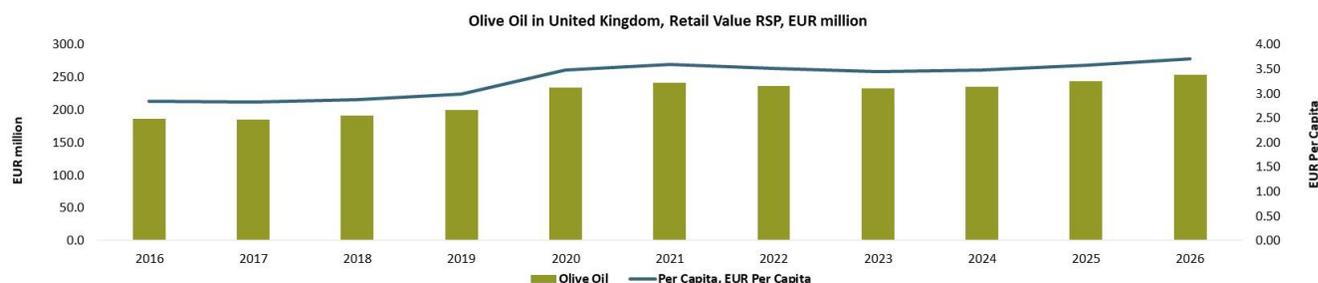
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU has a virtual monopoly on olive oil sales in the UK as the country is not a mass producer and third country exports are insignificant.</li> <li>▪ Olive oil is now well entrenched in the UK diet, with over 50% of households using the product.</li> <li>▪ Consumers appreciate the health properties associated with olive oil compared to other fatty oils.</li> </ul>	<ul style="list-style-type: none"> <li>▪ UK withdrawal from the EU has made the process of exportation less smooth than it was previously the case.</li> <li>▪ While there are segments of consumers who focus on aspects such as quality and origin, overall the market is quite price-focused.</li> <li>▪ In line with the above, 55% of the olive oil sold in the UK is private label; creating a crowded space for branded products.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Re-opening of the on-trade sector post the COVID-19 pandemic.</li> <li>▪ The consumer base has grown more accustomed to home cooking as a consequence of the COVID-19 pandemic.</li> <li>▪ Increased interest in sustainability issues offers an opportunity for smaller and niche producers in particular.</li> <li>▪ In line with the increased focus on health consciousness in the UK, some producers are trying to actively play the health trend.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Initial signs that various pressures on the olive oil market stemming from inflation and supply side challenges is resulting in consumers buying private label to and even greater extent than at present.</li> <li>▪ Morocco is the only major third country threat however exports from here are minimal compared to exports from the EU.</li> <li>▪ Supermarkets have a dominant mass-market position in distribution and their low-price private label products are very popular.</li> </ul>

### 5.6.2 Consumption

#### Evolution of consumption

The consumption of olive oil shows an upward trend in recent years with olive oil having a CAGR between 2016 and 2021 of 5.4% although this CAGR is expected to decline to 1% between 2021 and 2026. The current market size for olive oil in the UK by retail value is roughly around EUR 241 million while the per capita consumption is around 3.7 litres (Figure 5-26).

**Figure 5-26: Evolution and forecast of the retail market for olive oil (value, EUR millions) and olive oil consumption per expenditure, in the UK; 2016-2026**



Source: Euromonitor International: Packaged Food, 2021.

Note: figures for 2021 to 2025 based on forecasts.

## Consumers

While not a traditional product in the UK per se, olive oil is now a well-established oil in the UK with consumers being well accustomed to the product. With olive oil has become more mainstream over the years, consumers of the product in the UK can now come from any income class as the product is generally not too expensive in the UK. For example, back in 2001 around 1/3 of UK households used olive oil; the figure is now well in excess of 50%.<sup>63</sup> Consumers of a middle and higher income are overall greater consumers of the product and are also furthermore likely to encounter olive oil if they choose to visit an on-trade establishment such as an Italian restaurant. Other notable groups which consume greater volumes of olive oil include: middle-aged urban consumers, many of whom are also more likely to choose branded products; vegan/vegetarian consumers (the former may use the product as a butter replacement when baking); and health conscious consumers.

Overall, as noted above, the use of olive oil in the UK has traditionally been small with the product effectively still a niche oil as recently as the early 1990s, but the product has grown rapidly in recent years in a notable shift away from more traditional fats such as butter. The use of olive oil by celebrity chefs combined with general increased knowledge of the product has created this trend. Health-conscious consumers are also drawn to olive oil due to the perception of olive oil as being a healthier cooking oil.

## Drivers and method of consumption

Historically, key drivers of olive oil sales in the UK include the usage of olive oils by celebrity chefs which helped to first expose the product to a mass of UK consumers combined with increased exposure to the product as retailers have expanded in the country and have a greater capacity to stock olive oils (including affordable private label ones) on their shelves. Nowadays the product is simply a widely used oil in the UK. The majority of the usage of olive oil in the UK is for the cooking of foods or to blend with other foods. Olive oil is also increasingly used as a dipping sauce for bread. Going forward, health consciousness is going to be the key driver of olive oil consumption as a growing number of consumers seek out healthier variants of products.

## Purchase criteria

Olive oils are not particularly expensive in the UK with the average 1-litre bottle in modern retail outlets costing around EUR 5. This makes the product less of a luxury item than it is in other markets. That said, the overall market is skewed by the strong presence of private label products (see below); premium imported products tend to retail at closer to EUR 8 per litre. Indeed, overall price is the number one purchasing criterion in the UK for olive oil. Private label olive oil products – which are normally the cheapest - are abundant in the UK. Generally over half of the shelf space for olive oil in supermarkets is dedicated to private label products and overall private label products account for 55% of UK olive sales. Not only has the quality of private label olive oil products increased greatly in recent years, but supermarkets also offer different ranges of private label products, including: “premium” private labels; some private label olive oil products with geographical indications; and flavour-infused private label olive oil products.

Virgin and extra virgin olive oil qualities are the most popular in the UK. The choice of consumers as to which they purchase is most commonly impacted by price and expected use (extra virgin is

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<sup>63</sup> Most popular oil in UK is extra virgin, Olive Oil Market, available at [Most popular oil in UK is extra virgin | Olive Oil Market](#)

often preferred for cold usage, such as in salads). Some UK consumers appreciate the taste and edible oils will further appreciate the packaging of the products; this is particularly true for more premium products. Country of origin plays a small role with many consumers expecting their olive oil to come from Southern Europe which does account for the majority of olive oil products in the UK. Emphasizing country, authenticity and origin can be particularly effective for more premium products. While knowledge of olive cultivars is fairly limited in the UK, there is a subset of consumers which will pay attention to the cultivar. Kalamata is probably the best-known cultivar in the UK. Consumers may also seek out specific olive oils that have been endorsed by celebrity chefs.

The most common package size is 1 litre; though there is some demand for smaller formats, with 250ml being the smallest commonly available size. Plastic and glass bottles are common, and occasionally metal tins may be used.



**Above:** private label and larger brands hold strong positions within supermarket olive oil offerings. Depending on the brand/segment, glass or plastic bottles are generally used.

### Recent market trends

Olive oil has benefited from the rise in health consciousness in recent years in the UK. Consumers seeking healthier variants of products particularly sought out olive oil during the COVID-19 pandemic as home cooking grew exponentially. Olive oil was also negatively impacted by the COVID-19 pandemic in the sense that on-trade establishments which are quite important

distribution channels of olive oil were forced to close. Going forward however these negative factors are likely to impact the market less although the exportation process from the EU to the UK may not be as smooth as it once was which may in turn impact prices. The rise in health consciousness will be one of the key trend impacting the olive oil market going forward. Indeed, the larger branded companies present on the UK market have focused some efforts of late on consumer health. The health trend has also resulted in the product being used as a butter replacement in certain contexts; not just by vegan consumers, but also by consumers more broadly.

Another notable trend is a focus on sustainability. In more practical terms, this can translate to: the choice of packaging; the traceability of the product / visibility of the production process; and the use of certifications such as organic and/or carbon neutral. This interest in sustainability is an area where smaller, more specialised olive oil producers may be able to distinguish themselves in a market that is overall very price focused.

Finally, it is important to note that the UK olive oil market is likely to be impacted by a combination of certain economic, environmental and geopolitical factors over the next year or two. Firstly, inflation is pushing prices up in the UK overall. Secondly, sunflower oil shortages resulting from the Russia-Ukraine conflict are driving demand for olive oil in the country. Thirdly, the generally poor harvest of 2022 in southern Europe may affect prices and supply going forwards. While it is difficult to predict the impact of all of these factors, initial indications are that mass-market consumers may be focused even more on affordable private label olive oil products (though it should be noted that the price of these products has already increased by between 10 and 30% during 2022).

### 5.6.3 Offer

#### Domestic production

Olive oil is not, as a general rule, produced in the UK due to its geographical location and climate. The country is too far north and cold to be a mass producer of olive oil resulting in the country almost exclusively importing the product from abroad (mainly the EU). There have been small efforts to cultivate olives in the warmer areas of the UK such as Kent, but these efforts have yet to impact the wider market. As temperatures remain on the rise in the UK it can be envisioned that perhaps in the future the country may be able to produce a minimal amount of olive oil however this is speculative and based on a number of factors that may not occur.

Nonetheless, it should be noted that the UK does import a lot of olive oil in bulk and subsequently bottle it in the UK for retail – generally, the percentage of retail olive oil which is bottled in the UK is above 50% of the total imported volume.<sup>64</sup> A big reason for this is the popularity of private label products.

#### Imports and exports

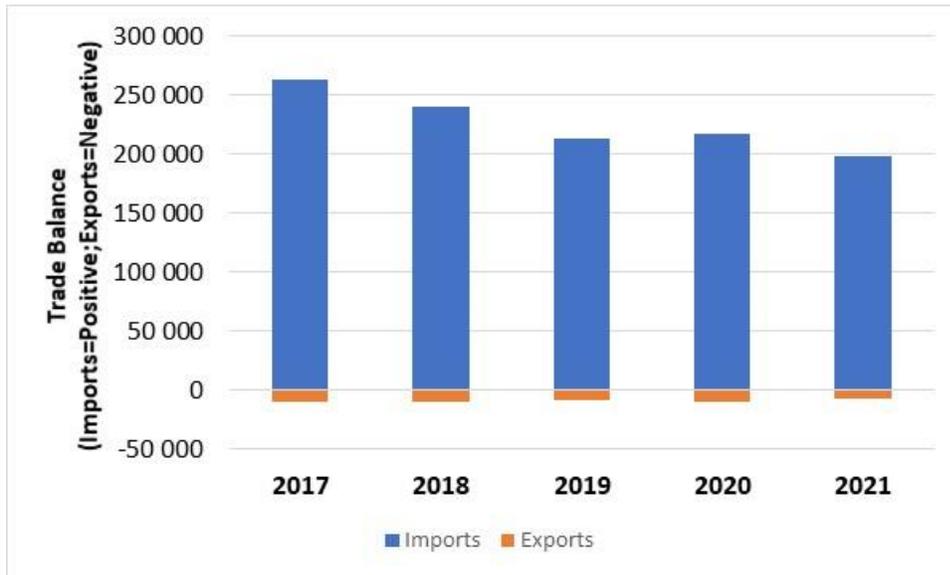
As can be seen in Figure 5-27, the UK is a net importer of olive oil with the country importing EUR 197 million worth of olive oil in 2021, down slightly from a peak in the past five years of EUR 262 million in 2017. The UK in 2021 exported just under 7 million worth of olive oil although indications

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<sup>64</sup> UK Olive oil industry and market overview, Olive oil Market, available at [UK Olive Oil industry and market overview | Olive Oil Market](#)

are that this was either transited from a third country or bottled in the UK, rather than produced in the country itself.

**Figure 5-27: Trade balance (imports and exports) of olive oil in the UK, 2017-2021; value EUR 000**

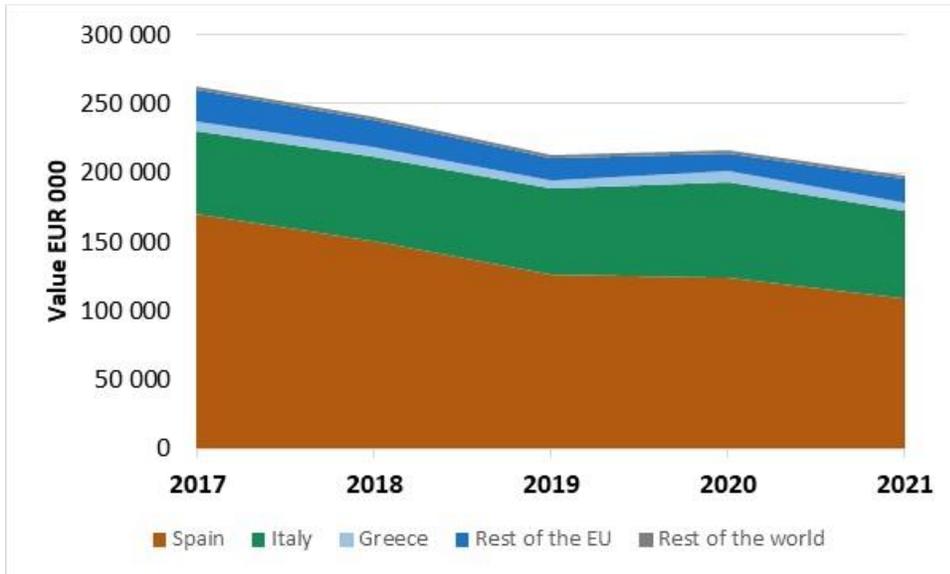


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

The EU accounts for virtually all olive oil exports to the UK with Spain alone accounting for just over half of exports at a total value of EUR 108 million. Italy is the second largest exporter with a total export value of EUR 63 million followed by Greece which exports a considerably lower value of EUR 6.4 million. Germany and Belgium account for the majority of the rest of the EU that exports to the UK. The largest non-EU exporter of olive to the UK is Morocco with a value of EUR 428 000.

**Figure 5-28: British imports of olive oil by country, 2017-2021; value EUR 000**

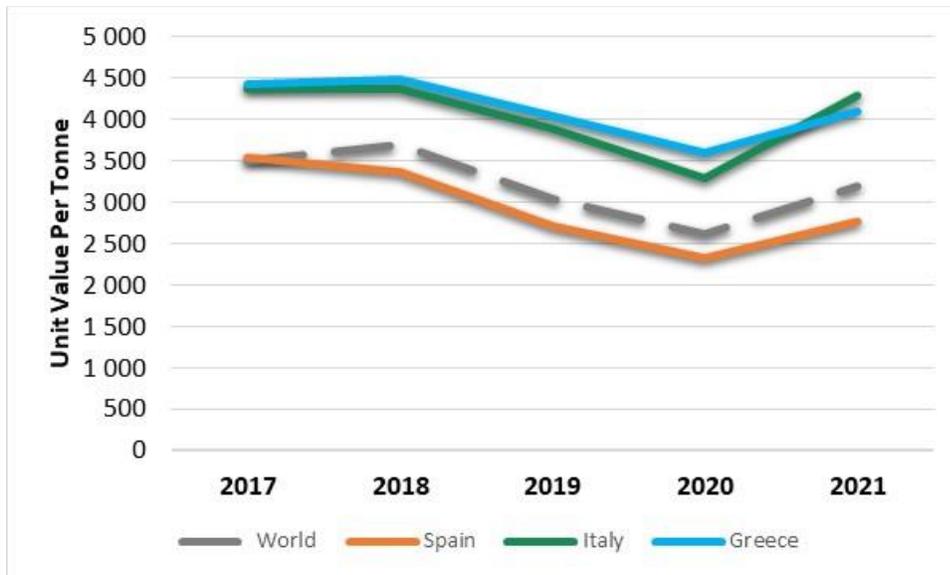


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

In 2021, the world's average unit value per tonne of olive oil exports to the UK was around EUR 3 160. This unit value had been declining between 2017-2019 but has since started to recover. Italian olive oil slightly has the highest unit value at a value of EUR 4 280 followed by Greece with a value of EUR 4 100. Spanish olive oil is the cheapest by unit value, below the global average at a rate of EUR 2 770.

**Figure 5-29: The unit value of British imports of olive oil by country, 2017-2021; value EUR 000 per tonne**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1509.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU by 31st December 2020 meaning that any olive oil GIs registered in the EU by that date are protected now protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

As the EU is the main exporter of olive oil to the UK and the UK is not mass-producing olive oil domestically there are virtually no major competitors in the UK olive oil market. The biggest non-EU exporting country to the UK is Morocco however total exports are minimal and smaller than for instance Portugal and Ireland.

## 5.6.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – general olive oil category (1509) from Spain to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1509&origin=ES&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for olive oil. The UK government has issued a document with guidance on labelling, packaging and inspection of olive oil. This can be found at: <https://www.gov.uk/guidance/olive-oil-regulations-and-inspections>

### **Labelling**

Olive oil must conform with the labelling requirements set out in section 4.2.3.

## **5.6.5 Distribution**

The vast majority of olive oil – 87% by volume in 2021 – is distributed through retail channels in the UK, with the remaining 13% distributed through food service channels. While the food service share was slightly higher (at 18%) pre-COVID, retail has long been the dominant channel.

Figure 5-30 shows distribution channels by retail value for edible oils as a whole in the UK. While not specific to olive oil, the data is a representative indication of how olive oil is distributed in the UK. Modern grocery retailers account for about 89.7% of the total sales of edible oils. Within this category, supermarkets and hypermarkets are the most popular channel and account for roughly two thirds of the sales. Convenience stores accounted for 9.9% of sales in 2021. Traditional grocery retailers accounted for just 2.8% of sales, with independent small grocers being the main channel with 2.7%. E-commerce is a growing channel of importance and now accounts for 6.3% of all edible oil sales in the UK in 2021. The only slight potential nuance with regards to olive oil distribution in the UK is its sale of more premium products through fine food shops, independent retailers and farmers markets and alike. These more traditional and specialist channels may take a couple percentage points off the market share of modern grocery retailers when compared to their share for oils as a whole. Most notably, these channels offer distribution possibilities to smaller, more specialist olive oil producers. However, modern retailers still clearly dominate both the market overall, and more specifically mass-market distribution.

**Figure 5-30: Distribution channels overview of edible oils (including olive oil) in the UK (2021); retail value**



Source: Euromonitor International: Packaged Food, 2021.

### 5.6.6 Challenges for EU products

The olive oil market in the UK is in a state of minor recovery following the closure of many on-trade establishments in the country during the COVID-19 pandemic; however, the growth of home cooking has helped to mitigate the total decline in consumption. UK consumers are now well accustomed to olive oil products and will associate these products with being of high quality from an EU member state. The olive oil market is largely unique in that the EU has a de-facto monopoly considering exports from third countries are minimal and domestic production is also largely a niche hobby for enthusiasts rather than a mass economic activity undergone by larger farms or corporations. However, the biggest challenge for producers is the dominance of supermarkets and the issue of price as a criterion. Supermarket private label olive oil products are both very popular and very cheap. This, combined with the dominance of supermarkets for retail distribution which generally stocks just a small number of popular brands in higher volumes, makes it challenging for smaller producers to enter the market. Smaller producers may nonetheless try to use niche channels and/or differentiate their products e.g. through sustainability considerations. EU producers also face a risk as the incumbent, though it is hard to see how they may be unseated or olive oil substituted on a large scale. Finally a variety of economic, geopolitical and environmental factors are affecting the UK market for olive oil at present – primarily resulting in price increases. Early signs are that consumers are reacting to this by consuming private label products to an even greater extent than previously.

### **Market Takeaway: Olive oil**

**Consumption:** Consumers are largely well accustomed to olive oil consumption; the product has grown rapidly in popularity in the UK in recent decades aided by celebrity endorsements and the expansion of the retail sector in the country.

**Competition:** Virtually no competition from other exporters or the UK itself as it does not produce olive oil.

**Distribution:** Retail dominates; food service just a small part. Retail distribution occurs mostly through supermarkets and hypermarkets which account for over 2/3<sup>rd</sup> of sales. Convenience stores account for 9.9% of sales while sales via e-commerce is growing and currently stands at 6.3% of sales.

**Challenges:** The dominance of supermarkets for distribution, including the popularity of private label products and the importance of pricing as a criterion.

**Opportunities:** The reopening of the on-trade sector combined with an ever-health-conscious consumer base that has adapted to home cooking practices during the COVID-19 pandemic. Sustainability a notable interesting theme at present.

## 5.7 Chocolate confectionery

### 5.7.1 SWOT analysis

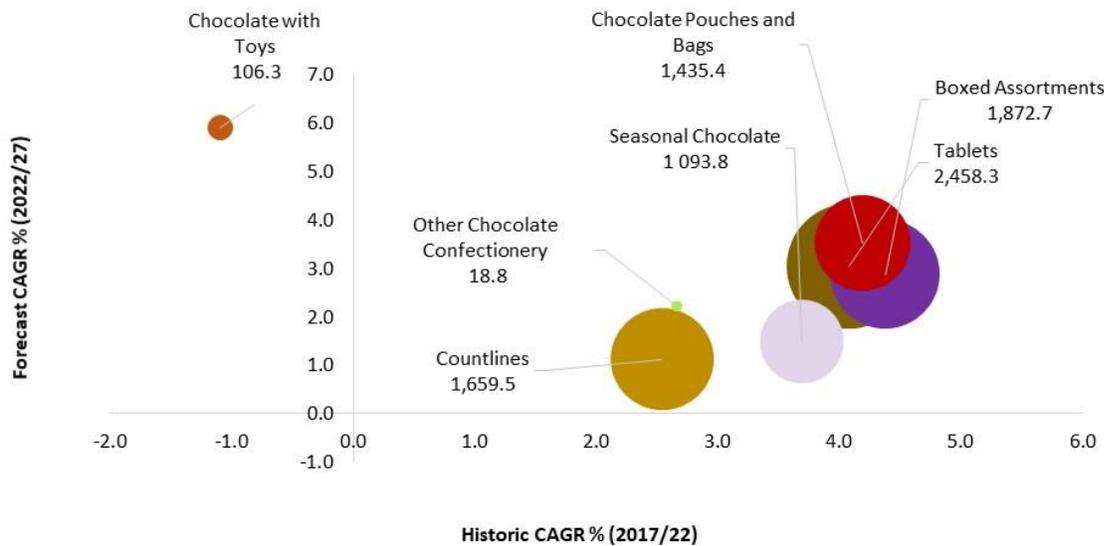
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The UK is a net importer of chocolate and the EU is dominant in chocolate exports to the UK, accounting for roughly 95% of all UK chocolate imports.</li> <li>▪ The UK is a nation of chocolate consumers with the country being one of the larger consumers of chocolate in the world.</li> <li>▪ Chocolate is less affected by religious or ethnic consumption restrictions making it a product that appeals to all groups within the UK compared to fresh meats and alcohol products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumers increasingly seeking healthier products and abstaining from products such as chocolate.</li> <li>▪ The UK is a large producer of chocolate, though recently volumes show a slight downward trend.</li> <li>▪ Long-established producers in the UK have popular brands and are more in tune with consumer demands; plus they are more likely to implement changes such as smaller packaging faster than imported products can keep up with.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ While the mass market for regular consumption is very tough, opportunities exist in niches/segments outside this – notably more premium ones.</li> <li>▪ Alternative chocolates are seeing a rise in demand, chocolates that incorporate pieces of fruit or raw honey among other ingredients likely to benefit the most.</li> <li>▪ Sustainability and farmer welfare are of increasing importance to a segment of consumers.</li> <li>▪ The three major holidays of the UK which are Easter, Halloween and Christmas all encourage the consumption of chocolate (including notably more luxurious products); as do smaller holidays such as Valentine’s day.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Changes in legislation relating to junk food and advertising from 2023.</li> <li>▪ Possible increases to the sugar tax.</li> <li>▪ Huge challenges to compete with the big three manufacturers which dominate the mass market; as can be seen by the dominance of their products on supermarket shelves. However, their market share has been falling in recent years.</li> </ul>

### 5.7.2 Consumption

#### Evolution of consumption

As shown in Figure 5-31, tablets are the largest chocolate product by retail value amounting to EUR 2.4 billion in 2022. This is followed by boxed assortments which had a value of EUR 1.8 billion and countlines which had a value of EUR 1.6 billion. Tablets are expected to grow at a CAGR of 3% between 2022 and 2027 which will see this category remain the largest chocolate category by retail value by 2027. Across all chocolate categories, there is an expected positive CAGR with chocolate with toys expected to be the fastest growing chocolate category between 2022 and 2027 with a predicted CAGR of 5.9%.

**Figure 5-31: Evolution and forecast of chocolate confectionery market in the UK, 2017-2027; total retail value EUR million**



Source: Euromonitor International: Packaged Food, 2022.

## Consumers

Chocolate consumption in the UK is high with the country being known internationally as a country of chocolate lovers. Per capita consumption is estimated to be 11kg per person per year which ranks the country as the world's 5<sup>th</sup> highest per capita consumption. To put this further into context an 11kg per consumption rate of chocolate equates to three chocolate bars a week on average.<sup>65</sup> Against this background, unsurprisingly consumers of chocolate can come from any age group or income class as the product is widely available throughout the country and can be an inexpensive or a luxury item depending on the chocolate in question. Children are often gifted or rewarded chocolate for good behaviour while older consumers will often consume the product as a treat. Women are bigger consumers of chocolate in the UK on average. The age group with the greatest consumption of chocolate is that of consumers between the ages of 25-34, with a quarter of this age group estimated to consume at least one piece of chocolate on a daily basis. Consumption is also quite high in the neighbouring age groups of 19 to 24 and 35 to 41. Consumers with families in the young adult age segment are likely to both consume chocolates with the family and also alone; and often different chocolates will be purchased for these two different purposes.

As part of its universal appeal, chocolate is also popular amongst many ethnic groups in the country and has fewer restrictions attached to it compared to meats and alcoholic products which result in virtually any consumer group consuming the product without religious or ethnic

<sup>65</sup> Chocolate facts and figures, Divine chocolate and cocoa farmers, available at <https://www.divinechocolate.com/divine-world/chocolate-facts-and-figures/#:~:text=Britain%20really%20is%20a%20nation,about%203%20bars%20a%20week>.

restrictions. There has been a rise in plant-based chocolate production which appeals to consumer groups who identify as vegan, an ever-growing consumer group in the UK.

### Drivers and method of consumption

Ultimately, the main driver of chocolate consumption in the UK is its status as a snack and/or treat. The product is readily available across the UK at a reasonable price and in a huge range of varieties, meaning that the product is ingrained with many aspects of British culture. Adults, for example, may use it as a compliment to other products such as the consumption of coffee or tea. Other notable drivers of chocolate consumption include the products used as gift items and special events such as Easter and Halloween. Most British consumers prefer to consume plain chocolate variants although alternatives are gaining in popularity in the country. Chocolate (particularly luxury chocolates) is often used as a gift for birthdays or at Christmas and there is a notable rise in demand for chocolate during the period of both Christmas and Easter. Chocolate eggs are synonymous with Easter celebrations in the UK with virtually all retailers stocking a wide variety of these chocolate eggs during this period. Halloween is also another important holiday as many children engage in “trick or treat” activities where they dress up and seek chocolate or sugar confectionery from neighbours.

Ultimately, consumption of chocolate can occur at any time of the day although it is much more likely to occur in the evening with an estimated average 22% of chocolate consumed in the UK occurring between 8 pm to midnight. Chocolate is often also a go-to quick snack to have between larger meals. The incorporation of chocolate into other dishes is rare with it mainly occurring in desert dishes such as ice cream or cakes.

### Purchase criteria

Purchasing criteria depend on a number of factors. Day-to-day consumption as a snack or similar is driven by a combination of brand, price, taste and availability. Indeed, for the mass chocolate market, it is common to find both manufacturers and retailers offering price promotions of sorts. Consumers expect to have a wide variety of packaging options available to them with the UK often having “mini” versions of standard chocolate bars to appeal to consumers who just want a very quick snack on the go. That said, this mini version often tends to be at odds with the criterion of price, as it is more common to find cheaper prices and offers on larger packs. In terms of taste, plain milk is most popular (around 55% of the market), followed by filled (22%) and dark (15%). However, boosted by health concerns and strong interest from older groups, the popularity of dark chocolate has been increasing in recent years at the expense of plain chocolate.

Some young adults (mainly in the 25 to 41 age group) will look for quality attributes such as texture and ingredients when considering chocolate for normal consumption in addition to the above. There is an increasing consumer segment which considers ethical and sustainability issues when buying chocolate as well. This segment also shows interest in the origin of the cocoa used in the chocolate and may use this origin as an indicator of quality. It is also more likely to pay attention to the cocoa content (in %) of chocolate; and again may consider this an indicator of quality.

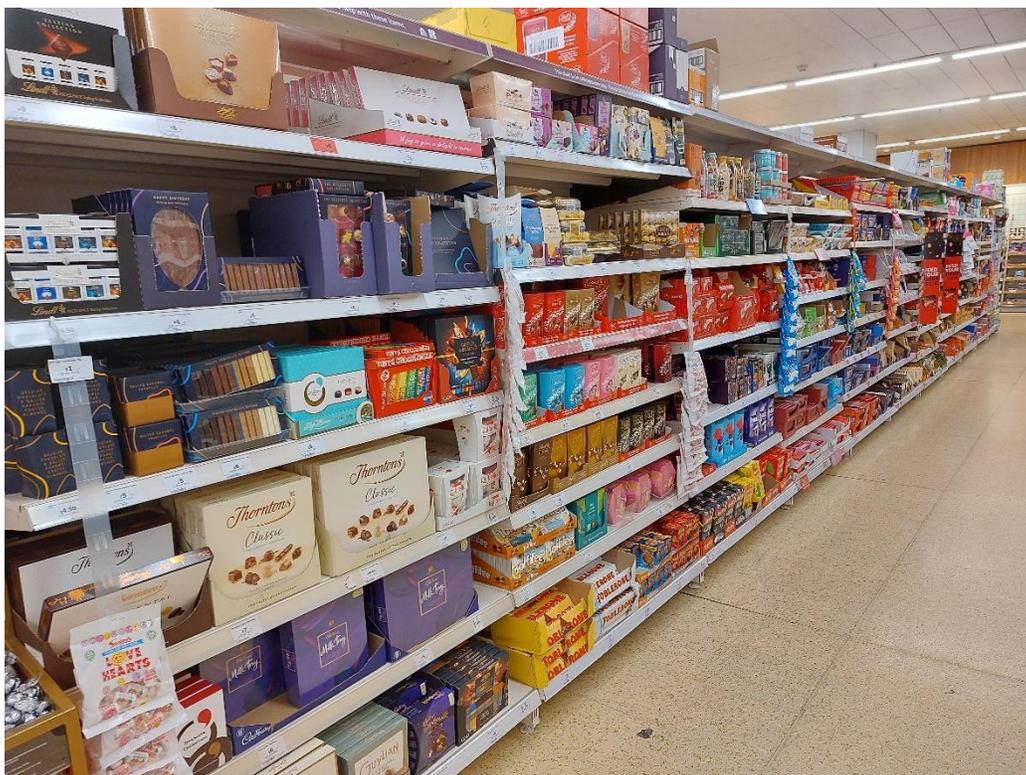
As mentioned above, adults with young families may purchase two different sets of chocolates – one for consumption in the family, and one for consumption alone. The choice of chocolates consumed in the family is more likely to take into account the wishes of children and the potential to share; while when choosing chocolates to consume alone, premium products are often favoured.

For older consumers (over 55), chocolate is often associated with nostalgia and indulgence. As a result, this segment has a preference for flavours which were popular during their earlier years, including e.g. Turkish delight, marshmallows and mint cream. Motivated by health reasons, this segment also increasingly looks for dark chocolate products.

In the case that chocolates are purchased for a special occasion or as a gift, consumers are often influenced by packaging, which may impact their perception of quality. Attractive colours (use of golds, metallics), decorative touches (e.g. ribbons) or chocolates that unfold nicely are often perceived by consumers as indicators of higher quality. For some consumers, origin is an important further indicator of quality for such occasions, with Swiss and Belgian chocolates particularly well regarded.

More expensive and often imported chocolate will come with a higher expectation of quality and branding as these products are often gifted or purchased as a unique luxury items (including notably for special occasions). For example, a chocolate product of a well-known Belgian brand in the UK will carry additional expectations and a consumer would not expect to find them in smaller convenience retailers that often stock British mass-market chocolate instead. Chocolates from a number of different brands are often packaged together around Christmas time giving consumers the chance to try different brands while also purchasing just one box of chocolates – though it should be noted that this practice is more common with multiple brands from the same manufacturer. Valentines' day is also a key date for chocolate sales in the UK with consumers further enhancing their expectations for quality chocolate including branding.

Finally, increasingly chocolates are being produced using plant-based ingredients which are appealing to vegan consumers, it's important that producers highlight that their chocolate products are indeed vegan as this will be a key pricing criterion for a number of consumers.



**Above and below:** while the majority of space in supermarkets is dedicated to local mass market chocolate, more specialist and imported products may have their own sections.



### Recent market trends

Major recent market trends impacting the chocolate sector of the UK include the rise in health consciousness, the rise in alternative chocolate varieties and the rise in plant-based chocolates. Health-conscious consumers have increasingly tried to move away from the mass consumption of chocolate instead of eating it sparingly or abstaining from the product altogether. This has led to a rise in the production of what is being termed portion-controlled packaged chocolates. Producers are increasingly offering chocolate via a sole piece that producers state offers controls regarding calorie intake without sacrificing indulgence. Producers have also begun to shift focus toward the production of chocolates with a lower sugar and calorie content, particularly those products that are aimed at children. Producers have also begun to offer smaller sizes of standard chocolate bars in a bid to limit sugar and calorie consumption.

Alternative chocolates in the UK include chocolates that incorporate ingredients such as fruit, raw honey and nuts. The UK traditionally has been a nation of plain chocolate consumers however the country is seeing a noticeable shift towards chocolates that offer alternative and additional ingredients. Plant-based chocolates are increasingly common in the UK with producers such as Mondelez and Ferrero increasingly offering plant-based versions of their more popular brands in the UK.

Consumers in the UK are also increasingly concerned about sustainability, the welfare of cocoa farmers and the cocoa trade and many will seek out chocolate produces that offer a fair-trade label and certification. Indeed, some brands which directly address these issues have emerged in recent years. Examples include: Seed and bean; Willie's Cacao; and Tony's. These chocolate

bars generally exceed fairtrade certifications and in some cases it is possible to trace the origin of the cocoa to a specific country/region. The price point for these bars is generally higher, e.g. around GBP 3 (EUR 3.45) for 75 to 100 grams. Some larger producers have also tried to plug into this trend; for example Ritter Sport products have UTZ and Fairtrade certifications.

Finally, e-commerce is a growing channel of distribution which helps to advertise chocolates from both domestic and international producers to UK consumers via a new channel. Going forward e-commerce will be an ever more important distribution channel of chocolates in the UK.

### 5.7.3 Offer

#### Domestic production

The chocolate industry in the UK is valued at roughly EUR 4.2 billion by the end of 2021 and is a key sector of food and beverage production in the country. It is estimated that the UK producers between 250 000 and 300 000 tonnes of chocolate products (blocks, bars, confectionery, spreads) annually, though over recent years production volumes show a slight downward trend. The country is not a cocoa producer which means that it needs to import this key ingredient in order to produce chocolate as a result only 1% of cocoa beans imported by the UK are re-exported to a third market. The UK is one of the larger chocolate producers in the world aided by large multinational companies such as Mondelez which has recently expanded chocolate production in the UK in return to old sites such as Bournville one of the bigger chocolate factories in the UK. The factory at Bournville, which is home to the UK's much-loved brand of Cadbury's, is capable of producing up to 200 million chocolate bars a year. A large percentage of the biggest brands of chocolate in the UK that are commonly consumed are produced by the biggest three producers in the country (*Mars, Mondelez and Nestle*). These brands include:

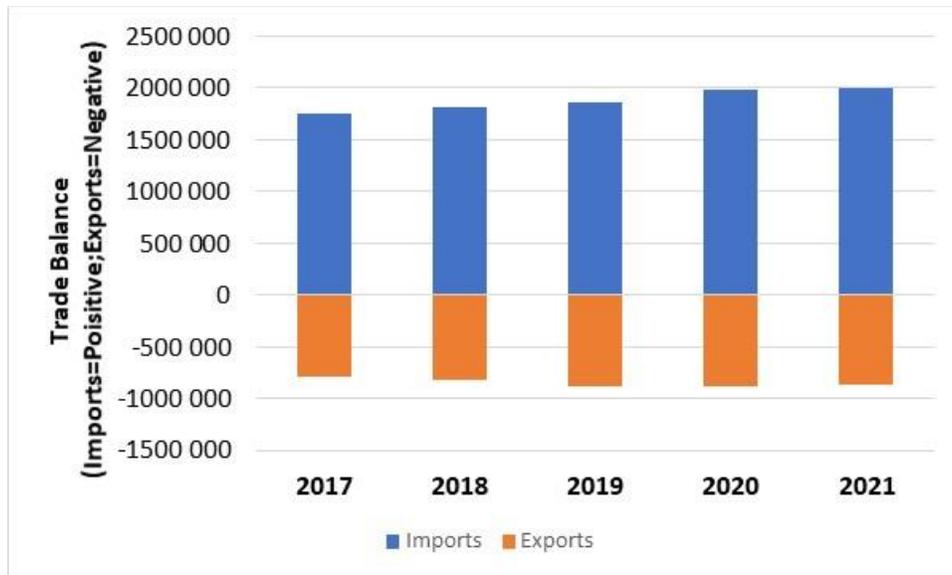
- **Nestle:** Kit Kat, Milky bar, Aero
- **Mondelez:** Cadburys, Daim, Wispa
- **Mars:** Twix, Snickers, Galaxy

Mondelez alone accounts for roughly a quarter of the UK chocolate market; and when combined with Mars and Nestle these companies – which constitute the “big 3” companies in operation in the UK chocolate market - account for over half the market share of the chocolate in the UK. It is however interesting to note that their market share has fallen from around 65% in 2016 – a reflection of the emergence and growth in popularity of smaller producers. The rest of the market is fragmented and made up of smaller producers (in the UK market) such as Ferrero, Thornton's and United Biscuits. Artisan chocolate culture is also quite well developed in the UK. Some of the more well-known producers include Dormouse Chocolate (which produces up to around 30kg per week in micro-batches), Creighton's (up to 10,000 bars per week), Solkiki (400 batches of up to 50kg each year), and Land (batches of up to 60kg twice a week).

#### Imports and exports

Figure 5-32 shows that the UK is a net importer of chocolate with the country importing a total of EUR 2 billion worth of chocolate in 2021, a five-year high. The country is also a significant exporter of chocolate with a total export value of EUR 865 million in 2021 a figure that has remained relatively consistent during the past five years.

**Figure 5-32: Trade balance (imports and exports) of chocolate confectionery in the UK, 2017-21; value EUR 000**

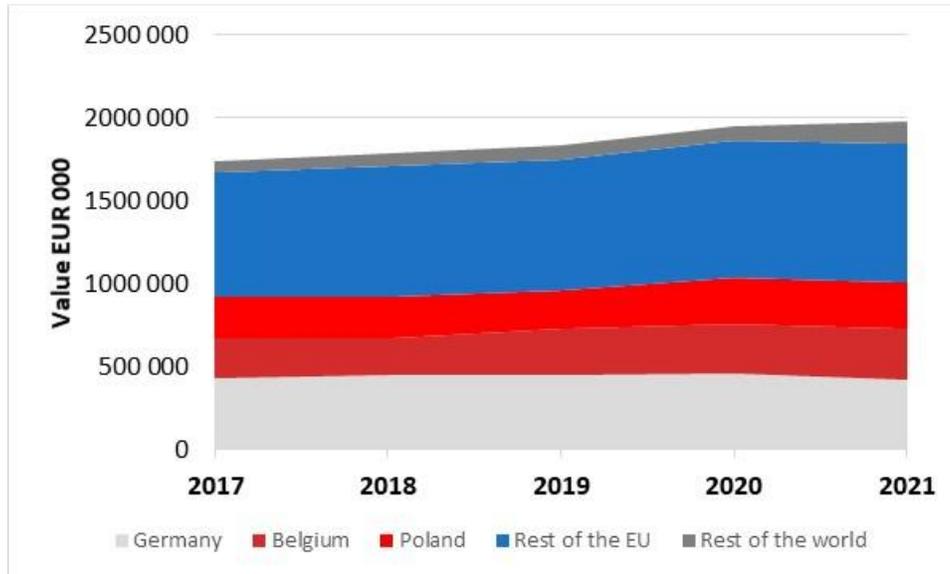


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

In 2021, Germany was the largest exporter of chocolate to the UK with the country exporting a total of EUR 420 million worth of chocolate. Belgium was the second largest exporter of chocolate exporting EUR 305 million followed by Poland with a value of EUR 277 million. The EU continues to dominate in terms of chocolate exports to the UK accounting overall for roughly 95% of all chocolate imports by the country. Other large EU exporters of chocolate to the UK include Ireland, France and the Netherlands. The biggest non-EU country that exports chocolate to the UK was Switzerland which exported EUR 56 million worth of chocolate in 2021.

**Figure 5-33: British imports of chocolate confectionery by country, 2017-21; value EUR 000**

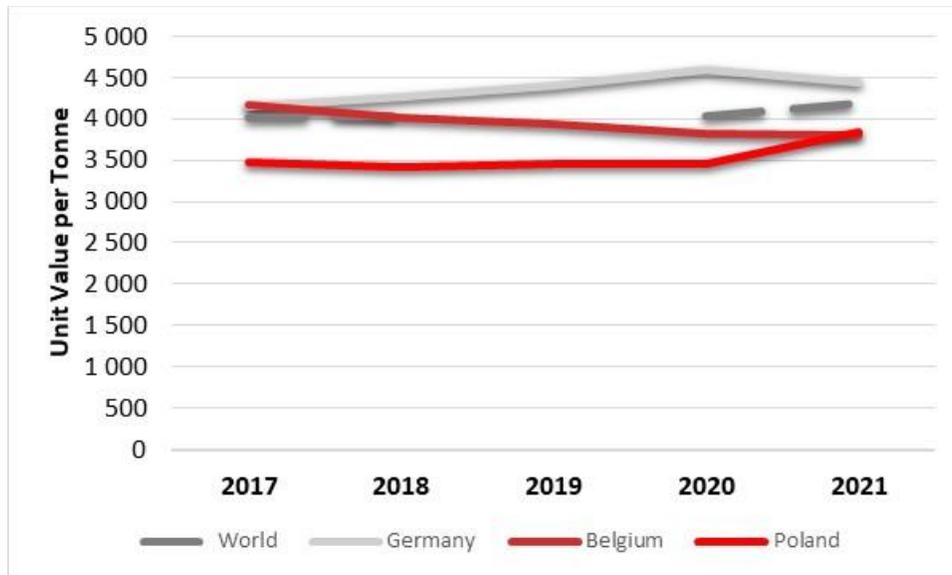


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

The world's average unit value of chocolate exports to the UK was 4 195 per tonne in 2021 as depicted in Figure 5-33. The global average has remained roughly around this figure for the past five years without much fluctuation. German chocolates have the highest unit value at a rate of EUR 4 440 per tonne followed by Belgium and Poland which are roughly similar at a rate of EUR 3 800.

**Figure 5-34: Per unit value of British imports of chocolate confectionery for selected countries, 2017-21 (EUR per tonne)**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs registered in the EU as of that date which may be relevant to chocolate (e.g. as an ingredient) are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competitor is domestic production led by companies such as Mondelez. The UK market overall is highly concentrated, with the big three companies – Mondelez (including Cadburys), Mars and Nestle accounting for almost 60% of the market, and indeed it is difficult to find products from other companies on supermarket shelves in the UK. The UK is a large chocolate-producing nation although this is not enough to completely cover domestic consumption resulting in the country being a large net importer of chocolate, which has been the case for several years. Outside of domestic production, the largest competitor is Switzerland.

## 5.7.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for chocolate may include a health entry document for animal products.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general chocolate confectionery category (1806) from Germany to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1806&origin=DE&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for chocolate. It is worth noting that there have been discussions on expanding a sugar tax – which currently is in place for beverages – to all foods, which would inevitably impact chocolate confectionery. However, this has thus far not been implemented with the government most recently choosing not to pursue this path (in June 2022).

It is recommended that producers aware of the legislation around HFSS products as, while it is dependent on composition, overall chocolate confectionery products are likely to be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

### **Labelling**

Chocolate confectionery must conform with the labelling requirements set out in section 4.2.3.

## **5.7.5 Distribution**

As shown in Figure 5-35, the largest distribution channels for chocolate products come from modern grocery retail outlets which account for 85% of all sales followed by e-commerce which accounted for 6.6% of sales in 2021. The biggest modern grocery retailers that distribute chocolates are convenience stores at 28.5% of sales followed by hypermarkets at 19% and supermarkets at 10%. Food and tobacco specialist are the largest traditional grocery retail distributors of chocolate accounting for 11.1% of sales.

Specifically in the area of e-commerce, it should be noted that more specialist producers are increasing using this channel to target consumers directly. By way of example, the UK historical, quality chocolate manufacturer Thornton took the decision in early 2021 to close all of its physical outlets in the UK (which numbered around 60 at the time) and to become a purely online retailer. Larger players such as German brand Ritter Sport have also launched their own online stores for the UK. Some smaller players are offering products through online chocolate focused websites such as Yumbles and Epicurium.

**Figure 5-35: Distribution channel overview of chocolate confectionery in the UK (2021); retail value**



Source: Euromonitor International: Packaged Food, 2021.

### 5.7.6 Challenges for EU products

EU producers are facing a number of upcoming challenges in the UK chocolate market. A major issue is sizeable domestic production and the high level of concentration of the market among just a few big players, with the importance of supermarkets in distribution just further accentuating this effect. Overall, EU chocolates face strong domestic competition from a well-established UK chocolate industry. However, there are some signs of light – the market share of the largest three players has been on a downward trend in recent years, as to a lesser extent has the production volume of chocolate products in the UK.

The government has signalled its intention to implement a ban on the advertising of junk foods before 9 pm by 2023 which will severely limit the advertising capability of chocolate producers in the country. Many supermarkets have already voluntarily agreed to remove chocolate and confectionery products from next to checkouts in the UK in order to limit impulse purchases/consumption; particularly by children. This coupled with a consumer base that is increasingly health conscious and abstaining from unhealthy products will also impact the chocolate market. Nonetheless, consumption remains massive and on balance, the measures and trends outlined above seem more likely to impact the mass market rather than the luxury / occasional consumption segment.

**Market Takeaway: Chocolate confectionery**

**Consumption:** Consumption of chocolate in the UK is high, being one of the highest in the world. Consumers of any age group or income class will readily consume the product with the average British citizen consuming three bars of chocolate a week.

**Competition:** The main competition comes from domestic production with the UK being a large producer of chocolate products and with three large brands dominating the market. The biggest competition from a third country comes from Switzerland.

**Distribution:** The majority of sales occurs through store-based retailers such as supermarkets and convenience stores, as well as through independent small grocers. E-commerce is a growing channel of distribution that is likely to grow more important in upcoming years and is showing popularity among players outside the big three companies.

**Challenges:** To compete with the large companies which dominate the market, and whose position is further strengthened by their near monopoly on supermarket sales. The implementation of a ban on junk food advertising before 9 pm in the UK by 2023 will also severely limit the advertising ability of producers from the EU.

**Opportunities:** The best opportunities arguably exist outside the mass market for regular consumption. Alternative chocolate incorporating unique ingredients such as fruit pieces or raw honey is seeing a rise in demand in the UK as are chocolate products that have been produced using plant-based ingredients. Concern for sustainability and the welfare of the cocoa farmer is also increased which is good news for producers that have a fair trade label and certification. Overall, the more premium segments of the market may offer interesting potential.

## 5.8 Beer

### 5.8.1 SWOT analysis

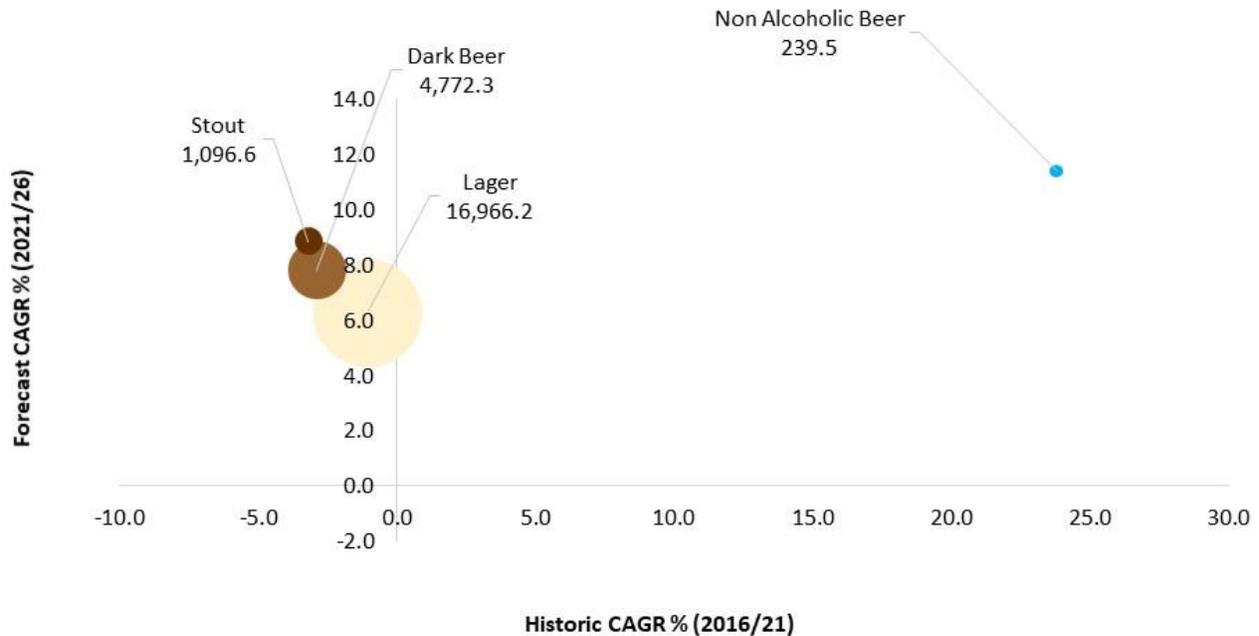
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Despite total beer consumption declining, the UK will remain one of the world's largest beer-drinking countries. EU beers are well recognised in the UK and account for 80% of all beer imported by the country.</li> <li>▪ Beer drinking is a social activity culture.</li> <li>▪ UK consumers are accustomed to a very wide range of beers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UK is a large producer of beer.</li> <li>▪ On-trade sales of beer have yet to recover to pre-pandemic levels</li> <li>▪ Restrictions in place regarding the advertising of beer in the UK are high.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Non-alcoholic beer consumption is growing quickly in the country and is forecasted to continue growing between 2022 and 2025.</li> <li>▪ Events such as sporting events of Christmas are often associated with a rise in beer consumption.</li> <li>▪ A developed and further growing craft industry, with a consumer which shows interest in craft beers of various origins.</li> <li>▪ EU beers have high recognition in the UK allowing for more experimentation with products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong domestic production that dominates the mass market and the rise of UK craft beer production.</li> <li>▪ Market structure makes it a tough market for smaller overseas producers to enter. Nonetheless, a few have successfully done so using a variety of techniques.</li> <li>▪ Possibility of the implementation of a minimum pricing scheme for alcohol in England as has been done in Scotland and Wales, with England being by far the biggest consumer base in the UK.</li> </ul>

### 5.8.2 Consumption

#### Evolution of consumption

As observed below in Figure 5-36, lager is by far the largest beer in the UK by value amounting to EUR 16.2 9 billion. Lager is predicted to grow by a CAGR of 6.3% between 2021 and 2026 which will see it remain by a considerable distance the largest beer category in the UK by retail value. Dark beer is the second-largest beer product by value amounting to EUR 4.7 billion. Dark beer is expected to grow by a CAGR of 7.8% between 2021 and 2026. Stout is the third largest beer category by retail value at EUR 1 billion, stout is further expected to grow by a CAGR of 8.9%. Non-alcoholic beer will be the fastest growing beer category in upcoming years with a predicted forecasted CAGR of 11.4% between 2021 and 2026, this will be helped accelerate the current retail value for non-alcoholic beer which stands at EUR 239 million.

Figure 5-36 the beer market in the UK (value, EUR million); 2016-2026



Source: Euromonitor International: Alcoholic Drinks, 2021.

### Consumers

The legal drinking age of alcohol in the UK is 18 and beer is on average the first alcoholic beverage that consumers will consume. Beer consumption is socially acceptable in the UK and indeed it is a normal social activity in the country. Consumption of beer is very common in the UK with the country having a per capita annual consumption of 70 litres which ranks the country in the top 20 in the world. Men are notably far heavier drinkers of beer in the UK with women often preferring to consume wine and spirit products instead. Consumers of beer span income classes as there are a wide variety of beers available in the UK at a reasonable price with domestic pints of beer on average costing EUR 4.70 in bars (pubs) and imported beers costing slightly more at EUR 5. Older consumers are heavier drinkers of beer compared to younger consumers which are more likely to consume far less alcohol in general or to abstain from alcohol altogether. Non-alcoholic beers are further likely to appeal to consumers that are health conscious or between the ages of 24-35. It is important to remember that, with the UK being a multicultural country, there are segments of society which do not consume beer; most notably the Muslim population, but also consumption is lower than average among some other ethnic groups.

With regards specifically to imported beer, there is a wide consumer group – over 2/3 of beer drinkers enjoy trying beers from different countries. European style light lagers are particularly popular – as witnessed by the popularity of some of the larger European origin brands such as San Miguel, Stella Artois, Peroni and Carlsberg. Segments particularly likely to consume imported beer include: the under 40 segment, who are generally keen to try any non-mainstream beer; middle-aged working professionals, who often have been exposed to European beers during professional life and consider them higher quality; and expatriates / international students.

## Drivers and method of consumption

Key drivers of beer consumption in the UK include the consumption of beer as a social activity, consuming beer to relax at the end of a work week and during celebrations such as a wedding or a sporting event. Historically, it has been very common for the British to go to pubs (bars) for socialising – most notably at weekends though also during the week – with considerable beer consumed. The popularity of going to pubs however has fallen in recent years, with younger generations (most notably generation Z onwards) much less likely to engage in this activity than previous ones, or order alcohol-free drinks. Sporting events are extremely popular in the UK – football in particular. Many pubs will show football games to attract clients with consumption of beer high during this time, and football stadiums themselves will often serve thousands of beers during a small-time frame to those consumers present at games. Furthermore, consumers often consume beers during birthday and wedding celebrations which acts as a key driver of consumption. Weather also plays a role with consumers often consuming more beers during the rare days of sunshine in the UK. Consumption patterns largely mirror other Western nations with just a couple of differences. Firstly, there are two overarching types of beer consumed in the UK – lager and ale – with lager slightly more popular. While the former, lager, is popular more or less across the world, the latter is somewhat specific to the UK, with the beer both mainly produced and consumed in the country. Ale cover quite a wide range of beers including British bitter and Indian Pale Ale; stout while not an ale per se is often also grouped with ales. Secondly, the consumption of beer publicly is generally more socially acceptable when compared to other nations such as the US.

A key driver of non-alcoholic beer consumption has been consumers attending events with the need to drive afterwards as the UK enforces strict alcoholic driving laws. Furthermore, health consciousness is also driving sales of non-alcoholic beers in the country; with a very wide range of non-alcoholic beers available.

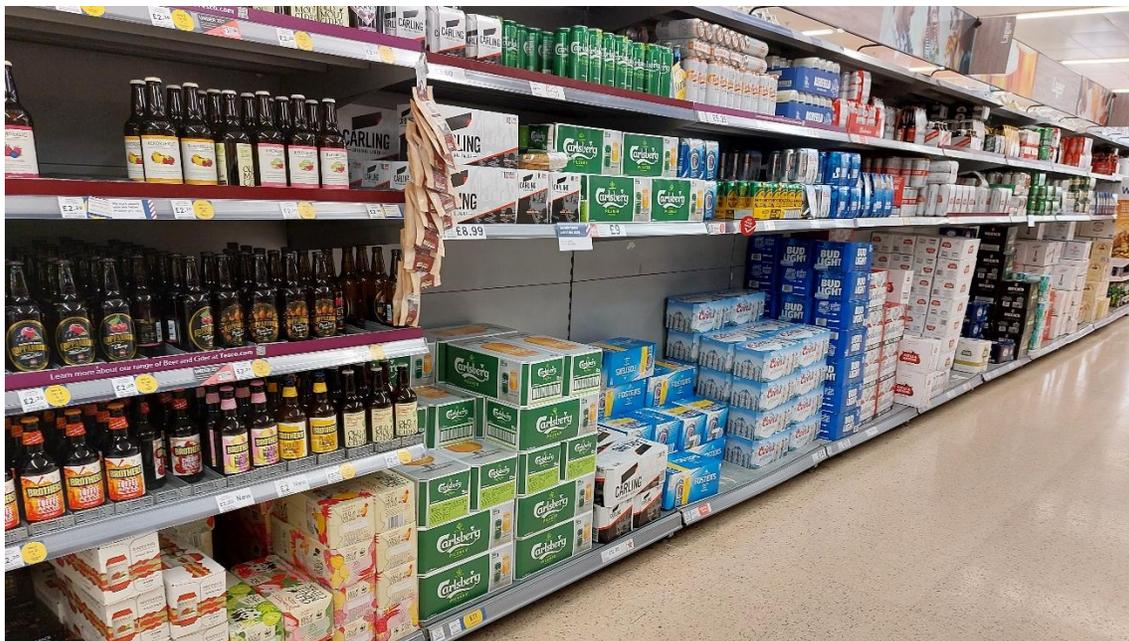
Consumers will often consume beers either via a 440 ml beer can (off trade) or a 568ml pint glass (on trade).

## Purchase criteria

Beer is generally not expensive in the UK and as a general rule, consumers will likely abstain from beer in pubs that price their pints above EUR 6.50; though this rule may be broken in city centres (most notably London). If off-trade channels beers can most commonly be found in 440ml cans, and these tend to sell for between GBP 1 and 1.50 (EUR 1.20 to 1.75), though premium products may be priced above this. The implementation of a minimum pricing scheme in Scotland and Wales has raised the price of beer in both countries however this has been smaller than the impact seen in the wine and spirit sectors. The first decision a consumer will make is the broad type of beer they want to drink – lager, ale or other (e.g. stout). Many consumers will be brand loyal to beers however less so than in spirits and wine with a beer variant loyalty (e.g. lager, bitter, IPA, stout etc) being more common. This does mean that consumers will be ready to try new beers – this is particularly the case in pubs. In the case that consumers seek out new beers, they are likely to focus on alcohol content and flavour profile in addition to the beer type. Country of origin may influence some consumers. Due to the popularity of larger brands in the country (such as Peroni, Birra Moretti, Stella Artois and Leffe), Italy and Belgium have particularly good reputations for beer in the UK. French, German and Czech beers are also quite well regarded.

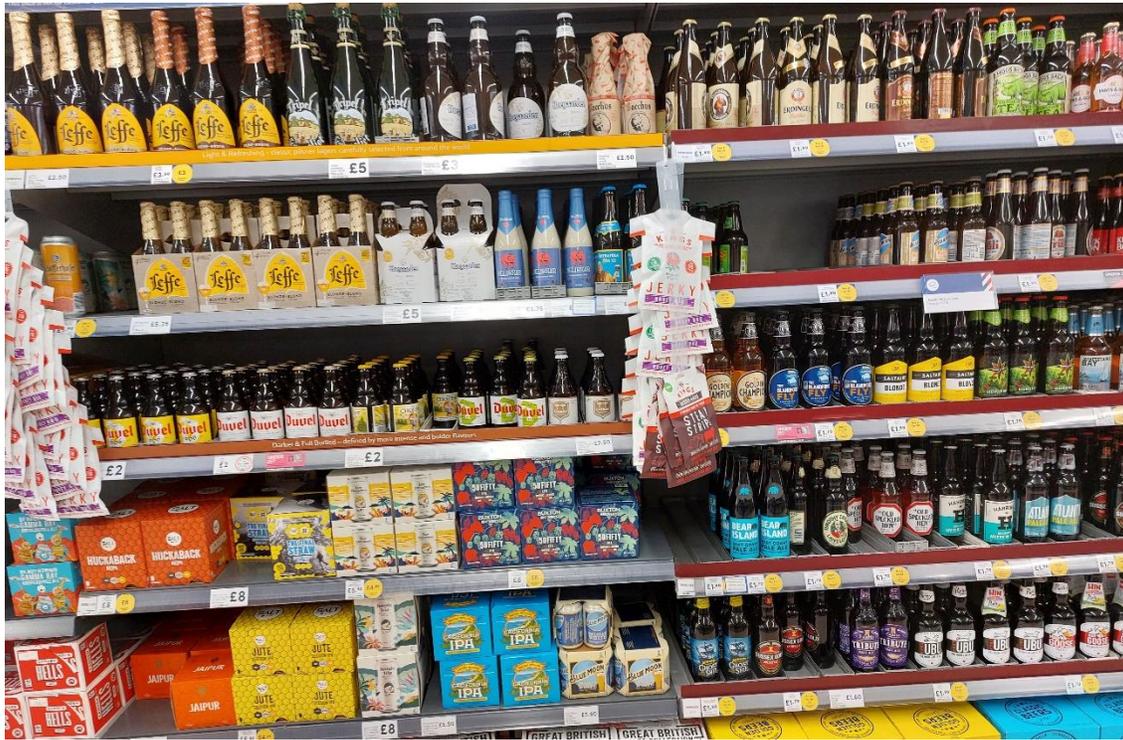
Packaging style may also influence consumer decisions. Metal beverage cans, while the norm, are generally seen as lower quality by beer aficionados, with glass bottles preferred in most cases by this group.

Draft beers are available via a wide variety of brands which makes this sector particularly competitive, with the draft beer often acting as a hook of sorts for consumers to subsequently purchase in off-trade channels if they like the beer. Microbrewers in the UK are more likely to emphasise their locality in a bid to attract consumers seeking to support the local economy, this is a key advertising strategy for smaller producers.



**Above:** the majority of space in supermarkets is dedicated to the most popular brands, with beers organised by type (lager, ale, cider). Cans are the preferred packaging with multipacks (4, 10, 12, 20, 24) common.

**Below:** non-mainstream beers including imported ones are more likely to be grouped together, and glass bottles are the preferred packaging format. Multipacks may or may not be offered; volume offers (e.g. buy 3 get the 4<sup>th</sup> free) may be used.



### Recent market trends

Premiumisation coupled with the growth of low and non-alcoholic beers are the two bigger market trends in the UK beer market in recent years. Consumers continue to have an interest in high-end beers both of an international and domestic variety. Low and non-alcoholic beers have seen a spike in demand in recent years aided by the rise in health consciousness amongst consumers in the country. Brands from the EU such as Heineken 0.0 and Birra Morretti 0.0 are amongst the more sought-after low and non-alcoholic beers in the UK market and a number of other low and non-alcoholic beers from the EU have gained a foothold in the UK market. With the development of the non-alcoholic beer market, there is an increasing range of products on offer, including many from smaller producers which specialise only in the production of non-alcoholic beer. The segment is forecast to grow at over 7% per year in volume terms in coming years; with growth in market value terms set to outstrip growth in volume.

Consumers have increasing choices regarding how to obtain their beers with e-commerce emerging as a key new channel of distribution in the country. A well-established supermarket online distribution landscape coupled with the rise in third-party phone applications which offer a beer delivery service has helped to continue to digitalise the ability for consumers to obtain beers in the UK. There are also an increasing number of websites dedicated to distributing beers of a certain type.

Finally, craft beer is seeing a resurgence in the UK as a number of new microbreweries have opened up in the country in recent years. These microbreweries often lean into the fact that they are local businesses and will often incorporate iconography synonymous with the city or region they are in operation. Craft beer now accounts for just under 8% of the UK market by volume. Overall, craft beer consumers are more likely to have higher levels of education and income. However, within this set of consumers, various subsets are emerging. Older consumers tend to favour a more traditional style of craft beer, whereas younger consumers are generally open to

new and innovative beers. There is a growing niche for organic craft beers, with mid to high income male professionals the primary consumers.

### 5.8.3 Offer

#### Domestic production

The British Beer production sector is estimated to have contributed roughly EUR 4 billion to the UK economy in 2021<sup>66</sup>. Supply has been heavily impacted by the outbreak of COVID-19 but largely rebounded by the end of 2021. Beer production has been a long-time economic activity in the UK with a number of traditional beers often being associated with the UK. These traditional beers, which generally fall under the ale category, include brown ale, mild ale and porter. The UK is one of the largest producers of beer in the world ranking 7<sup>th</sup> in 2021 with a production of around 4.9 billion litres. The UK beer production market is heavily concentrated amongst four larger companies those being A-B Inbev which operates plants in Magor and Samlesbury; Carlsberg which has a plant in Northampton; Molson Coors which operate out of Burton on Trent (the traditional home of the British brewing industry) and Tadcaster; and finally Heineken which has a large brewery in Manchester and Edinburgh. These companies alone account for roughly 75% of the beer produced in the UK and have a large number of brands associated with them covering both lager and ale. Example traditional British brands include Carling and Newcastle Brown Ale; though a range of foreign brands is brewed under licence in the UK by these big brewers.

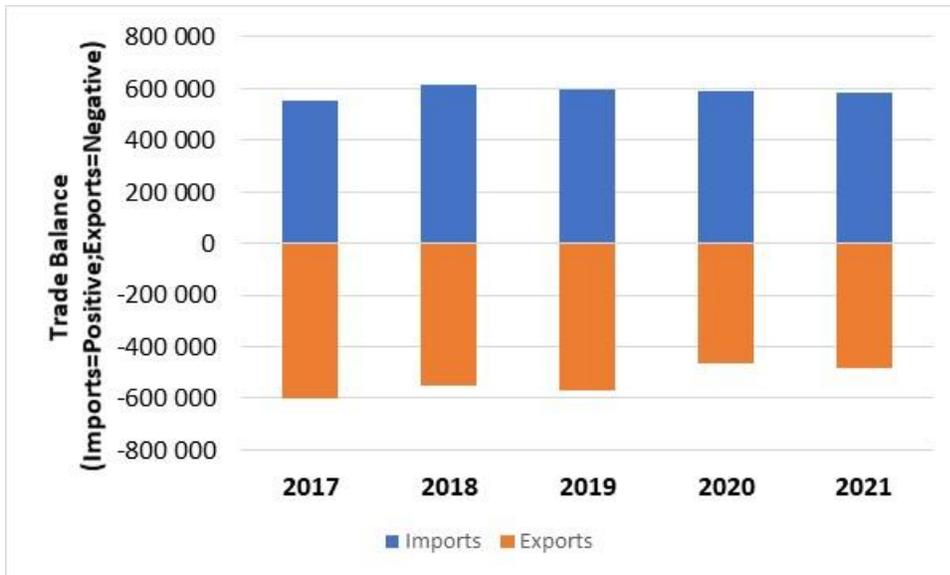
#### Imports and exports

As shown below in Figure 5-37 the UK has evolved to become a net importer of beer over the past five years with the country has been a net exporter in 2017 and becoming a net exporter over the following four years. In 2021 the UK imported a total of EUR 584 million worth of beer compared to exporting EUR 480 million in the same year. In 2018 total imports came to the value of EUR 614 million which was the highest amount imported by the country in one year over the past five years.

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<sup>66</sup> Beer industry in the UK- statistics and facts, Statista, available at <https://www.statista.com/topics/6851/beer-industry-in-the-uk/>

**Figure 5-37: Trade balance (imports and exports) of beer in the UK, 2017-21; value EUR 000**

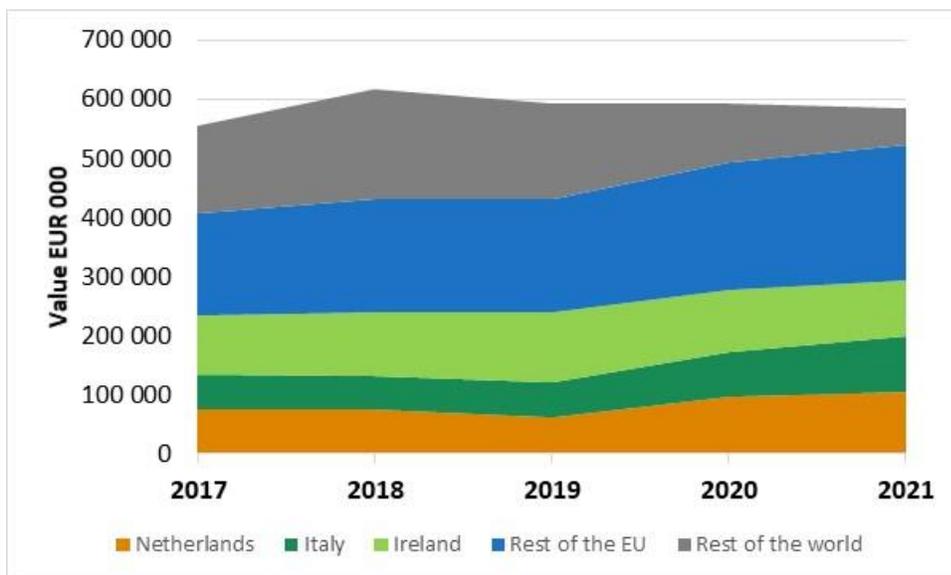


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-38 shows that the Netherlands is the biggest exporter of beer to the UK with the country exporting a total of EUR 102 million worth of beer to the UK in 2021. This is followed by Italy which exported EUR 96 million and Ireland which exported EUR 95 million. The rest of the EU exported a total of EUR 227 million worth of beer to the UK in 2021 which means that overall, the EU accounted for roughly 80% of all beer exports to the UK in 2021. Mexico is the biggest non-EU beer exporting country to the UK and ranks as the 10<sup>th</sup> biggest exporter at a value of EUR 31 million.

**Figure 5-38: British imports of beer by country, 2017-21; value EUR 000**

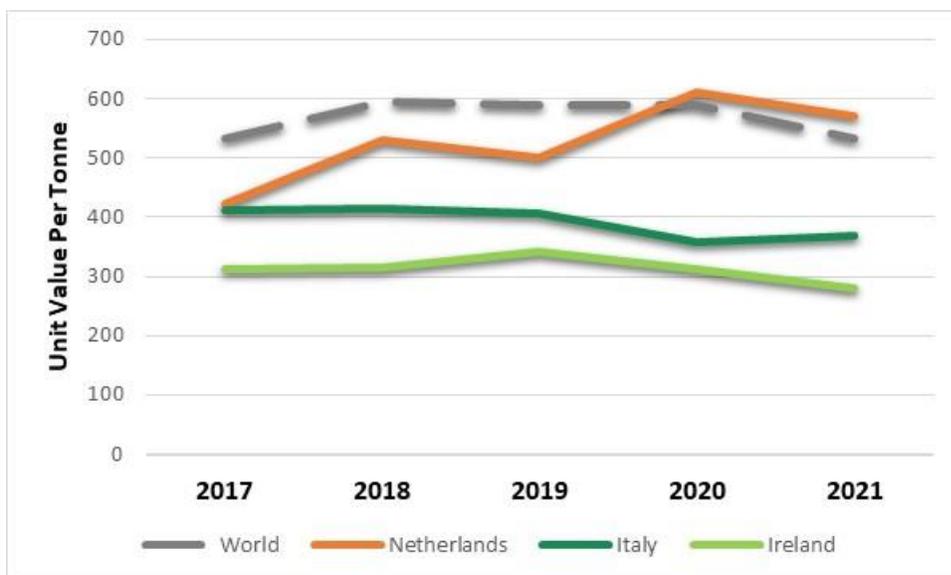


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-39 shows the per-unit value of British beer imports with the Netherlands' unit value being EUR 570 per tonne slightly above the global average. The global average in 2021 was EUR 532 per tonne. Italian beers in the UK had a unit value import per tonne rate of EUR 370 followed by Ireland with a EUR value per tonne rate of EUR 280.

**Figure 5-39: Per unit value of British imports of beer for selected countries, 2017-21 (EUR per m<sup>3</sup>)**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs for or relevant for beers registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The biggest competitor for EU products is domestic beers produced in the UK. The UK is one of the larger beer producers in the world and has a tradition of producing a wide variety of beers to cater to its consumer base. This most notably includes a high volume of ales which, being essentially a British beer, is not generally substitutable with beers brewed outside the country. UK production is furthermore dominated by a handful of large brewers who produce both domestic brands and brew foreign brands under licence in the UK. Furthermore, the UK has a well-developed and further-growing craft beer industry.

The main highlight is that outside of beers produced in the UK the EU is largely dominant with American and Mexican beers having a much smaller presence in the market. EU beers are well known and appreciated by UK consumers, though some of the most well-known foreign brands are actually brewed under licence in the UK.

The combination of competitive factors mentioned above do make the market a tough one for smaller overseas producers to enter. Nonetheless, a few have managed to carve out niches by using a variety of techniques. These include: successful participation in international craft brewery competitions; participation in both UK festivals and foreign ones where there is a high presence of UK consumers; having products listed on specialist UK websites; a presence in selected on-trade channels; and, where possible, direct-to-consumer sales backed up by social media promotion.

## 5.8.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general beer category (2203) from Belgium to the UK***

[https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE  
&destination=GB](https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE&destination=GB)

### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for beer. Nonetheless, it is important to be aware of one existing specificity – that of minimum alcohol pricing which has been introduced in both Scotland and Wales.

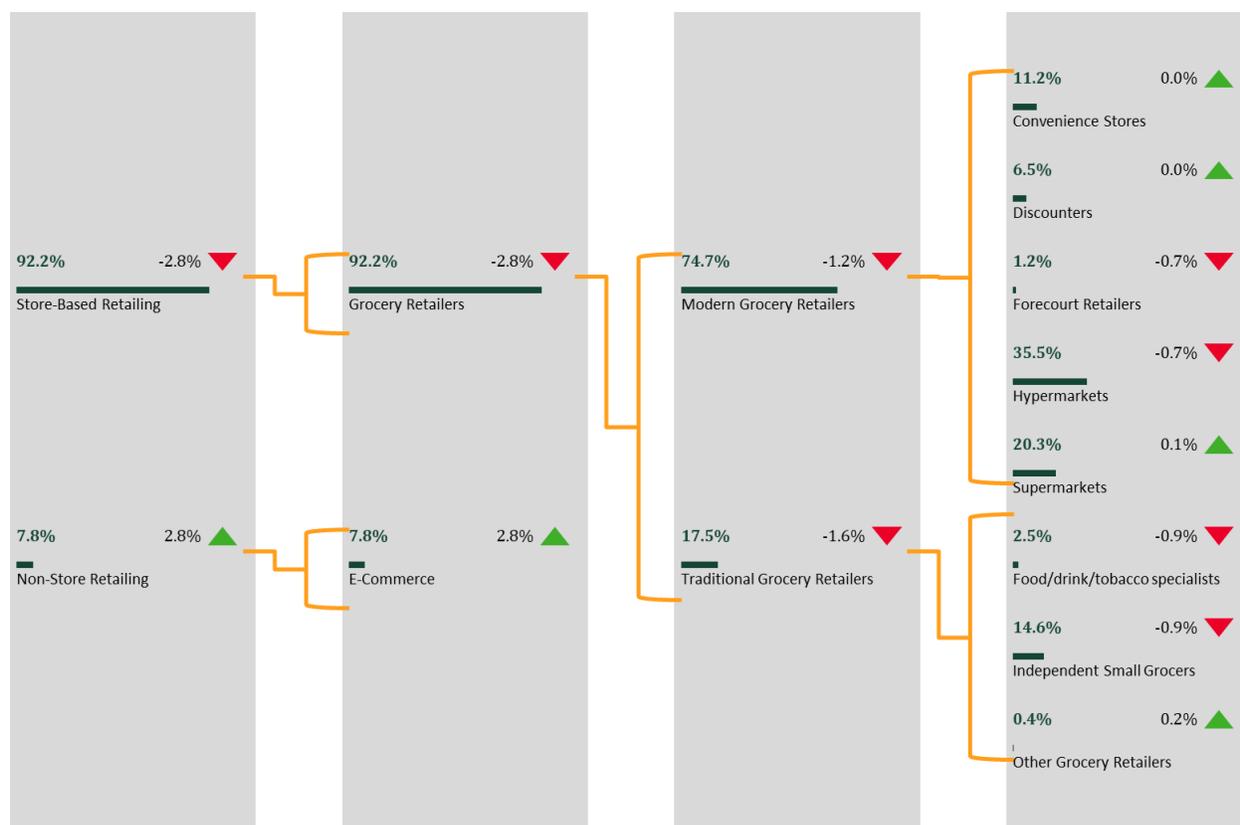
### Labelling

Beer must conform with the labelling requirements set out in section 4.2.3. This includes an alcohol warning label.

### 5.8.5 Distribution

The off-trade channel has grown to be the bigger distribution channel for beer in recent years and now accounts for 61% of beer distribution by volume in the UK. On-trade distribution accounted for the majority of sales prior to the outbreak of COVID-19, however, it has since fallen behind off-trade sales. Figure 5-40 shows that the main off-trade distribution channels are modern grocery retail outlets which account for three-quarters of all sales with hypermarkets and supermarkets accounting for half of these sales. Independent small grocers are the largest distributors of beer from the traditional grocery retail outlets with a 14.2% share of sales. E-commerce is a growing channel of distribution and now accounts for 7.8% of all sales in the UK. In addition to the main e-commerce players, there are various specialist beer website in the UK. One of particular relevance to EU producers is beersofeurope.co.uk.

**Figure 5-40: Distribution channel overview of beer in the UK (2021); off-trade volume**



Source: Euromonitor International: Alcoholic Drinks, 2021.

### 5.8.6 Challenges for EU products

There are various challenges for EU products in the UK. Firstly, the market covers both lager and ale, which tends to be only British; with around half of the beer sold being the latter, meaning that the realistically addressable market for EU beer producers is smaller than the overall market size. Furthermore, brewers are now marketing their products to a consumer base that is increasingly consuming less alcohol, particularly amongst the younger generation. This coupled with the increasing need to provide a low or non-alcoholic version of their products is another challenge that EU producers will have to cope with; though the non-alcoholic market is arguably a big opportunity in the UK. The UK beer market is very competitive with a large domestic production base dominated by a handful of large multinational brewers, plus a strong and growing craft beer industry. However, EU beers are easily recognisable and appreciated by EU consumers and beers from the EU account for 80% of beers imported by the UK giving them a large market position in the country; with the good reputation of some European brands which are now brewed in the UK also helping this positive image. The level of competition and structure of the market does make it a tough market for smaller EU producers to enter. Nonetheless, a few producers have managed to successfully do so using a range of techniques backed up by persistence.

#### Market Takeaway: Beer

**Consumption:** *declining, particularly amongst younger consumers but the UK is likely to remain one of the heavier beer drinking countries in the world. Consumers are more likely to be men as women largely prefer wine and spirits. Beer drinking is a common UK social activity.*

**Competition:** *Domestic beers are the main competition as they have a pricing advantage over imported beers in the country as well as inherent advantages in the case of ales. Competition from Mexico and the US is the biggest from outside of the EU however imports from these countries are far lower than even smaller EU beer-producing countries such as France.*

**Distribution:** *On-trade distribution has traditionally accounted for the majority of sales however lost its majority during the COVID-19 pandemic and has yet to recover fully. Hypermarkets and supermarkets account for the majority of the store-based distribution of beer with e-commerce also becoming an important channel of distribution.*

**Challenges:** *An effectively smaller market to begin with due to the popularity of ales; plus the growing health-conscious consumer base that increasingly expects non and low-alcoholic versions of their favourite beer brands to be available. Marketing to younger consumers is increasingly difficult as these consumers are notably consuming less alcohol than older consumers.*

**Opportunities:** *The demand for non-alcoholic and alternative/craft beers are the two major opportunity areas in this market. The brand recognition and reputation of EU beers in the UK are high, and this may provide opportunities that can be leveraged.*

## 5.9 Sugar confectionery

### 5.9.1 SWOT analysis

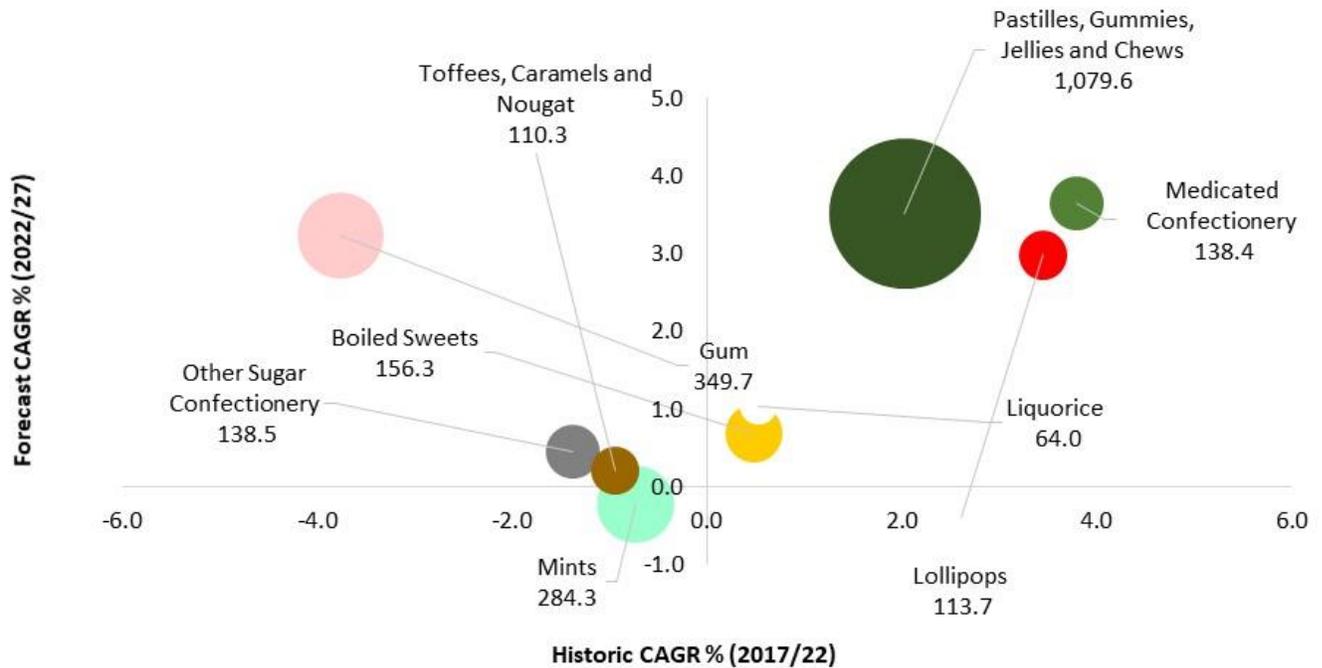
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ UK consumers have quite a high level of consumption of sugar confectionery products.</li> <li>▪ EU accounts for the majority of sugar confectionery exports to the UK.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The fragmented market at a brand level is made up by many well-established brands; some large companies behind many of these brands.</li> <li>▪ Total consumption of sugar confectionery products is declining.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ New flavours and innovations, healthy products (e.g., sugar-reduced and medicated confectionery, particularly in view of the HFSS regulation); as well as affordable products.</li> <li>▪ Natural ingredients and functional confectionery.</li> <li>▪ Spike in demand for sugar confectionery products at Halloween.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The introduction of restrictions on advertising and promoting HFSS foods likely to impact sugar confectionery.</li> <li>▪ Well established brands are well-placed to leverage their position to introduce new products and flavours to UK consumers with ease; historically they have done this.</li> </ul>

### 5.9.2 Consumption

#### Evolution of consumption

As depicted in Figure 5-41 the biggest market in 2022 in the UK sugar confectionery market was the one for pastilles, gummies, jellies and chews with a value of just over EUR 1 billion. It was followed by gum with a market size of over EUR 349m. Mints had a market size of around EUR 284 million followed by boiled sweets which have a market size of close to EUR 156m. The other sugar confectionery category had a market size of EUR 138 million which is the same retail value for medicated confectionery products in the UK. Going forward, the fastest growing sugar confectionery production is forecasted to be medicated confectionery products with a CAGR of 3.6% between 2022 and 2027. Lollipops. Pastilles, gummies, jellies, chews and gum are also expected to grow at a CAGR of 3% and above between 2022 and 2027.

**Figure 5-41: Evolution and forecast of the sugar confectionery market in the UK, 2017-2027; total retail value, EUR million**



Source: Euromonitor International: Packaged Food, 2021.

### Consumers

Sugar confectionery products are a popular treat food item commonly consumed in the UK. Younger consumers and children are the key consumers of sugar confectionery items with consumers tending to consume less sugar confectionery products as they get older. Children are also drawn to the sweet tastes of sugar confectionery products and packaging is often produced to subtly target children. The only segment which skews notably towards middle-aged and older consumers at present is medicated confectionery; with certain medicated confectionery products such as Fisherman’s Friend skewing notably to the over 60 segment.

Sugar confectionery products appeal to consumers from all income classes and most ethnic backgrounds, with some restrictions for Islamic and Jewish consumers (combined about 8% of the UK population) due to the use of gelatine in the production of some (but not all) sweet confectionery items. Consumers across the UK have become more health conscious in recent years which has impacted the sale of sugar confectionery products in a negative way, coupled with the looming introduction of restrictions for high fat, sugar and salt (HFSS) foods will make the sugar confectionery market of the UK one that will have to adapt rapidly to adjust to the evolving demands of the consumer and the legislative landscape.

### Drivers and method of consumption

Key drivers for sugar confectionery consumption in the UK have been: their association as a treat product for consumers to indulge in; their wide range of choice with a large number of brands operating in the UK sugar confectionery market; and their relatively cheap price. Consumers have often associated sugar confectionery products as either a product to treat themselves or a product

to be gifted as a reward for their children. On the topic of gifting, sugar confectionery products are at times gifted as a present for a birthday or Christmas, though this practice lags far behind the practice of gifting chocolate instead. The UK is home to a wide variety of sugar confectionery brands and producers which results in retailers offering multiple sugar confectionery products to consumers. That said, it is likely that this will be somewhat impacted by the HFSS restrictions as they are enforced.

Ultimately, the sugar confectionery market is mainly driven by the consumer's need for indulgence. Confectionery can be bought nearly everywhere and, on the go, which makes it a perfect quick treat in everyday life and a good snack. A final driver is a spike in demand for sugar confectionery goods at Halloween as these products are commonly given to children who are partaking in the tradition of trick or treating. Overall, consumers across the UK have become more health conscious in recent years which has impacted the sale of sugar confectionery products in a negative way, with the looming introduction of HFSS restrictions likely to reinforce this. Nonetheless, demand is likely to remain high.

### Purchase criteria

An estimated 80% of sugar confectionery in the UK is bought as an impulse purchase.<sup>67</sup> Against this background, price, taste and brand loyalty are the bigger pricing criteria for sugar confectionery products in the UK. UK consumers are accustomed to having a wide variety of sugar confectionery products of various types available to them for a relatively cheap price, with this consideration it is best for standard producers of sugar confectionery products to be priced reasonably. Indeed, historically there have been price offers on sugar confectionery to attract consumers, though this practice is falling in popularity, partly due to the pending introduction of the HFSS regulation which will ban many price-based promotional practices.

Premium sugar confectionery products are often gifted which comes with more expectations from the consumers surrounding the branding and packaging of these products in particular. The versatility of sugar confectionery products allows for additional experimentation in this sector which offers the chance to leverage new sugar confectionery tastes to appeal to a consumer base that is increasingly curious to try new flavours. That said, with a fairly high level of brand familiarity in the market, some of the most notable innovation in terms of flavours tends to come from the introduction of new flavours under existing brands (a kind of brand leveraging). The UK consumer base however is also growing increasingly health conscious and will pay particular attention to the nutritional content of sugar confectionery products over other products they choose to purchase.

### Recent market trends

The full implementation of the HFSS regulation restricting the in-store and online presence of products high in sugar, salt and fat is expected to be launched in 2023 or 2024 after a delay in implementation (see also section 4.2.2). When the regulation has been in force for a full year for the first time, and restrictions on volume-based promotions are also in force, the impact is likely to show through to data on sales of sugar confectionery products in the UK. Shelf presence is expected to be drastically impacted by this regulation once enforced given that sugar confectionery products have traditionally been positioned widely on aisle ends and at checkouts.

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<sup>67</sup> <https://www.gov.uk/government/publications/restricting-promotions-of-products-high-in-fat-sugar-or-salt-by-location-and-by-volume-price/restricting-promotions-of-products-high-in-fat-sugar-or-salt-by-location-and-by-volume-price-implementation-guidance>

It should, nonetheless be noted that some supermarket chains have already made the decision to remove sugar confectionery (other than sugar free chewing gum) from these positions near checkouts.

Demand for sugar confectionery products is likely to be further impacted by the growth in health consciousness amongst UK consumers which has pushed many consumers away from the practice of regular sugar confectionery consumption. This trend has led to an increased interest in functional confectionery (e.g. with added vitamins) and those with natural ingredients/flavourings. Going forward, the sugar confectionery products that are best positioned to perform well in the UK will be those that offer less sugar content or otherwise plug in to the health trend; adapt unique flavours; retain packaging that encourages on-the-go consumption; and finally clearly provide the nutritional information of their contents on the packaging.

### 5.9.3 Offer

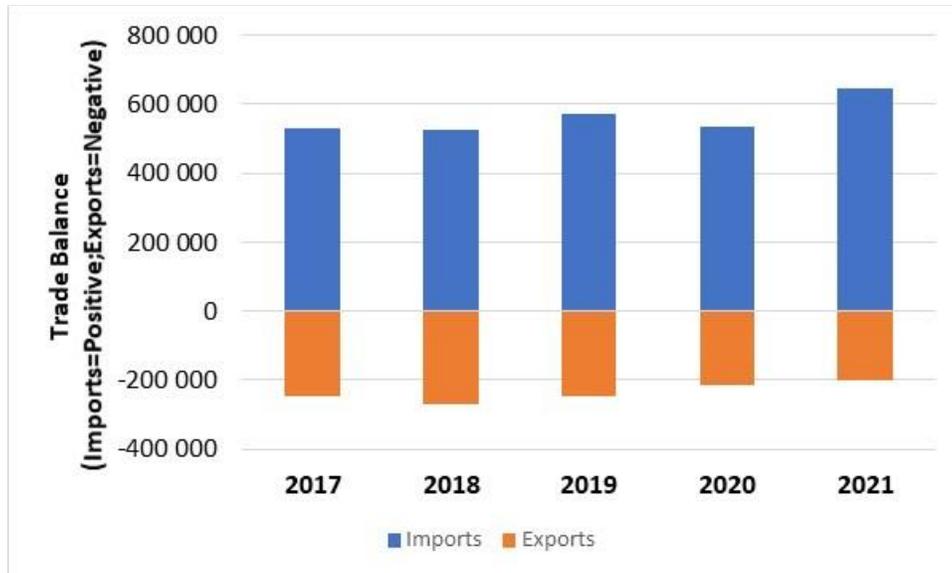
#### Domestic production

The UK is a large producer of sugar confectionery products with the market being somewhat fragmented amongst large international producers such as Nestlé and domestic producers such as Maynard's Basset (owned by Mondelez but operates production facilities in the UK). Supermarkets are also very active in the area of sugar confectionery products in the UK through the sale of products under their private labels. Well-known UK brands and types of sugar confectionery products include fruit pastilles, wine gums and jelly babies which are commonly consumed outside of the UK as well. Some of the bigger production facilities in the UK include the Rowntree and Valeo factories, both based in York. In addition to this, there are a number of smaller, more artisan style producers of sugar confectionery in the UK such as Sea Sugar, De Bron lifestyle candy, Diablo sugar-free, Freedom confectionery and Jealous sweets; as well as producer-resellers such as SugarSin and MrSimm.

#### Imports and exports

Figure 5-42 shows that in previous years between 2017 and 2021 the UK was a net importer of sugar confectionery. The UK imported a total of EUR 643 million worth of sugar confectionery products in 2021 which is a five-year peak figure. The country in the same year exported EUR 202 million worth of sugar confectionery products. Imports have increased slightly over the last five years with imports also decreasing marginally.

**Figure 5-42: Trade balance (imports and exports) of sugar confectionery in the UK, 2017-21; value EUR 000**

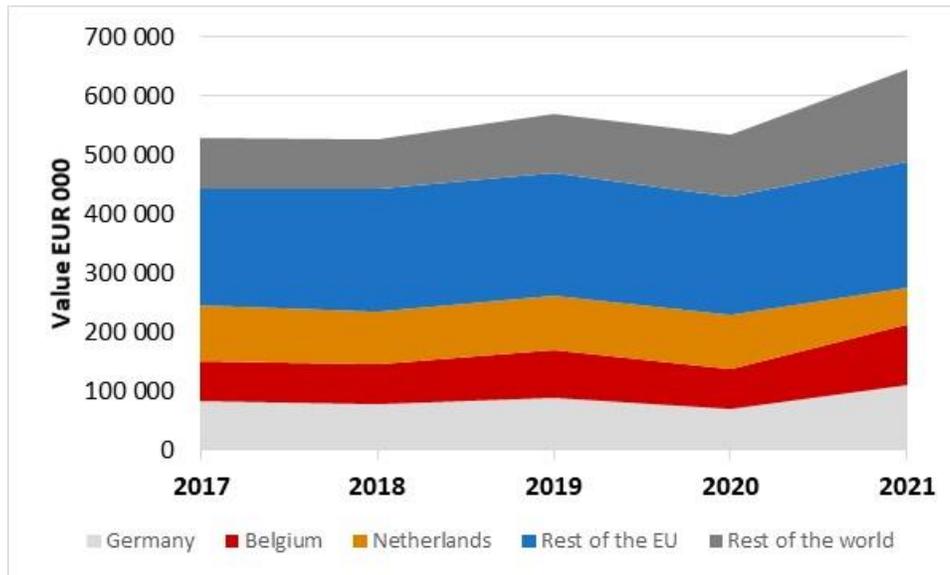


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1704.

As shown in Figure 5-43, Germany is the largest exporter of sugar confectionery goods to the UK with a total import value of EUR 111 million. This is followed closely by Belgium with a value of EUR 102 million and the Netherlands with a value of EUR 61 million. Imports from the rest of the EU came to a value of EUR 211 million. The largest non-EU country that exports sugar confectionery to the UK is Turkey with a value of EUR 47 million. Overall EU exports account for just under 70% of all UK sugar confectionery imports.

**Figure 5-43: British imports of sugar confectionery by country, 2017-21; value EUR 000**

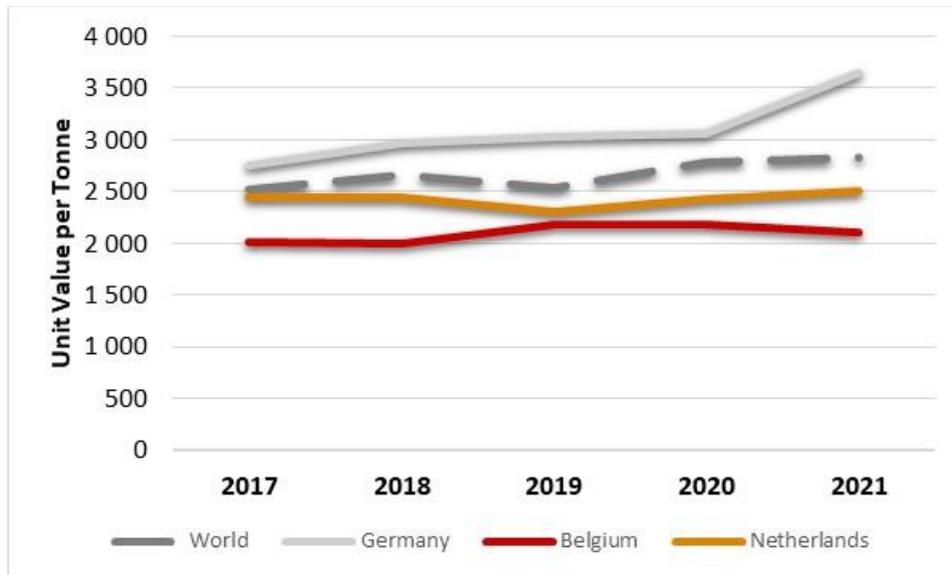


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1704.

The world's unit value for sugar confectionery in 2021 was around EUR 2 832 per tonne. The unit value of exports coming from Germany is higher than the world's average. Germany had a unit value of about EUR 3 655 per tonne in 2022 while Belgium was valued at around EUR 2 100 per tonne. The Netherlands is the second largest valued per unit sugar confectionery exporter with the unit value of Dutch sugar and confectionery exports coming to a unit value of EUR 2 504.

**Figure 5-44: Per unit value of British imports of sugar confectionery from selected countries, 2017-21 (EUR per tonne)**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1704.

### EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs for or relevant for sugar confectionery registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

### Main competitors

The main competitor is domestic production with several large brands both domestic and international operation production facilities in the UK. Outside of the UK, Turkey and the US are the two biggest competitors in this market for EU sugar confectionery products.

## 5.9.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general sugar confectionery category (1704) from Germany to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1704&origin=DE&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for sugar confectionery. It is worth noting that there have been discussions on expanding a sugar tax – which currently is in place for beverages – to all foods, which would inevitably impact sugar confectionery. However, this has thus far not been implemented with the government most recently choosing not to pursue this path (in June 2022).

It is recommended that producers are aware of the legislation around HFSS products as, while it is dependent on composition, overall sugar confectionery products are likely to be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

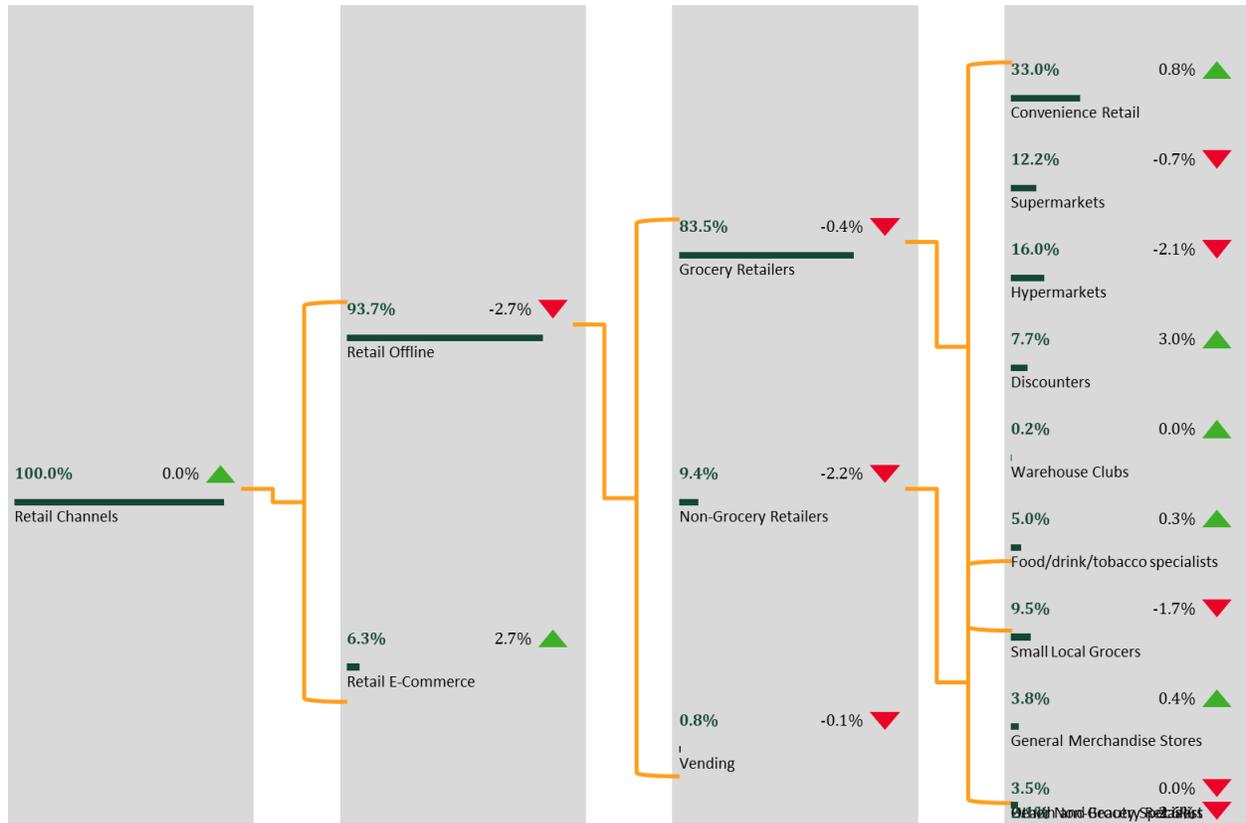
### **Labelling**

Sugar confectionery must conform with the labelling requirements set out in section 4.2.3.

## **5.9.5 Distribution**

Figure 5-44 shows the distribution channel overview of sugar confectionery in the UK. As is the case for chocolate confectionery, mainly the absolute majority of channels used are store-based (93.7%) and about 6.3% of the retail value in 2021 came from non-store-based internet retailing. E-commerce is gaining popularity and is forecasted to have an ever-higher share of the distribution of sales for sugar confectionery products. Amazon and Ocado are particularly popular platforms for selling sugar confectionery, with some smaller, more specialist producers (including EU-based ones) selling directly to consumers through the former platform. Convenience retail outlets are the largest sole distributor of sugar confectionery products in the UK accounting for one third of sales at 33%. Hypermarkets follow with a share of 16% followed by supermarkets with a share of 12.2%.

Figure 5-44: Distribution channel overview of sugar confectionery in the UK (2021); retail value



Source: Euromonitor International: Packaged Food, 2021.

### 5.9.6 Challenges for EU products

EU producers face the challenge of entering a market that is highly competitive with some well-established and popular brands (most notably from domestic UK production). British sugar confectionery products are well respected and sought after by British consumers which makes it additionally difficult for EU sugar confectionery products. The market as a whole, including EU sugar confectionery products will have to adapt to the HFSS regulation which will make it difficult to advertise and utilise shelf space in the UK. This regulation aims to tackle products of a high sugar content (amongst other properties) and is likely to have some impact on the market once it enters into force in 2023.

### **Market Takeaway: Sugar confectionery**

**Consumption:** Largely fragmented market in terms of brands, though there are several large, international and domestic producers with multiple popular brands, as well as some smaller producers. UK consumers have become more health conscious and legislation impacting the market will enter into force soon, this will impact total consumption of sugar confectionery products. Young consumers and children are the key demographic for sugar confectionery products in the UK.

**Competition:** The main competition comes from the high level of domestic production in the UK coupled with the presence of US and Turkish sugar confectionery products in the UK market.

**Distribution:** Nearly exclusively through store-based retailers such as supermarkets, convenience stores, and hypermarkets. E-commerce continues to grow in importance.

**Challenges:** To compete with big domestic companies as well as international ones which produce domestically coupled with the rising health consciousness of consumers and the pending introduction of legislation that is expected to impact the market.

**Opportunities:** Healthy products e.g., sugar-reduced, natural ingredients, functional, and medicated confectionery; as well as affordable products, are the main opportunities available in the UK sugar confectionery market. E-commerce may offer some additional opportunities.

## 5.10 Pasta

### 5.10.1 SWOT analysis

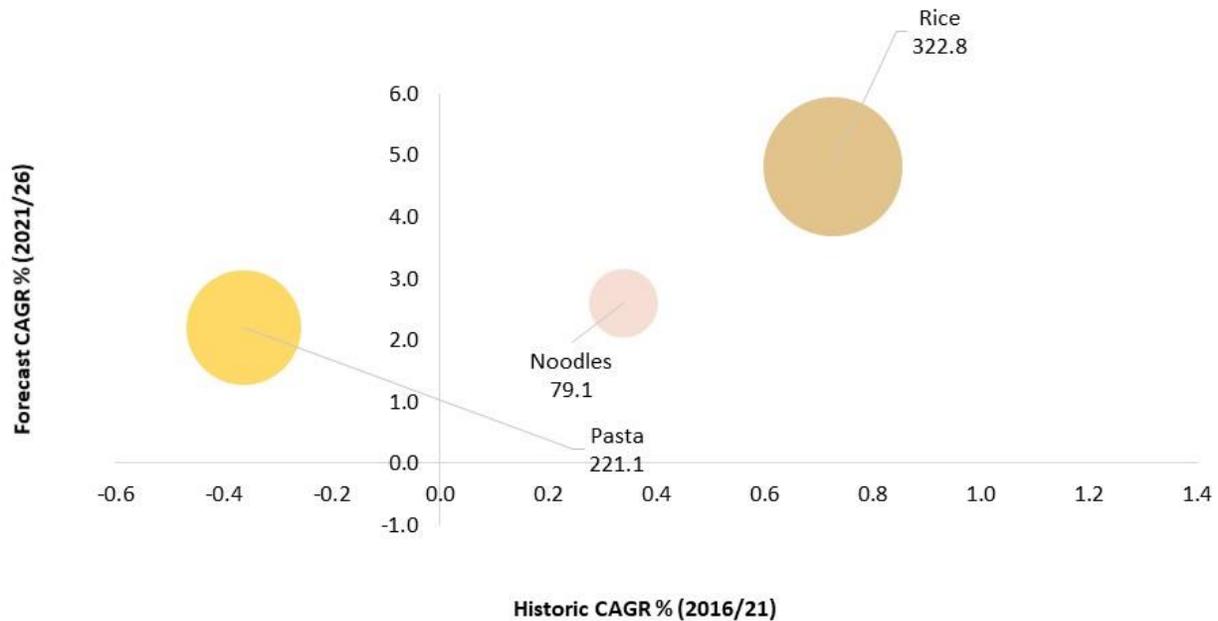
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Strong level of pasta consumption with a long history.</li> <li>▪ EU dominates pasta imports into the UK with a 85% share of total imports.</li> <li>▪ Many UK consumers associate pasta as an EU product – more specifically an Italian product.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Noodles and rice are both popular in the UK with rice having a higher total volume in the UK than pasta.</li> <li>▪ Price is a notable consideration for the majority of consumers.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Demand for healthier and special varieties of pasta (e.g. wholegrain, gluten-free) is increasing rapidly.</li> <li>▪ Re-opening of the on-trade sector will help to boost pasta sales.</li> <li>▪ Demand for chilled pasta is on the rise.</li> </ul>	<ul style="list-style-type: none"> <li>▪ China and Thailand are the biggest threats externally although their impact in the UK pasta market is minimal.</li> <li>▪ Private label products and supermarkets more broadly have a very strong position.</li> <li>▪ Indirect competition from other staples, particularly as convenient meal options using these other staples continue to emerge.</li> </ul>

### 5.10.2 Consumption

#### Evolution of consumption

Figure 5-45 below shows that rice is the most consumed staple with a volume of 322 000 tonnes in 2021, this category is forecasted to grow by a CAGR of 4.8% between 2021 and 2026. Pasta is the second-largest category with a total volume tonnage of 221 000 in 2021 followed by noodles with a total tonnage of 79 000 in 2021. Going forward, rice is forecasted to be the fastest growing product between pasta, rice and noodles while pasta will be the slowest growing category with a predicted CAGR of 2.2% between 2021 and 2026.

**Figure 5-45: Evolution and forecast of the pasta, noodle and rice market in the UK, (000 tonnes) 2016-2026**



Source: Euromonitor International: Packaged Food, 2021.

## Consumers

Pasta is widely consumed in the UK and is associated as a quick, nutritious and convenience food item. On average, UK consumers consume around 100 grams of pasta per week. UK consumers of pasta can come from any income class as the product is not particularly expensive in the country with the exception of some of the more premium Italian brands in the market. Many retailers will stock their own private label pasta in the UK which are often cheaper and more affordable. Middle age and younger consumer are more likely to consume pasta at a higher rate than older generations; this is due to older generations generally not adapting to a history of mass pasta consumption. Despite this, it is estimated that over half of British consumers will consume at least one pasta-based meal on average per week. Pastas in the UK come in a wide variety and availability mirrors that of even bigger pasta consuming nations such as Italy.

## Drivers and method of consumption

The convenience of pasta coupled with the wide number of varieties of the product and an equal wide variety of sauces makes consumption of pasta a normal occurrence in the UK. UK consumers are generally well accustomed to different pasta varieties with fusilli being the most popular pasta variety consumed in the UK. Spaghetti, penne, tortellini, and macaroni are also very popular in the UK and are commonly consumed in the country. Most retailers will have pasta dedicated aisles showcasing different varieties which helps act as a driver of sales. British consumers typically consume pastas at lunch or at dinner with notable dishes that are popular in the UK including a pasta salad, lasagne and spaghetti bolognese. Eating pasta with bolognese, carbonara or cheese sauce is very common, and these sauces are amongst the more popular used as a dressing for pasta dishes. The UK has a wide range of readymade pasta sauces for sale; and these effectively make pasta an attractive “easy” meal option which further drives the

popularity of pasta itself. Convenience can therefore be considered a notable driver of pasta consumption in the UK.

### **Purchase criteria**

Pasta in the UK is expected to be relatively cheap except for premium Italian brands or pasta found at high end restaurants. Pasta is also expected to be a product that can be stored for a prolonged period of time which is one of the qualities most appreciated by UK consumers. While being of Italian origin is not necessary or a decisive factor as a purchasing criterion, most pastas that showcase they are Italian will come with a higher expectation with regards to quality. Many larger producers now sell pastas and sauces in a combined package which may act as a purchasing criterion for some consumers. Consumers will further expect that the pasta variety is correctly labelled to avoid confusion; for example spaghetti and capellini must be clearly displayed on the packaging to avoid any confusion for consumers. Variety does tend to act as a notable purchase criterion for many consumers. Historically, flexible plastic bags are used for pasta. However, paper and carton packaging are emerging as alternatives for more premium products.

### **Recent market trends**

Pasta benefited from stay-at-home orders as consumers rushed to purchase items that could be stored for a prolonged period of time, which is one of the key properties of pasta. Wholegrain and gluten-free pasta continue to grow in popularity in the UK with consumers becoming ever more health conscious in the country. Going forward it is likely that the UK will continue to be a large market for pasta as consumers continue to appreciate the convenience, nutritious and durability of pasta products. The re-opening of the on-trade sector will further benefit as key channels for pastas such as restaurants are now back in operation. Finally, while fresh and chilled pasta remains a minority at present (just over ¼ of all pasta sales by volume), it is both growing more quickly and forecast to continue to do so. It is proving particularly popular with urban-based middle and higher income consumers, who appreciate both the freshness and quicker cooking times. Some companies are successfully focusing on introducing new / rare versions of fresh pasta; in some cases with organic certification.

## **5.10.3 Offer**

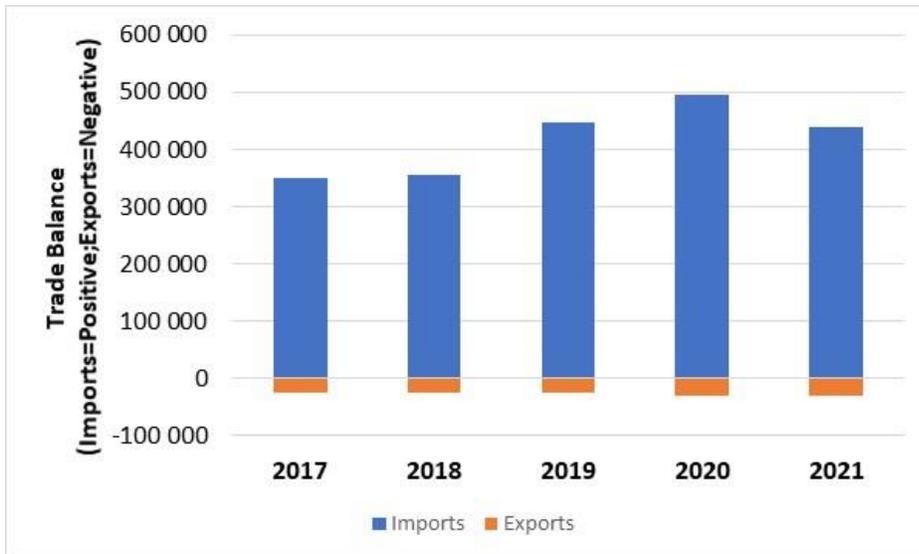
### **Domestic production**

The UK is not a large producer of pasta as the country has not developed a tradition of pasta production as seen in other European countries. The UK produced around 15 000 tons of pasta in 2021 with the country having only one large, dried pasta plant which is operated by Pasta Foods based in Norwich. However, in the wake of the UK leaving the EU and the associated challenges with the import of pasta, it should be noted that the domestic production is ramping up. For example the company Ticco foods has recently rehabilitated an old factory in order to produce fresh pasta in the UK for hotels and supermarkets such as Tesco. Indeed, the slight fall in pasta imports in 2021 at least partly reflects new domestic production coming online.

### **Imports and exports**

Figure 5-46 below shows the trade balance of British pasta, noodles and couscous; and further shows that the UK is a net importer, with the country importing 430 000 tonnes of these products in 2021. UK exports came to a total volume of 30 000 tonnes in 2021.

**Figure 5-46: Trade balance (imports and exports) of pasta, noodles, and couscous in the UK, 2017-21; tonnes**

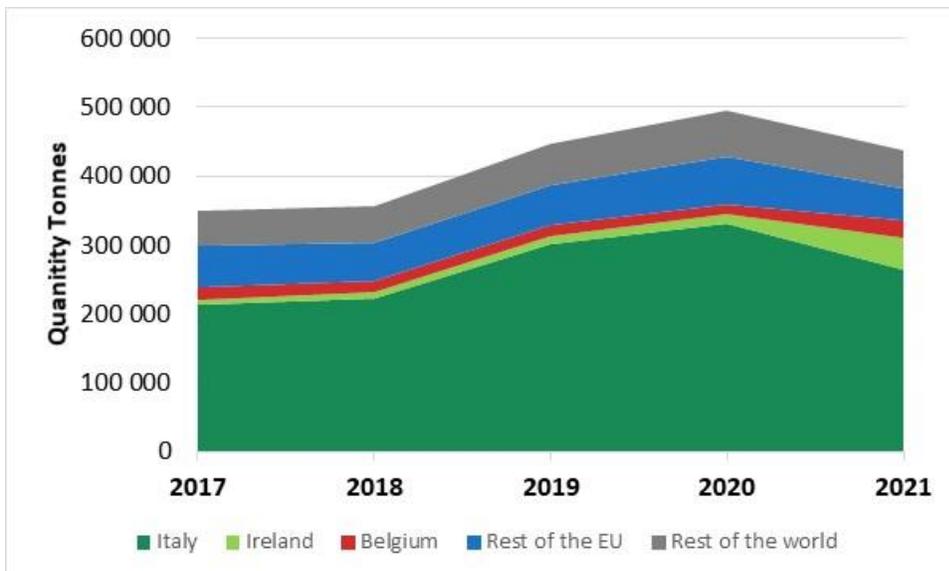


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 1902

Figure 5-47 shows that Italy is the largest exporter of pasta, noodles and couscous to the UK with the country exporting around 256 000 tonnes to the UK in 2021. Ireland is the second-largest exporter followed by Belgium. Overall the EU accounts for roughly 85% of all pasta, noodles and couscous that is imported by the UK with the biggest non-EU country exporting the category to the UK being China.

**Figure 5-47: British imports of pasta, noodles and couscous by country, 2017-21; tonnes**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1902

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs registered in the EU as of that date which may be relevant to pasta are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The EU – notably Italy – is dominant in terms of exports. Main competitors in this market come from China and Thailand which are the biggest non-EU exporters of pasta, noodles and couscous to the UK, although combined account for less than 5% of total exports and are believed to focus on noodles. Domestic production is a limited competitor as the UK is not a large producer of pasta. Arguably the most notable competition therefore comes from the substitution of pasta with other staples.

### 5.10.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – pasta, noodles, couscous (1902) from Italy to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1902&origin=IT&destination=GB>

#### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for pasta. It is worth noting that a fortification requirement is being introduced for flour (both domestic and imported); however this only applies to flour itself and not to finished products containing flour.

#### Labelling

Pasta must conform with the labelling requirements set out in section 4.2.3.

### 5.10.5 Distribution

Retail accounts for the majority of pasta sold in the UK. Historically the split has been around 70% of pasta by volume sold through retail compared to 30% through food service. However, with demand from food service outlets lower during the pandemic, this split is now closer to 75-25, with a forecast return to the 70-30 split over the coming years. There is little difference between dried and chilled pasta with regards to this split (just a couple percentage points more of dried pasta pass through food service than chilled).

Figure 5-48 outlines the main retail distribution channels for pasta in the UK market. Modern grocery retailers are the largest distribution channel accounting for 88.7% of all sales with hypermarkets being the largest sub-channel with a share of 42.4%. Supermarkets account for 31.5% of sales, while discounters account for 9.4% of sales. E-commerce is growing in importance and now accounts for 8.1% of all pasta sales in the UK.

**Figure 5-48: Distribution channel overview of pasta in the UK (2021); retail value**



Source: Euromonitor International: Packaged foods, 2021.

### 5.10.6 Challenges for EU products

A big challenge is, as in many other sectors, the strong position of supermarkets and private label products on the market. This makes it difficult for smaller pasta brands to get a look in – particularly as the more specialist pasta they typically manufacture typically retails at between two and four times the price of private label products. Notable further challenges in the UK market for EU pasta include complying with the expectation that EU (particularly Italian) pastas are of a high quality although UK consumers generally feel this is the case. Rice and noodles are also very popular in the UK and offer a considerable alternative to pasta. Indeed, with convenience a notable driver of both pasta consumption and food consumption in the UK more generally, the

use of staples in other convenient meal formats is both a long-standing and potentially accelerating challenge that pasta producers face.

#### **Market Takeaway: Pasta**

**Consumption:** Pasta is widely consumed in the UK with half of UK residences consuming at least one portion of pasta per week. Pasta consumption is most common in middle aged to younger consumers.

**Competition:** The largest competitor comes from China and Thailand although combined they account for less than 5% of total exports of pasta, noodles and couscous to the UK. Arguably the greatest competition comes from substitution.

**Distribution:** Modern grocery retailers are the main channel of distribution for pasta with 88.7% of sales coming from this channel; E-commerce a growing and important channel of distribution and now accounts for 8.1% of sales.

**Challenges:** EU pastas have a good reputation in the UK to an extent that the biggest challenge is to maintain this high level of quality expectations. Noodles and rice are large alternative products in the country. Private label has a strong position.

**Opportunities:** The export of pasta which incorporates health properties (e.g., wholegrain, gluten-free) and unique styles is a notable opportunity area in this sector.

## 5.11 Ice cream

### 5.11.1 SWOT analysis

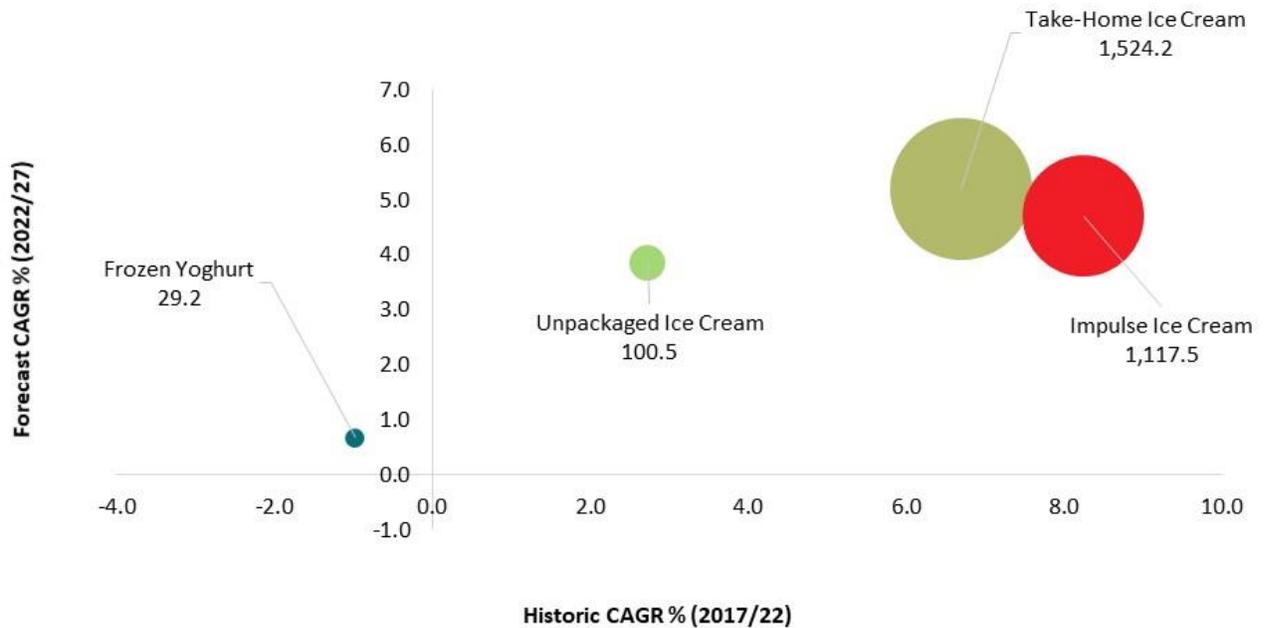
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU is dominant in total exports of ice cream to the UK accounting for up to 97% of total ice cream imports by the UK in 2021.</li> <li>▪ EU ice cream brands are generally well recognised by UK consumers and enjoy a good reputation in the country for quality and taste.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UK is a large producer of ice cream.</li> <li>▪ Consumption of ice creams with high sugar and fat content is declining as the population becomes more health conscious.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ The rise in health consciousness is pushing producers to adapt to new production practices such as the need to provide vegan-friendly versions of their ice creams.</li> <li>▪ Re-opening of the on-trade sector post-COVID-19 to benefit ice cream distribution.</li> <li>▪ A notable spike in consumption during the warmer summer months.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mainly from UK domestic production; most notably from the long-established domestic brands.</li> <li>▪ UK producers are in tune with domestic expectations and demands such as smaller packaging giving them a slight advantage in the market.</li> </ul>

### 5.11.2 Consumption

#### Evolution of consumption

The take home ice cream category has the biggest market size of ice cream in the UK as depicted in Figure 5-51. With a value of EUR 1.5 billion, impulse ice cream is forecast to grow by a CAGR of 5.2% between 2022 and 2027 and is forecasted to be the fastest growing ice cream category in this period. Impulse ice cream also has a retail value above EUR 1 billion with a total retail value of EUR 1.1 billion. Unpackaged ice cream has a retail value of EUR 100 million while yogurts have a market value of EUR 29 million.

**Figure 5-50: Evolution and forecast of the ice cream market in the UK, 2017-2027; retail value EUR million**



Source: Euromonitor International: Packaged Food, 2022.

## Consumers

The annual per capita consumption rate of ice cream in the UK stands currently at seven litres which is around the European average. Consumers of ice cream in the UK can generally come from any income class as although the product is potentially a more luxurious item, there is a wide variety of affordable ice creams available in the UK. There is a notable concentration of ice cream consumers in southern England and along the British coast as many consumers associate visiting and being at the beach with the consumption of ice cream with the most famous ice cream consumed in this case being the 99-flake ice cream (a whipped ice cream placed on an edible cone with a piece of chocolate inserted into it). On average, females are more likely to consume ice cream in the UK with take-home ice cream being particularly popular among them.

Notable subsets of ice cream consumer include:

- **Urban higher income consumers**, who are more likely to consume premium ice-cream (including potentially imported products).
- **Returning holiday-goers**, who may have tried new flavours of ice cream during their holidays abroad and subsequently look for these flavours in the UK.
- **Young adults (under 25)**, who are interested in new and unique flavours; plus are likely to be influenced by products which advertise on social media.
- **Culinary enthusiasts**, who may also seek out unique and exotic flavours, but with the specific aim of using the ice cream as part of dessert recipes.
- **Health conscious consumers**, who often look for products with natural ingredients, reduced fat and no preservatives.

## Drivers and method of consumption

Due to the COVID-19 pandemic and related restrictions and lockdowns, consumers have increasingly spent time at home which severely impacted the ability of on-trade distributors to distribute ice cream. Take-home ice cream became more popular during this period. A key driver of ice cream consumption in the UK is its association as a treat product for consumers which particularly appeals to consumers who are more prone to splurging. There are a number of on-trade ice cream shops which offer a wide variety of ice creams to consumers; and indeed, such on-trade outlets are a key channel for the introduction of new flavours to consumers. The weather also plays a role in ice cream consumption with British consumers largely associating hot days during the summer months with ice cream consumption compared to colder and darker winter months. British consumers typically consume ice cream either on a cone or in a bowl, with the cone being a popular method of consumption for consumers on the go or just outdoors; and a bowl is preferred for ice creams such as take-home ice creams. Unlike in many other countries, UK consumers may use ice cream as an accompaniment to another dessert (e.g. with pies or cakes); vanilla ice cream is particularly commonly used in this way, though depending on the dessert, other flavours such as chocolate may also be used.

## Purchase Criteria

Flavour preferences are an important pricing criterion for British consumers with vanilla, chocolate and strawberry being the more popular ice creams. Beyond these main three flavours, there are further flavour preferences and trends to be aware of:

- **Salted caramel** has emerged over recent year as a further popular flavour in the UK.
- **Nostalgic flavours**, often based on traditional British desserts are gaining in popularity; in particular among older consumers. Examples include: rhubarb and custard; raspberry ripple; bubble gum, Bakewell tart and tiramisu.
- **Savoury flavours** such as pistachio, avocado and basil interest a subset of consumers.
- **Honey and sweet heat** (i.e. chilli infused honey) is an American origin flavour trend that has made its way to the UK. There are also a handful of more spicy, adventurous flavours without the honey element such as wasabi, ginger and chilli.

Many British consumers purchasing ice cream outdoors will also at times expect a piece of chocolate to be inserted into the ice cream with this being most common for whipped ice cream cones. Many luxury producers have downsized their standard packaging to offer smaller but more affordable versions of their products to appeal to consumers of a lower income or who do not typically spend much on indulgent products. Alternative versions of ice creams are growing in popularity with lactose-free, sugar-free and vegan-friendly ice creams becoming increasingly available in the UK and are a growing purchase criterion in the country.

## Recent market trends

On-trade distribution of ice cream was heavily impacted by the COVID-19 pandemic and has yet to fully recover to pre-pandemic levels although there are signs of recovery. Ice cream will remain an indulgent product however the growth of alternative and healthier versions of ice cream is resonating with consumers with those consuming healthier versions of ice cream increasingly associating the product with being a food that can be consumed as a part of a balanced diet. This “permissible indulgence trend” incorporates characteristics such as natural flavours, reduced fat or calories, and “free-from” products (sugar free, lactose free, gluten free). The HFSS regulation is providing a further incentive for manufacturers to adapt to this health trend. Overall, the HFSS

regulation is likely to have a much more limited impact on ice cream than on some other product categories such as confectionery due to the regulation scope and the way ice cream is sold. Single-portion ice cream is likely to be the most affected category as it has traditionally been positioned at aisle ends and near checkouts by some retailers – practices which will no longer be possible.

In line with the health trend, the market for organic ice cream has been growing quite quickly; it is now worth around GBP 27m (EUR 30m) and is expected to grow a little under 4% per year for the next five years. Similarly, there is increasing interest in lactose-free ice cream. This market is also worth around GBP 27m (EUR 30m) at present, but is forecast to grow at a rapid 11% per year over the coming years. Consumers of this ice cream are not limited to vegans; it increasingly includes people who want to reduce dairy consumption and health conscious consumers.

Take-home ice creams will remain popular even as people are spending less time in the home as it is a product that can be stored for a prolonged period and consumed quickly. Experimental ice creams remain largely niche in the UK as consumers continue to prefer standard flavours. However there is a growing market for ice creams that incorporate unique flavours or additions such as exotic fruit in the UK. It is likely that key distributors of ice cream such as restaurants, ice cream exclusive stores and the famous “ice cream van” (vans driving round streets stopping periodically to sell ready-to-eat ice creams) will continue to be important for the distribution of ice cream in the UK although the e-commerce channel is growing quickly too.

### 5.11.3 Offer

#### Domestic production

Domestic production in the UK is high with the country being a notable exporter of ice cream. Unilever is one of the biggest producers of ice cream in the UK with the company having production factories such as the Walls ice cream plant in Gloucester which is one of the largest in the UK and produces some of the more popular ice cream brands such as Cornetto, Calippo and Feast. The UK also has several other large ice cream producers active in the country with notable examples being Froneri and Cadburys. In total, the sales volume of ice creams that have been manufactured in the UK came to approximately 356 million litres in 2020.<sup>68</sup>

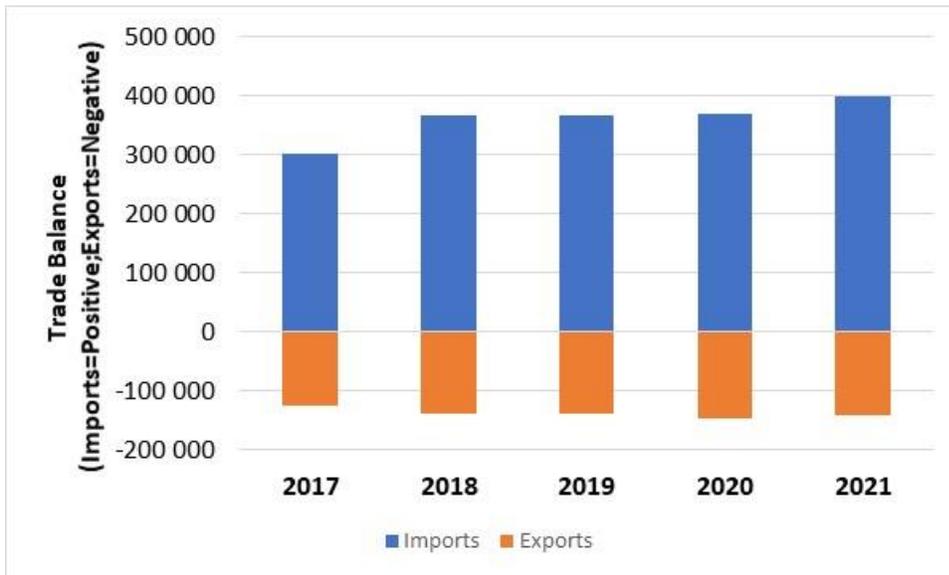
#### Imports and exports

The UK currently is a net importer of ice cream as shown in Figure 5-49. In 2021, the UK imported EUR 400 million worth of ice cream while in the same year the country exported EUR 141 million worth of ice cream. Over the past five years, the UK has consistently been a net importer of ice cream products, with this level of net imports increasing steadily over the period.

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<sup>68</sup> Sales of ice cream manufactured in the United Kingdom (UK) from 2009-2020, Statista, available at <https://www.statista.com/statistics/481207/ice-cream-volume-sales-in-the-united-kingdom-uk/>

**Figure 5-49: Trade balance (imports and exports) of ice cream in the UK, 2017-21; values**

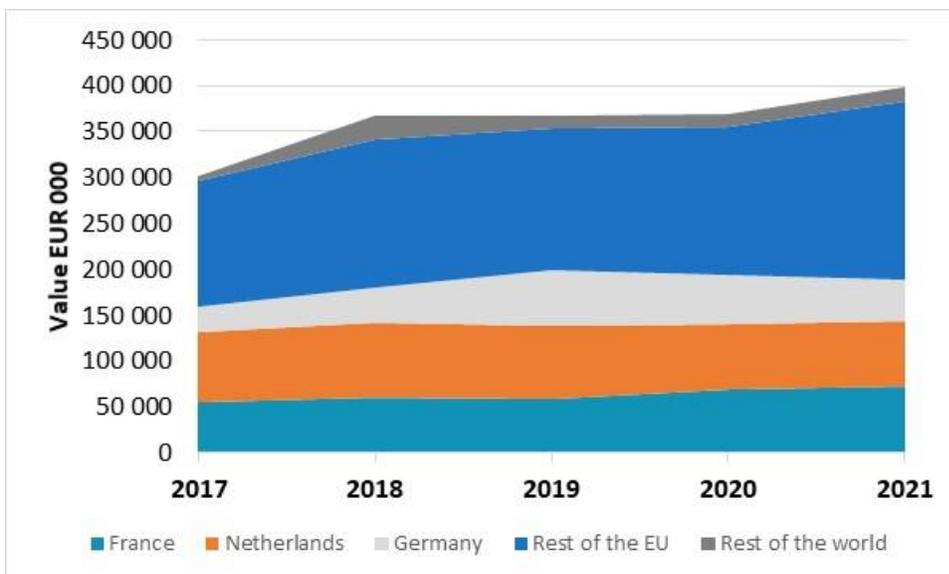


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

The largest exporter of ice cream to the UK is France with the country exporting a total of EUR 86 million worth of ice cream to the UK in 2021. This is followed by the Netherlands which exported a total of EUR 83 million worth of ice cream and Germany which exported a total of EUR 53 million. Overall the EU accounted for roughly 97% of all ice imports to the UK with some of the other bigger exporters that have not been yet mentioned including Belgium, Italy and Poland (Figure 5-50).

**Figure 5-50: British imports of ice cream by country, 2017-21; value**

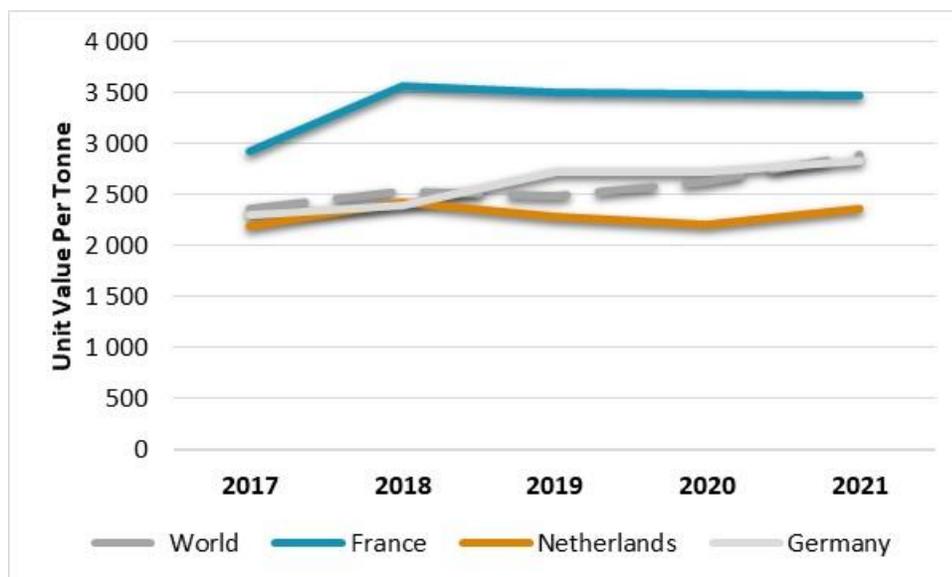


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

The world's unit value of ice cream exports to the UK was around EUR 2 850 per tonne in 2021 as depicted in Figure 5-51. Ice cream unit values from France were higher than the global average with a unit value of EUR 3 470 per tonne in 2021. The unit value of ice cream from the Netherlands is around 2 360 while Germany is close to the global average at a unit value of EUR 2 830 per tonne.

**Figure 5-51 British imports of ice cream by country, 2017-21; Value EUR per tonne**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

### Main competitors

The biggest competitor in the UK ice cream market is domestic producers as the UK is a large ice cream producer. Domestic ice creams are well known in the country with some well-established and popular brands, but EU ice creams are also well known and have a good reputation in the UK. Outside of ice creams that have been domestically produced in the UK competition is minimal with the EU dominating in imports of the product to the UK. The biggest non-EU exporter of ice cream to the UK is Serbia which alone is only the 13<sup>th</sup> highest exporter overall.

#### 5.11.4 Specific market entry requirements

##### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Requirements for ice cream notably include a health entry document for animal products.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general ice cream category (2105) from France to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2105&origin=FR&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for ice cream.

It is recommended that producers are aware of the legislation around HFSS products as depending on composition, some products may be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

### **Labelling**

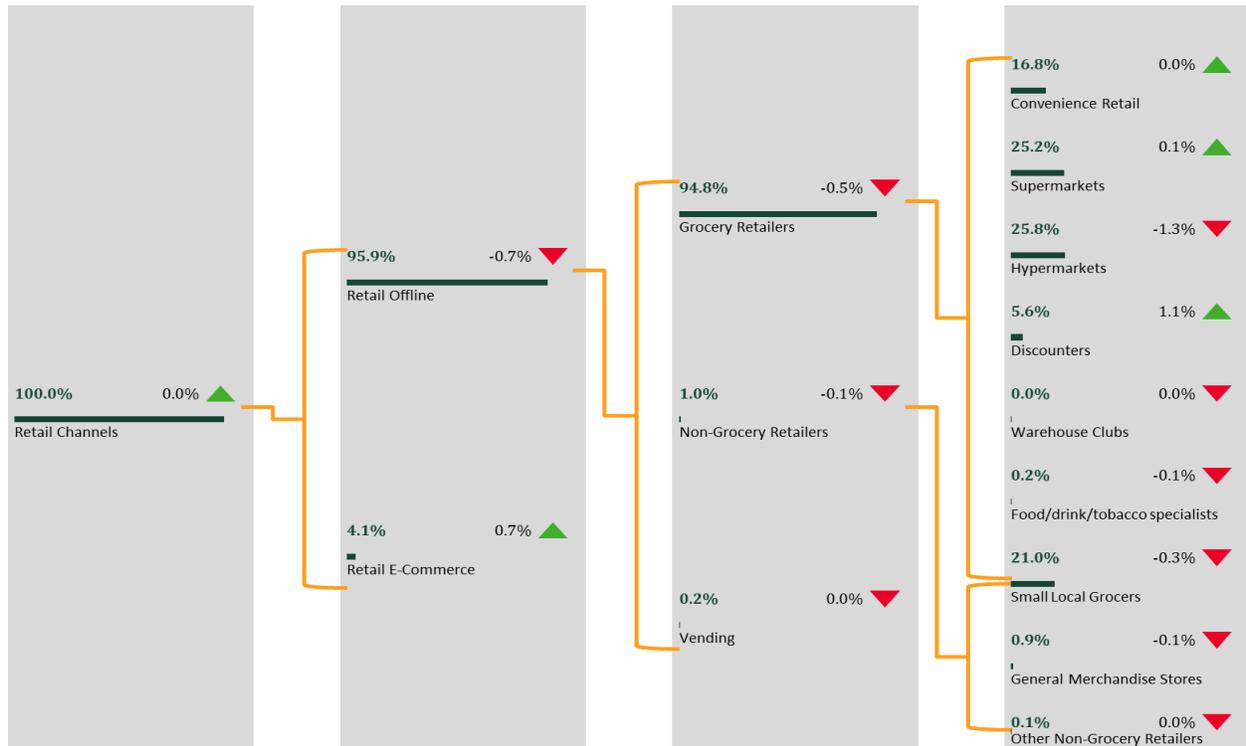
Ice cream must conform with the labelling requirements set out in section 4.2.3.

## **5.11.5 Distribution**

Overall, the off-trade retail sector accounts for the vast majority (81%) of ice cream sales by volume. On-trade accounts for just 19%; though it should be noted that on-trade sales were affected by COVID. For example, in 2017 this split was 73% to 27% in favour of the retail sector; and it is likely that the market returns to a similar sales split over the next five years.

As shown in Figure 5-52 grocery retailers make up the absolute majority of ice cream sales in the UK with a 94.8% share of sales. Supermarkets and hypermarkets each account for a quarter of ice cream sales respectively while convenience retailers account for 16.8% of sales. Traditional small local grocers are also an important channel of distribution accounting for 21% of sales. Retail e-commerce account for 4.1% of sales.

Figure 5-52: Distribution channel overview of ice cream in the UK (2021); retail value



Source: Euromonitor International: Packaged Food, 2021.

### 5.11.6 Challenges for EU products

Challenges for EU products include competing with domestic British ice cream products which are plentiful and popular among British consumers. Demand for alternative and healthier versions of ice cream is increasing which will require adaption and innovation from EU producers to compete in the UK market. While most ice cream products are likely to fall inside the scope of the HFSS regulation due to their composition, the impact on the ice cream category is likely to be much less than that on other product categories such as confectionery. Single-portion ice cream is the category most likely to be affected.

Overall, EU ice creams have a good reputation in the UK and are often associated with quality and luxury. Maintaining this market position is a key challenge for EU producers although competition from outside the UK is minimal.

### **Market Takeaway: Ice cream**

**Consumption:** Consumption of ice cream in the UK is around the European average of 7 litres per capita but is prone to fluctuate with conditions such as a change in weather. Females are the larger consumers of ice cream although the product is enjoyed by virtually all sectors of the UK consumer base with vegan variants also becoming more available.

**Competition:** Considerable domestic production is the main and largely sole competitor in the market as exports of ice cream to the UK from non-EU countries are minimal.

**Distribution:** Retail channels dominate over on-trade. 94.8% through store-based retailing with supermarkets and hypermarkets accounting for a quarter of sales respectively. Small local grocers also an important channel accounting for 21% of sales.

**Challenges:** Well established domestic competition is a long term challenge. Adapting ice creams to new consumer tastes and expectations will be the key challenge going forward. Producers who provide ice creams that are vegan friendly, incorporate unique fruits or flavours, and unique packaging are well positioned to resonate with UK consumers.

**Opportunities:** A rise in demand for healthy ice cream; ice cream with a unique flavour; and ice cream with an alternative milk base is increasing and presents three larger opportunities in this market.

## 5.12 Processed fruit and vegetables

### 5.12.1 SWOT analysis

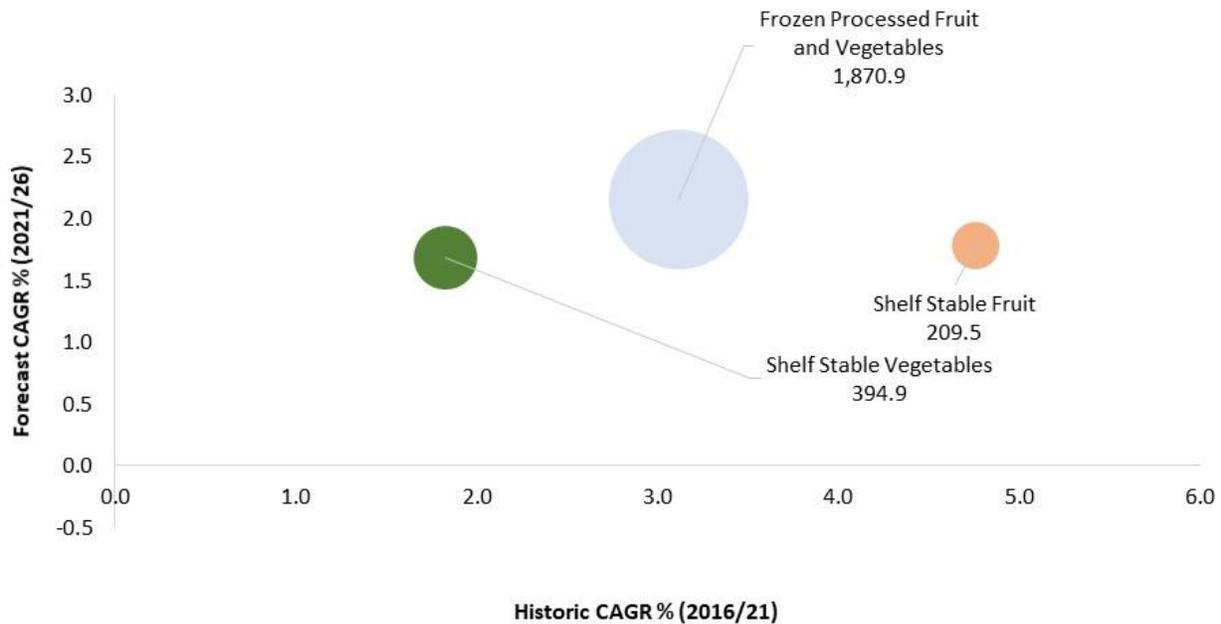
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Consumption of processed fruit and vegetables in the UK remains comparatively high despite declines.</li> <li>▪ The majority of consumers have the appliances necessary to store frozen processed fruit and vegetables for a prolonged time and are accustomed to using these products in meals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The matured market is made up of many competitors with the UK having a large, processed fruit and vegetable production base.</li> <li>▪ The market is in a long-term slow decline in volume terms.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Re-opening of the food service sector post-COVID-19.</li> <li>▪ The rise in demand for alternative and healthy processed fruit and vegetables; and packaging that emphasises sustainability and quality.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The influx of processed fruit and vegetables from across the world; including imports of types of fruit and vegetables that cannot easily be produced in the EU.</li> <li>▪ Retail sector sales are expected to decline with a spike in sales in 2020 being exceptional due to COVID-19, the overall decline is expected to continue going forward.</li> </ul>

### 5.12.2 Consumption

#### Evolution of consumption

Frozen processed fruit and vegetables have the highest retail value at EUR 1.8 billion and are expected to grow at a CAGR of 2.2% between 2021 and 2026. This is followed by shelf-stable vegetables which have a retail value of EUR 294m and are expected to grow by a CAGR of 1.7% between 2021 and 2026. Shelf-stable fruit is the smallest overall category with a retail value of EUR 209m and a predicted CAGR of 1.8% between 2021 and 2026 as shown below in Figure 5-53. All three categories grew over the period 2016 to 2021.

**Figure 5-53: Evolution and forecast of the processed fruit and vegetable market in the UK, 2016-2026; retail value, EUR million**



Source: Euromonitor International: Packaged Food, 2021.

## Consumers

Consumption of processed fruit and vegetables remains high in the UK following a rebound in sales during the COVID-19 pandemic. The COVID-19 pandemic and consequential lockdowns resulted in a spike in demand for processed fruit and particularly processed vegetable products as consumers had to engage in more home cooking and sought products that could be stored for a prolonged period. Consumers of processed fruit and vegetables can come from any income class or ethnic identity as these products are generally cheap in the UK and do not come with many religious or ethnic restrictions. Consumers living in urban areas consumed more processed fruit and vegetables generally due to a mix of wider availability of the product and less time to spend at home cooking .

Younger adults (under 25) are slightly more likely to consume processed fruit and vegetables than other age categories. This is for a variety of reasons including: convenience; affordability; their propensity to use prepared and processed foods in cooking more than other age groups; and their lower level of fresh fruit and vegetable consumption. The next age group up – 26 to 45 year olds are also more likely to use processed ingredients including fruit and vegetables in cooking. This is particularly the case if they are time pressed due to the combination of careers and children. These two age groups therefore are the key ones for processed fruit and vegetable consumption. While older age groups also consume processed fruit and vegetables, the range of products they consume is generally narrower as medical conditions steer them away from consuming those products with added sugar or salt or which are deep fried.

Processed fruit and vegetables are typically cheaper than their fresh counterparts; and as a result lower income households are greater consumers of processed products. Nonetheless, it should be emphasized that all income groups consume the product to some extent.

## Drivers and method of consumption

Processed fruit and vegetables benefit from having a prolonged shelf life which allows consumers to stockpile the product. Consumers particularly appreciated this trait during the COVID-19 pandemic which saw a notable rise in sales of processed fruit and vegetables. Key drivers in the market post-COVID-19 include producers making their packaging more sustainable through offering new packaging designs such as replacing plastic wrap with paperboard for multipacks of processed fruit and vegetable products.

As noted above, with processed products generally cheaper than fresh equivalents, price is a notable driver of processed fruit and vegetable consumption. That said, the premiumisation of processed fruit and vegetable has been underway for several years and will remain a driver going forward to increase sales of shelf-stable fruit and vegetable products which have suffered from a stigma amongst the UK consumer base as being less healthy compared to their fresh counterparts; most notably when they are stored e.g. in syrup.

Consumers generally consumed processed fruits: via cakes (either as an integral ingredient in pre-baked cakes, or to use as an ingredient in home baking: directly from cans (as a dessert or snack); or via fruit juices (which is a separate sector covered later in the handbook). In the case of frozen fruit (e.g. raspberries), consumers may defrost the fruit during the off-season to consume it as part of desserts.

Popular processed vegetables include processed potatoes (including chips), broccoli and carrots which are often steamed or baked and consumed as part of a dinner meal, with dinner being the premium meal of the day that is likely to incorporate a processed vegetable product. Canned tomatoes are commonly used in place of fresh ones when preparing dishes with tomato sauces (e.g. pasta or curries) or tomato soup. The frozen processed vegetable market in the EU is driven mainly by frozen potatoes (including chips) which make up almost 60% of sales, with peas, green beans and mixed vegetables each accounting for around a further 10%. On the other hand, the shelf stable category is more varied. Beans account for 37% of sales and tomatoes 19% with the remainder split between various other vegetables.

## Purchase criteria

It must be remembered that price is a notable driver of processed fruit and vegetable consumption; and therefore consumers do tend to pay attention to this. That said, consumers are increasingly conscious of the health properties of their food consumption and in turn, have increasingly sought out labels that clearly define the categorisation of processed fruit and vegetable products. Producers have responded via updating their packaging to highlight the health benefits of their products coupled with the product's region of origin which is increasingly a key marketing tactic for processed fruit and vegetable producers to engage in. Processed fruit and vegetable products are largely expected to be a product that can be stored for a long time either on the shelf or frozen via appliances; as such any processed fruit or vegetable item that does not have this trait will face difficulties in marketing to UK consumers. Overall, standard criteria such as nutritional information, expiration and origin are required with consumers more likely to pay attention to this information on processed fruit and vegetable products in particular as consumers become ever more health conscious.

In terms of packaging format, flexible plastic is the norm for frozen fruit and vegetables, with zip closure pouches gaining popularity recently. Shelf stable fruit and vegetables are traditionally sold in cans; though the former is increasingly sold in thin walled plastic containers.

## Recent market trends

The outbreak of COVID-19 helped to reverse a decline in retail sales of processed fruit and vegetables as consumers rushed to purchase products that could be stored for a prolonged period of time. Post COVID-19 as the economy gradually reopened in 2021 a decline in processed fruit and vegetables in the retail sector took place although the re-opening of the food service sector has helped to alleviate this decline. Going forwards it is likely that the food service sector will be the main channel of growth for the distribution of processed fruit and vegetables with the retail sector expected to see a decline in total sales.

Producers have responded to concerns about the sustainability of their products with new packaging designs that use less plastic and the incorporation of a QR code on many product packaging which gives consumers information about the environmental impact of their processed fruit and vegetable product of choice. Health concerns continue to impact the processed fruit and vegetable market in a trend that was in place even before the outbreak of COVID-19; producers will have to continue to make efforts to highlight the nutritional benefits of their products to a consumer base that is increasingly moving away from the consumption of processed foods in general. In order to address this challenge, some producers are communicating aspects such as functional benefits as well as quality and origin. Indeed, as noted above there is an ongoing premiumisation trend. The health concern aspect is also providing a tailwind for certain categories of frozen fruit such as blueberries and raspberries – with these frozen fruits being healthier than canned fruits in syrup. These frozen fruits are also benefitting from increased interest in smoothies, in which they are frequently used. Organic processed fruit and vegetables, while a niche, are also increasing.

Finally, an emerging trend is that of plant-based snacking. Vegetable-based alternatives to meat snacks are emerging, such as spicy cauliflower “wings” and vegan chicken free Southern Fried strips. Along a similar line, it is increasingly common to find pre-made, ready-to-heat vegetable sides, such as broccoli and asparagus with garlic butter.

### 5.12.3 Offer

#### Domestic production

The UK is a competitive processed fruit and vegetable market with private label products from retailers such as Tesco and Iceland among the most popular processed fruit and vegetable products. Other large foreign producers are also active in the UK market such as McCain’s and Heinz which operate production centres for processed fruit and vegetables in the UK. Potatoes, carrots and green peas are amongst the more commonly-produced processed vegetables produced in the UK while the country produces mainly canned fruit and fruit juices in the processed fruit sector with apples and peaches being the more frequently produced.

#### Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs for processed fruit and vegetable products registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competitors in this market come from domestic production which continues to expand in the country with many consumers being particularly brand aware about UK processed fruit and vegetable products.

### 5.12.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. There are a variety of unregulated plant and plant products which, when coming from the EU, do not need to go through any plant health controls. This includes processed fruits and vegetables.

The UK has a page with dedicated guidance on importing plant and plant products from the EU. This can be found at: <https://www.gov.uk/guidance/import-plants-and-plant-products-from-the-eu-to-great-britain-and-northern-ireland>

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – frozen fruit category (0811) from Spain to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0811&origin=ES&destination=GB>

#### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for processed fruit and vegetables.

#### Labelling

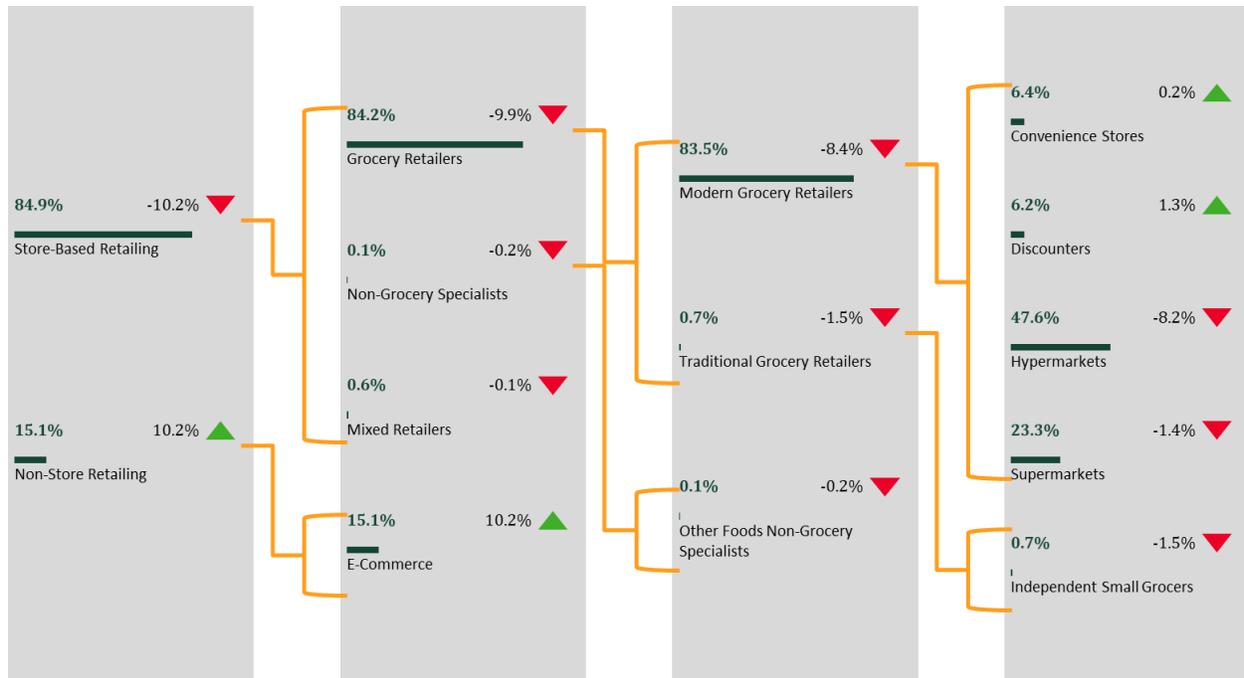
Processed fruit and vegetables must conform with the labelling requirements set out in section 4.2.3.

### 5.12.5 Distribution

As can be seen in Figure 5-54, the largest distribution channel for processed fruit and vegetable products in the UK is the modern grocery retail channel which accounts for 83.5% of all processed fruit and vegetable products in the UK. Hypermarkets and supermarkets account for the vast

majority of processed fruit and vegetable sales in the UK. Traditional grocery retailers account for a small percentage of total sales at less than 1%. E-commerce is the key growth channel of distribution in the UK with this channel accounting for 15.1% of all sales in 2021. The e-commerce channel is primarily accounted for by the major food retailers which sell through online channels (including supermarkets). With processed fruit and vegetables often being both bulky and bought in bulk, consumers find the option of having them delivered very attractive.

**Figure 5-54: Distribution channel overview of processed fruit and vegetables in the UK (2021); retail value**



Source: Euromonitor International: Packaged Food, 2021.

### 5.12.6 Challenges for EU products

The main challenge for EU producers in the UK market is competing in the matured market with numerous competitors both domestically and internationally. Most notably, domestic production is quite likely to overlap in terms of fruit and vegetable type with potential exports of EU origin. This coupled with a projected decline in total consumption of processed fruit and vegetables in volume terms are the key challenges in the market. Going forward, producers who can emphasise the nutritional benefits, sustainability traits and packaging that can highlight the place of origin are best positioned to resonate with UK consumers.

### **Market Takeaway: Processed fruit and vegetables**

**Consumption:** High consumption of processed fruit and vegetables in the UK, however a decline in total consumption in volume terms is forecasted for upcoming years, particularly as retail sales decline from their spike in sales during the COVID-19 pandemic.

**Competition:** Largely comes from the domestic market with several producers making up most of the market share. Private label products are very common.

**Distribution:** Mainly sold through modern retail channels with traditional grocery retailers accounting for a minuscule share of sales. E-commerce has emerged as a new channel of distribution in recent years and currently has a share of 15% for reasons of convenience.

**Challenges:** Highly competitive and mature market makes it difficult for new EU producers to enter, coupled with the UK also being a fairly large producer of processed fruit and vegetable products.

**Opportunities:** Demand for alternative and healthier processed fruit and vegetables is growing and is the key opportunity area in this category coupled with the re-opening of the food service sector in the UK.

## 5.13 Pet food

### 5.13.1 SWOT analysis

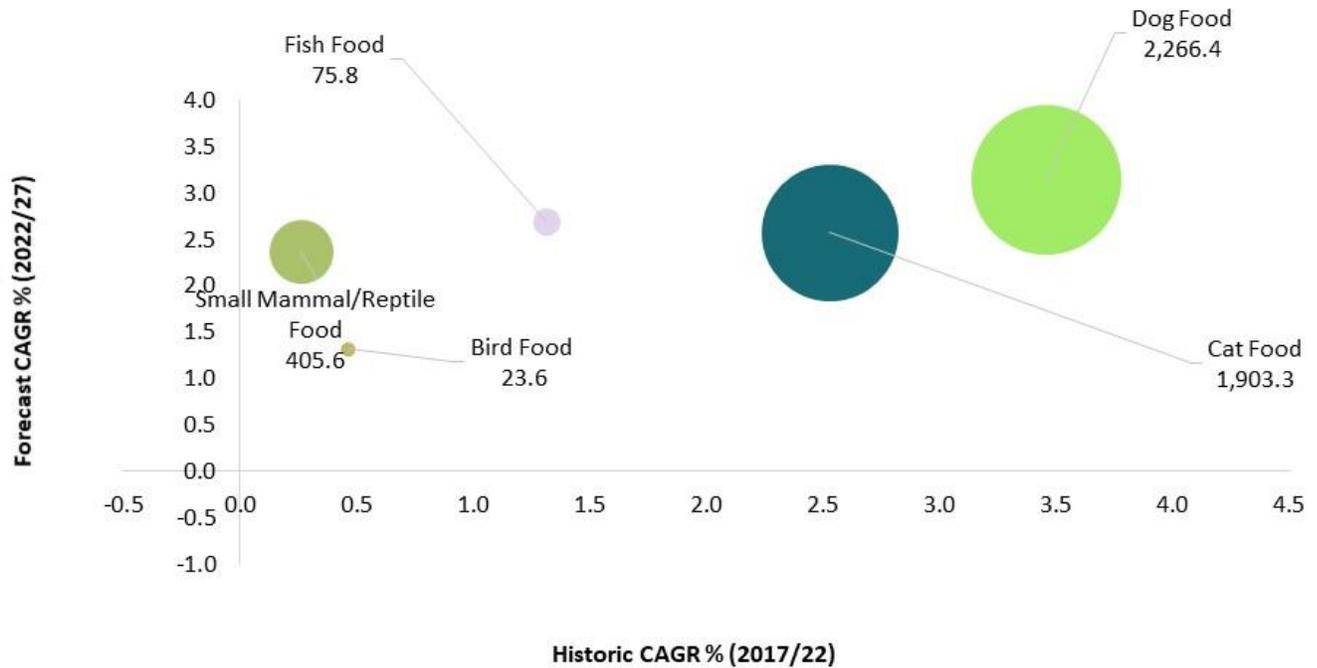
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The UK has a structural shortage of pet food and EU is by far the largest exporter of pet foods to the UK.</li> <li>▪ Pet ownership in the UK is a common practice and most consumers consider their pets to be key members of their family unit.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cats and dogs alone make up the majority of the pet food market in the UK.</li> <li>▪ UK is a large producer of pet food with numerous large domestic and international pet producers having production facilities in the UK.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Large growth in pet adoption in recent years aided by the COVID-19 pandemic.</li> <li>▪ E-commerce is increasing as well as the popularity of healthy and specifically targeted pet food.</li> <li>▪ More specialist products, including those for animals other than cats and dogs, tend to be imported.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pet adoption rates in the UK are slowing down as the economy reopens; and it is to be seen how the pet population evolves over the longer term post-COVID.</li> <li>▪ Strong competition from large companies which are well established in the market.</li> </ul>

### 5.13.2 Consumption

#### Evolution of consumption

The total market size of the pet food market in the UK was close to EUR 4.3bn in 2022. Figure 5-55 below illustrates that dog food had by far the biggest market size with around EUR 2.3bn in 2022 and thus accounted for roughly half of the total pet food market. Cat food is slightly behind dog food with a total market value of EUR 1.9 billion. Small mammal/reptile foods are valued at EUR 405 million while fish food and bird foods have a far smaller retail value at EUR 75 million and EUR 23 million respectively. Dog food is forecasted to be the fastest growing pet food in the UK between 2022 and 2027 with a forecasted CAGR of 3.1% followed by fish food which is forecasted to grow by a CAGR of 2.7%. Bird food will be the slowest growing pet food with a CAGR of 1.3% forecasted between 2022 and 2027.

**Figure 5-55: Evolution and forecast of the market for pet food (EUR million) in the UK, 2017-2027**



Source: Euromonitor International: Pet Care, 2022.

### Consumers

In the UK dogs are the most popular domestic pet in the country with 34% of UK households having at least one dog as a pet. This is followed by cats with 28% of UK households having at least one cat as a pet. Pet ownership grew by roughly 20% between 2019-2021 which can be best explained by the outbreak of COVID-19 in the country which raised the desire amongst consumers to adopt a pet as a welcome companion while they had to remain indoors. Over half of these new pet owners were young adults (under the age of 40). Fish, hamsters, rabbits and pet birds are the next biggest pets in the UK with a notable rise in reptiles also occurring in recent years. The leading consumer groups that purchase puppies and kittens are those under the age of 40 which is also a consumer group also more likely to seek out additional products for their pets such as a treat or organic pet foods. Generally, males are more likely to have a pet dog than a cat and females vice versa; however, ultimately ownership of both types of animals is high among both men and women. Those with a higher income will be more likely to have multiple pets due to a wider space at home coupled with the ability to afford various foods, lower income earners generally have one pet but both income classes will associate their pets as a key members of the family unit. Urban consumers are more likely to have pet birds, fish, small mammals or reptiles for reasons of space – this is particularly true of younger white collar works in London and Manchester.

### Drivers and method of consumption

The COVID-19 pandemic and restrictions caused by it increased the interest of consumers in pets drastically. In times of home seclusion and social distancing, consumers had more free time to fill and often felt alone which is why many decided to acquire a pet if they did not already have one;

and treat it more if they did. Dog and cat ownership grew quickly during this period; however it is forecast to plateau over the next years as the economy reopens and consumers spend less time at home. Dogs and cats have virtually always been the most popular pets in the UK and having pets are a normal and often standard practice in the UK. Consumers in more urban areas including large cities such as London or Manchester often choose to have cats, fish or hamsters as these animals are more adapted to urban living with dogs being more popular in rural areas. Cats however are also very popular in rural areas with farmers often having multiple cats on their sites to keep outside pests and rodents away from their land; though expected usage of petfood is much lower among this segment. UK consumers generally take great care of their animal with many considering them as a key member of the family unit, due to this sale of pet foods in the country are high and premium pet foods is also a well-established product in the country. Cats and dogs are typically fed 2 -3 times per day with smaller servings or treats in between bigger meals being common. The UK implements heavy animal rights practices and any animal which is found to not be fed or well treated will be taken away from a person and the person may face a fine or imprisonment; a reflection of the strong positive national attitude towards animals and their good treatment.

### Purchase criteria

The main purchase criteria are price and quality. Consumers in the UK have a wide range of pet foods to choose from with many products going further to also include foods specific to a particular breed of cat or dog. There is a certain level of brand loyalty in the market, with the larger brands of Pedigree, Felix, and Whiskas all having loyal followings. However, there is also a high level of brand loyalty for some smaller brands which have successfully differentiated their products and communicated this to consumers.

Vets often recommend certain foods for pets which incentivizes consumers to purchase them in retail outlets. Organic and premium pet foods have been established in the UK for a considerable time now and consumers - particularly those of a higher income, including notably younger white collar workers - may seek out these products as they want what they perceive to be the best quality product for their pets. Within the more premium segment, features that consumers may look for (apart from organic) include: the use of natural ingredients; food which resembles human food (e.g. burritos, cottage pie) as part of a broader humanisation trend; and breed-specific food. This segment is also slightly more likely to pay attention to sustainability issues, including packaging.

Consumers often seek out wet pet food products packaged either in cans or in single packaging which is particularly popular amongst cat owners (with the single packaging offering the benefit of convenience). For dog owners, dry and wet foods have a roughly equal split of the market.

### Recent market trends

In the last years the following trends have been in particular shaping the pet food market:

- **E-commerce:** is a growing channel of distribution for both dog and cat foods; but also for specialist animals such as lizards, snakes and parrots which are pets that often do not have a wide array of pet foods stocked on mainstream retailers' shelves. Going forward as the UK consumer base continues to become ever more acquainted with the use of e-commerce it is likely that this channel will continue to serve as a key distribution channel for pet foods. Pet food producers in the UK who fully utilise this channel will be well positioned to remain competitive in the market.

- **Growing concerns surrounding sustainability and nutritional content:** consumers under the age of 40 are the biggest adopters of pet puppies and kittens. Furthermore, this consumer group is particularly concerned about the sustainability and nutritional content of their food choice and this in effect extends to pet food. Many producers have aimed to address these concerns by providing information about their pet food's place of origin, production practices and nutritional information in the form of a QR code. With around 15% of cats and dogs in the UK believed to be obese, there is a growing niche for pet food tailored to address obesity.

Producers have also been involved in campaigns aimed at societal issues such as an “end pet homelessness campaign”. It is quite common for larger pet food producers to collaborate with animal welfare charities in the UK which many consumers resonate with and appreciate (see previous section on the positive attitude of the UK towards animals). A recent sub-theme under the sustainability and ethical trend is increased demand for plant-based pet food – in particular for dogs. Consumers who themselves are trying to reduce meat consumption or who do not consume meat are notable proponents of such products.
- **Growth in pet ownership during COVID-19:** a large number UK consumers adopted a pet as a consequence of COVID-19 with pet ownership going up by up to 20% in the country as consumers increasingly sought companionship during lockdowns. While total adoptions of pets are now declining as the economy reopens, the growth in pet adoptions in 2020 remains impactful with the market for pet foods being larger than it was pre-COVID-19. It remains to be seen how the pet population evolves going forwards, but with many of the animals adopted during COVID early in their lives, the animal population is likely to remain above pre-COVID levels for some time with corresponding demand for petfood; and the most recent forecasts (which do not yet take into account the added impact of the cost of living crisis) predict that the pet population will remain stable over the coming years. Going forward, dogs and cats will remain the most popular pets in the UK despite the growth of unique pet ownership of animals such as lizards, turtles and other reptiles.
- **Premiumisation and pet humanisation.** There has been a broader premiumisation trend in recent years; though it should be noted that there are early signs that the cost of living situation is impacting this trend. Under this trend, more consumers have shown interest in premium ingredients normally reserved for human consumption (such as jackfruit, pea protein and cinnamon), plus the recreation of human dishes for pets. It has also led to increased demand for pet treats.

### 5.13.3 Offer

#### Domestic production

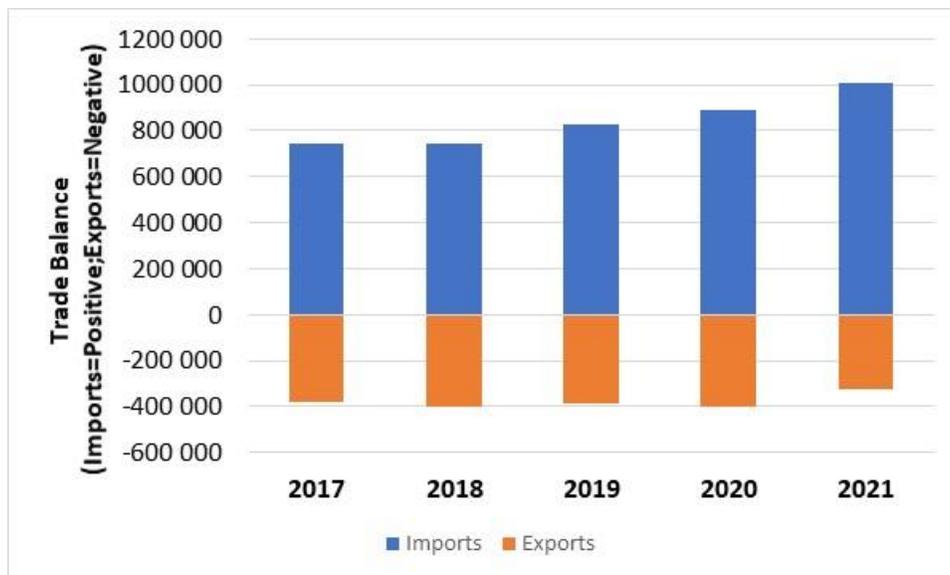
The UK pet food manufacturing is a competitive market with some large international players active in the country such as Nestle Purina, Mars and Crowne pet foods. Mars is the largest producer in the country offering well-known brands such as Whiskas, Yams and Royal Canine. Purina also is known for several popular pet brands in the UK such as Felix, Gourmet and Purina One. The rest of the UK pet food manufacturing sector is fragmented and competitive with several

retailers such as Sainsbury's and Tesco also offering their own private label products. Dog and cat food of both a wet and dry variety dominate production in the UK with the production of other pet foods being far smaller. Pet food production of unique foods intended for reptiles and other exotic animals is often imported.

### Imports and exports

Figure 5-56 shows that the UK imports much more pet food than it exports. In 2021 the country imported pet food with a value of roughly EUR 1 billion and exported about EUR 325m. Since 2017 imports have been steadily increasing year by year whereas exports have remained relatively stable before falling in 2021 from the previous level of around EUR 400m.

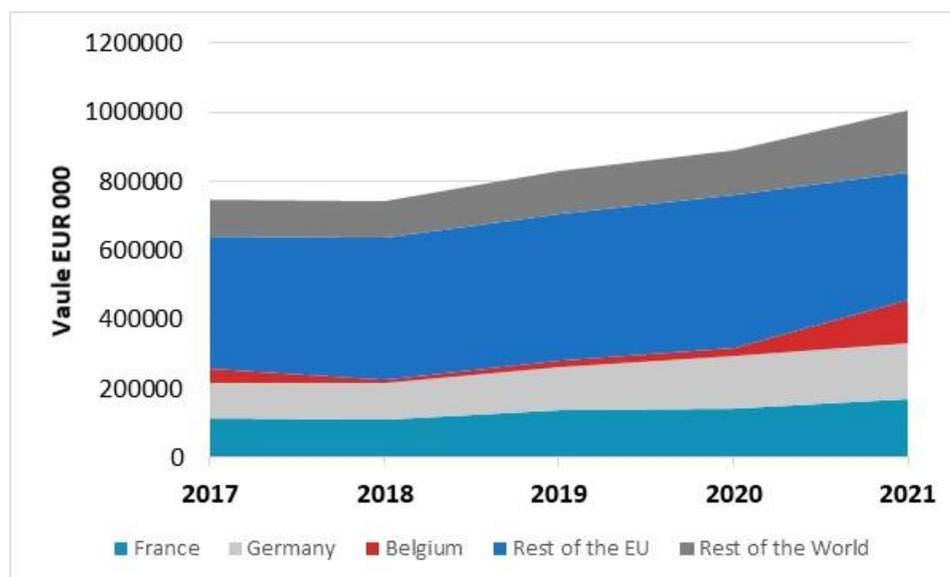
**Figure 5-56: Trade balance (imports and exports) of pet food (cat and dog) in the UK, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 230910

Figure 5-57 clearly shows that France was the biggest exporter of cat and dog food to the UK in 2021. France exported products with a value of close to EUR 167m. Germany ranked second with EUR 161m, followed by Belgium with EUR 123m. The EU largely dominates the total exportation of cat and dog food to the UK with other EU member states that export a large amount including Ireland, the Netherlands and Poland. Outside of the EU, China is the biggest exporter to the UK ranking as the 5<sup>th</sup> biggest overall exporter of pet food to the country.

**Figure 5-57: UK imports of pet food (cat and dog) by country, 2017-21; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 230910

### Main competitors

The top EU exporters accounted for just above 75% of imports in 2021, showing that the EU dominates the market for imported petfood. However, some other countries are still important competitors to remember such as China and Thailand. More notably, the UK itself is a large producer of pet foods with many large companies having manufacturing plants in operation in the country.

### 5.13.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1. A variety of documents are required for the import of pet food products, including:

- a veterinary health certificate
- registration at IPAFFS
- a licence to import animal products and pathogens
- automatic licence verification system
- health entry document for animal products

Establishments exporting animal products to Great Britain need to be **registered by the UK authorities for that purpose. The establishments registered on TRACES NT** by the Competent Authority of their Member State according to EU rules, are also registered by the UK authorities for export to Great Britain

It is important to note that full checks and certification requirements on imports of animal products from the EU to the UK have been postponed until the end of 2023 at the earliest. Therefore, it is

likely that the requirements set out above will change after that date. There are currently no details on likely changes (see section 4.2.1).

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – cat and dog food category (230910) from France to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=230910&origin=FR&destination=GB>

### **Standards, SPS measures, labelling**

The FSA has a webpage with detailed guidance for petfood. This can be found at: <https://www.food.gov.uk/business-guidance/pet-food>

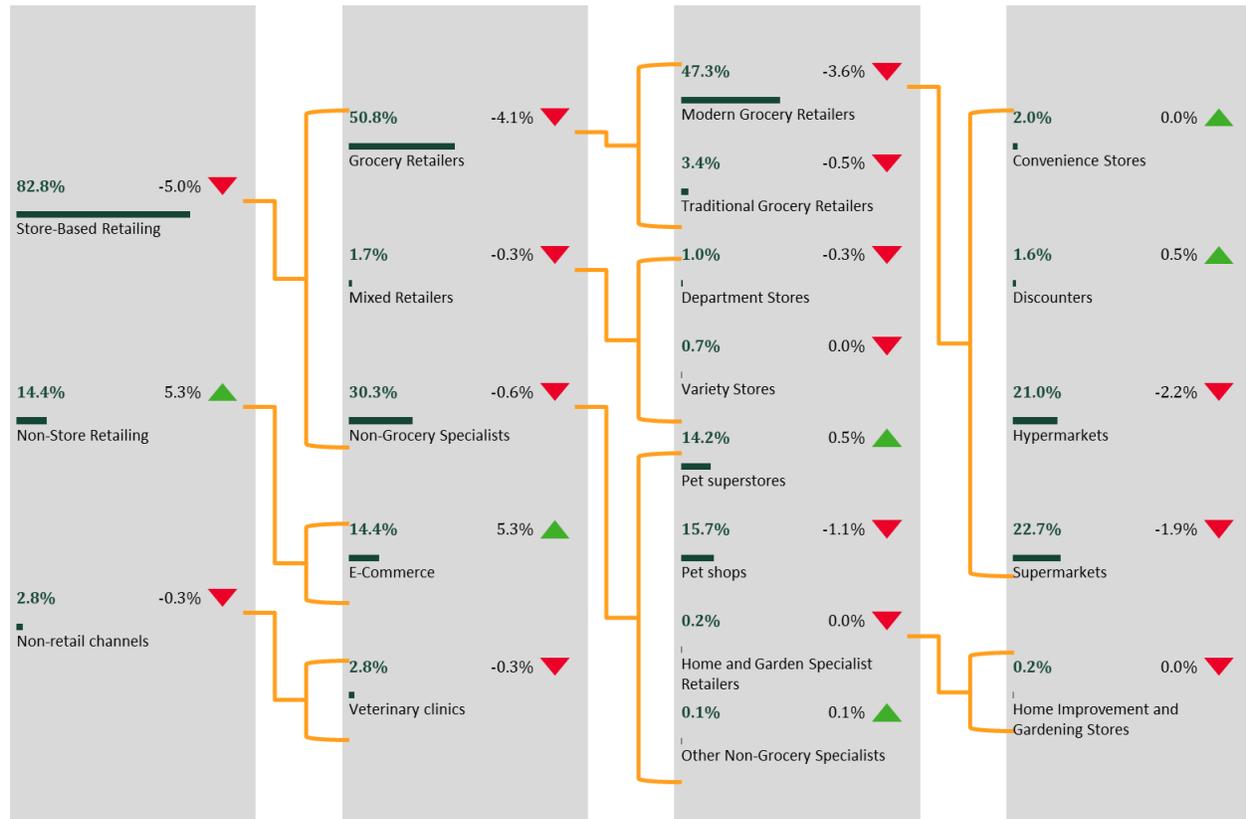
Petfood is subject to feed labelling legislation. Details can be found at: <https://www.food.gov.uk/business-guidance/animal-feed-legislation#767/2009>

### **5.13.5 Distribution**

Figure 5-58 below shows that store-based retailing is the largest distribution channel for pet food products with 82.8% of pet foods being distributed via this channel. During the last years, e-commerce retailing has been gaining a lot of popularity and in 2021 accounted for 14.4% of the retail value, while pet clinics accounted for 2.8%. The growth in e-commerce is explained by various factors including notably: the fact that the majority of new pet owners are young adults under 40 (a segment very used to e-commerce usage); the convenience of having large volumes of bulky pet food delivered straight to home; and of course the COVID-19 pandemic. While many of the brick and mortar retailers offer petfood online as well, some petfood-specific retailers have emerged. Among the most notable these is Monster Pet Supplies, which offers a huge range of products. There are also a number of online subscription services which can simplify the life of pet owners. Some of the larger ones include: The Farmer's Dog, Ollie Pets, Spot & Tango, Heed Foods, Tailsco, Darwin's Natural Pet Products, Naturaw Pet Food and PetPlate.

Despite the massive growth in e-commerce, modern grocery retailers in particular supermarkets and hypermarkets remain the most important grocery retailers with a share of around 22%. Another important channel in 2021 was pet shops and pet superstores (such as Pets at Home) which accounted for around 15% of sales.

Figure 5-58: distribution of pet food in the UK (2021); retail value



Source: Euromonitor International: Pet Care, 2021.

### 5.13.6 Challenges for EU products

EU producers are facing different challenges when entering the pet food market in the UK. First of all, there is notable competition with some larger companies such as Mars and Purina dominating the mass market, and supermarket private labels also popular. There is also import competition from, China and Thailand. The market was showing signs of being a mature and even potentially declining market prior to the COVID-19 pandemic. New pet ownership peaked due to the pandemic, but it remains to be seen how the pet population will evolve over the longer-term post pandemic. Nonetheless, the market has its attractions – there is a fundamental large structural shortage; and more specialist products in particular are likely to be imported.

### **Market Takeaway: Pet food**

**Consumption:** *Pet food consumption in the UK is high with pet ownership being a common practice. Dog and cat foods are by far the most popular pet foods consumed with other pet foods making up a far smaller percentage of the market.*

**Competition:** *Domestic production and other non-EU exporting countries such as China and Thailand; multinationals dominate the market largely although a large number of smaller producers exist in the market.*

**Distribution:** *The main channels are modern grocery retailers such as supermarkets and hypermarkets as well as pet shops and pet superstores. The popularity of internet retailing has been increasing a lot as well and today accounts for 14.4% of pet food sales in the UK.*

**Challenges:** *Strong competition from pet foods produced in the UK (particularly those from larger brands) stands as the biggest challenge in the market. UK pet ownership plateauing after a spike in adoptions during the COVID-19 pandemic.*

**Opportunities:** *E-commerce is growing rapidly, and pet foods that incorporate key nutritional information and quality traits will be positioned to succeed in the market. Pet adoption grew rapidly in 2020 and the beginning of 2021 resulting in a rapid growth in demand for pet foods in recent years that did not exist at such a level prior to COVID-19. Specialist products tend to be imported.*

## 5.14 Biscuits / cereal bars

### 5.14.1 SWOT analysis

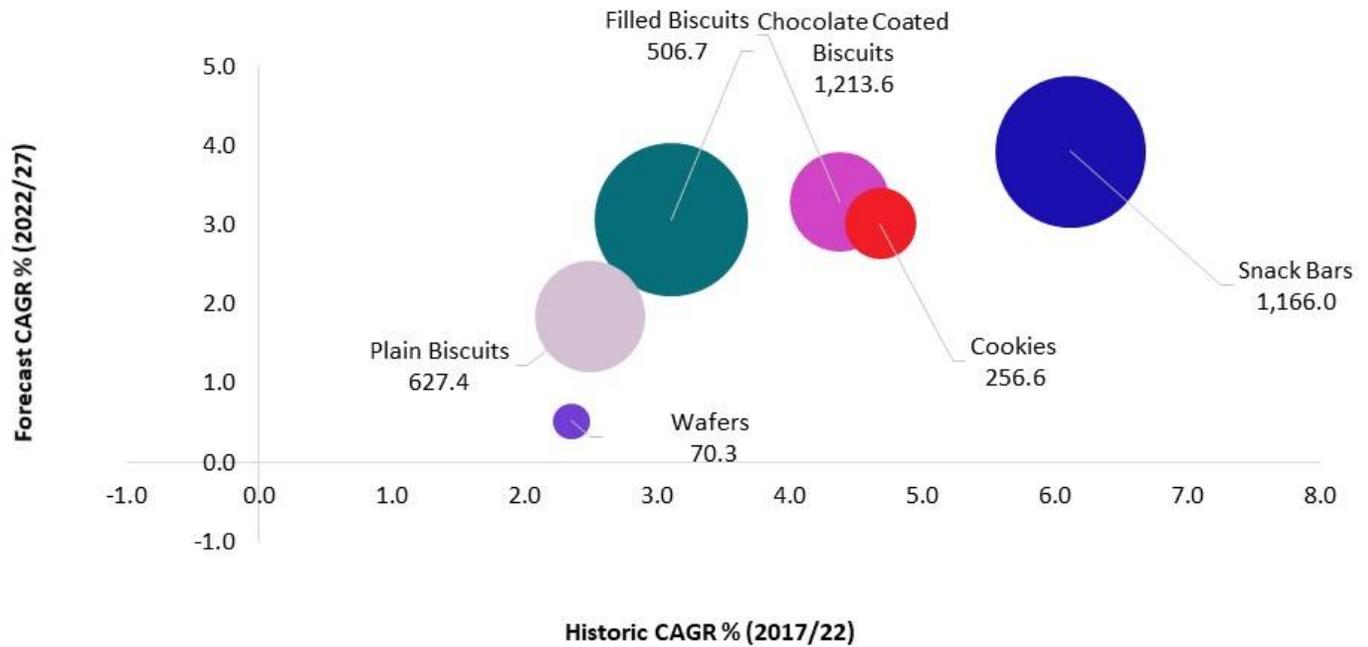
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ UK is a large consumer market for both biscuits and cereal bars with biscuits, in particular, being a food that has a strong culturally affinity in the UK.</li> <li>▪ EU dominates total exports of biscuits and cereal bars to the UK.</li> </ul>	<ul style="list-style-type: none"> <li>▪ UK is a large producer of biscuit and cereal bar products with several reputable brands being of UK origin.</li> <li>▪ An ongoing cost of living crisis impacts the sale of biscuit and cereal bar products due to the perception of these products as indulgent products.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ The e-commerce distribution channel will continue to be the fastest growing distribution channel for biscuits and cereal bars in the UK.</li> <li>▪ The rise in demand for healthier and alternative biscuit and cereal bar products.</li> <li>▪ Niches outside the mass market may be interesting, including e.g. various niches for premium products, non-supermarket channels and segments of expat consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The mass market is price sensitive and dominated by domestic players.</li> <li>▪ Consumers increasingly demand healthier variants of biscuits and cereal bar products which threatens the sale of savour and filled biscuits in the UK.</li> <li>▪ The eventual introduction of regulation HFSS will limit the advertising and promotion of some biscuit and cereal bar products.</li> </ul>

### 5.14.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-59 chocolate coated biscuits are the largest biscuit and cereal bar product category in the UK by total value with EUR 1.2 billion. The category is expected to grow at a CAGR of 3.1% between 2022 and 2027 which will see it remain the largest biscuit and cereal bar product in the market. The second-largest biscuit and cereal bar product category by total value is snack bars with a value of EUR 1.1 billion followed by plain biscuits with a value of EUR 627 million and filled biscuits with a value of EUR 506 million. Snack bars are forecasted to be the fastest-growing biscuit and cereal bar category in the UK between 2022 and 2027 with a forecast CAGR of 3.9%.

**Figure 5-59: Evolution and forecast of the market for biscuits and cereal bars in the UK (total value EUR m), 2017-2027**



Source: Euromonitor International: Packaged Food, 2022.

### Consumers

Consumption of biscuits in the UK has been a standard practice for decades with the product often being associated with other popular consumption habits such as the consumption of tea or coffee. Consumers are well accustomed to the availability of plain and savoury biscuit products and many will have a stockpile of them in the house if they are anticipating guests. On average, British consumers consume around 92 grams of biscuits and cereal every week which is amongst the top 20 per capita consumption levels in the world<sup>69</sup>. Sweet biscuits are the most sold biscuit product in the UK with chocolate being the preferred flavouring. Filled and plain biscuits are also very popular in the country. Snack bars are well established in the UK market and most UK consumers are aware and have wide availability to access them. As biscuits are a well-established food product in the UK, virtually any consumer regardless of income class or ethnic background will consume them to various extents. However, the biggest consumer is females between the ages of 35-44.

Consumers of more premium and/or unique products are likely to: have higher levels of income; be urban based; be interested themselves in baking; and in some cases, be more health conscious.

<sup>69</sup> Average purchase per person per week of biscuit and crispbread in the United Kingdom 2020, Statista, available at <https://www.statista.com/statistics/380355/weekly-uk-household-consumption-of-biscuits-united-kingdom-by-type/>

## Drivers and method of consumption

A key driver behind biscuit consumption in the UK is the wide range of varieties; virtually all retailers will have a large number of different biscuit brands stocked on their shelves. British consumers associate biscuits largely as a snack product to be consumed as a treat or to compliment other products such as tea or coffee. Indeed, around half of adult consumers under 35 prefer to consume biscuits on-the-go (and this indeed influences the packaging formats they look for). Biscuits benefited previously from being perceived as a long-lasting treat food product that appealed to also to lower income earners in the country which has helped the product to endear itself with the British public.

Consumption of more premium products is seasonal to an extent, with peaks around Christmas (luxury Belgian biscuits have proven particularly popular during this period in recent years). However, opportunities exist around other festivals, including recently Halloween, during which some producers have started to release Halloween themed biscuit packs. Premium products are also popular gifts, plus may be enjoyed at parties or get-togethers. There is also a smaller consumer group which eats these biscuits at home (e.g. as a treat in the evening).

Snack bars do not have the same history of consumption in the UK but are a very popular product due to their convenience which appeals to UK consumers on the go. Snack bars, like biscuits, are available throughout the majority of retailers in multiple varieties which incorporate different flavourings and production practices. Consumers generally consume biscuits either at lunch as a form of dessert; with their tea or coffee in the morning or afternoon; during the evening; or as a small snack product throughout the day. Snack bars are more likely to be consumed at breakfast or lunch with breakfast-specific snack bars which are often made from processed cereals .

## Purchase criteria

Flavour is the key purchase criterion for biscuits and snack bars in the UK with consumers showing a preference for chocolate biscuits in particular, although plain and filled biscuits are also popular. Price is also a considerable criterion for biscuits as a whole with plain biscuits generally being priced slightly lower than savoury or filled biscuits. Biscuits are generally sold in various packages ranging from large cartons of up to 40 biscuits to a sole biscuit in a packet, reflecting that consumers may also choose based on pack size with e.g. single biscuits in a packet being a convenience orientated product.

The criteria for the premium segment are a bit different, with price less of a consideration. On balance, consumers – more affluent ones in particular – are willing to pay more for premium biscuits. Key factors they will take into account are: taste; texture; the quality and nature of ingredients (e.g. fruit, nuts and quality chocolate or butter are appreciated); and ethical considerations or organic status.

Snack bars likewise have flavour and price as two key pricing criteria, however consumers will have heightened expectations surrounding the nutritional content of snack bars. Biscuits are generally accepted to be an indulgent food, but snack bars often incorporate fruit pieces and additional vitamins which makes nutritional content a key pricing criterion for snack bars in particular.

## Recent market trends

A number of recent trends continue to influence the biscuits and cereal bar market as outlined below.

***E-commerce and ultra-fast delivery impacting biscuit and cereal bar distribution:*** e-commerce has emerged as a key channel of biscuit and cereal bar distribution in recent years, further aided by the outbreak of COVID-19 in the UK. All major retailers in the UK have an online marketplace which allows for home delivery which aided biscuit and cereal bars which are often a feature on the shopping lists of UK consumers. Third-party apps such as Deliveroo and Uber Eats further often collaborate with confectionery stores which often stock numerous biscuit products; while snack bars particularly nutritional snack bars are often available for delivery from specialist nutritional snack bar outlets or from sports equipment stores. Furthermore, some biscuit manufacturers have started to offer products through their own webshops. Going forward, e-commerce will continue to be an important channel of distribution for biscuits and snack bars in the UK.

***Impact of the HFSS (High fat – sugar and salt) regulation on biscuits and cereal bars:*** the “high fat, salt and sugar” (HFSS) regulation aims to ban the multi-buys and advertising of unhealthy foods in the UK. Originally supposed to be introduced in 2022, the UK government delayed it for a year due to an ongoing cost of living crisis that is impacting the UK at the time of writing (and indeed the wider world). The HFSS regulation is projected to negatively affect retail volume sales of sweet biscuits and snack bars over the coming years, with the strongest declines expected to be recorded in 2024, when the regulation is set to affect a full year for the first time, and restrictions on volume-based promotions are also expected to be introduced. Despite the presence of healthier variants in the market, most offerings in snack bars and sweet biscuits fall within the scope of the HFSS regulation and are expected to be challenged mostly by the reduction in in-store and online visibility, as snack bars are widely positioned at checkouts, and sweet biscuits in gondola ends. Against that challenges of creating biscuits which fall outside the scope of the HFSS regulation, one of the ways that producers have reacted to both the regulation and higher attention to health is through the concept of “permissible indulgence” – in other words, indulgent products which still allow people to follow their dietary plans. The most common way manufacturers have done this is by limiting pack sizes; though some products have also used carefully-chosen ingredients. Another way some producers have acted is to offer reduced sugar products, where possible.

***Increasing focus on healthier nutrition is creating opportunities for snack fruits:*** while snack bars and sweet biscuits are set to be challenged by the HFSS regulation, the opportunities for fruit snacks will rise, given their exclusion from restrictions. Sales of fruit snacks such as dried fruit are forecast to see robust growth thanks to the versatility they offer (they can be consumed both as snacks and as an ingredient in salads and other meals). Another trend that has emerged is the demand for alternative biscuit and cereal bar products which has persuaded manufacturers to continue to invest in new exotic flavours and the reduction of sugars and preservatives.

### 5.14.3 Offer

#### Domestic production

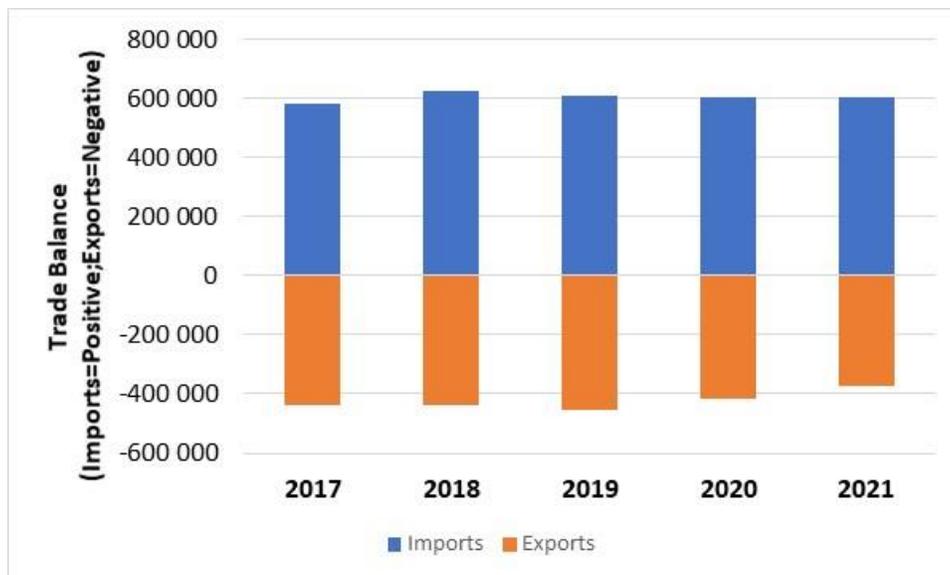
The UK biscuit and cereal bar production sector is large and made up of several larger to semi-large competitors making the market competitive. Some of the bigger biscuit and cereal bar producers in the UK include companies such as United Biscuits which is the company behind some of the more popular biscuit and cereal brands in the UK such as McVities, Jacobs and Twiglets. Most major retailers will also sell their own private label biscuits and cereal bars with Tesco, Sainsbury's and Asda being notable examples. These private label biscuit and cereal bars are often priced cheaper than bigger brand label variants. Biscuit and cereal bar factories are

located across the UK with a particular concentration of them being located in the northeast of England, Edinburgh (home to Burtons biscuits a large UK biscuit producer) and in the Greater London urban area.

### Imports and exports

Figure 5-60 below shows that the UK is a net importer of biscuit and cereal bar products with the country importing to a value of EUR 601 million in 2021 compared to exporting to a value of EUR 372 million. Imports during the past five years peaked at a value of EUR 628 million in 2018 while exports have steadily declined from a figure of EUR 438 million in 2017 to the aforementioned figure of EUR 372 million in 2021.

**Figure 5-60: Trade balance (imports and exports) of biscuit and cereal bars in the UK, 2017-21; value EUR 000**

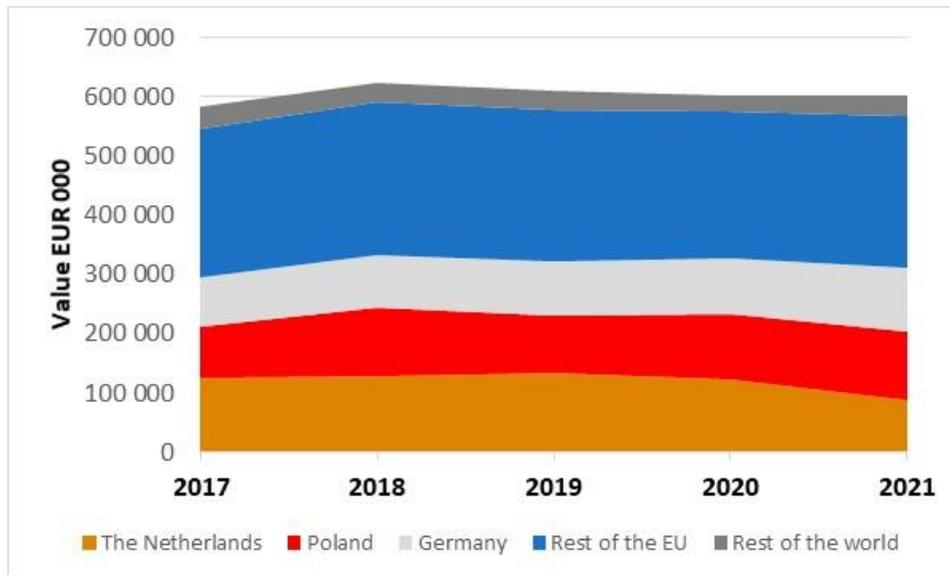


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190531 and 190532

Figure 5-61 shows that the Netherlands is the largest exporter of biscuit and cereal bar products to the UK with a total trade value in 2021 of EUR 85 million; although this is the lowest amount the Netherlands has sent in the past five years with the Netherlands exporting over EUR 100 million between 2017-2020. This is followed by Poland and Germany. Other larger exporters from the EU include Belgium, the Czech Republic and Spain. Overall, the EU is highly present in the trade of biscuit and cereal bar products to the UK, accounting for just under 90% of total imports of the product into the UK. The largest non-EU member in the trade of biscuit and cereal bars to the UK is Turkey.

**Figure 5-61: British imports of biscuit and cereal bars by country, 2017-2021; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190531 and 190532.

### Main competitors

First and foremost, the UK is a large producer of biscuit and cereal bars in its own right and these products are the foremost biggest competitor for EU biscuit and cereals bars sold in the UK. Consumers in the UK are well accustomed to British biscuit and cereal bar brands and hold them in generally high regard. Despite this, the EU dominates in terms of foreign biscuit and cereal bar brands on sale in the UK with competition from other markets being minimal.

### 5.14.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – general baked goods category from Belgium to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1905&origin=BE&destination=GB>

**Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for biscuits and cereal bars. It is worth noting that a fortification requirement is being introduced for flour (both domestic and imported); however this only applies to flour itself and not to finished products containing flour.

It is recommended that producers are aware of the legislation around HFSS products as depending on composition, some products may be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

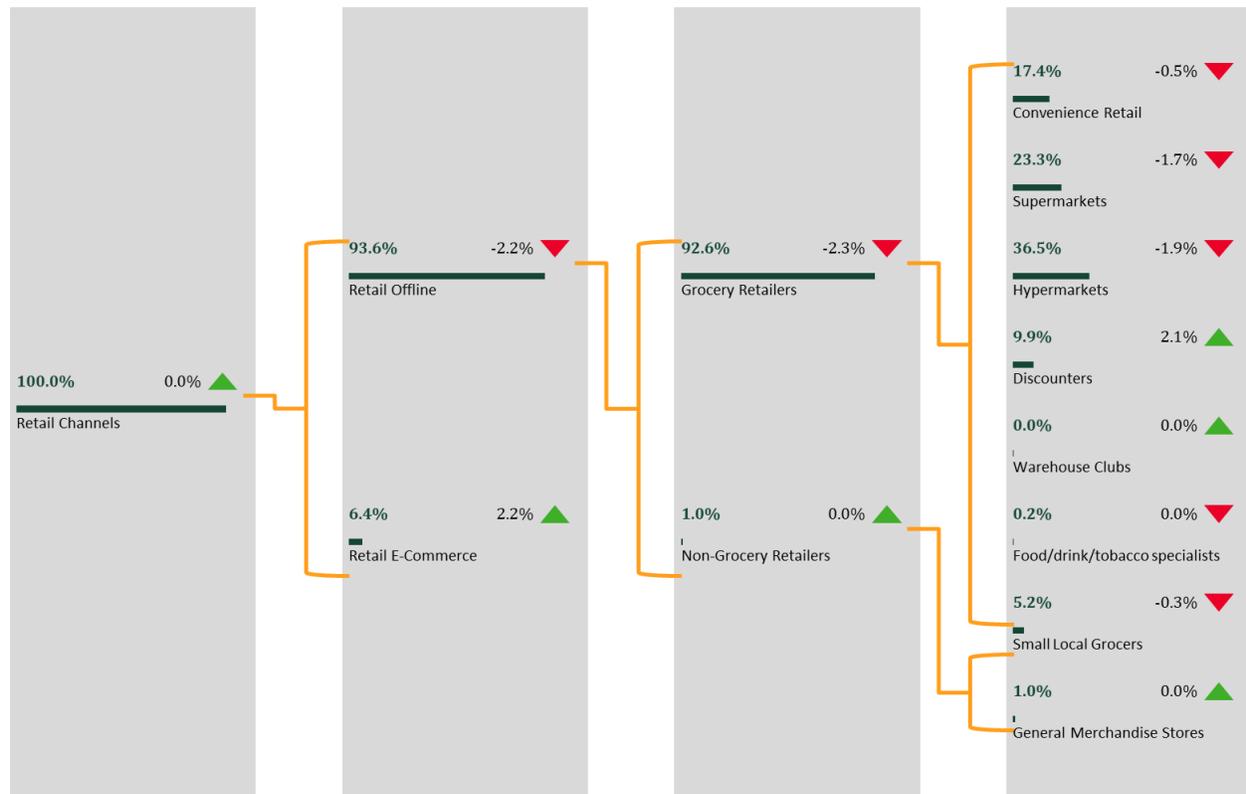
**Labelling**

Biscuits and cereal bars must conform with the labelling requirements set out in section 4.2.3.

**5.14.5 Distribution**

Sweet biscuits distribution is focused mainly on grocery retailers which account for 92.6% of sales. The major retail outlets are hypermarkets and supermarkets which account for 36.5% and 23.3 of all sales respectively. Convenience retailers also an important channel of distribution with a share of 17.4% of sales. E-commerce is limited by growing. Some producers such as Mondelez and Biscuiteers are starting to sell their products direct to consumers through their own e-commerce sites (Figure 5-62).

**Figure 5-62: Distribution channels of sweet biscuits in the UK (2021); retail value**

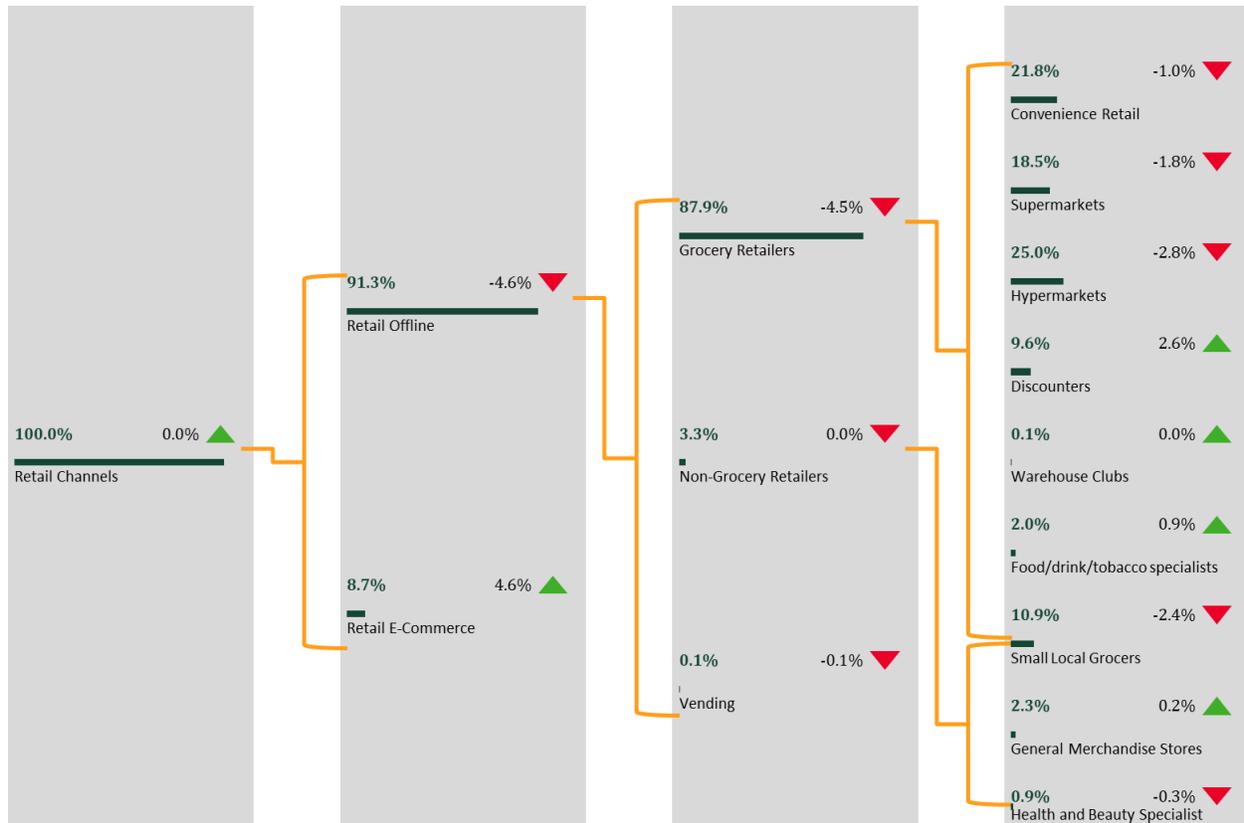


Source: Euromonitor International: Packaged Food, 2021.

Grocery retailers are the main distribution channel for cereal bars in the UK accounting for 87.9% of all sales in 2021. Convenience, hypermarket and supermarket retailers are the three main

distribution channels for cereal bars in the UK. Small local grocers are also an important channel accounting for 10.9% of sales. E-commerce sales continue to grow and today account for 8.7% of snack bar sales in the UK. (Figure 5-63).

**Figure 5-63: Distribution channels of cereal bars in the UK (2021); retail value**



Source: Euromonitor International: Packaged Food, 2021.

### 5.14.6 Challenges for EU products

The introduction of the HFSS regulation will be a key challenge for EU biscuit and cereal bars as they will no longer be able to be marketed or packaged as a multi-buy product, coupled with advertising restrictions will be a barrier to operation in the UK, although this is also true for domestically produced biscuit and cereal bar products. Reformulation of biscuit products to circumvent the HFSS regulation is likely to be challenging – at least for the more indulgent segment of the market. Despite this, there is a group of non-HFSS products on the market which also plugs into the broader health trend. On the positive side, the key provisions of the HFSS regulation such as price-based promotional offers and positioning at checkouts are less likely to impact premium products on balance.

Rising demand for healthier and alternative biscuit and cereal bar products will require innovation in the sector from EU producers although this trend is also present in EU member states which makes it a less formidable challenge of adoption for the UK market. Competition with domestic UK biscuit and cereal bars is the final major -and indeed possibly the biggest challenge for EU products. The fact that pricing is a criterion for many consumers and private label products are widely available accentuates this challenge. Nonetheless, the EU dominates in the import of

foreign biscuit and cereal bar products – though it must be remembered that the UK is only a marginal net importer.

### **Market Takeaway: Biscuit and cereal bars**

**Consumption:** Biscuits are a product with a cultural affinity for UK consumers who are readily accustomed to the product, with the majority of consumers consuming at least one biscuit per week. Cereal bars are less popular but a big market in the UK, particularly as the economy re-opens and demand for on-the-go snack foods begins to rise once again.

**Competition:** Domestic products are the biggest competitor for EU products in the UK. Domestic brands are well recognisable and respected by UK consumers. Furthermore, there are many private label products. Outside of the UK, competition from other markets is minimal with the EU dominating exports of biscuits and cereal bars to the UK.

**Distribution:** Sweet biscuits and cereal bars are largely distributed through supermarket and hypermarket retailers which account for over half of all sales for both sweet biscuits and cereal bars. E-commerce is an increasingly important channel of distribution for both products while small local grocers are also a key channel of distribution.

**Challenges:** Competing with well-established domestic production in a price sensitive market; combined with the expected introduction of regulation HFFS at the biggest challenge for EU biscuit and cereal bars in the UK.

**Opportunities:** E-commerce sales will continue to grow, and this channel will be the fastest growing channel of distribution in the UK in upcoming years. Demand for healthier or alternative cereal and biscuit bars is also set to continue growing. A notable rise in demand for premium biscuits at Christmas as the product is often a gifted item; and other festivals plus gifting are further opportunities. Finding a niche is important.

## 5.15 Baked goods

### 5.15.1 SWOT analysis

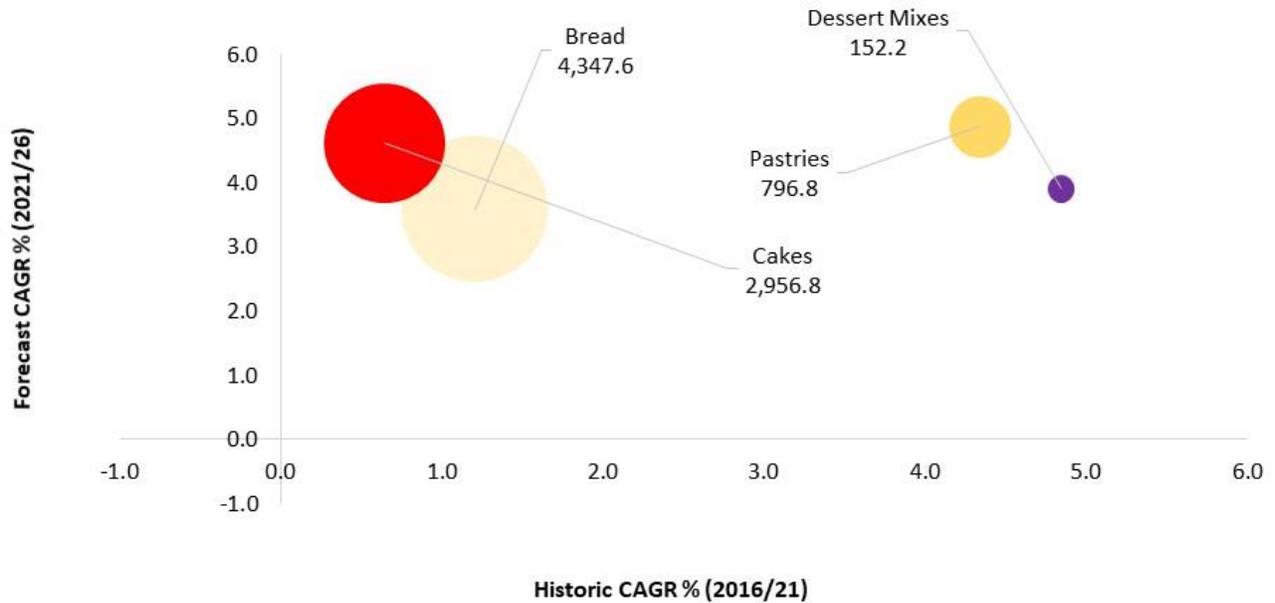
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU dominates total imports of baked goods to the UK accounting for just over 90% of total imports.</li> <li>▪ Massive market, one of the biggest per capita bread consumers in the world, with both fresh and packaged products in demand.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Foodservice sector sales of baked goods are not expected to recover to pre-COVID-19 sales for several years.</li> <li>▪ Domestic production is high in the UK.</li> <li>▪ Consumers have certain expectations with regards to baked goods based on tradition.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Products with healthy ingredients to cater to the health and wellness trend.</li> <li>▪ Unique baked good products increasingly growing in demand.</li> <li>▪ The large pre-packaged market may offer some opportunity for imports.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Locally producing international companies and big domestic companies are market leaders.</li> <li>▪ The introduction of the HFSS regulation is expected to take place in 2023 and may affect some products.</li> </ul>

### 5.15.2 Consumption

#### Evolution of consumption

Figure 5-64 depicts the evolution of the consumption of baked goods in the UK. In 2021, the total market size was just under EUR 8bn. Bread was by far the most popular category with a market size of about EUR 4.3bn and thus accounted for over half of the total market. Cakes ranked second with a market value of EUR 2.9bn, followed by pastries with nearly EUR 796m. Dessert mixes have a far smaller market size compared to the other categories with a value of about EUR 152 million. Pastries are forecasted to be the fastest growing baked good category going forward between 2021 and 2026 with a predicted CAGR of 4.9%.

**Figure 5-64: Evolution and forecast of the baked goods market in the UK, 2016-2026; total retail value EUR m**



Source: Euromonitor International: Packaged Food, 2021.

### Consumers

Baked goods are popular foods in the UK with consumers having access to a wide variety of baked goods products across bakeries and other food service outlets such as coffee shops as well as large retailers which often prepare baked goods in-store. Consumers of baked goods subsequently span all income groups and ethnic backgrounds as baked goods are well engrained in British culinary and consumer culture. As a result, mass market products are priced relatively cheaply and are plentiful. Females have shown a preference for cakes and pastries while men have shown a preference for bread; however, both genders regularly consume various baked goods products.

### Drivers and method of consumption

Baked goods have always been a popular food item in the UK with cakes and bread being consumed in the country for decades. The UK is a leading consumer of bread with it being one of the higher per capita consumers of bread globally with over half a kilo of bread being consumed per person per week in the average UK household in 2020.<sup>70</sup> Loaved white bread is the most popular bread type consumed in the country, though brown bread is also popularly consumed in the UK with granary and wholemeal the two traditional and arguably most popular forms. The typical bread consumed in the UK has a very specific form, it tends to be an elongated cuboid with a slightly rounded top which, when cut lead to square pieces of bread with slightly rounding

<sup>70</sup> Average purchase per person per week of bread in the United Kingdom (UK)from 2006 to 2019/2020, Statista, available at <https://www.statista.com/statistics/284434/weekly-household-consumption-of-bread-in-the-united-kingdom-uk/>

on one side (see *below*). While other forms, including e.g. baguettes and ciabattas can be found, they are considerably less popular. Toasted bread is a common British breakfast meal and a staple of many households in the country. Bread may be sold either fresh or pre-packed, with the latter in particular more likely to be preferred for toast though it is also commonly consumed untoasted as well.



Cakes are also very popular in the UK with events such as a birthday or wedding virtually always having some variety of cake presents. British consumers typically consume cake as a dessert meal and view the product as an indulgent food. Pastries are a common lunch or snack meal and are commonly consumed with tea or coffee. Some of the more popular pastries consumed in the UK include crumpets, doughnuts, pasty and spotted dick (traditional British sponge pudding pastry). Ultimately, there are a wide range of traditional UK bakery products, though there is some demand for non-traditional products such as croissants (which make up just over 10% of pastry sales), brioche (8%) and muffins.

### Purchase criteria

The main purchase criteria are price and taste with consumers expecting conventional baked goods products to be priced reasonably cheap. Convenience is a further factor, with consumers often choosing to purchase from whichever outlet is nearest to them (or whichever one they happen to be near to) – particularly in the case of snacking.

In the area of bread, consumers are much more likely to purchase pre-packaged bread than fresh. Around 90% of bread sales in the UK by value are leavened bread, with the remaining 10% flat bread. Over  $\frac{3}{4}$  of leavened bread and almost all flat bread is pre-packaged. There are some well-known and popular brands in the pre-packaged bread segment (such as Hovis and Warburtons – see below) and a certain level of subsequent consumer loyalty; though private label products are also popular. Pre-packaged products are also predominant in the cake and pastry segments, albeit to a lesser degree. Around half of all pastries sold in the UK are private label.

The large variety of baked goods products present in the UK market makes taste a key factor regarding purchasing criteria; and this connects also to the variety of baked goods with certain consumers seeking out certain specific varieties. Popular pastry varieties were covered in the previous sub-section. In the area of cakes, the most popular varieties are: Victoria Sponge (a traditional British cake), chocolate brownies / chocolate fudge cake, lemon drizzle cake, cinnamon rolls, carrot cake and cupcakes.

British consumers are increasingly concerned about their health which impacts the sale of convention bread and pastries to an extent although cakes are less affected as most consumers consider cakes to be a luxury treat food. Wholegrain baked goods have increased in popularity in recent years as have varieties such as gluten-free; combined with the introduction of unique baked goods such as avocado bread, these trends highlight the growing importance of health as a purchase criterion.

### Recent market trends

The following market trends are currently visible:

- **Demand through the foodservice to rebound following the reopening of the UK economy post COVID-19.** Foodservice outlets have always been a key distribution channel for baked goods in the UK via bakeries, coffee shops or specialist stores such as doughnut stores. The reopening of the economy post-COVID-19 has led and will likely continue to lead to a rise in demand for baked goods. Despite the reopening of the foodservice sector, a full recovery is not expected for several years due to some foodservice outlets closing permanently and the rise in consumers working from the home reducing demand for foodservice outlets located in business districts.
- **Health and wellness trend.** As can be seen from the purchase criterion above, this trend has been developing for a while already and was boosted by the pandemic. An increasing number of people pay more attention to their health and thus to what they eat which has encouraged producers of baked goods in the UK to produce different varieties of baked goods. In the UK market, there is an ongoing rise in fortified baked goods such as cakes which are prepared with fewer sugars and have additional vitamin content. Alternative bread such as the avocado wrap has also emerged in the UK; a sign of a market that increasingly is seeking not only alternative baked goods products but also healthier variants than standard baked goods products. Another beneficiary of this trend is unpackaged bread. While a minority of the bread market, it is growing much more quickly than the dominant packaged bread segment, which remains associated with the higher use of preservatives in order to ensure its longer shelf life. That said, fortified and functional packaged bread products are forecast to outperform the sluggish packaged bread category as a whole – once again for health-driven reasons. Gluten-free bread is another area which is benefitting from this broader health and wellness trend, with sales of the category forecast to grow at around 7% per year over the next five years.
- **Increasing concerns surrounding sustainability and food waste.** Consumers are increasingly concerned about the sustainability of their foods which extends to the baked goods sector. Producers have adapted by targeting food wastage specifically with some of the larger baked goods brands in the UK partnering with charities that work to alleviate poverty and food waste. New business models have emerged from this trend with brands partnering with third-party apps to showcase foods that will be thrown out if they are not picked up, these foods are sold at a significantly cheaper price. Baked goods in particular are impacted by this.

In addition, there are a few more minor trends relating to innovation and novelty. This notably includes increased interest in more novel products (often from different areas with long heritages),

such as Scandinavian rye bread. Some online retailers specialised in products of a specific origin have jumped on this trend. Examples include: *Honigkuchen* and *Mestemacher Eiweissbrot* available on [germandeli.co.uk](http://germandeli.co.uk) and *Pain Boulot* available on [frenchclick.co.uk](http://frenchclick.co.uk).

### 5.15.3 Offer

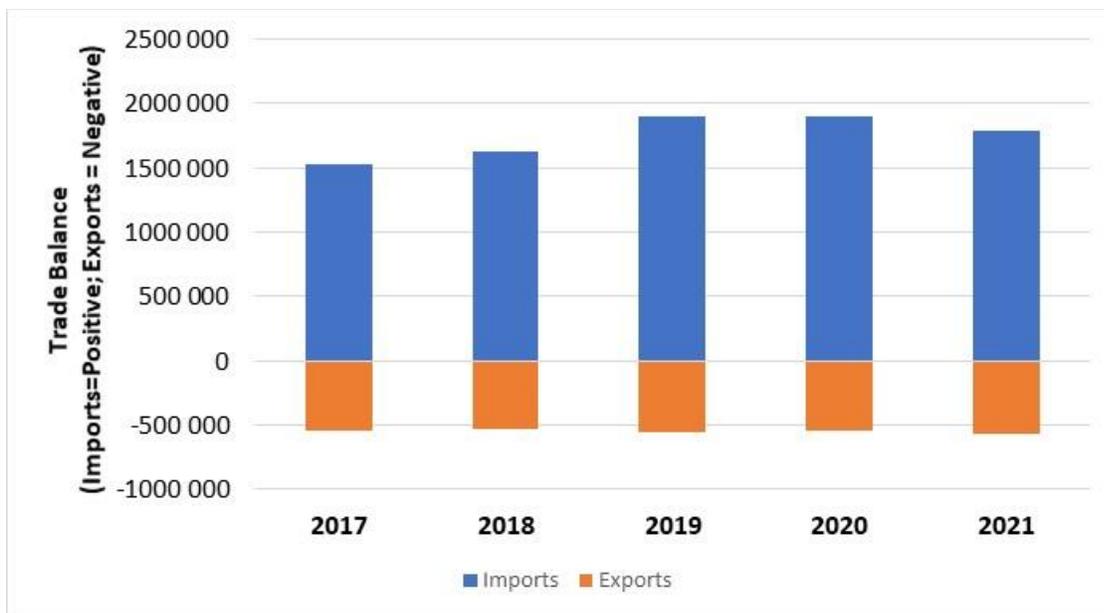
#### Domestic production

Baked good production in the UK is high with the country being home to some of the bigger brands not just in the UK but internationally such as Hovis and Warburtons. In 2020 it was estimated that there are roughly 2 600 baked food manufacturing enterprises in the UK with the concentration of these being in the Midlands of England and the Greater London urban area. Artisanal bakeries are less popular than in most other European countries but there are a significant number of them in operation in the bigger urban centres of the UK such as Manchester and London.

#### Imports and exports

As shown in Figure 5-65 the UK is a net importer of baked goods. The UK imported baked goods with a value of about EUR 1.7 billion in 2021, whereas it exported about EUR 568m. Over the past five years, total imports of baked goods into the UK were consistently above the value of EUR 1.5 billion.

**Figure 5-65: Trade balance (imports and exports) of baked goods in the UK, 2017-21; value EUR 000**



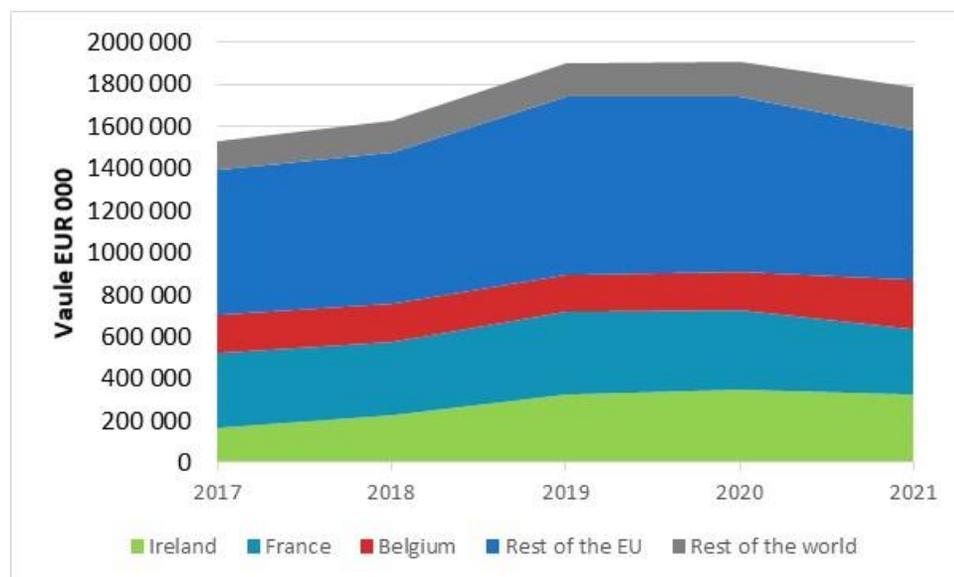
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190590

The largest exporter of baked goods to the UK in 2021 was Ireland, with an exported value of around EUR 322m. Ireland was followed closely by France with around EUR 313m and Belgium with approximately EUR 235m as shown in Figure 5-66. In total eight out of the top 10 exporting

countries are from the EU and include Germany, Italy and Spain as well as the other aforementioned three countries. The main non-EU exporters were Canada, China and the US (Figure 5-66).

**Figure 5-66: British imports of baked goods by country, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190590

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, any GIs that are relevant for baked goods registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

Domestic production is the biggest sole competitor for EU baked goods operating in the UK. Domestic production is high, and producers are well in tune with market demands. Furthermore UK consumers have certain expectations of their baked goods in terms of appearance and type; and UK producers are inevitably well aware of this. Nonetheless, EU baked goods do hold a fairly good position. In total, the EU's dominant baked goods export to the UK accounts for over 90% of total baked goods imports by the UK. The US, China and Canada are the biggest third country competitors although the impact of baked goods from these countries in the UK is minimal.

### 5.15.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general baked goods category from Belgium to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1905&origin=BE&destination=GB>

### **Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for baked goods. It is worth noting that a fortification requirement is being introduced for flour (both domestic and imported); however this only applies to flour itself and not to finished products containing flour.

It is recommended that producers are aware of the legislation around HFSS products as depending on composition, some products may be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

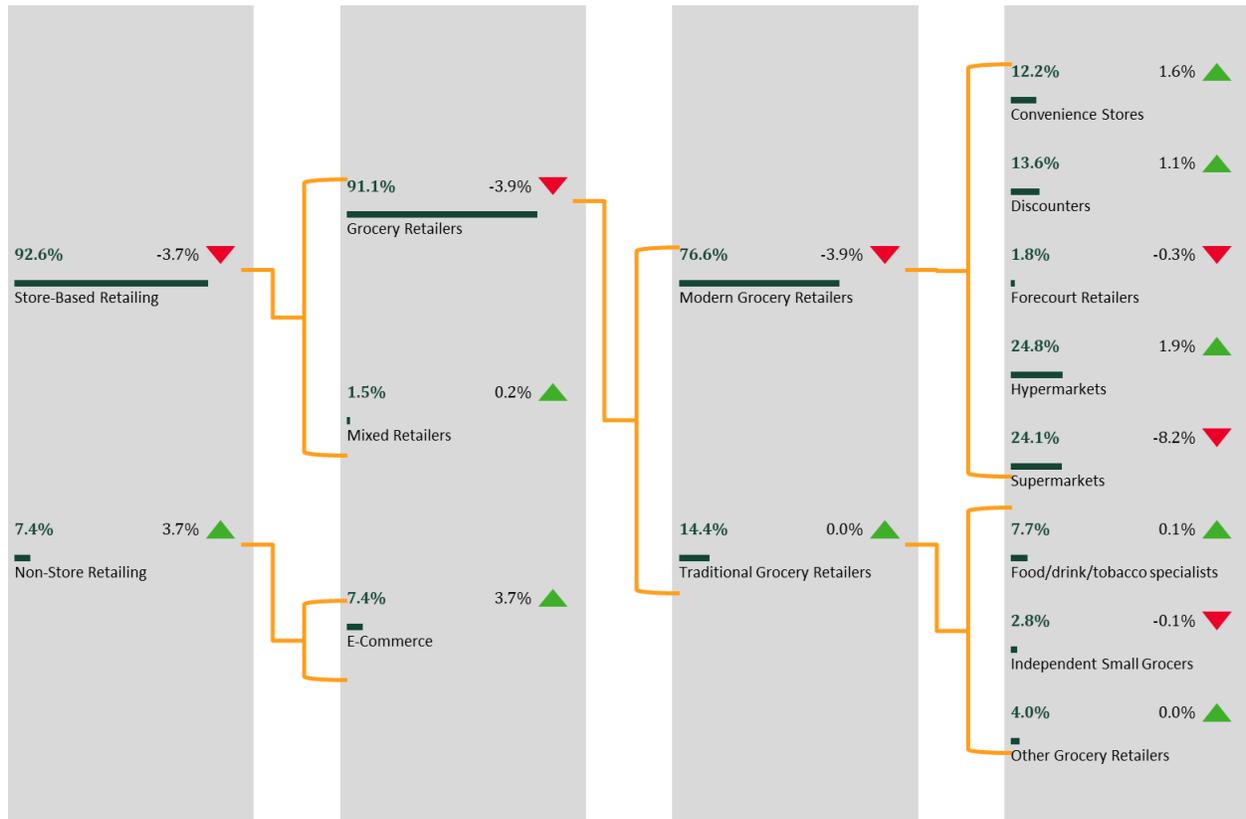
### **Labelling**

Baked goods must conform with the labelling requirements set out in section 4.2.3.

## **5.15.5 Distribution**

Retail channels dominate the distribution of most baked goods product, with food service only playing a minor role. For example, under 10% of bread sales are food service leaving over 90% through retail channels. In 2021 the absolute majority percentage of the retail value of baked goods came from store-based retailing (91.1%) as depicted in Figure 5-67, modern grocery retail outlets account for just over three-quarters of sales at in the UK. Hypermarkets and supermarkets account for roughly half of this percentage. Discounters and convenience stores account for just 10% of sales respectively. Food/drink and tobacco specialists are the biggest distributors from the traditional grocery retail channel. E-commerce sales continue to grow and now account for 7.4% of total sales in the UK. It is interesting to note that there are some specialist, generally high end European bakeries in the UK. Examples include Ole & Steen Lagkagehuse (Danish) and various French bakeries.

Figure 5-67: Distribution channel overview of baked goods in the UK in 2021; retail value



Source: Euromonitor International: Packaged Food, 2021.

### 5.15.6 Challenges for EU products

Domestic production and consumer expectations as to what baked goods should look like are probably the biggest challenges that EU producers face. Consumers tend to expect bread to come in certain forms and are used to certain bread recipes; outside bread there is a wide array of what may be considered traditional British baked goods. UK producers are inevitably well in tune with these consumer preferences. The popularity of pre-packaged bread, with the market dominated by a few large UK producers is another challenge, though it may also offer some limited opportunities. The implementation of restrictions on the advertising of HFSS foods in the UK under HFSS legislation is a further potential challenge that could affect some baked goods with higher sugar or fat contents. That said, the key provisions of the HFSS legislation (e.g. relating to price promotion and positioning of goods by checkouts of larger stores) is less likely to impact the baked goods sector than other sectors such as confectionery as baked goods do not commonly use these marketing mechanisms. Challenges from producers outside of the UK are minimal with EU exports accounting for 90% of UK baked goods imports.

### **Market Takeaway: Baked Goods**

**Consumption:** *The baked goods market in the UK is large, with the country being one of the highest per capita consumers of bread, pastries and cakes in the world. The UK bakery market is valued at roughly EUR 4.6 billion and pre-packaged goods are particularly popular.*

**Competition:** *Domestic production by big UK companies, locally producing international companies as well as a lot of small artisanal bakeries. Minor competition from other countries.*

**Distribution:** *Mainly via modern grocery channels such as supermarkets, and convenience stores but also through independent small grocers. E-commerce is a new and important channel of distribution.*

**Challenges:** *Competition with domestic producers coupled with consumer expectations of what traditional baked goods look like, plus consumer preferences.*

**Opportunities:** *Offering products with healthy nutritious ingredients combined with healthier properties such as gluten-free, sugar-free etc. Niche opportunities through specialised channels stemming from consumer demand for novelty.*

## 5.16 Live plants

### 5.16.1 SWOT analysis

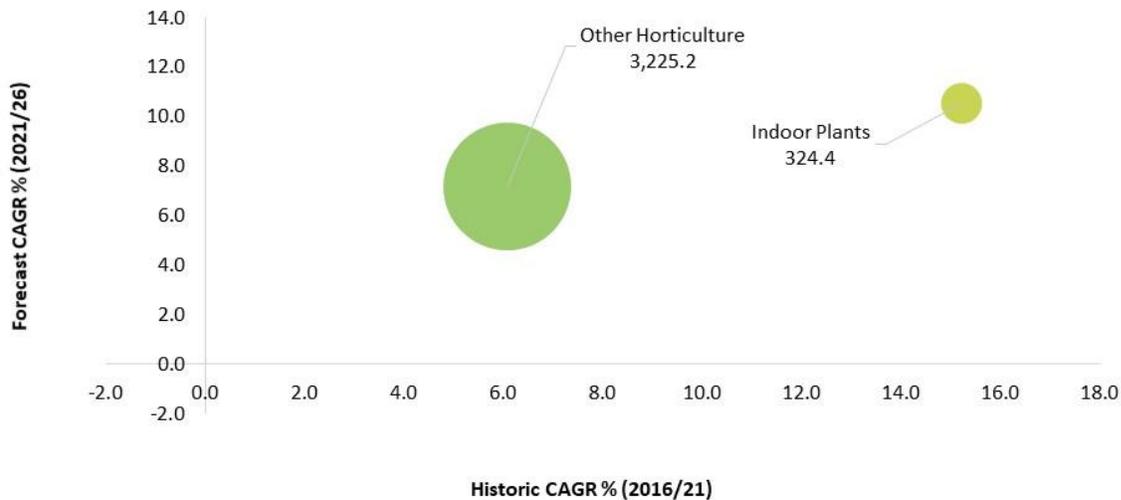
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Huge addressable market in terms of consumer numbers – almost 30m gardeners in the UK.</li> <li>▪ Demand for a wide range of plants.</li> </ul>	<ul style="list-style-type: none"> <li>▪ High level of fragmentation in the market may make it tough to find partners for larger volumes.</li> <li>▪ Market is primarily focused on plants for the garden.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Continued trends post pandemic of grow your own food and the involvement of a younger cohort in gardening.</li> <li>▪ Increasing focus on sustainability issues which is likely to continue in the coming years due to expected legislation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ UK domestic competition – though domestic supply is insufficient to meet demand.</li> <li>▪ Risk that the pandemic trends reside in coming years – though evidence currently suggest this is unlikely.</li> </ul>

### 5.16.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-68, the market for horticultural products in the UK roughly EUR 3.6 billion in 2021 with the other horticultural category accounting for the absolute majority of this figure at a value of EUR 3.2 billion. The horticultural category is expected to see growth in upcoming years with a forecasted CAGR for the other horticultural category of 7.2% and for indoor plants a CAGR of also 7.2%.

**Figure 5-68: Evolution and forecast of the market for horticultural products in the UK, 2016-2026; EUR million**



Source: Euromonitor International: Home and Garden, 2021

## Consumers

The market for live plants relies largely on the UK gardener. Historically, there have been around 26m active gardeners in the UK; though with the pandemic, this number peaked at almost 30m. The “typical” British gardener – to the extent that such a thing exists – is in their 50s, middle income / middle class and more likely to be a female. The average age of the typical gardener has been increasing somewhat in recent years as younger people focus on their careers and with house prices increasing, many young people live in places without outdoor space. However, the COVID-19 pandemic brought some changes in this regard, with outdoor space highly in demand and a new stream of younger gardeners (under 45 and indeed often in their 30s) joining the cohort of gardeners. While some of them have subsequently given up, a bit over 2 million of them remain, putting the number of gardeners at around 28 million at present.

Overall, around one in eight properties in the UK do not have significant outdoor space or a garden, and this proportion is somewhat higher in larger cities; among lower income groups; and among ethnic minorities. While households without gardens may also be consumers of live plants, on balance they are much less likely to be so.<sup>71</sup>

## Drivers and method of consumption

As already mentioned, the key driver of live plant demand in the UK is gardening. This inevitably creates a seasonality effect with demand mainly between spring and early winter and peaks in the months of March, April and May. The COVID 19 pandemic was a major driver for consumers

<sup>71</sup> <https://www.ons.gov.uk/economy/environmentalaccounts/articles/oneineightbritishhouseholdshasnogarden/2020-05-14>; <https://www.lovethegarden.com/uk-en/article/gardening-popularity-it-growing-or-declining> ; <https://www.idealhome.co.uk/news/most-popular-houseplant-249950>

to pay more attention to their garden or outdoor space. With increasing time spent at home and many consumers actively deciding not to travel abroad due to the complexities, there was a peak in demand for live plants as consumers spent increasing time in their gardens – whether with their family or entertaining with friends. This trend now seems to be slowing, although not entirely reversing.

### **Purchase criteria**

There are no overarching purchase criteria for live plants in the UK – in the end, consumers will choose the plants that they desire for the space and/or use, with a huge range of products available on the market. That said, there are certain plants that are more popular than others. The most popular flower plants in the UK include roses, begonias, pansies, geraniums and begonias, among others. The most popular houseplants are bamboo, aloe vera, devil's ivy and string of pearls. Popular fruit and vegetable plants correspond largely to popular fruit and vegetables in the country; cauliflower, tomatoes, beans and berries (strawberries / raspberries / blackberries) are among the most sought after. Sustainability issues are increasingly entering the consideration of the UK live plant consumer, though on balance it is the younger consumer who is considerably more likely to pay attention to these issues – and it must of course be remembered that the average UK gardener is in their 50s and somewhat less likely to pay as much attention to the issue at present.

### **Recent market trends**

As mentioned above, the COVID-19 pandemic had positive impacts on interest in plants and gardening due to consumers spending more time at home. Apart from the overall increased interest in gardening – most notably among slightly younger generations - a notable sub-trend was an increased interest in “grow your own” food. There were also shifts in distribution channels – most notably towards e-commerce – as pandemic restrictions made access to some of the more traditional channels such as garden centres difficult. There was also increased demand for indoor plants. The effective end of the pandemic has seen some a slowing in these trends, but they have not entirely reversed and therefore remain ongoing trends to a certain extent.

Finally, there is a notable ongoing market trend in terms of sustainability in the UK that is likely to extend into the future. While this is partly consumer-driven, there is a notable element of legislation also driving this. There are plans for the UK to ban peat in garden compost from 2024, and in nursery grown plants by 2028; with discussions ongoing about a ban on plants grown in compost. There are also various discussions about plastic packaging/recycling and bee-friendliness ongoing in the UK. All of these factors are increasing interest in sustainability issues in the context of live plants.

## **5.16.3 Offer**

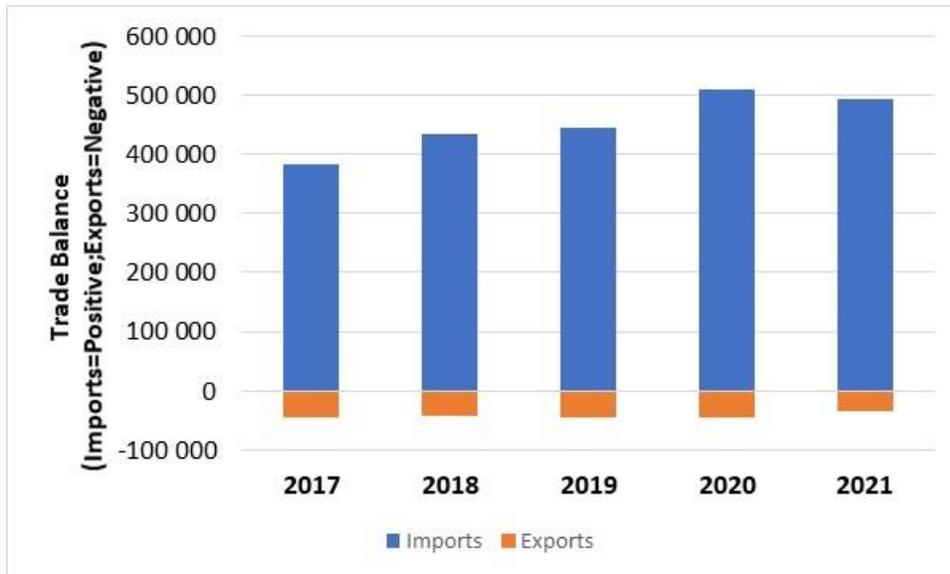
### **Domestic production**

The UK nursery segment is both fragmented and well developed. There are around 1 800 nurseries in the UK with at least some retail activities, plus multiple wholesale-only nurseries. While there are many chains of nurseries, ultimately the market comprises a large number of players with no player controlling more than a few percent of the market at the retail end. While UK production of live plants is considerable, it is ultimately insufficient to meet demand.

### Imports and exports

As shown below in Figure 5-69, the UK is a net importer of live plant products with imports reaching almost EUR 500m in 2021, having peaked the previous year at EUR 510m. Total exports have historically been around the EUR 40m mark, but in 2021 they were lower at just EUR 29m.

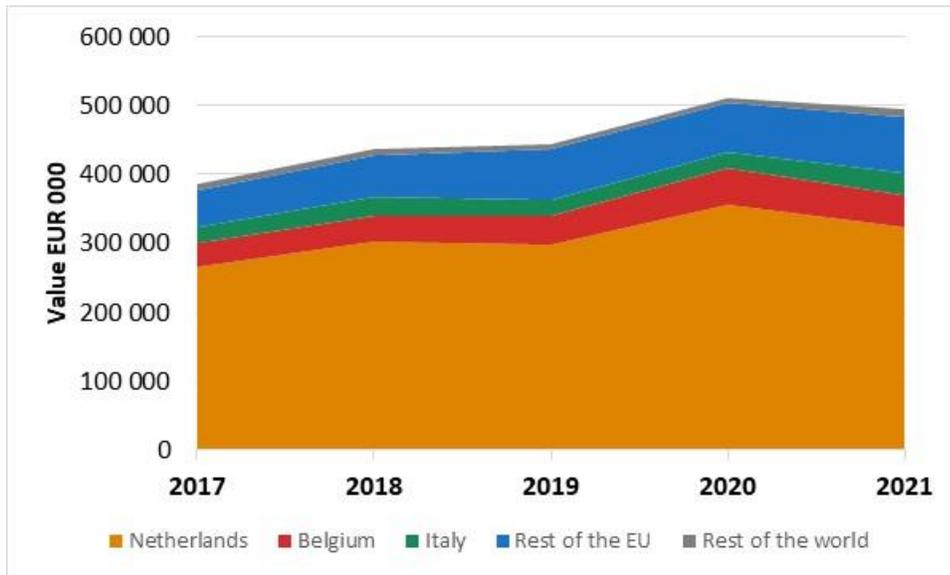
**Figure 5-69: Trade balance (imports and exports) live plants in the UK 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0602

In terms of origin, as shown in Figure 5-70, the Netherlands is the biggest exporter of live plants to the UK, accounting for around 2/3 of all imports. This is followed by Belgium and then Italy – combined they account for around 15% of all imports. The rest of the EU combined accounts for a similar level of imports. Overall, imports from outside the EU are almost negligible; only Israel, Kenya and Serbia export any notable quantities (all three export between EUR 1m and 2m most years).

**Figure 5-70: British imports of live plants by country, 2017-21; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 0602.

### Main competitors

Competition mainly comes from the large, well developed domestic UK industry. However, this industry is fragmented and overall production is insufficient to meet demand. The EU – led more specifically by the Netherlands – has a dominant position among import.

#### 5.16.4 Specific market entry requirements

##### Market Access and Entry; Standards, SPS measures; labelling

The customs procedures for importing live plants are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1. A variety of documents are potentially required for the import of live plants, including:

- Phytosanitary certificate
- Permit to Import Endangered Species Covered by CITES (if applicable)

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – live plants category (0602) from the Netherlands to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0602&origin=NL&destination=GB>

The UK has a webpage with general guidance on importing plants (and plant products). This can be found at: <https://www.gov.uk/guidance/import-plants-and-plant-products-from-the-eu-to-great-britain-and-northern-ireland>

It should be noted plants are regulated products and need to pass through controls / checks. These checks can cause delays; most notably in the case of shipments of mixed plant types (checks on shipments of single plant types tend to be much quicker). It should also be noted that EU plant passports are no longer recognised as official labels in Great Britain, and UK plant passports must be obtained.

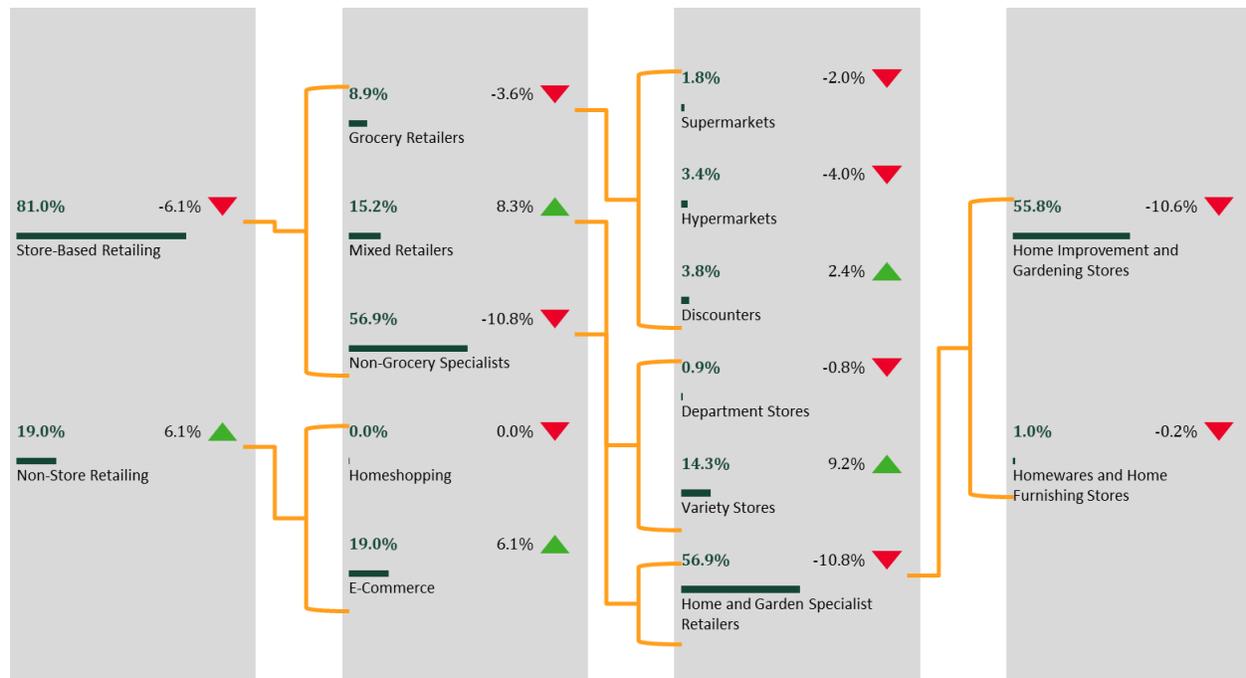
It should be noted that **the UK has strengthened requirements relating to the disease Xylella fastidiosa**. There is a webpage from the UK government with extensive guidance on this: <https://www.gov.uk/guidance/importing-plants-that-could-host-xylella-fastidiosa-canker-stain-of-plane-and-elm-yellows>.

It is strongly recommended that exporters of live plants to the UK consult both the above guidance pages.

### 5.16.5 Distribution

Figure 5-71 displays the distribution of gardening items – including horticultural products – in the UK. Home and garden specialist stores accounted for 56.9% of sales in the country followed by variety stores which have a share of 14.3% of sales. E-commerce is rapidly growing and now accounts for 19% of all sales, aided by the outbreak of COVID-19. Hypermarkets account for 3.4% of sales followed by discounters with a share of 3.8%.

**Figure 5-71: Distribution channel overview of garden items in the UK (2021); retail value**



Source: Euromonitor International: Home and garden, 2021.

### 5.16.6 Challenges for EU products

The biggest challenge that EU producers probably face is getting to grips with a large, varied and highly fragmented market. Unlike most other markets in the UK, the live plants market is fragmented to the extent that no one player controls more than a few percentage points on the retail end. While the absence of a monopoly or oligopoly is a positive thing, the extreme level of fragmentation creates challenges in finding partners for larger volumes. Another challenge is the fact that the market is highly varied with no clear overarching purchasing criteria. However, once again this can be seen as an opportunity as it results in demand for a correspondingly large array of plant types.

#### **Market Takeaway: Live plants.**

**Consumption:** Driven largely by gardeners, which number around 28m in the UK. Demand for a wide range of plants.

**Competition:** Mainly from fragmented domestic producers. The EU dominates imports of live plants.

**Distribution:** Mainly sold in garden and home improvement retailers with a growing percentage coming from e-commerce channels.

**Challenges:** Market fragmentation and the sheer variety of plants demanded; though these factors can also both act as opportunities.

**Opportunities:** Trends from the COVID-19 pandemic are continuing (e.g. “grown your own food”), albeit at a less rapid pace. Increased focus on sustainability.

## 5.17 Processed Meats

### 5.17.1 SWOT analysis

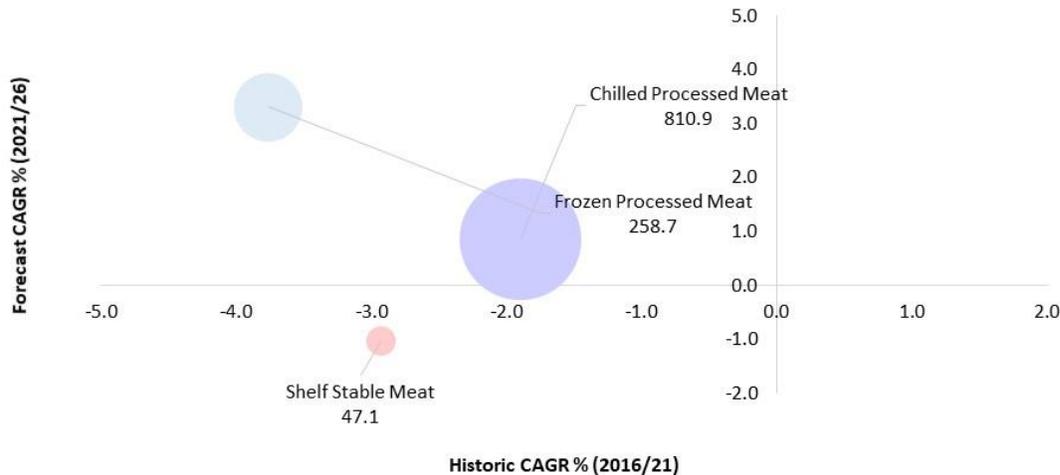
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU member states account for the absolute majority of UK processed meat imports.</li> <li>▪ Processed meats are a key / mainstream food item for UK consumers, and the market is large.</li> <li>▪ There is a strong culture of cold cut consumption.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The decline in total consumption as consumers become more health conscious.</li> <li>▪ High level of fragmentation in the market.</li> <li>▪ Mainstream products are different from e.g. EU GI products; and continental cold cuts generally account for only 10 to 15% of the cold cut market.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ There is a substantial structural shortage of processed meat products.</li> <li>▪ The rise in demand for healthier and alternative processed meat products.</li> <li>▪ Reopening of the food service sector.</li> <li>▪ Niche opportunities at the top end, with some specialised retail outlets.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Domestic production of processed meats in the UK.</li> <li>▪ Thailand and Brazil are the bigger competitors from outside of the UK.</li> <li>▪ Supermarket private label products dominate the continental cold meats market from a volume perspective.</li> </ul>

### 5.17.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-72, chilled processed meat is by far the largest processed meat category in the UK with a total volume of 810 000 tonnes, this category is expected to grow by a CAGR of 0.8% between 2021 and 2026. Frozen processed meat is the second largest processed meat category with a total volume of 258 000 tonnes, this category is forecasted to grow by a CAGR of 3.3% between 2021 and 2026. Shelf stable processed meat is a far smaller category with a total volume of 47 000 tonnes.

**Figure 5-72: Evolution and forecast of the market for processed meat products in the UK, 2016-2026; (000 tonnes)**



Source: Euromonitor International: Processed meat, 2021

## Consumers

The processed meat market is large in the UK with consumers readily exposed to processed meat products. Consumers appreciate the convenience and durability of processed meats although in recent years concerns surrounding the heavy consumption of processed meats have continued to dissuade the ever-growing health-conscious consumer base from their heavy consumption. This trend coupled with the rise of vegetarianism in the UK particularly amongst younger consumers has impacted the total consumption of processed meats. Nonetheless, the product category remains popular. It is estimated that 96% of UK households have purchased at least one processed meat product in the past year. Consumers of a lower to middle income will be particularly drawn to the consumption of processed meats as processed meats are available in a great quantity for a cheaper price and can be stored longer than fresh meat alternatives which are also more expensive. Some of the more popular processed meat products consumed in the UK include processed beef burgers, sausages, bacon, sliced cooked meats and gammon.

On balance, men consume more processed meat than women – just under twice the quantity. They are also more likely to enjoy spicier flavours in their processed meat products. Overall consumption of processed meat drops a bit after the age of 65. However, this older segment is more likely to prioritise taste and quality over other factors when choosing meat snacks. They are also less likely to appreciate spicy flavours. Overall, this segment is one of the consumer segments for higher quality charcuterie products.

While meat consumption as a whole is lower among consumers under 25 (see also section 5.1.2), processed meat consumption is quite popular among this segment, driven by the convenience it offers and against the background that busy consumers of this age group tend to appreciate convenient, cost effective products.

Red processed meats are the most popular processed meat variety consumed in the UK accounting for 39% of all red meat sales by value in 2021.<sup>72</sup> Piguat is the most commonly processed meat product consumed in the UK followed by beef; lamb is the smallest processed meat product consumed in the UK by a considerable distance. While the market is mainly based around the mass-market categories mentioned above, popular EU processed meats consumed in the UK include serrano, mortadella and salami.

### Drivers and method of consumption

Processed meats have been popular for decades in the UK and some of the more popular processed meats such as sausages are viewed as the mainstay that can be consumed for any meal (indeed sausages are part of the traditional English breakfast). Key drivers have been the convenience and durability of processed meats coupled with their cheaper price when compared to fresh meat alternatives. The weather also plays a small role in the demand for processed meats with many British consumers having a BBQ during the summer months which aids the sale and consumption of processed meat products.

A typical British breakfast meal can consist of one or more processed meat products with one of the more common British breakfasts meals known as a “Full English” (or Scottish, Welsh, Irish depending on location and small differences in composition) consisting of processed meats such as black pudding, sausages and bacon. Popular lunch food items consisting of processed meats include sandwiches incorporating luncheon roll meat, processed chicken meats or processed turkey. Sausage sandwiches or burgers may also be consumed on the go for lunch. Common British processed meat dinner meals include ready-to-go microwavable meals, processed beef burgers or processed chicken in the form of nuggets; as well as of course sausages; with the processed meat item forming the protein/meat consumption of the meal, often to be accompanied by a staple (most commonly chips) and vegetable of some description. As discussed, processed meats can be consumed at any time of the day and are present among some of the most popular dishes enjoyed by British consumers.

Overall, there is a large market for cold cuts due to the common consumption of this product in sandwiches, as a starter plate, with a main meal and as a snack. However, it is important to note that European charcuterie products only make up a small percentage of the market for cold cuts – generally in the 10 to 15% range. Consumers are more accustomed to eating European charcuterie products as part of a meal or as an accompaniment to other products (often cheese); and much less likely to consume the products as a snack. Purchase decisions are more likely to be based on taste.

### Purchase criteria

Consumers of processed meats in the UK will expect the products to be of a reasonable price, and cheaper or at least very competitive with fresh meat alternatives. Consumers are increasingly worried about the effects of heavily processed meat consumption with recent studies highlighting the effects of processed meats on cancer further making some consumers apprehensive about

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<sup>72</sup> Processed meat boosted by premiumisation, ADHB, available at <https://ahdb.org.uk/news/consumer-insight-processed-meats-boosted-by-premiumisation>

heavily processed meat consumption.<sup>73</sup> Nutritional information needs to be displayed clearly to consumers as they are more likely to pay attention to the nutritional contents of processed meats over other food items in particular. Consumers will also expect to be able to stock processed meats for a prolonged time and will pay attention to this detail when deciding to purchase a processed meat product. Country of origin also is a notable purchasing criterion with many British processed meats containing several labels or insignia (e.g. the flag) to indicate they are of British origin. EU processed meats however enjoy a good reputation in the UK with products such as Irish processed beef burgers or Spanish cold cuts well recognised.

It is, however, important to note that purchase criteria for imported charcuterie products tend to differ from the above a bit. With these products being generally more expensive and targeting the mid to higher income brackets, consumers are more likely to pay attention to the origin and flavour. Production method may also be looked at the higher end. In the case that the product is brought pre-packaged, the packaging may also influence the consumer decision. Towards the top end of the market, consumers may be selective about the outlet from which they purchase the product, and have high expectations for customer service from these outlets (e.g. a personalised service including sample tasting, advice on combination with wines and/or cheeses). Overall, price is less likely to be a key factor for these products.

In terms of packaging, plastic is standard for the processed meat category as a whole. Modified atmosphere packaging is increasingly used for processed meat. There has also been some packaging innovation in certain processed meat sub-categories; for example, the use of oven-ready pouches for some processed meat products which are to be heated/cooked. These pouches offer convenience to the consumer.

### Recent market trends

Recent worries surrounding health and the outbreak of COVID-19 have made consumers more apprehensive about heavily processed meat consumption. Consumers increasingly pay attention to the nutritional contents of products which extends particularly to the processed meats sector. The decline in processed meat consumption related to health concerns has been alleviated slightly by the ongoing cost of living situation in the UK as consumers increasingly seek value for money products which aids processed meat product sales. Processed poultry products are benefitting to a limited extent from this stronger health-based focus at the expense of red meat products. Plant-based processed meat products are increasingly available in the UK and are commonly referred to as “fake meat” products in the country. Several brands have emerged through the sole sale of plant-based processed meats alone which further signals the viability of the plant-based processed meats sector in the country. Going forward, the processed meat market will continue to be impacted by rising health consciousness, the ongoing cost of living crisis and finally the reopening of the food service sector which is a key distribution channel for processed meat products in the UK.

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<sup>73</sup> New research says even moderate red and processed meats eaters at risk of intestine cancer, bowel cancer UK, available at <https://www.bowelcanceruk.org.uk/news-and-blogs/news/new-research-says-even-moderate-red-and-processed-meat-eaters-at-risk-of-bowel-cancer/>

### 5.17.3 Offer

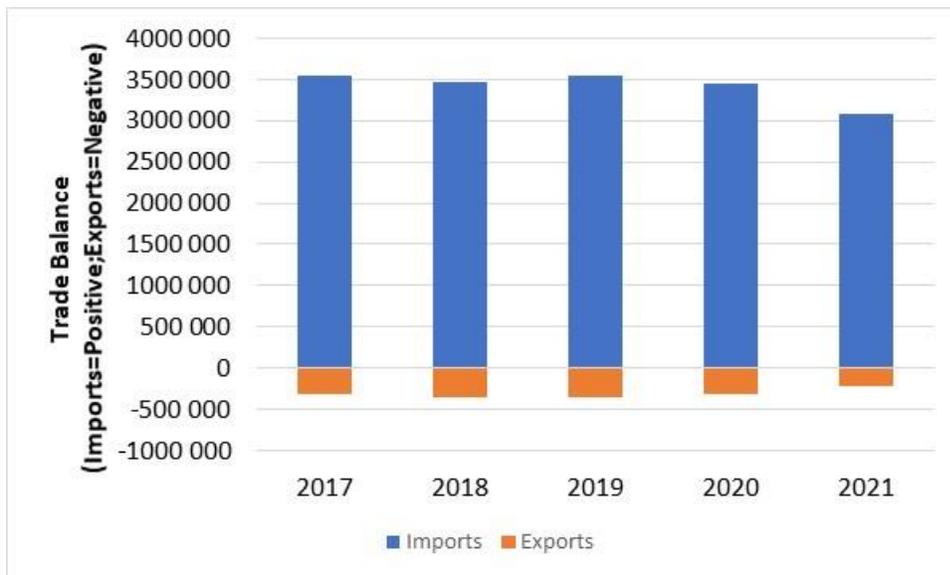
#### Domestic production

Production of processed meats in the UK is a large industry which hires around 97 000 employees in the country, with historically a high reliance on immigration for labour.<sup>74</sup> Common British processed meats produced in the country include processed beef burgers, processed pig meats in the form of products such as sausages and bacon, poultry meats and a processed lamb sector. Processed meat products often serve as an outlet for cuts which are not so widely consumed in the UK. The bigger companies in operation in the UK include Dunbia and Cranswick to name a couple, however, the market is very competitive and made up of several larger producers. The largest concentration of processed meat products in the UK are located in the Greater London area, Yorkshire and the North East.

#### Imports and exports

As shown below in Figure 5-73, the UK is a large net importer of processed meat by a considerable distance with the country importing a total of EUR 3 billion in 2021. Over the past five years, total imports peaked in 2019 at a value of EUR 3.5 billion. The country exported a total of EUR 216 m in 2021.

**Figure 5-73: Trade balance (imports and exports) processed meats in the UK 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

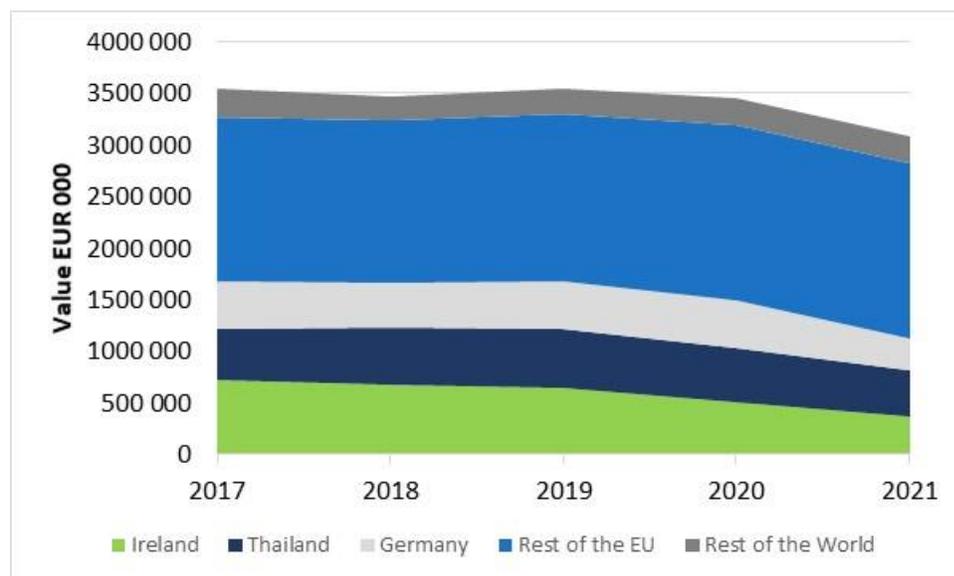
Data for CN codes 0210, 1601, 1602

In terms of origin, as shown in Figure 5-74, over the past five years, Ireland has been the largest overall exporter of processed meat to the UK however in 2021 alone Ireland was the second largest exporter of processed meat with a value of EUR 365 million while Thailand was the largest

<sup>74</sup> Meat industry workforce ,British meat processors association, available at <https://britishmeatindustry.org/industry/workforce/>

exporter in 2021 to a value of EUR 447 million. Germany is the third largest exporter with a total export value of EUR 317 million in 2021. The EU accounts for the majority of processed meat exports accounting for roughly 75% of total exports of the product to the UK. Other large exporters of processed meat to the UK from the EU include the Netherlands, Denmark and Italy.

**Figure 5-74: British imports of processed meats by country, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 0602.

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, processed meat GIs registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competitors come from firstly the large domestic production which features some bigger players as well as many fragmented smaller ones. Thailand and Brazil are the biggest competitors from outside of the EU and the UK. It is important to note that despite these competitors, the EU still accounts for the majority of exports of processed meat to the UK.

### 5.17.4 Specific market entry requirements

As set out in Table 4-2, a variety of documents are required for the import of processed meat products, including:

- a veterinary health certificate
- registration at IPAFFS
- a licence to import animal products and pathogens
- automatic licence verification system
- health entry document for animal products.

Establishments exporting animal products to Great Britain need to be **registered by the UK authorities for that purpose. The establishments registered on TRACES NT** by the Competent Authority of their Member State according to EU rules, are also registered by the UK authorities for export to Great Britain

It is important to note that full checks and certification requirements on imports of animal products from the EU to the UK have been postponed until the end of 2023 at the earliest. Therefore, it is likely that the requirements set out above will change after that date. There are currently no details on likely changes (see section 4.2.1).

It is worth monitoring Defra’s guidance on importing food and drink from the EU to keep up to date with the latest requirements.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – sausages or similar category (1601) from the Netherlands to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1601&origin=NL&destination=GB>

### Standards, SPS measures, labelling

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for processed meat products. These products must comply with the labelling requirements outlined in section 4.2.3.

It is recommended that producers are aware of the legislation around HFSS products as depending on composition, some products may be affected. Some of these provisions are in force and some of them are pending entry into force. A box in section 4.2.2 provides more details.

### 5.17.5 Distribution

Figure 5-75 shows the distribution of processed meat in the UK in 2021. As indicated, modern grocery retailers accounted for 80% of all processed meat sales with hypermarkets accounting for 36.6% of sales. Supermarkets accounted for 19.9% of sales followed by discounters which accounted for 17.4% of sales. Traditional grocery retailers accounted for just 5.4% of sales while e-commerce has grown to account for 13.1% of sales which is forecasted to continue to grow.

While imported charcuterie products can be found through all the above channels, there are some specific channels which play important roles in their distribution – most notably in the case of higher end products. These include specialist delicatessens (often country-specific ones, e.g. French or Spanish); and online retailers which are specialised in high end foods, such as The Green Truffle and Fine Food Specialist. The former – specialist delicatessens – are often situated in the more affluent areas of larger cities. It should also be noted that all the main supermarket chains will offer a range of imported charcuterie product – often as high end private label products – and indeed these private label products account for the vast majority of EU charcuterie products by volume. However, certain retailers such as Marks and Spencer’s are more likely to offer a wider range of higher quality products - a reflection of their target clientele. Furthermore, higher end restaurants are a notable channel for high quality products.

Figure 5-75: Distribution channel overview of processed meat in the UK (2021); retail value



Source: Euromonitor International: Home and garden, 2021.

### 5.17.6 Challenges for EU products

The biggest challenge for EU processed meat products is that the mass market is dominated by cheaper, frequently consumed products. This is a challenge that is more likely to affect any EU products with GIs. Furthermore, the continental cold cut market is dominated by supermarket private label products in volume terms. Overall, competing with the UK-produced processed meat production is a challenge for EU producers, as is the decline of processed meat consumption as consumers become more health conscious and finally the need to adapt processed meat products concerning meeting the demand for plant-based processed meat. Competition from Thailand and Brazil is a further potential challenge although the EU accounts for roughly 75% of total processed meat exports.

### **Market Takeaway: Processed meat**

**Consumption:** Consumption declining but remains high in the UK with products potentially consumed for any meal and some of the country's more popular dishes (such as a full English breakfast) consisting of various processed meat products. Consumers of lower to middle income are a key market of mass-market processed meat products.

**Competition:** Mainly from large and small domestic producers. The limited competition from abroad includes Thailand and Brazil although exports from these two countries are small in comparison to the EU.

**Distribution:** Mainly sold modern grocery retail outlets which account for 80% of all sales. The majority of sales come from hypermarkets, supermarkets and discounters. E-commerce is an important channel accounting for 13.1% of sales.

**Challenges:** mass market products are different from EU GI products. Competing in a market that is seeing a decline in total processed meat products as consumers become more health conscious is a further challenge.

**Opportunities:** Structural shortages. Re-opening of the foodservice sector combined with a rise in demand for alternative processed meat products. High end niche opportunities.

## 5.18 Honey

### 5.18.1 SWOT analysis

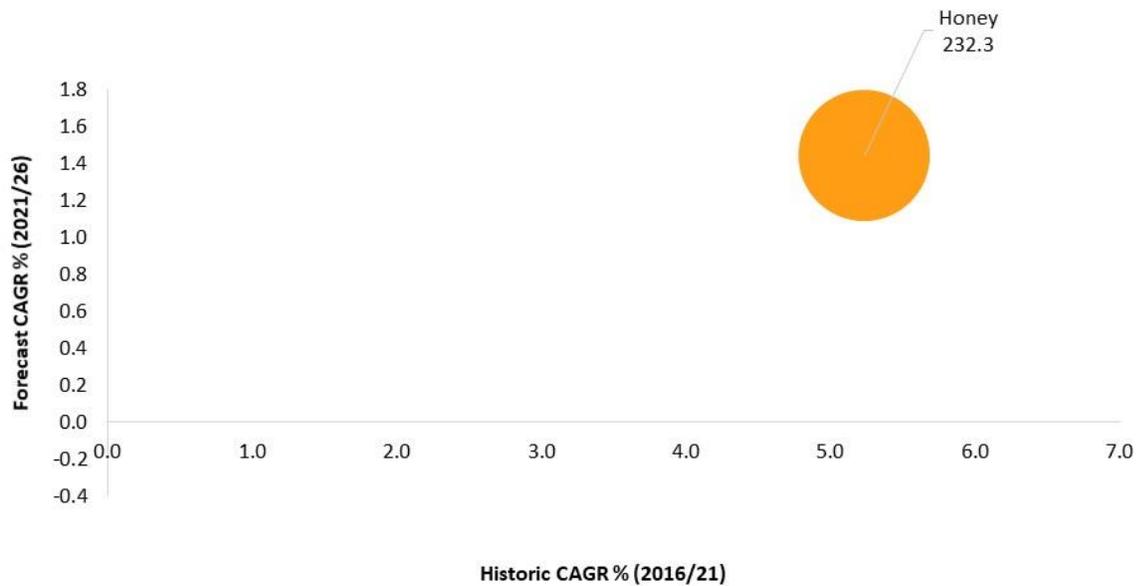
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Honey is a regularly consumed food in the UK with expected growth in demand in upcoming years.</li> <li>▪ UK domestic production is not enough to meet domestic demand.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unlike many other food and drink products, with regards to honey, the EU does not have a majority in exports accounting for just 20% of total honey imports by the UK.</li> <li>▪ Pre-COVID consumption levels in the food service sector are not expected to fully recover for several years.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Production of organic honey.</li> <li>▪ Honey which enforces sustainable production practices combined with adequate bee welfare is best positioned to appeal to UK consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Zealand and China are the biggest exporters of honey to the UK. Most notably Manuka honey has a strong position and good reputation.</li> <li>▪ Rise in demand for sustainable and local products in the UK increasing domestic production of honey in the UK.</li> </ul>

### 5.18.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-76, the retail value of honey in the UK in 2021 came to a total retail value of EUR 232 million. Honey grew by a CAGR of 5.2% between 2016-2021 which is a figure that is forecasted to decline to a CAGR of 1.4% between 2021 and 2026.

**Figure 5-76: Evolution and forecast of the market for honey products in the UK, 2016-2026; EUR million**



Source: Euromonitor International: Honey, 2021

### Consumers

Honey is a fairly popular food item in the UK and is often consumed as a dressing for other foods such as bread or pancakes and occasionally as a sweetener in hot drinks. The product is benefiting from a rise in healthier products in the UK in line with a wider trend of health consciousness amongst consumers. Organic honey is also growing in demand in the UK as a result of the health consciousness trend. Honey benefits from its wide-scale availability in the UK with virtually all major retail outlets and a significant number of smaller grocery outlets stocking honey from various honey producers. Consumers of any income can be drawn to honey as the product is not particularly expensive in the UK at an average equivalent price of around EUR 5 to 6 per half kilo (though jar sizes vary, common ones include 340g and 454g). That said, more expensive varieties including e.g. organic honey are more likely to appeal to consumers with slightly higher incomes. Localised honey appeals to consumers concerned about sustainability although much of the honey consumed in the UK is imported from abroad.

### Drivers and method of consumption

Health and wellness are key drivers of honey consumption as consumers are increasingly drawn to products that have considerable health benefits compared to mainstream alternatives (e.g. sugar and jam in the case of honey). Consumers appreciate the health properties of honey and also increasingly appreciate honey which has been produced sustainably. The main method of consumption of honey relates to the product being used as a dressing or mixing; for example, honey is often dripped or spread on sandwiches, pancakes or bagels in the UK. It is also used in ice cream flavouring, spirit flavouring or mixed into teas. Honey can be consumed throughout the day with many consumers associating honey with getting a good night's sleep which encourages consumption in the evening. Consumers also are known to use honey as a disinfectant and

moisturiser in some cases suggesting that not all honey purchased in the UK is intended for consumption.

### Purchase criteria

Tastes, origin and production practice are the three main purchasing criteria for honey in the UK; though price is also taken into account by many consumers (particularly those who favour private label brands). Tastes vary slightly depending on sugar content and the inclusion of additional flavourings which makes some brands more preferable to others depending on consumer preference. Taste preferences are largely influenced by imported flavoured honey such as mixed berry Manuka honey (from New Zealand) and fruit honey (from Poland). Origin appeals to consumers concerned about the sustainability of honey products and the treatment of the honeybee in the production process. Consumers with these concerns are more likely to see localised honey; however overall a large part of honey consumed in the UK has been imported from abroad. There are also certain types or origins of honey that UK consumers will look for due to reasons of health or taste (e.g. New Zealand Manuka honey)<sup>75</sup>. Production practices are the last major purchasing criteria with consumers harbouring concerns about the treatment of the honeybee, which is a generally well-revered animal in the UK. Organic honey is increasingly sought out by consumers which benefit producers who implement this production practice.

### Recent market trends

The rise in demand for healthy, sustainable and durable foods in the UK has benefited the sale of honey as the product fits in with these three trends to an extent. The closure of the food service sector impacted total sales of honey as many food outlets such as ice cream stores and breakfast and lunch outlets were forced to close or work under restrictions due to COVID-19. The return to pre-COVID consumption levels in the food service sector is likely to take several years and this will impact the honey market as well. Demand for organic honey and the use of honey as a medical aid product will further drive demand for honey overall in upcoming years.

## 5.18.3 Offer

### Domestic production

Production of honey in the UK does not meet domestic demand, accounting for around 14% of honey consumed in the UK (the European average rate of self-sufficiency is around 60%).<sup>76</sup> Beekeeping is an increasingly popular hobby in the country, particularly amongst consumers who identify with environmentalism. The definition of a large bee farming in the UK is defined as a colony of 150+ which is lower than the definition in other nations such as the US. Overall, there are an estimated 38 000 beekeepers in the UK accounting for roughly 220 000 hives in the country. The Midlands of England contain the highest concentration of honey cultivation in the UK. Supermarket private label products are amongst the larger brands of honey in the UK with

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<sup>75</sup> Consumer research on Manuka honey on the UK market, Food.gov, available at [consumerresearchonmanukahoney.pdf \(food.gov.uk\)](https://www.food.gov.uk/news-and-media/news/monitoring-scheme-looks-why-uks-honeypot-has-shrunk)

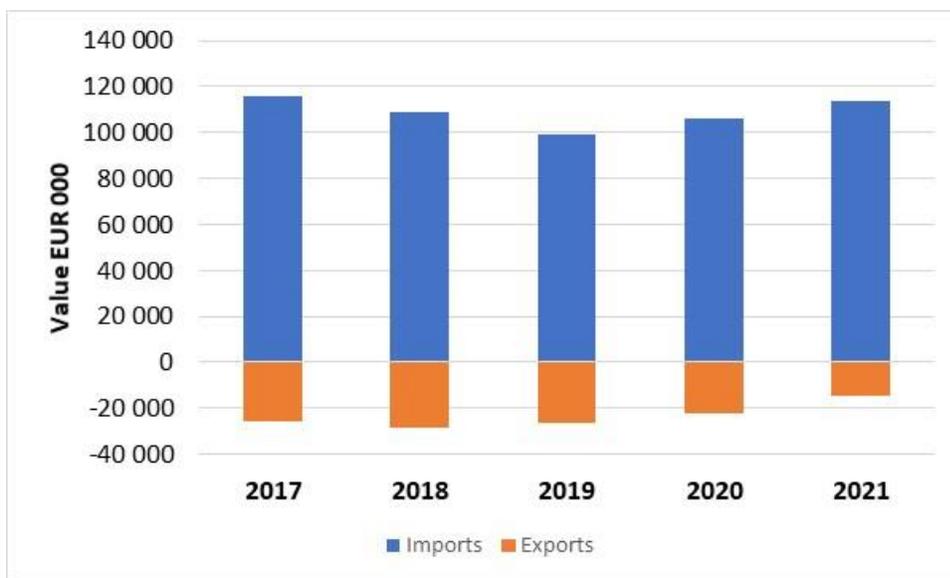
<sup>76</sup> Monitoring scheme looks at why UKs honeypot has shrunk, UK centre for ecology and hydrology, available at <https://www.ceh.ac.uk/news-and-media/news/monitoring-scheme-looks-why-uks-honeypot-has-shrunk>

Tesco and Mark and Spencer having their home brand versions of honey, these supermarkets often import honey from abroad and then pack it in the UK.

### Imports and exports

As shown below in Figure 5-77, the UK is a net importer of honey as the country does not produce enough honey to meet domestic demand. The UK imported a total of EUR 113 million worth of honey in 2021 with the peak of imports during the past five years occurring in 2017 when the UK imported a total of EUR 115 million. The country is a small exporter of honey, exporting a total of EUR 14 million worth of honey in 2021.

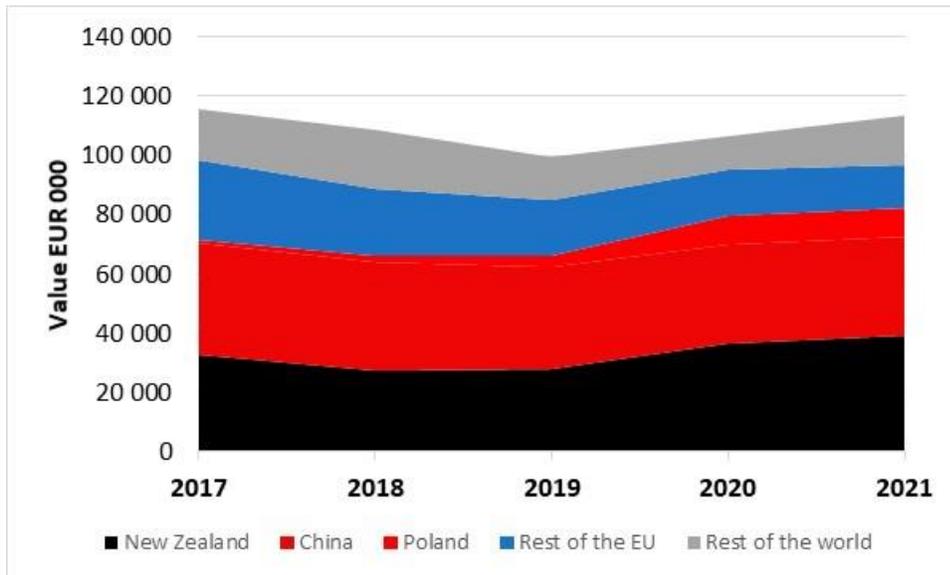
**Figure 5-77: Trade balance (imports and exports) of honey in the UK 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0409

In terms of origin, as shown in Figure 5-78, New Zealand is the largest exporter of honey to the UK with the country exporting a total of EUR 39 million worth of honey in 2021. A lot of these exports are likely to be Manuka honey with this product being quite popular in the UK. New Zealand is followed by China which exported a total of EUR 33 million and Poland which exported a total of EUR 9.6 million. The rest of the EU exported a total of EUR 14 million with the bigger EU exporters of honey outside of Poland being Italy, Germany and Belgium. The EU accounted for roughly 20% of total exports of honey to the UK in value terms.

**Figure 5-78: British imports of honey by country, 2017-21; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 0409

### EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, honey GIs registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

### Main competitors

The main competition comes from New Zealand, China and Mexico which are the biggest non-EU exporters of honey to the UK and indeed amongst the biggest exporters overall of honey to the UK. Domestic production provides limited competition accounting for 14% of honey consumed in the UK.

## 5.18.4 Specific market entry requirements

As set out in Table 4-2, a variety of documents are required for the import of honey, including:

- a veterinary health certificate
- registration at IPAFFS
- a licence to import animal products and pathogens
- automatic licence verification system
- health entry document for animal products.

It is important to note that full checks and certification requirements on imports of animal products from the EU to the UK have been postponed until the end of 2023 at the earliest. Therefore, it is likely that the requirements set out above will change after that date. There are currently no details on likely changes (see section 4.2.1).

It is worth monitoring Defra's guidance on importing food and drink from the EU to keep up to date with the latest requirements.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general honey category (0409) from the Netherlands to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0409&origin=NL&destination=GB>

### **Standards, SPS measures, labelling**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for honey. The honey regulations (England) from 2015 can be found at the following address: [https://www.legislation.gov.uk/ukxi/2015/1348/pdfs/ukxi\\_20151348\\_en.pdf](https://www.legislation.gov.uk/ukxi/2015/1348/pdfs/ukxi_20151348_en.pdf). It contains specific requirements for composition and labelling.

Honey must also comply with the labelling requirements outlined in section 4.2.3.

### **5.18.5 Distribution**

Figure 5-79 shows the distribution of spreads in the UK which includes honey. As shown, supermarkets account for nearly half of all sales with a share of 47.3% of sales in 2021. This is followed by small local grocers which have a 12.1% share of sales in the UK followed by hypermarkets which have a share of 10.4%. E-commerce remains a small channel of distribution accounting for 3.5% of sales.

**Figure 5-79: Distribution channel overview of spreads (including honey) in the UK (2021); retail value**



Source: Euromonitor International: Home and garden, 2021.

### 5.18.6 Challenges for EU products

Unlike many other food and beverage items, the EU accounts for a small amount of honey that is consumed in the UK with roughly 20% of UK honey imports by value coming from the EU. Competing with New Zealander, Chinese and Mexican honey exports to the UK is the biggest challenge for EU honey products as domestic British honey accounts for a small share of the market. Health benefits, production practices and sustainability properties are three of the characteristics that EU producers could use to try to appeal to UK consumers of honey. That said, it should be noted that there are competing products such as New Zealand Manuka honey which have already heavily leveraged some of these characteristics to obtain strong market positions.

### **Market Takeaway: Honey**

**Consumption:** Regularly consumed in the UK as a dressing or mixer product. The product is perceived by consumers as a healthy product which helps to sustain growth in the UK market.

**Competition:** Competition is largely from New Zealand, China and Mexico which are the three biggest non-EU producers exporting honey to the UK. Domestic production is small and accounts for a small share of honey consumed in the UK at around 14%.

**Distribution:** Mainly sold in supermarkets which account for 47.3% of sales, this is followed by small local grocers and hypermarkets.

**Challenges:** Competition with non-EU honey producers such as New Zealand and China is the largest challenge for EU honey producers. Unlike many food and drink items exported to the UK, the EU does not have the majority share of exports of honey.

**Opportunities:** Organic honey coupled with honey that tells a story to the consumer highlighting the health, sustainability and favourable production practices of the product are likely to be the EU products best positioned to compete in the UK market.

## 5.19 Prepared baby food

### 5.19.1 SWOT analysis

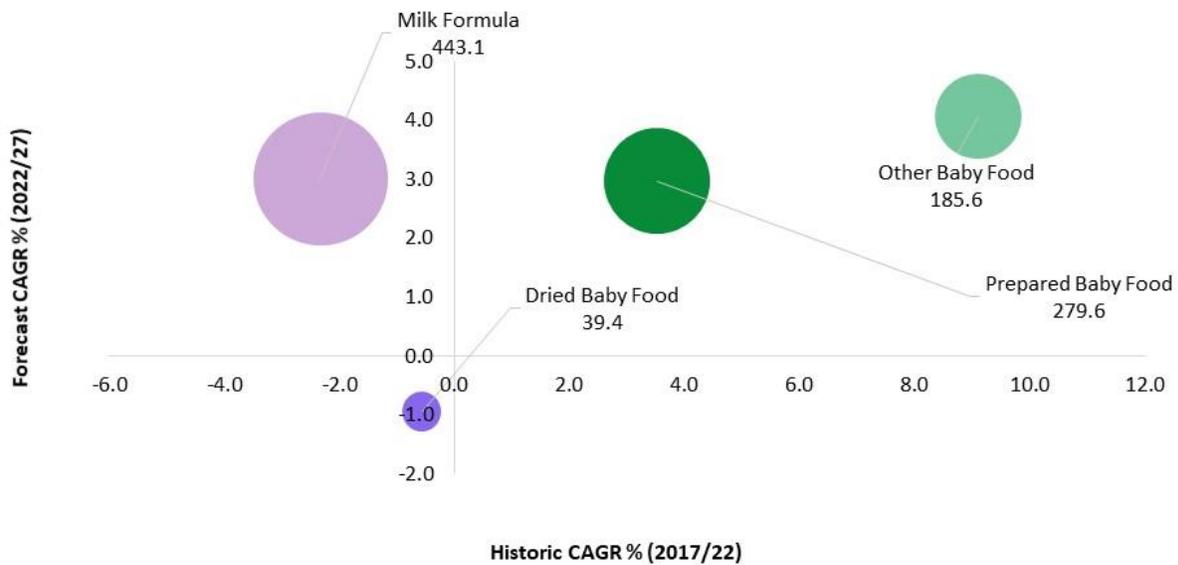
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The use of formula milk and prepared baby food is widespread; the majority of parents use both products to some extent.</li> <li>▪ The market is not a primarily price-based one, and is, unlike many other agri-food markets, not solely dominated by supermarkets. Criteria such as healthiness and organic status are important to consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The market faces a structural headwind in the form of falling birth rates.</li> <li>▪ Over the long term, there is a trend towards increased breastfeeding. However, this trend is slow and should not be overestimated – the vast majority of parents continue to use formula milk to some extent.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ A varied market with many niches offers possibilities for producers to find a market.</li> <li>▪ Products introducing innovative convenience may do well, and there is some room for carefully thought-out new flavours.</li> <li>▪ The continued focus on healthy products may offer further opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong competition with some well-established market leaders and some well-financed smaller competitors.</li> <li>▪ The long-term expected structural decline of the market from both falling birth rates and little room for higher penetration.</li> </ul>

### 5.19.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-80, milk formula is the largest baby food product category by retail value at EUR 443 million in 2022, this product is forecasted to grow at a CAGR of 3% between 2022 and 2026 which will see it remain the largest baby food product in the UK. Prepared baby food is the second largest baby food product with a retail value of EUR 279 million, this product is expected to also grow at a CAGR of 3% between 2022 and 2027. The other baby food category is valued at EUR 185 and will be the fastest growing baby food category with a forecasted CAGR of 4.1% between 2022 and 2027. Dried baby food is less popular in the UK with a retail value of EUR 39 million in 2022.

**Figure 5-80: Evolution and forecast of the market for baby food in the UK, 2017-2027; EUR million**



Source: Euromonitor International: Home and Garden, 2022

### Consumers

The use of baby food is widespread in the UK. While around 80% of mothers start trying to breastfeed at birth (leaving around 20% who rely on formula milk), the use of formula milk increases quickly. By the end of the first week, over 50% of mothers use the formula to some extent and by the age of six weeks, almost 80% do. By six months it increases to almost 99%<sup>77</sup>. Subsequently, this means that the vast majority of UK mothers are effectively consumers of formula milk products. The use of prepared baby food is also common; around 4 in 5 mothers will have given it to their child by the time the child is one year old; with exposure starting from the age of four months and roughly 45% of mothers feeding their children prepared food on a fairly regular basis by the age of 12 months. Based on volume data of the UK market and the size of the UK population under the age of 3, it can be estimated that on average children under 3 consume around 200 grams of prepared baby food per week (equivalent to about two times a week). However, prepared baby food is in competition with other foods – most notably yoghurts, which are heavily consumed by the under 3 age group; and also homemade preparations. On balance, parents in full time employment are those more likely to use both formula milk and prepared baby food, with the return to work often a trigger point for an increased usage of these products. Finally it should be noted that with birth rates low and falling in the UK, the number of consumers for baby food is effectively being limited.

<sup>77</sup> <https://www.unicef.org.uk/babyfriendly/about/breastfeeding-in-the-uk/information/publications/statistical/infant-feeding-survey/infant-feeding-survey-uk-2010>

<https://digital.nhs.uk/data-and-information/publications/statistical/infant-feeding-survey/infant-feeding-survey-uk-2010>

### Drivers and method of consumption

Convenience is a long-standing driver of the use of baby food in the UK and it remains a driver which plays out in more recent trends. This driver of convenience is relevant both for the use of formula milk and the use of prepared baby food. Nonetheless, it should be noted that the reasons UK mothers most frequently cite for using formula milk rather than breast milk are related to problems with breastfeeding itself.

### Purchase criteria

Healthiness, including organic, are notable purchasing criterion for many parents. Many parents will actively look for organic products for their children and/or products only containing natural ingredients. In the area of nutrition, Public Health England has advised against the use of added salt and sugar in foods for children' and this, in turn, is leading to some parents checking these nutritional aspects of baby food products.

Price has an interesting role on parents perception in the baby food market. Research shows that, in general terms, the higher the price, the more likely parents are to think that a product is premium and hence better for their children. This holds true across income groups. However, consumers do nonetheless pay some attention to how much they spend on baby food. Indeed, private label products are increasing gaining market share as a result of this – they now account for around 7% of the total baby food and formula milk market. Overall there is a certain amount of brand loyalty in the segment; however this can be uprooted by new products through a combination: of affordability; marketing claims relating to added vitamins and minerals and/or fruit and vegetable content (e.g. '1 of your 5 a day'); health/functional claims; recyclable packaging and other environmental credentials; organic status; and ethically sourced ingredients.

Convenience is another aspect often taken into account by consumers. Parents intending to feed children on the go are more likely to choose convenient packaging formats such as pouches.

It should be remembered that the UK is a multicultural country, and against this background there are some innovative baby food offerings which target or meet the expectations of certain demographics. Examples include: halal certified baby foods; and baby foods based on the traditional food of certain demographics (e.g. jerk chicken from Jamaica; curry from India). Some of these different flavours are also sought out by more experimental parents outside the demographic of the food origin. Gluten-free and plant-based products are further characteristics that certain consumer groups may seek out.



**Above:** prepared baby food is popular, with a wide range of flavours available in supermarkets. Pouches are a particularly popular packaging format.

**Below:** the mainstream formula milk market is dominated by a small number of brands.



## Recent market trends

The COVID-19 pandemic had impacted baby food consumption patterns. With fewer activities outside the home, parents moved from more convenient liquid milk to powder milk; however, with the return of activities outside the home, this trend is now reversing. Similarly, the use of prepared baby foods had fallen with parents preparing food for babies themselves during the pandemic (on average once a day at the pandemic peak). This trend is now similarly reversing though it is to be seen if parents return to this trend due to the ongoing cost of living crisis. There is some hangover from the pandemic with prepared baby food sometimes being used as an ingredient in the preparation of food for babies as parents bridge the “prepare / prepared” gap. Indeed, some producers are now offering products which target this segment – namely parents who want to continue to cook healthy meals for their children but do not want to go to the full extent of full food preparation.

There have also been several other recent trends in the area of convenience. Some producers have offered direct-to-consumer mailbox plans, often in a subscription format. The use of e-commerce for the purchase of baby food products has also increased. While these formats are increasing in popularity, sale through modern retail remains the key channel for baby food distribution.

The prepared baby food segment for finger foods has been growing and is forecast to continue to do so. Puffed snacks have proven particularly popular, though it is a challenge to manufacturers to ensure the products are healthy and have simple ingredients; particularly against the background of concerns raised by Public Health England as to the overuse of snack foods. Another growing segment is that of cooking kits and frozen products targeting children up to the age of four.

While nutrition is already a criterion some parents take into account, recent guidelines from Public Health England are further raising awareness of nutritional issues, and this has led to the emergence of more products specifically without added salt or sugar, and of the simplification of ingredients used.

Finally, with birth rates declining in the UK, some producers are looking at other ways of expanding the market. Most notably, there are both meals and milk ranges from established baby food producers targeting older children (e.g. up to age 8). These effectively leverage the brand of the producer while also playing on the drivers of convenience and health/suitability for children. The segment of allergy-friendly options, for parents worrying about allergies, has also grown.

### 5.19.3 Offer

#### Domestic production

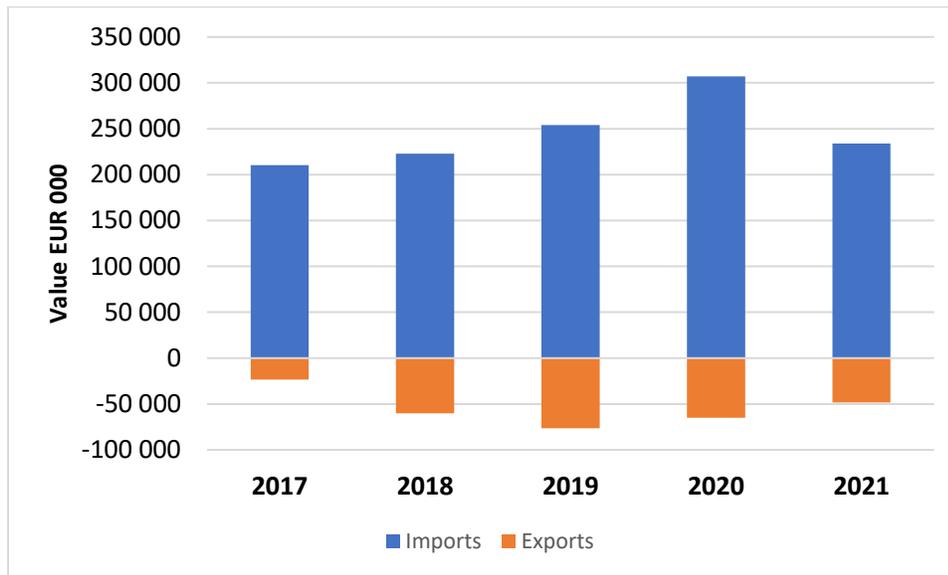
There is considerable production of baby food in the UK, with various companies involved. Cow and Gate – now part of Danone – holds the strongest position in the UK market with almost 40% of the market (when the two main brands – Cow and Gate and Danone’s Aptamil are combined). The company grew out of Leicester in the UK before its takeover by Numico of the Netherlands in 1981 and subsequently by Danone. In addition to production in the UK, it has multiple production sites in Ireland to service the UK market. Ella’s Kitchen, now part of Hain Celestial Group is another notable market player with around a 10% market share and has considerable production within the UK. There are a variety of companies with much smaller (generally 5% or less) market shares active in the UK market; some of which rely on UK production and some of

which import their products. These companies with smaller shares include multinationals such as Heinz and Mead Johnson.

### Imports and exports

As shown below in Figure 5-81, the UK is a net importer of baby food. Importers were worth EUR 234m in 2021, having peaked at EUR 306m the year before. Exports have been somewhat volatile over the last five years, growing from EUR 23m in 2017 to EUR 76m in 2019 before falling back to EUR 48m in 2021.

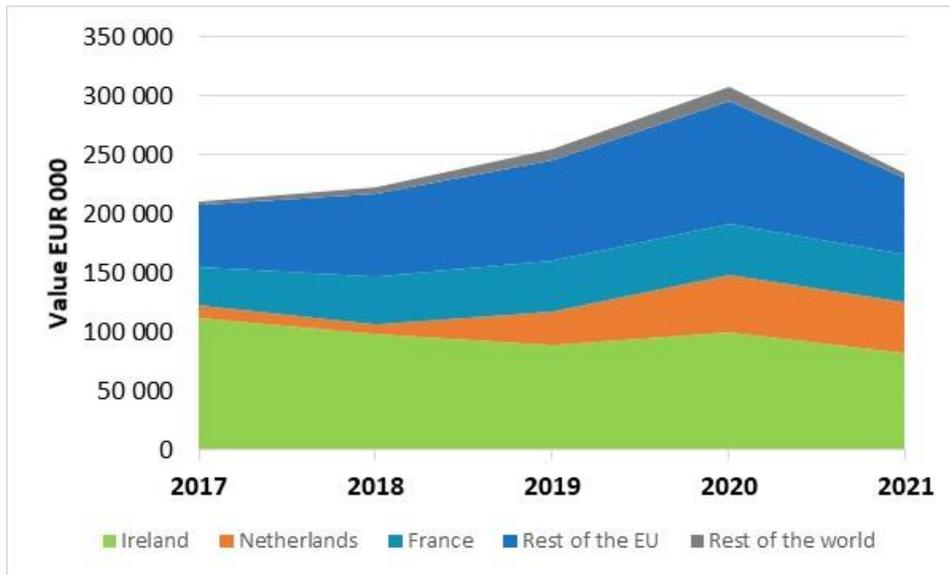
**Figure 5-81: Trade balance (imports and exports) of prepared baby food in the UK 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

In terms of origin, as shown in Figure 5-82 Ireland is the most important origin of baby food imports, accounting for around 1/3 of annual imports in the last two years (previously a bit more, around 40%). This can largely be explained by the production of the most popular brand, Cow and Gate, in Ireland to supplement domestic UK production. The Netherlands and France are the second and third most important origins of exports – each around 15% - with exports from the former having grown rapidly over the last five years. The rest of the EU accounts for almost all of the remaining imports; outside the EU only Switzerland and New Zealand had notable exports (around EUR 1.5m each).

**Figure 5-82: British imports of prepared baby food by country, 2017-21; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 190110

### Main competitors

The main competition comes from popular and partly domestically produced brands of British origin but now foreign-owned: Cow and Gate and Ella's Kitchen. Together with Danone's brand Aptamil, these account for 50% of the market. The rest of the market is much more fragmented with a combination of domestically produced and imported products. Private label products are gaining in traction but still hold a small share (7% of the market). The EU holds a strong position in the market, accounting for over 95% of all imports; with Ireland the number one origin.

### 5.19.4 Specific market entry requirements

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2. Baby food with animal product content requires a health entry document for animal products.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

**Main page – select product, country of origin and destination country:**

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – prepared baby food category (190110) from the Netherlands to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190110&origin=NL&destination=GB>

### Standards, SPS measures, labelling

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for prepared baby food. As is the case in the EU, there is a requirement to infant and follow-on formula when first placed on the market. More information on infant and follow on formula regulation can be found at: <https://www.gov.uk/government/publications/infant-and-follow-on-formula-and-food-for-special-medical-purposes>. For cereal based baby and infant foods, the legislation in force is the Processed Cereal-based Foods and Baby Foods for Infants and Young Children (England) Regulations 2003 (available at <https://www.legislation.gov.uk/ukxi/2003/3207/contents>).

Baby food must also comply with the labelling requirements outlined in section 4.2.3.

### 5.19.5 Distribution

Figure 5-83 displays the distribution of baby food in the UK. While e-commerce is growing and now represented 3% of sales, store-based retailing remains dominant. More specifically, supermarket/hypermarkets and health and beauty retailers (e.g. Boots, Superdrug) dominate the market accounting for almost 80% combined (supermarkets 31%, hypermarkets 11% and health and beauty specialists 38%). Discounters also have a fair share at just over 13%. Discounters also have a fair share at just over 13%.

**Figure 5-83: Distribution channel overview of baby food products in the UK (2021); retail value**



Source: Euromonitor International: Home and garden, 2021.

### 5.19.6 Challenges for EU products

The biggest challenge is finding opportunities in a competitive market which is in structural decline. While Cow and Gate, Aptamil and Ella's kitchen have very strong positions on the market with a combined market share of 50%, there are a plethora of other brands which share the remaining 50% of the market; including brands from some large multinationals. Companies on the market are already looking at niches for spurring growth, with examples being the niche for foods without allergens, baby food as an ingredient and products targeting certain demographics. At the same time, with decreasing birth rates in the country, the addressable market for baby food is effectively shrinking. Nonetheless, the market is fundamentally attractive with a high level of formula milk and baby food usage.

#### **Market Takeaway: baby food**

**Consumption:** *The majority of mothers use both formula milk and prepared baby food to at least some extent, making it a large market.*

**Competition:** *Three brands - which produce both local and import – account for half of the market. However, there is also extensive competition beyond that.*

**Distribution:** *While e-commerce is growing in importance, it is still small. Supermarkets/hypermarkets and health and beauty specialists dominate distribution, however, accounting for almost 80% of sales.*

**Challenges:** *A competitive market in structural decline due to low and falling birth rates and which may be further affected by the ongoing cost of living crisis.*

**Opportunities:** *Despite the challenges, it is fundamentally a large and attractive market with many niches. Health-focused products and those with novel ways of introducing convenience may do well in particular. There is some scope for carefully thought out innovative flavours as well.*

## 5.20 Fruit Juice

### 5.20.1 SWOT analysis

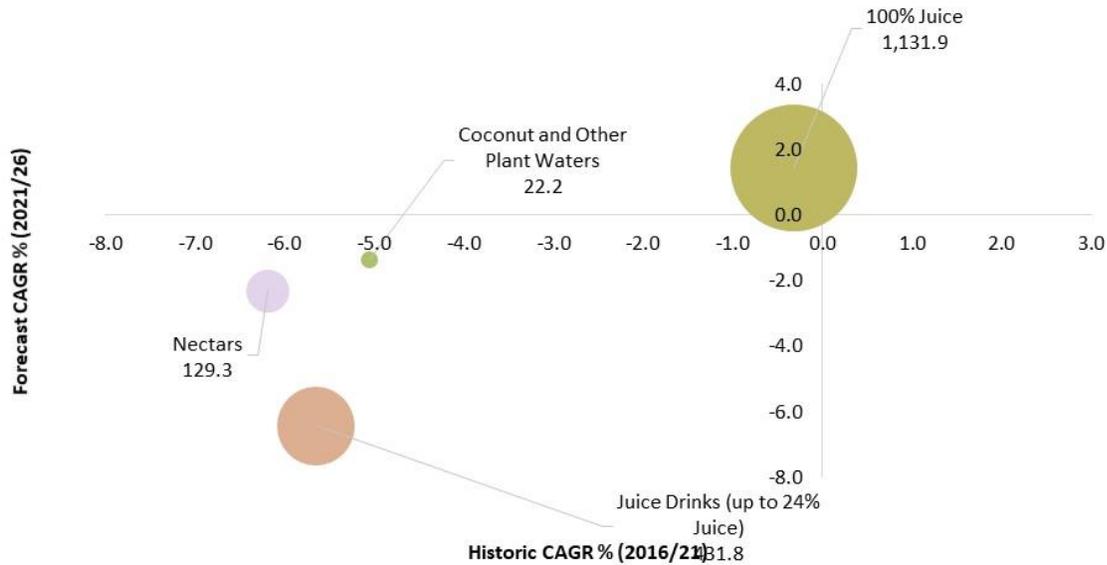
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU member states account for just under 90% of fruit juices exported to the UK.</li> <li>▪ Fruit juice is a common beverage consumed in the UK with consumers accustomed to having a wide variety of fruit juices to choose from plus several segments effectively existing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing health concerns amongst consumers regarding the sugar content of fruit juice.</li> <li>▪ Mature market with quite a strong consumer focus on price.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Demand for alternative fruit juices such as sugar-free and fortified fruit juice.</li> <li>▪ Demand for on-trade fruit juices is expected to recover to pre-COVID-19 levels by 2023.</li> <li>▪ Opportunities emerging on the fringe of the segment (energy, meal replacement).</li> </ul>	<ul style="list-style-type: none"> <li>▪ The introduction of regulations SDIL and HFSS will likely directly negatively impact the fruit juice sector in the UK.</li> <li>▪ Popular and cheap supermarket private label products have a strong position in the market and hence pose a threat.</li> </ul>

### 5.20.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-84, 100% juices have the largest total volume in the UK juice market with a total volume of 1.1 million tonnes, this far ahead of other juice products. The 100% juice market is expected to grow by a CAGR of 1.4% between 2021 and 2026. Juice drinks (which are up to 24% juice) are the second largest juice category in the UK juice market with a total volume of 431 000 tonnes, this category is forecasted to decline by a CAGR of -6.4% between 2021 and 2026. Nectars have a total volume of 129 000 tonnes with a minus CAGR also predicted for nectars to decline at a rate of -2.3% per year between 2021 and 2026.

**Figure 5-84: Evolution and forecast of the market for Juice products in the UK, 2016-2026; (000 tonnes)**



Source: Euromonitor International: Juices, 2021

### Consumers

Fruit juice is a popular beverage in the UK with there being a wide variety of juices and nectars that are available in the country. With such a high level of popularity, consumers span all income and socio-economic classes, as well as ethnic backgrounds. The consumption of fruit juice has been common in the UK for several decades and remains popular in the country. The UK government has indicated that 150 ml of fruit juice or smoothies can count as one of the recommended five portions of fruit and vegetables that are recommended for daily consumption.<sup>78</sup> Overall, consumption of fruit juice in the UK is roughly 41ml per person per day which equates to 1% of the calories found in the average British diet.<sup>79</sup> While fruit juice is widely consumed among adults, the young adult (18-24) segment is a particularly notable demographic. Over half of this group drink juice on a daily basis. Juice consumption is also higher among families and urban-based consumers. Finally it is worth noting that children also form a notable consumer group with small packets of juice or nectar often included with children’s takeaway meals or packed lunches – the product being preferred to other soft drinks for health-related reasons.

### Drivers and method of consumption

Drivers of fruit juice consumption in the UK come from the wide variety of fruit juices that are available in the UK with notable popular fruit juices including apple juice, orange juice and blackcurrant juice. Most major conventional fruits will be available in the form of a juice in the UK with retailers stocking a wide variety of fruit juices from several brands, including their private labels in the case of supermarkets. Many on-trade establishments such as breakfast-oriented foot

<sup>78</sup> Position Statements of the British soft drinks association, available at <https://www.britishsoftdrinks.com/Position-Statements/fruit-juice>

outlets and hotels will stock several fruit juices which further exposes consumers to fruit juice. Fruit juice is a common breakfast beverage although can be consumed throughout the day by British consumers.

### Purchase criteria

Taste and price are the key pricing criteria for UK fruit juice consumers. Unlike in newer developing markets, UK consumers are well accustomed to the presence of fruit juice on their shelves and the market is mature. This means that producers have to enact several differentiators to remain competitive, this comes in the form of methods such as providing a wide range of fruit juice varieties under the same brand (for example apple and orange juice from the same producer) or the inclusion of additional properties such as sugar-free fruit juices. Price is important, as the UK fruit juice market is competitive and fruit juice is not viewed as a necessary beverage but rather an indulgent beverage; effectively they face some indirect competition from other soft drinks which tend to be very cheaply priced. It is important that fruit juices are priced fairly which is around EUR 2.50 for a 1L bottle on average although larger retailers offering basic private label versions of fruit juice will tend to sell them at half of that price or less. Shelf life may also be considered by consumers.

Pack size is a further important criterion to bear in mind. While 1-litre packs are common (with some producers offering slightly larger or smaller sizes – e.g. 1.35 or 0.9 litres), consumers may actively look for smaller packs for on-the-go consumption. 200ml is a particularly popular size for this segment due to the suitability of the product for children, with these 200ml portions also often sold in multi-packs of four or six cartons. On-the-go portions for adults may be larger to differentiate the product from those intended for kids. Finally, packaging may influence the consumer. Traditionally, juice has come in tetra pack style cartons. However, some producers aiming for the more premium end of the market have offered their products in plastic (or occasionally glass) bottles which enable the consumer to see the product.

### Recent market trends

The COVID-19 pandemic negatively impacted sales of fruit juice as on-the-go variants of fruit juice distribution such as the food service sector were forced to close. A full recovery of sales for fruit juice in the on-trade sector is expected by around 2023. The pandemic increased consumer fears surrounding their diets and nutritional intake which is incentivising fruit juice producers in the UK to invest in the production of fruit juices with added vitamins and minerals. It is increasingly common to find products with functional claims relating to the vitamins and minerals they contain.

Consumers are further increasingly worried about the high sugar content found in conventional fruit juices which are impacting the market. The UK government has signalled its intention to enact several regulations aimed to reduce total obesity levels in the country. The two regulations that may directly impact the fruit juice sector are the introduction of a soft drinks levy (SDIL) and the introduction of regulation HFSS which will limit the advertising capacity of fruit juice producers in the UK in the case their products contain high levels of sugar. These regulations aim to tackle food and beverages with a high sugar content, which conversably will make the market for sugar-free and overall healthier variants of fruit juice more appealing as these products will have more freedom of operation compared to conventional fruit juices. In response to this, many manufacturers are focusing on juices without added sugar and making this clear to consumers. Around 30% of new juice products launched in 2021 specifically used “no added sugar” claims. The segment for 100% pure juice is also growing more quickly as a result, with demand for non-reconstituted products particularly high. The pure juice segment already accounts for around 2/3

of the UK juice market (and non-reconstituted products around 40% of this or just over ¼ of the whole market). However, the non-reconstituted pure juice segment is forecast to grow at almost 5% per year over coming years, during a time when almost every other segment is forecast to shrink.

Finally, there are an increasing number of products at the fringes of the juice category that are effectively trying to offer juice based alternatives to other categories. Firstly, a few products are using concentration and energy claims due to their added ingredients. Effectively, they are trying to offer a more natural alternative to energy drinks. Secondly, there is interest in the role of fruit juices/smoothies as meal alternatives; in particular among under 35s. This has led to some companies launching products aiming to fulfil this role through blending e.g. pea protein, nuts and vitamins with fruit juices.

### 5.20.3 Offer

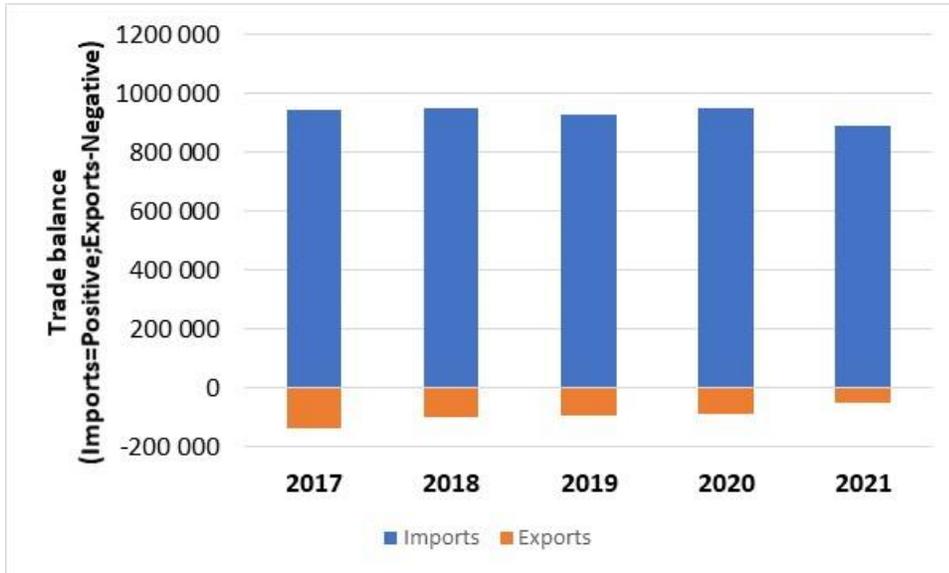
#### Domestic production

The UK fruit juice market is made up of several producers and retailers and is quite fragmented and competitive. The most popular brand of fruit juice is Tesco's private label with a market share of around 15%; a fact which reflects the importance of private label products for the segment as a whole. The company Refresco drinks is behind many of the UK's private label juice brands (as well as bottling for some brands). Alfresco is another notable player in this private label bottling area. The UK is not a large producer of a variety of fruits, with apples, pears, grapes, strawberries and cranberries standing as the larger fruits produced in the UK; therefore much of the fruit juice that is produced in the UK is from these fruits. Tropical, orange and banana fruit juices either need to be imported from abroad or the ingredients need to be imported for processing in the UK; with different companies taking different approaches in this regard.

#### Imports and exports

As shown below in Figure 5-85, the UK is by far a large net importer of fruit juice products with imports reaching a value of EUR 889 million in 2021. Over the past five years, fruit juice imports from the UK peaked in 2017 at a value of EUR 945 million. In 2021, the UK exported EUR 52 million worth of fruit juice.

**Figure 5-85: Trade balance (imports and exports) of fruit juice in the UK 2017-21; value EUR 000**

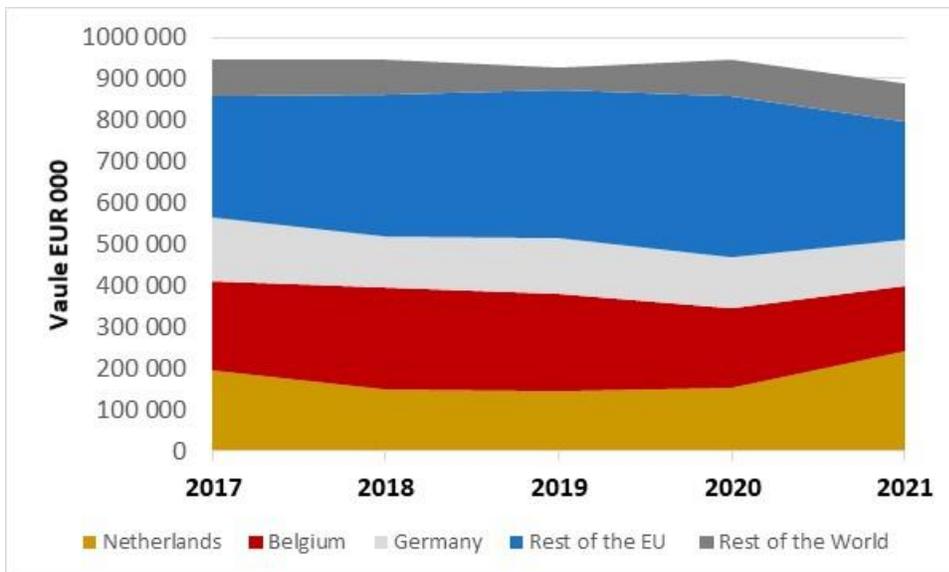


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2009

In terms of origin, as shown in Figure 5-86 the Netherlands is the biggest exporter of fruit juice to the UK coming to a value of EUR 239 million. This is followed by Belgium with a value of EUR 160 million and Germany at EUR 109 million. EU exports make up the majority of fruit juice exports arriving in the UK with Brazil and Turkey being the only other major exporters standing out from outside the EU.

**Figure 5-86: British imports of fruit juice by country, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 2009

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, any GIs relevant for fruit juices that were registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competitors come from the limited domestic production of fruit juice in the UK which is made up of several producers. Outside of the EU, Turkey and Brazil are the biggest exporters of fruit juice to the UK however overall the EU account for just under 90% of all fruit juice exports to the UK.

It should be noted that the UK imports a large quantity of tropical and citrus concentrate for the UK production of juices, and ingredients for juices produced in the UK. Notable players in this area include: Symrise, Kenegrade and Gerald McDonald & Company.

## 5.20.4 Specific market entry requirements

### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general fruit juice category from Belgium to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2009&origin=BE&destination=GB>

### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for fruit juice. However, it is important to note that there is a sugar tax in place for beverages which may potentially affect some fruit juice products. This tax introduces a levy of 24p on drinks containing 8g of sugar per 100ml and 18p a litre on those with 5-8g of sugar per 100ml, though pure (100%) fruit and vegetable juices and fruit juice with no added sugar are exempt. Guides to the sugar levy can be found at the following links:

<https://www.gov.uk/government/news/soft-drinks-industry-levy-12-things-you-should-know>

[https://www.lishtm.ac.uk/research/research-action/features/uk-sugar-tax-will-it-work#:~:text=The%20UK%20sugar%20tax&text=Officially%20called%20the%20Soft%20Drinks,Revenue%20and%20Customs%20\(HMRC\).](https://www.lishtm.ac.uk/research/research-action/features/uk-sugar-tax-will-it-work#:~:text=The%20UK%20sugar%20tax&text=Officially%20called%20the%20Soft%20Drinks,Revenue%20and%20Customs%20(HMRC).)

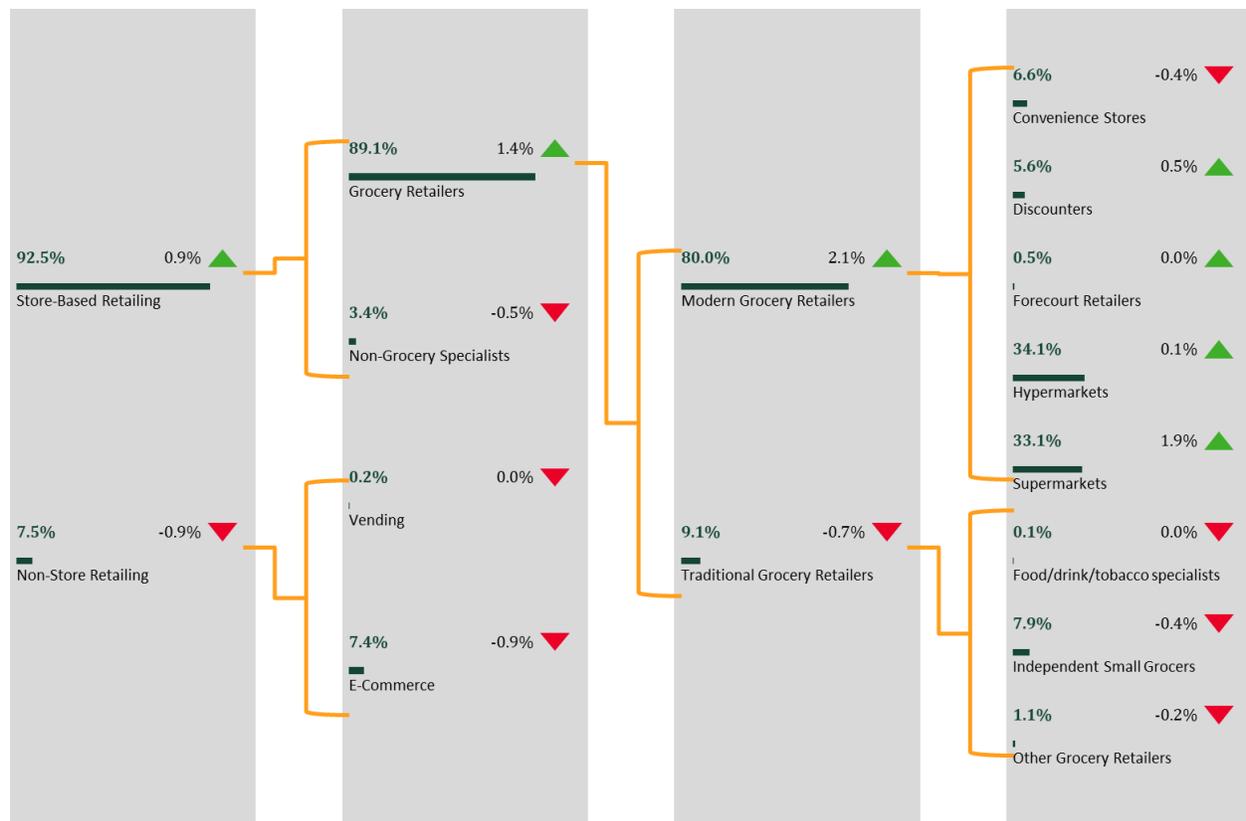
## Labelling

Fruit juice must conform with the labelling requirements set out in section 4.2.3.

### 5.20.5 Distribution

Figure 5-87 below shows the distribution channel overview for fruit juice in the UK. Store-based retailing is by far the largest distribution channel for fruit juice in the UK accounting for 92.5% of sales. Modern grocery retailers account for 80% of sales with supermarkets and hypermarkets each accounting for a third of fruit juice sales in the UK. Traditional grocery retail outlets account for 9.5% of sales however this share continues to decline as the modern grocery retail landscape matures and the e-commerce channel continues to grow. In 2021, e-commerce accounted for 7.4% of sales which is projected to continue to grow.

**Figure 5-87: Distribution channel overview of fruit juice in the UK (2021); retail value**



Source: Euromonitor International: Juice, 2021.

### 5.20.6 Challenges for EU products

Arguably the biggest challenge going forward for EU fruit juices in the UK is the introduction of the SDIL and HFSS regulations which will potentially affect the market for conventional fruit juices, this is not to say that alternative fruit juices such as sugar-free or fortified fruit juices will face the same issues. The sugar content of conventional fruit juices is the main reason why these regulations will impact the fruit juice market so severely. Fruit juice producers in the EU will likely have to adapt their products to appeal to ever more health-conscious consumers in the UK. A

final challenge is the popularity of supermarket private label products and the corresponding price focus of many consumers.

#### **Market Takeaway: Fruit Juice**

**Consumption:** *Fruit juice is commonly consumed in the UK with a wide variety of different fruit juices and brands available on the market. Fruit juice is a popular beverage for breakfast and also at other times of the day.*

**Competition:** *Mainly from domestic brands and producers (though they may import either ingredients or finished juices). The limited competition from abroad includes Turkey and Brazil although exports from these two countries are far smaller than larger EU exporters.*

**Distribution:** *Mainly sold in modern grocery retailers with a growing percentage coming from e-commerce channels.*

**Challenges:** *The introduction of regulations SDIL and HFSS will directly impact the fruit juice market in terms of price and the ability to advertise.*

**Opportunities:** *Demand for alternative fruit juices by taste and fortification will present two key opportunities in the UK fruit juice market. On-trade sales of fruit juice are expected to reach pre-COVID levels by 2023.*

## 5.21 Processed Cereals

### 5.21.1 SWOT analysis

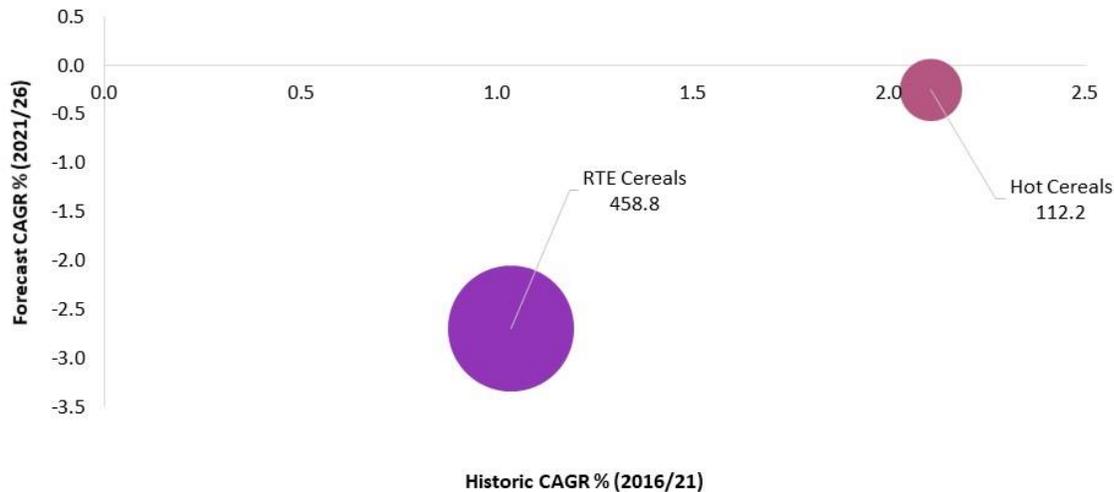
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ High level of consumption, with processed cereals a common breakfast meal in particular.</li> <li>▪ EU is by far the largest exporter of processed cereals to the UK.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UK is a net exporter of processed cereals and domestic production is therefore strong.</li> <li>▪ The popularity of private label products creates pricing pressure among the mass market.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Demand for healthier variants of processed cereals is set to increase.</li> <li>▪ E-commerce sales continue to grow.</li> <li>▪ The premium segment, while competitive, is fragmented and somewhat separated from private label and multinational competition.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Introduction of restrictions on HFSS foods, with some cereals falling into the scope.</li> <li>▪ The strong position of private label products and also multinational brands in particular.</li> </ul>

### 5.21.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-88, RTE (ready-to-eat) cereals have the largest total volume in the UK in the processed cereal category with a total volume of 458 000 tonnes. This category is expected to decline by a CAGR of -2.7% between 2021 and 2026. Hot cereal is a small category with a total volume of 112 000 tonnes, this category is also forecasted to decline by a CAGR of negative 0.3%.

**Figure 5-88: Evolution and forecast of the market for processed cereals in the UK, 2016-2026; (000 tonnes)**



Source: Euromonitor International: breakfast cereals, 2021

## Consumers

Cereal consumption in the UK is common with consumers having a wide variety of brands and breakfast cereal types to choose from. Every week on average a UK household will consume 128 grams of breakfast cereals. Demand for breakfast cereals surged during the COVID-19 pandemic as a significant number of consumers were forced to remain at home. While consumption has been declining, breakfast cereals are still consumed at least once a day by 14 million British consumers; and indeed it is estimated that around 95% of UK consumers can be considered fairly regular consumers of the product.<sup>80</sup> Breakfast cereals appeal to most consumers due to a wide variety of tastes and the generally cheap price of these items with the average box of cereal in the UK coming to a cost average of around EUR 3.50. British consumers who are young to middle-aged are slightly more likely to consume breakfast cereals as this group has less time in the morning to prepare larger meals compared to older retired consumers. Specific, notable consumer subsets include:

- **Children (5 to 12 years old).** Children's cereals account for over 1/5<sup>th</sup> of the UK whole breakfast cereal market. It should be remember that the purchaser of these products are the parents, so their considerations are key. Health is an increasing consideration for them and there is a group of parents who are more likely to look towards non-mass produced, low-sugar, and functional cereals.
- **Young adults (18-35).** This consumer group is driven by convenience, health and wellness. They may also look for versatility (i.e. the ability to consume it as a breakfast food or a snack). It should be noted that some of this group are parents, creating an overlap with the previous subset of children.

<sup>80</sup> Importance of health claims in the adoption of new breakfast cereals products in the UK, Monserrat Costa Font & Cesar Revoredo-Giha, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6950165/>

- **Higher income consumers**, who are more likely to consume non-mass market products, including e.g. healthy granola products with more exotic ingredients such as cacao and cashew.

### Drivers and method of consumption

Key drivers of cereal consumption in the UK are the product's durability, taste and nutritional content. Cereals can be stored for a prolonged period which appeals to consumers who tend to bulk buy rather than purchase groceries daily. Cereals are highly adaptable and can come in a variety of tastes which appeals to consumers, some of the more popular cereal varieties include cereals made from oats, wheat or coated in chocolate. The main method of consumption is eating cereal mixed with milk as a morning meal although it can also be consumed as a snack during the day. Snack bars in the UK also incorporate cereals from some of the major brands in the country.

### Purchase criteria

Key purchasing criteria for cereals in the UK include packaging, taste, nutritional content and price. Some breakfast cereals although priced slightly higher will be packaged in larger boxes which appeal to consumers who bulk buy. These packages are often a third larger than standard cereal boxes. Variety packs of cereals are also popular in the UK and offer up to 8 single-serving different cereal types within one packaging which appeals to consumers who want to try new tastes while purchasing their standard favourite cereal products.

Nutritional content is increasingly important as consumers have grown more health conscious in recent years. Sugar-free cereals and cereals of a healthier variety such as Weetabix and muesli are best positioned to appeal to health-conscious consumers.

As there are a wide variety of breakfast cereals available in the UK, price is a key pricing criterion in the UK with larger brands being slightly more expensive than private label brands offered by larger supermarkets (pricing of the latter may start at around GBP 1 or EUR 1.15). There is nonetheless a less price-focused, highly fragmented premium segment with prices around GBP 4 to 5 per (EUR 4.50-5.50 approx.) per packet; and indeed the fundamentals of this segment may be more attractive for EU importers. Consumers of this premium segment are more likely to look for: healthy, natural ingredients (e.g. different nut types, soy and pea protein); low sugar; and functionality (e.g. gut-friendly ingredients, high protein content).

### Recent market trends

As many companies intend to maintain their working from home policies in the coming years, consumers are expected to maintain at least some of their breakfast occasions at home, which will translate into higher retail volume sales in 2022 compared with 2019. However, a big challenge for sales of breakfast cereals is expected to come in late 2022 from the government's initiative to tackle obesity. In 2020, the UK government announced a new regulation on the promotion of high fat, sugar and salt (HFSS) products including breakfast cereals. This is set to be enforced by 2023. Volume-based promotions, such as buy-one-get-one-free or buy-two-get-one-free will be prohibited for any breakfast cereal considered HFSS. The new regulation will not only create a legal requirement for retailers to change the layout of their stores but will also increase consumer awareness of healthy nutrition. With promotions being limited, the prices of some breakfast cereals are expected to increase, especially after 2023. Children's breakfast cereals likely will be the most negatively impacted categories, as the already heavy criticism of

their high sugar content will be set to intensify; though, flakes and other ready-to-eat (RTE) cereals could also be impacted. The regulation may initially impact the sale of hot cereals and muesli but these cereals are set to recover faster than convention cereals.

Healthiness and nutrition is indeed a broader post-pandemic trend visible on the market. Some products which claim to maintain the immune system's normal functioning have emerged on the market. Gut health is another area which has been targeted. While cereals in the UK have long indicated their contribution towards recommended daily nutrition intakes, this trend has been somewhat reinforced of late with communication on products relating to nutrients not typically associated with breakfast cereals, such as protein. Indeed, the inclusion of protein in some products (primarily targeting the 18-38 fitness market) is a recent trend in itself. A notable example of this is protein enhanced oats.

Prior to the pandemic, there was a trend towards consumers looking for smaller, less-well known cereal brands. This was to an extent interrupted by shopping habits during the pandemic due to a big increase in online shopping (notably from the big retailers) which are less likely to stock these brands. Nonetheless, some consumers continued to go out of their way to purchase smaller brands. It is to be seen if this trend will fully resume as the cost of living crisis bites.

### 5.21.3 Offer

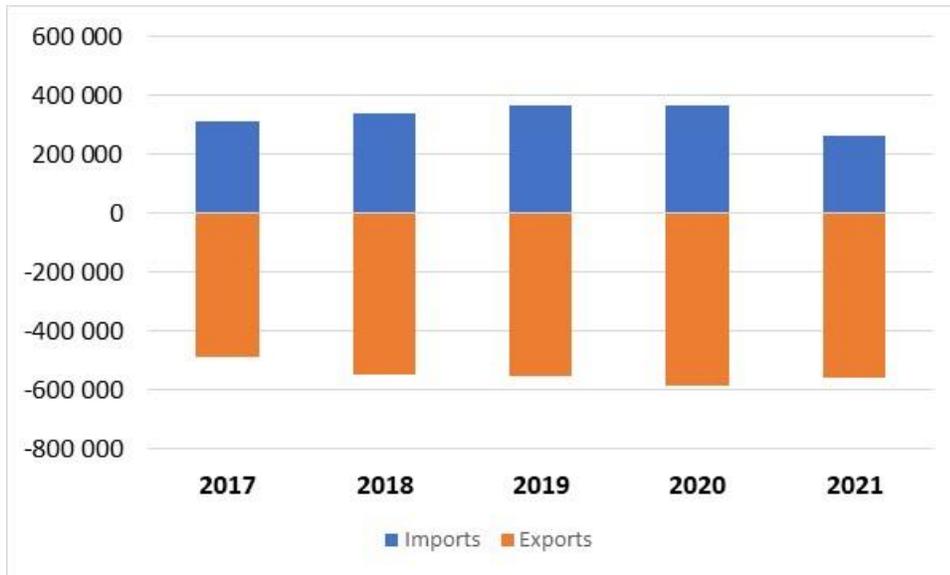
#### Domestic production

The UK is a large producer of breakfast cereals with some of the more notable British breakfast cereal brands which include Weetabix (almost 9% share of the market) The rest of the market is made up of larger international producers such as Kellogg's, supermarket chains and smaller British producers; though the first two are also commonly UK-produced. British producers of cereals are largely wheat or oats based. As mentioned above, many of the larger multinational producers will have production facilities in operation in the UK with Kellogg's operating a large processing plant in Manchester and Quakers operating a plant in Fife, Scotland. The market in the UK is quite fragmented and made up of larger and smaller domestic and international companies.

#### Imports and exports

As shown below in Figure 5-89, the UK is by far a large net exporter of processed cereal products with exports reaching a value of EUR 559 million in 2021. The UK has been a net exporter of processed cereals for the past five years. Total imports of processed cereals in the UK reached a value of EUR 264 million in 2021.

**Figure 5-89: Trade balance (imports and exports) of processed cereals in the UK 2017-21; value EUR 000**

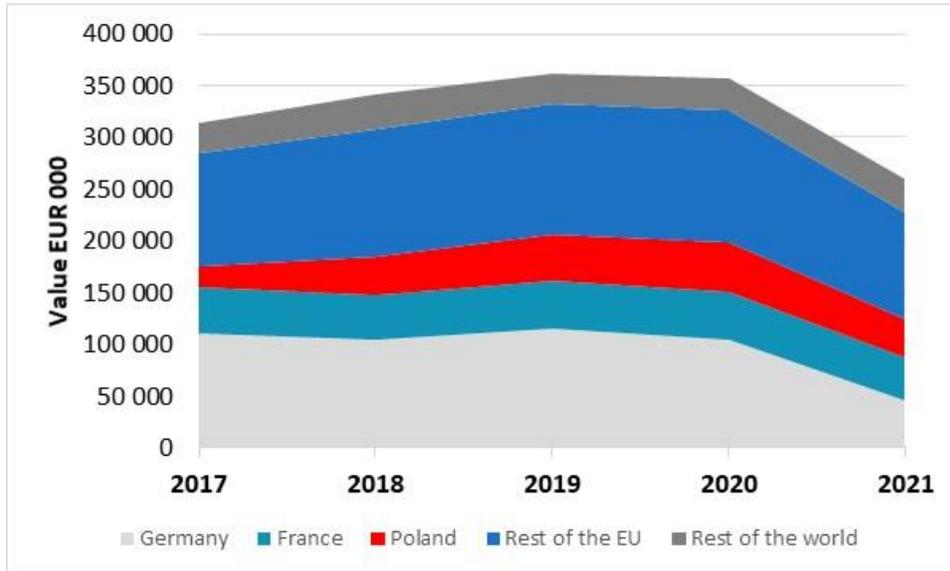


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904

In terms of origin, as shown in Figure 5-90, Germany is the largest exporter of processed cereal to the UK with the country exporting a total of EUR 45 million worth of processed cereals in 2021. France is the second largest exporter of processed cereal with a value of EUR 41 million followed by Poland with a value of EUR 37 million. The rest of the EU exports of processed cereals to the UK came to a value of EUR 103 million; and overall, the EU accounted for roughly 90% of processed cereal exports to the UK. The biggest non-EU processed cereal exporter to the UK is the US with a value of EUR 9.6 million.

**Figure 5-90: British imports of processed cereals by country, 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 1904

### Main competitors

The main competitors come from firstly the considerable domestic production which includes private label products, multinationals and smaller brands. It should be noted that the UK is a net exporter of breakfast cereals, reflecting its strong domestic production. The US and Switzerland are the biggest competitors from outside of the EU and UK. It is important to note that despite these competitors, the EU still accounts for the majority of exports of processed cereals to the UK.

### 5.21.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

***Example link – general processed cereals category from Belgium to the UK***

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1904&origin=BE&destination=GB>

### Standards, SPS measures

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for processed cereals. It is worth noting that a fortification requirement is being introduced for flour (both domestic and imported); however this only applies to flour itself and not to finished products containing flour.

Cereals with notable amounts of sugar should be aware of the legislation around HFSS products; some of which is in force and some of which is pending entry into force. A box in section 4.2.2 provides more details. Children’s cereals are those most likely to be impacted by this; though there may be some more minor disruption for other categories too.

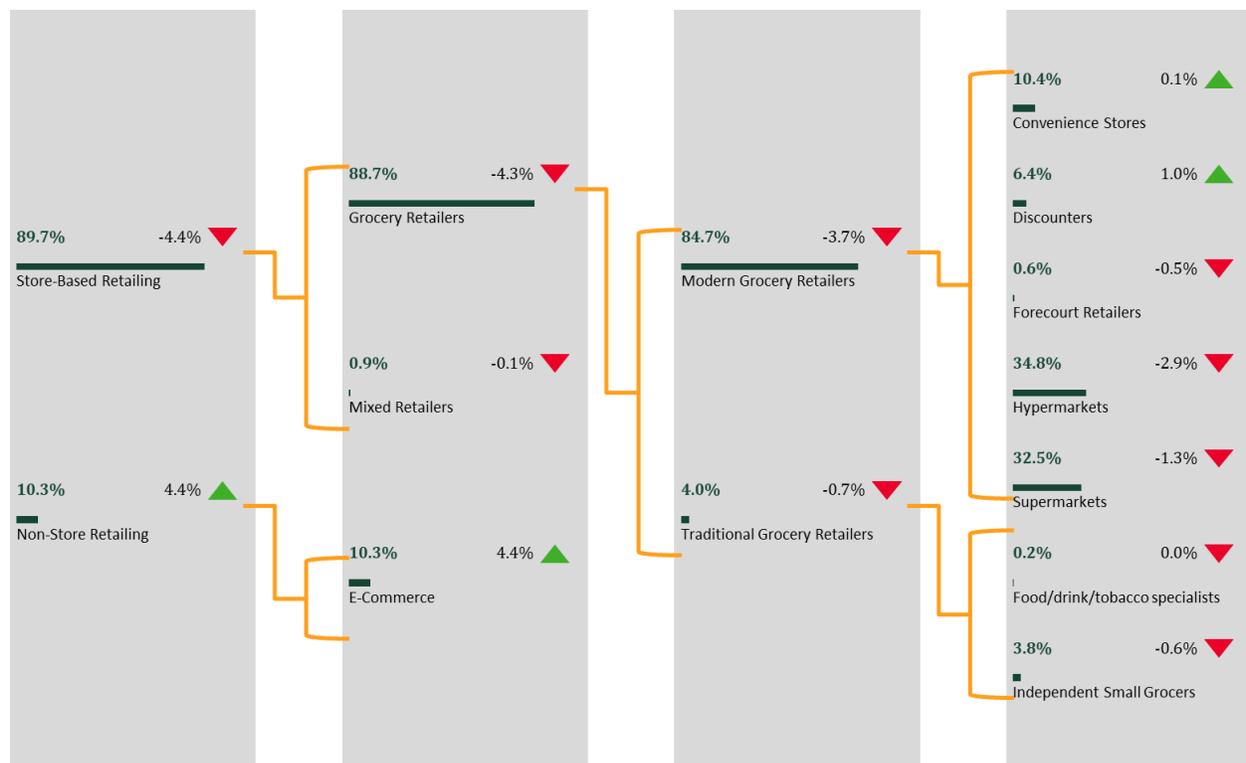
### Labelling

Processed cereals must conform with the labelling requirements set out in section 4.2.3.

## 5.21.5 Distribution

Figure 5-91 displays the distribution of processed cereal in the UK. Grocery retailers account for 89% of all processed cereals sales in the UK with modern grocery retailers accounting for the majority of sales at 84%. Hypermarkets and supermarkets account for roughly a third of sales each. Convenience stores account for 10% of sales. Traditional grocery retail outlets account for just 4% of processed cereal sales in the UK. E-commerce has grown to around 10% of sales which is set to continue growing in upcoming years.

**Figure 5-91: Distribution channel overview of processed cereals in the UK (2021); retail value**



Source: Euromonitor International: Breakfast cereals, 2021.

### 5.21.6 Challenges for EU products

The biggest challenge for EU processed cereals is the strong level of domestic production with the UK being a net exporter of processed cereals – unlike the situation for many other product categories. Private label products also have a fairly strong share of the market and this place some pricing pressure on the mass market for cereals. A further challenge is adapting to HFSS regulations which will affect certain cereals with higher sugar content. This is expected to mainly affect children’s breakfast cereals, with some companies already reformulating their products to circumvent the impact. There may also be some more minor disruption for other ready to eat cereals, hot cereals, muesli and granola; though overall these categories are well-positioned to benefit from the broader health / nutrition / functional trend. EU processed cereal products will also have to adapt as consumers grow more health conscious and expected healthier variants of their favourite products which extend to processed cereals.

#### **Market Takeaway: Processed Cereals**

**Consumption:** Consumption is high in the UK with processed cereal being a popular breakfast food item in the country. Indeed it is estimated that the UK has the highest level of cereal consumption in Europe. It is estimated that at least one processed cereal food item is consumed by roughly 14 million British consumers daily.

**Competition:** Mainly from strong domestic producers of various sizes, with private label products and multinational brands particularly strong. The limited competition from abroad includes the US and Switzerland although exports from these two countries are small.

**Distribution:** Mainly sold in modern grocery retail outlets with a growing percentage coming from e-commerce channels.

**Challenges:** Strong competition from a variety of sources. Introduction of regulation HFSS to impact cereals with high sugar or fat content requiring adaption.

**Opportunities:** Demand for healthier and functional processed cereal products to increase. The more fragmented premium segment.

## 5.22 Jams

### 5.22.1 SWOT analysis

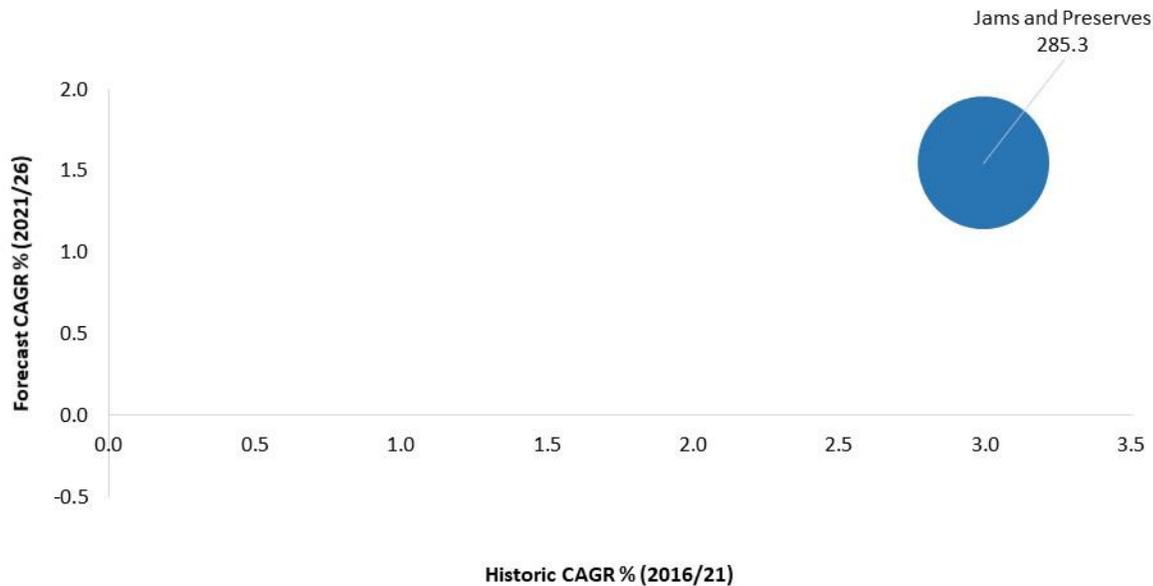
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Jams are commonly consumed in the UK as a key feature of breakfast and also lunch meals.</li> <li>▪ EU dominates the total exports of jams to the UK.</li> <li>▪ In addition to the tougher, price competitive mass market segment, there is a notable premium segment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Foodservice sector sales of jams are not expected to fully recover to pre-COVID-19 levels for several years.</li> <li>▪ High level of competition in the market.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ The rise in demand for alternative / new jam flavouring.</li> <li>▪ The rise in home cooking in recent years aided by the COVID-19 pandemic.</li> <li>▪ Increased focus on healthy spreads, with opportunities in particular for “superfruits” which provide health benefits; and lower sugar products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong position of price-focused private label products and some well-loved domestic brands.</li> <li>▪ Increasing demand for sustainable locally produced jams may give UK domestic producers a marketing advantage.</li> </ul>

### 5.22.2 Consumption

#### Evolution of consumption

As shown below in Figure 5-92 the total retail market value for jams in the UK came to a value of EUR 285.3 million. This category has grown by a CAGR of 3% between 2016-2021. Jam is expected to see a small CAGR between 2021 and 2026 with a forecasted CAGR of 1.5%.

**Figure 5-92: Evolution and forecast of the market for jam products in the UK, 2016-2026; EUR million**



Source: Euromonitor International: Jams, 2021

### Consumers

Jams and preservatives are popular in the UK with the UK being one of the larger markets for the product not only in Europe but also globally. Jam sales in the UK were influenced by the outbreak of COVID-19 as consumers increasingly home-cooked which appealed to the use of jam which is often used as a dressing or flavouring in British cakes or pastries as well as of course a dressing for bread. With jam an integral part of the British diet and widely available, consumers can come from any income class or ethnic background. Virtually all large retailers and a significant amount of small grocery retail outlets stock a wide variety of jams. The average price of jam of a pot size of 120g in the UK is roughly EUR 4.50 with chutney, fruit spreads and marmalade being amongst the more popular jams consumed in the UK. In the UK, strawberry jam is the most popular jam variety consumed in the country.

### Drivers and method of consumption

A driver of jam sales in the UK, in particular, has been the product's long-standing presence in the UK market which has garnered consumer affiliation for the product. Jam in the UK benefits from its wide variety of flavourings, its presence in many cakes and other baked goods products and its price as an affordable flavouring for consumers. Jams are a typical addition to British breakfasts with the product most commonly used as a dressing for bread on top of butter or margarine. On-trade establishments serving breakfast or lunch will commonly provide a small sachet of jam even without being specifically asked for this product, which demonstrates how often jam is used as a dressing product. Jam is not commonly consumed on its own, at least not to a large extent with the product commonly being consumed as a product that is an addition to other food items such as baked goods products.

### Purchase criteria

While there is a strong, price focused private label presence in the jam segment, many consumers look beyond price. Ultimately, the choice of product and the way in which price is taken into account by consumers depends on the intended usage of the product. Those consumers purchasing jams for day-to-day usage (mainly on bread) tend to be more price sensitive and more likely to purchase private label products – at prices generally around the GBP 1 (EUR 1.15) mark for a 454 gram jar. They are also likely to choose one of the three classic UK jam flavours: strawberry, raspberry, and apricot.

On the other hand, jams intended for more special usage – e.g. for treats, to serve to guests or to use in baking are less likely to be price focused; and may buy premium products priced in the GBP 2 to 3 (EUR 2.30 to 4.45 range). Consumers of this type typically purchase this product to add value to other products such as baked goods products, as a result, this added value acts as an importing pricing criterion in the UK. In the case jams are used as a home cooking ingredient, consumers seek versatile jams that can be used in the production process of typically baked goods such as a cake. Consumers in this category will be further drawn to jams that utilise sustainable production practices in their production process, this leans into a wider trend of sustainability which is increasingly important for UK consumers.

The traditional packaging format for jams is glass jars, but increasingly PET jars are replacing these. Packaging can help attract consumers. Some producers use colour coding e.g. on shelf trays to help communicate flavour. For more premium jams – the segment which appears most attractive for imported products - packaging that communicates a “homemade” feel can be successful (e.g. using a font which resembles handwriting).

### Recent market trends

The COVID-19 pandemic impacted the market for jams as key distributors of jams such as on-trade restaurants and hotels were forced to close. Jam sales were sustained due to the rise in home cooking and demand for preservative products rose during the pandemic; despite this, it did not make up for the total loss of jam sales via the food service sector which has yet to fully recover. Another trend during the pandemic which supported the market for jams was the explosion of home baking side-businesses (as secondary means of income), with an estimated 150% increase in the number of these businesses in 2021 alone. With the ongoing economic squeeze, it is likely that efforts will be made to maintain many of these businesses as a secondary income stream.

Sustainable jams and unique flavour jams are rising in demand and present key areas of opportunities in the UK jam market. The sustainability aspect plays out through elements such as packaging, sustainable production methods and organic certification. In terms of flavours, uniqueness can come from fruits rarely used (e.g. cranberry) and/or combinations of fruits such as pomegranate and apple. There is also a trend at present of inventive flavour infusions, including those with alcohol (e.g. strawberry jam with prosecco). In addition, some companies over the last couple of years have been releasing low-sugar jams (generally claiming 90% less sugar than other jams). There is an overall trend for spreads that are low or free from sugar and fat. This trend is now emerging in the jam market, with private label products also being starting to be offered with these characteristics. Also on the theme of health, there has been increased interest in jams containing “superfruits” which are rich in antioxidants, anti-inflammatory elements, vitamins and minerals. Examples include acai and aronia berries. It may be possible for EU producers to draw on inspiration from traditional jams in some countries which comprise fruits with some of these characteristics.

### 5.22.3 Offer

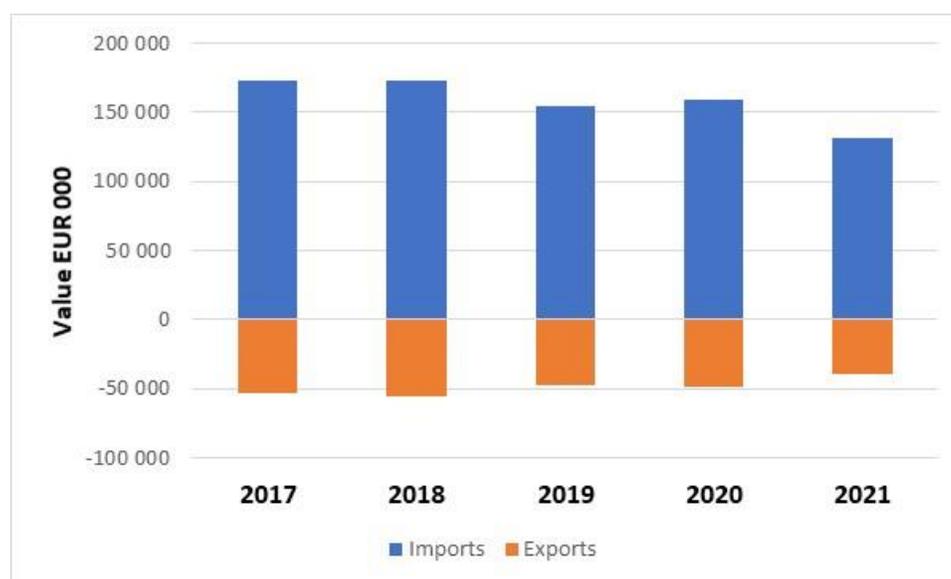
#### Domestic production

Production of jam in the UK has been a long-standing tradition for both consumers and larger corporations. The production of jams in the UK is heavily influenced by larger supermarkets; these private label brands of which account for around 40% of the UK market by retail value (and the majority of the market by volume). Other smaller companies that produce jam in the UK include Rowse, Sunpat and Hartley's. Manchester, Cambridgeshire and the greater London area are home to some of the larger jam producers in the UK. Common jams produced in the UK include strawberry jam, blackcurrant jam, raspberry jam and apricot jam – in line with the fruits grown domestically.

#### Imports and exports

As shown below in Figure 5-93, the UK is a net importer of jams with the country importing a total of EUR 131 million worth of jams in 2021. The importation of jams over the past five years peaked in 2017 with a total of EUR 173 million worth of jams being imported by the UK this year. Total exports of jams in the UK in 2021 were valued at EUR 39 million.

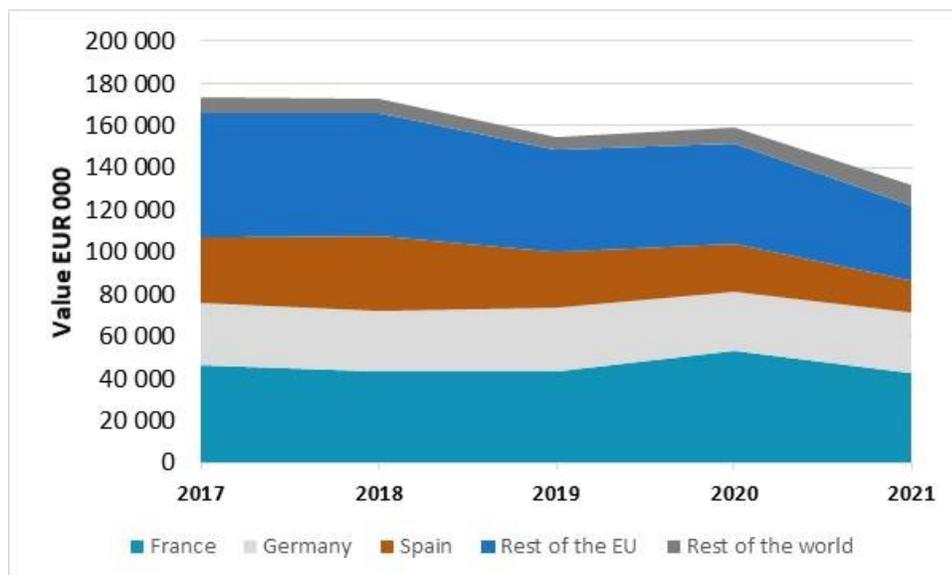
**Figure 5-93: Trade balance (imports and exports) of jams in the UK 2017-21; value EUR 000**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2007

In terms of origin, as shown in Figure 5-94 France is the largest exporter of jam to the UK with the country exporting a total of EUR 42 million worth of jam to the UK in 2021. Bonne Maman and St Dalfour are among the most successful companies exporting jam to the UK (indeed combined they account for almost 20% of UK jam retail sales). Germany followed with a total export value of EUR 28 million to be the second highest exporter of jam to the UK. Spain is the third largest exporter with a value of EUR 15 million. The rest of the EU accounted for an export value of EUR 35 million. Overall, the EU accounts for just over 90% of all jams imported by the UK with the largest non-EU exporter of jams being India which is the 9<sup>th</sup> largest exporter of jams to the UK.

**Figure 5-94: British imports of jams by country, 2017-21; value EUR 000**

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN codes 2007

## EU GI products

As noted in section 4.2.4, the UK GI scheme automatically ensured the protection of all GI protected in the EU as of 31st December 2020. As a result, GIs of relevance for jams which were registered in the EU as of that date are protected in the UK as well, by virtue of the Withdrawal Agreement.

## Main competitors

The main competitors come mainly from varied domestic producers, which comprise production for private label brands as well as some well-loved UK domestic brands. Outside of domestic production, India and Turkey are the biggest competitors for EU jams however account for a small amount of the market for imported jams in the UK where the EU largely dominates.

### 5.22.4 Specific market entry requirements

#### Market Access and Entry

The customs procedures for importing foodstuffs are set out in section 4.2.1. A full list of the general documentary requirements for export set out in Table 4-1, along with requirements by product category in Table 4-2.

**Information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:**

***Main page – select product, country of origin and destination country:***

<https://trade.ec.europa.eu/access-to-markets/en/home>

**Example link – general jam category from Belgium to the UK**

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2007&origin=BE&destination=GB>

**Standards, SPS measures**

As noted in section 4.2.2, there have so far been no major divergences from EU legislation and standards for jam.

It is recommended that producers are aware of the legislation around HFSS products as this may affect some jam products, depending on their composition. Some of the provisions are in force and some are pending entry into force. A box in section 4.2.2 provides more details.

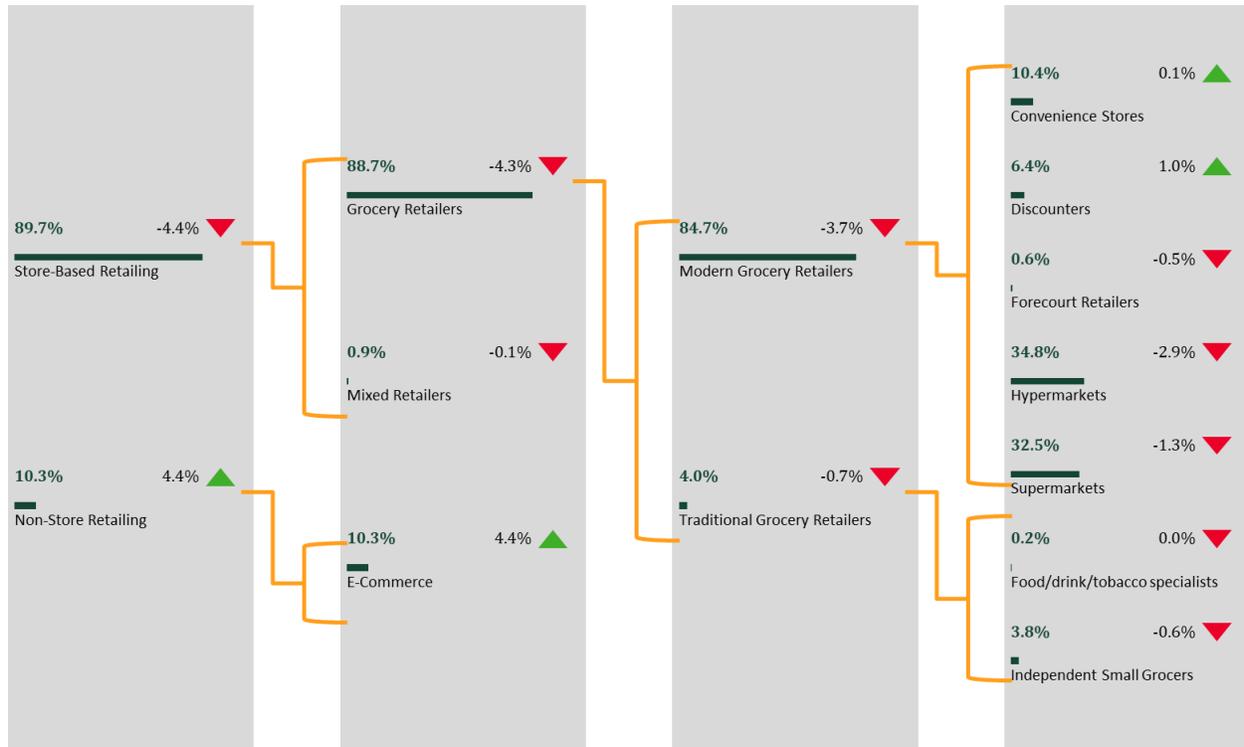
**Labelling**

Jams must conform with the labelling requirements set out in section 4.2.3.

**5.22.5 Distribution**

Figure 5-95 below shows the distribution of sweet spreads (which includes jams) in the UK in 2021. Modern grocery retail outlets account for 84.7% of sales with hypermarkets and supermarkets accounting for roughly a third of sales each. Convenience stores accounted for 10.4% of sales while the e-commerce channel accounted for roughly the same amount at a figure of 10.3%. While a lot e-commerce occurs through the mainstream online retailers, there are several more premium/specialist jam products sold through online fine food websites such as yumbles.com and frenchclick.co.uk.

**Figure 5-95: Distribution channel overview of sweet spreads (including jams) in the UK (2021); retail value**



Source: Euromonitor International: Home and garden, 2021.

### 5.22.6 Challenges for EU products

The biggest challenge for EU jams is competition from domestically produced jams which are broad in variety. Most notably, the supermarket private label products have a strong position, and this makes the mass market challenging. Jams in the UK are still recovering from the closure of the food service sector during the COVID-19 pandemic which is forecasted to take several years.

Overall, the premium segment looks like the most attractive for EU producers – unless they wish to try to supply private label products with more unique characteristics such as reduced sugar. For smaller producers, it is important to have a unique and innovative selling point. The use of a superfruit is an example of this; as are unique flavours / flavour combinations. Packaging and marketing will be important in communicating any unique selling points. The e-commerce channel may also be interesting for such products.

**Market Takeaway: Jams**

**Consumption:** Jams are a popular food item in the UK and a common feature of British breakfast as well as other meals. Jams grew in popularity at home in recent years due to the rise in home cooking during the COVID-19 pandemic, though on-trade suffered. The most popular jam in the UK is strawberry jam with blackcurrant, raspberry and apricot jams also being popular.

**Competition:** Mainly from domestic producers/brands (private labels in particular). The limited competition from abroad includes Turkey and India although exports from these two countries are small.

**Distribution:** Supermarkets and hypermarkets account for a third of sales each while convenience stores and E-commerce channels each account for roughly 10.4% of sales.

**Challenges:** Competing in a market that is competitive and made up of domestic producers is a key challenge for EU jams in the UK. Jams also still recovering from the decline in sales as a consequence of the closure of the food service sector in the UK.

**Opportunities:** Rise in home cooking in recent years coupled with demand for new or different jam varieties are the two bigger opportunities in the UK jam market. There is also an increasing focus on the health aspects of jam, and some focus on sustainability. It is important for products entering the market to find a unique selling proposition.

## 6 Case Studies

### 6.1 The UK food and beverage e-commerce market

#### 6.1.1 Introduction

The UK is the largest e-commerce market in Europe with the e-commerce market as a whole in the UK being valued at approximately EUR 114 billion. This places the UK as the world's fourth largest e-commerce market behind China, the US and Japan.<sup>81</sup> Estimating the market value for food and beverages in the UK sold through e-commerce is complex due to the varied e-commerce landscape (see below), with different estimates available. However, taking all factors into account the e-commerce market food and beverage is worth over EUR 10bn or 10% of the value of the entire UK e-commerce market.<sup>82</sup> Overall, there are five main categories of e-commerce operators in the UK market:

- Supermarket chains
- E-commerce only large grocery services
- Applications/food delivery services
- Subscription services
- Independent e-commerce platforms.

Supermarkets dominate the sale of food and beverages in the UK as a whole and also play an important role in their sale via the e-commerce channel in the UK with virtually all major supermarkets offering an online delivery service. The largest supermarkets that are active in the UK e-commerce by market value are Tesco, Sainsbury's and Asda. Ocado is also a popular food and beverage e-commerce platform that is in operation in the UK and will be further explored in the next section of this case study; and the rise of third-party platforms offering a food delivery service will also be further explored. The food and beverage e-commerce market is forecasted to grow at a CAGR of 4% between 2022 and 2025. The outbreak of COVID-19 coupled with high levels of internet penetration and urbanisation in the UK helps to explain why e-commerce is particularly utilised in the UK, and the UK's long-term move towards retail through large chains (rather than independent outlets) provides a further tailwind for e-commerce activity by large operators. The COVID-19 pandemic saw an explosion of e-commerce activity in the UK as consumers were forced to remain indoors and were only able to shop for groceries under restricted conditions. These restrictions were not in place for the utilisation of the e-commerce distribution channel for consumers which pushed even the more apprehensive consumers to use e-commerce platforms during the pandemic. As consumers have become accustomed to the usage of e-commerce many of them have retained using it even after the restrictions from COVID-19 have been lifted.

Below in Figure 6-1 is a breakdown of the retail value of e-commerce sales across multiple key food and beverage categories covered by this handbook. This is based on Euromonitor data. As

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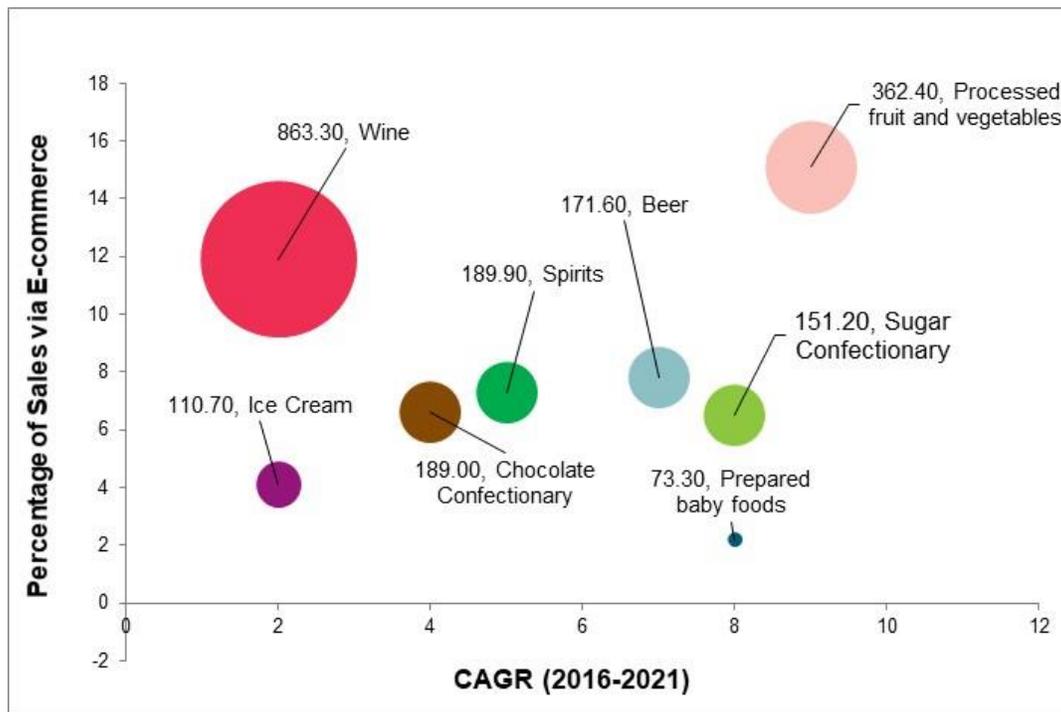
<sup>81</sup> The ecommerce market in the UK, Ecommerce DB, available at <https://ecommercedb.com/en/markets/gb/all>

<sup>82</sup> Based on various sources including Euromonitor, and Food and personal care in the UK E-commerce analysis, Ecommerce DB, available at

<https://ecommercedb.com/en/markets/gb/food-personal-care>

can be seen in the chart, wine is the largest food and beverage product sold via e-commerce in the UK with an e-commerce retail value of EUR 863 million, with just under 12% of all wine being sold in the UK via e-commerce. This is followed by dairy products which have an e-commerce retail value of EUR 554 million, with 6% of dairy products sold in the UK being sold through e-commerce. Third comes pet food (EUR 451 million), followed by processed fruit and vegetables (EUR 351 million) and spirits (EUR 189 million). The largest product by its percentage of sales via e-commerce is processed fruit and vegetables with 15% of this product being sold via e-commerce, this is followed by wine at 12% and pasta at 81%. The e-commerce market for processed fruit and vegetables is the one which has grown the fastest in recent years.

**Figure 6-1: Breakdown of e-commerce retail sales and the total percentage of sales via e-commerce across multiple food and beverage products in the UK**



Source: Euromonitor International

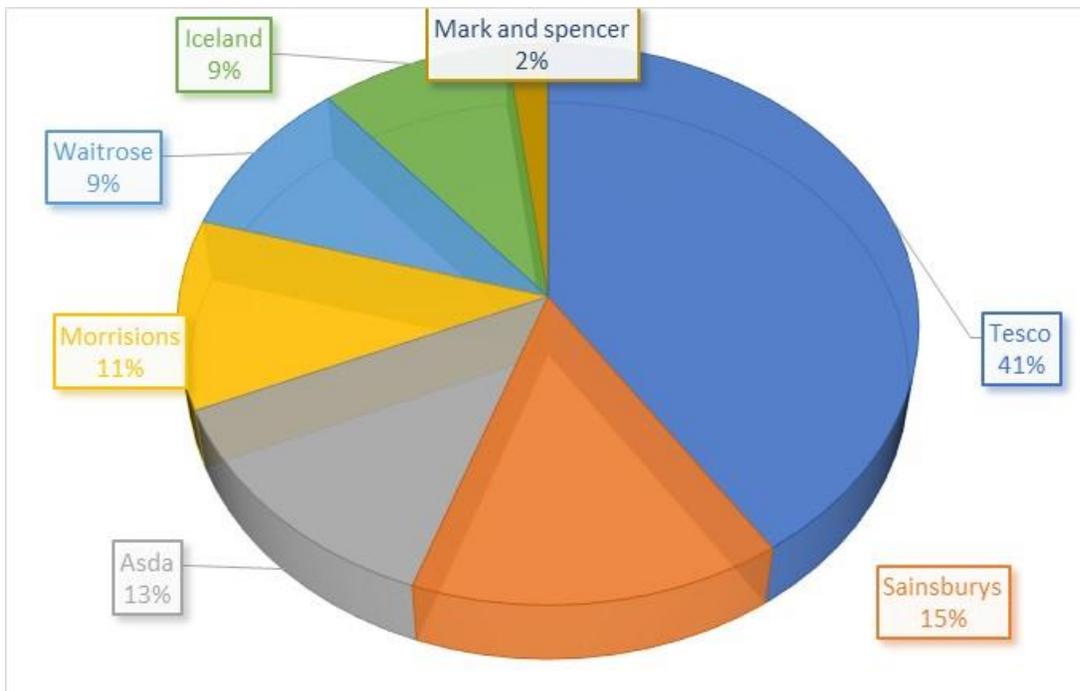
### 6.1.2 Supermarkets

As previously stated, supermarkets dominate the sale of food and beverages via the e-commerce channel in the UK. British retailer Tesco was the first retailer in the UK to sell food and beverages in the UK and since then this has become one of the key business strategies for virtually all major retailers in the UK. In terms of net e-commerce sales (all grocery including food and beverages) in the UK in 2021 by supermarkets through the e-commerce market, Tesco is the market leader with a value of EUR 7.4 billion followed by Sainsbury's with a value of EUR 2.5 billion and Asda

with a value of EUR 2.4 billion<sup>83</sup>. A further breakdown of the e-commerce market share of different major supermarkets is present below in Figure 6-2.

For supermarket chains, e-commerce operations are now highly integrated into their overall business models. They generally set up either pay and collect system or offer time slots to consumers that allow them to purchase a time slot for their groceries to be delivered at a specific time with the more premium time slots (usually around midday) costing around EUR 5 or 6. During the COVID-19 pandemic, many retailers extended the option to consumers to collect their groceries from warehouses and distribution centres (so-called “click and collect”) which was not an option before the pandemic. Due to the competitive nature of the online e-commerce market for food and beverages in the UK, several retailers have implemented loyalty schemes aimed at retaining and growing users of their platforms. Some of the larger retailers such as Tesco and Sainsburys both offer discounts and loyalty credit schemes which is increasingly common for even the smaller retailers operating in the market. With the e-commerce model so integrated into normal operations, the range of products available online tends to mirror the range available in-store.

**Figure 6-2: Breakdown of the market share of grocery e-commerce sales by major brick and mortar/supermarket retailers in 2021 in the UK**



Source: IHS Markit based on various

Note: this only covers the e-commerce share of major brick-and-mortar retailers and does not include the share of other categories of e-commerce operators.

Retailers operating in the e-commerce market benefit from several features that are not available to consumers going to physical outlets, this includes the introduction of a review function for food

<sup>83</sup> Top online store in the food and beverage segment in the UK in 2021 by e-commerce net sales, Statista, available at <https://www.statista.com/forecasts/870373/top-online-stores-food-beverages-united-kingdom-ecommerce>

and beverage products, targeted promotions of products based on previous consumer purchases and the ability to process transactions without the need for a physical employee to be present.

### 6.1.3 Online-only groceries - Ocado and Amazon Fresh

These two operators differ from the supermarkets in that they are e-commerce-only retailers. They also differ from the subsequent categories in that they are one-stop grocery shops, offering a whole range of products.

#### **Ocado**

Ocado is a British internet retailing company focusing on the delivery of food and beverages which self describes itself as “the world’s largest dedicated online retail store”. While Ocado is active across numerous markets including the US and France, it is in the UK where the company first started and remains a key player in the e-commerce delivery market for food and beverages in the country. The company effectively performs two roles:

- it runs the online grocery platform
- it licences technology for online grocery sales to third parties

In the area of the former, Ocado’s online grocery platform has partnered with numerous supermarkets in the UK including Waitrose previously and Mark and Spencer currently. As an example of the area of the latter, Ocado has provided the website, warehouses and delivery services since 2014 for one of the largest supermarkets in the UK, Morrison’s.

Ocado’s bridging of these two roles highlights that Ocado is a key company in the online e-commerce space of the UK for food and beverages and has been at the forefront of innovation in the sector. It was one of the first companies to provide an online food and beverage delivery service and also one of the first to provide the service also via an app; this began in 2010 and was a huge innovation for the time. In 2021, Ocado had a total turnover of roughly EUR 2.8 billion, of which EUR 710 million came specifically from the UK grocery retail market<sup>84</sup>. The outbreak of COVID-19 led to a large expansion of the company’s delivery capacity as demand for online retailing spiked, this, in turn, has led to the opening of new warehouses powered by AI warehouse sorting devices that allow the company to keep up with growing demand. Going forward, Ocado will remain a key company in operation in the UK e-commerce market with the company investing heavily into the delivery of webpage, warehouses and delivery services.

#### **Amazon Fresh**

The large e-commerce company Amazon has also pivoted into the growing UK food and beverage delivery market in recent years with the company launching its first food delivery service (Amazon Fresh) in July 2020, right after the immediate onset of COVID-19 restrictions in the UK opened up a new opportunity market for food delivery service providers. Due to the sheer size of Amazon’s operations in the UK the company was able to entice customers to use its food delivery service by tying the service into other services the company provides. An example of this is offering all consumers with an Amazon prime streaming account an additional offering of a free Amazon Fresh food delivery service. Amazon Fresh offers deliveries from its own and recently launch retail outlet known by the same name and has also partnered with pre-existing and well-known retailers

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<sup>84</sup> Ocado Group Annual report and accounts for the 52 weeks ended 28 November 2021, Ocado, available at <https://www.ocadogroup.com/media/qwlchfvz/ocado-group-annual-report-2021-full.pdf>

in the UK such as Morrison's and Boots. Currently, it is estimated that Amazon has a 3% share of the overall online grocery sales in the UK.<sup>85</sup>

### 6.1.4 Third-party apps

The UK has seen a huge growth in third-party app usage for the delivery of food and beverages in recent years, further compounded by the outbreak of COVID-19. Some of the more popular food delivery apps in the UK include **Uber Eats**, **Deliveroo** and **Just eat**. While the premier business model for these apps is partnering with restaurants and on-trade food service establishments, they also at times partner with smaller retailers to offer a grocery food delivery service. Uber eats is the most downloaded third-party app in the UK concerning food delivery and has partnered with supermarket chain Tesco to provide the grocery delivery service for up to 20 of their stores in the UK.<sup>86</sup> It has been speculated that by the end of 2022, Uber eats may deliver from up to 600 Tesco stores. This is not the only example of supermarket chains partnering with third-party apps to deliver groceries from their stores with CO-OP and Deliveroo also having a similar partnership. The flexibility of the working hours relating to performing delivery tasks for third-party apps has resulted in many UK residents taking up employment with third-party apps. There are just over 100 000 people being employed in the delivery of groceries via third-party apps in the UK. Nonetheless, there has been some controversy around this employment practice – often referred to in the UK as the “gig economy”; with issues such as social security, zero-hours contracts and potential exploitation from the further outsourcing of delivery all making the UK news over recent years.

### 6.1.5 Food and beverage subscription services

In line with the rise in online food delivery services, there has been a rise in the usage of food subscription services which allows consumers to subscribe to a weekly or monthly delivery of food from a food subscription service. Notable examples of companies that apply this business model in the UK include **Hello Fresh**, **Gourmet box** and **Planty** to name a few. These companies offer delivery of various meals on a subscription-based payment system that allows consumers to receive a regular delivery of foods catered to their consumption habits. Hello fresh for example offer a home cooking delivery kit which includes foods that can be cooked and prepared in the home alongside a recipe book and gift cards for their services. In 2021, Hello fresh alone delivered roughly 116 million meals to consumers in the UK which is an incredible growth of 81% above 2020 figures which suggests that this method of food delivery is growing rapidly in popularity<sup>87</sup>. The premier selling point for food subscription services is the convenience they offer consumers as a wide variety of prepared ingredients in small quantities can be delivered to the home and cooked in a short space of time. Although these services are not always cheaper than just purchasing products from the store, it is notable that a significant number of consumers will pay the extra cost to save time by not having to visit a store and there is the advantage of avoiding food waste from over-purchasing. Food subscription services often operate under a theme rather than general groceries; for example, the company Planty focuses on the delivery of meal kits

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<sup>85</sup> Amazon chooses Fresh battleground to take on the UK's biggest retailers, Forbes Magazine, available at <https://www.forbes.com/sites/markfaithfull/2022/07/25/amazon-chooses-fresh-battleground-to-take-on-uks-biggest-retailer/>

<sup>86</sup> Tesco teams with Uber to deliver groceries from 20 stores, the BBC, available at <https://www.bbc.com/news/uk-england-61304829>

<sup>87</sup> Hello Fresh UK records strong FY2021 results as demand for meal kits continues to grow, Retail times, available at <https://www.retailtimes.co.uk/hellofresh-uk-records-strong-fy2021-results-as-demand-for-meal-kits-continues-to-grow/>

aimed at vegetarians or consumers who particularly consume a lot of plant-based foods, and Pasta evangelist focuses on the delivery of pasta meal kits and finally the company the baking club focuses on baking kits and ingredients.

### 6.1.6 Independent e-commerce platforms; notably EU-specific food and beverage e-commerce platforms

While virtually every major retailer operating in the e-commerce space in the UK will offer food and beverages from the EU such as French wine or Belgian beer, they are not specifically set up to facilitate the sale of food and beverages from the EU, rather food and beverages in general of all origins. However, there are a number of e-commerce platforms in operation in the UK that help to facilitate the movement of EU-specific food and beverages, below are a number of key examples.

#### ***La Gourmet Box***

The gourmet box is an online food subscription service that specialises in the home delivery of **French** and **Spanish** food and beverages. The company offers food and beverages such as olive oils, wines, processed meats and cheeses from both France and Spain. The company also offers country and region-specific food delivery shipments such as a box of gourmet foods from the Picardy department of France, a similar box of foods from the department of Orne in France and a Spanish gift hamper consisting of wines, olive oil and processed meats.

A link to La Gourmet box can be found here - <https://www.lagourmetbox.com>

#### ***EuropaFood***

Europa food is a leading EU online food and beverage e-commerce channel offering UK customers delivery of food and beverages from France, Italy, Portugal, Spain and several eastern European countries in the EU. The company imports all its products from the EU and provides an online delivery service to cater to consumers seeking EU food and beverages to be delivered to their homes. Over 6 000 products from the EU are available on the online store for UK consumers to choose from and range from alcoholic beverages to biscuits and pasta.

A link to Europa food can be found here - <https://europafoodxb.com/>

#### ***Europa Fresh***

Europa fresh is an online food delivery service that specialises in the delivery of food and beverages from the EU member states of Hungary, Latvia, Lithuania, Poland and Romania. The company has partnered with several major food and beverage producers from these countries to provide quick delivery of EU food and beverages service to consumers in the UK. Consumers can order EU food and beverages from this platform and receive them in a timeframe of 24-48 hours in the UK. The company also uniquely offers the delivery of frozen foods which aids processed vegetable and ice cream producers from the aforementioned countries.

A link to Europa fresh can be found here - <https://www.europafresh.co.uk/>

The above mentioned companies do not constitute an exhaustive list of EU-specific food and beverage distributors that utilise the e-commerce channel, however, they highlight that the sale of EU food and beverages in the UK via the e-commerce channel is indeed a viable business model with demand expected to further grow as consumers continue to utilise the e-commerce channel even further. A notable feature found throughout each e-commerce platform mentioned above has been their promotion of not only the food and beverage product in question but also

the country of origin with many products including iconography and symbols that are representative of their country of origin. Each company above also highlighted the ease of delivery they provide coupled with a guide to help consumers with payment. These are key features that small and larger potential EU food and beverage companies seeking to export to the UK via e-commerce should take into account. A track and trace system for food deliveries is also a standard practice these companies enforce.

While there are not any large marketplaces specialising in food and beverages (excluding the third party apps mentioned in section 6.1.4), a handful of smaller marketplaces which have emerged in recent years. Some of these such as Siop.io and Bigbarn are more focused on local markets / connecting local producers with consumers. There are some which may be more relevant for EU food and beverage producers. These include:

- <https://www.goodsixty.co.uk/> which connects independent businesses with consumers, allowing all transactions from multiple suppliers to take place through the one website.
- <https://www.harvestbundle.co.uk/> which aims to provide consumers with high quality farm and fishery products, direct from source to UK consumers.
- <https://brindisa.com/>, a marketplace specifically for **Spanish** foods.
- <https://www.delicatezza.co.uk/>, a marketplace specifically for **Italian** foods.

### Selling cross-border to the UK through own webshops

In addition to the above platforms which group products from various different producers, there are producers who choose to sell cross border to the UK through shops on their own websites. While initially, this model may seem attractive, there are various factors to take into account when considering it. These include:

- **Driving traffic to the webshop.** While setting up a web shop is a fairly low-cost task, it is necessary for traffic to be driven to the webshop for consumers to make purchases – without this, the webshop will be effectively redundant. Search engine optimisation, social media marketing and cross marketing (i.e. targeting customers of a brand with the promotion of a related product) are key techniques which can assist with this.
- **Brand and value of the product.** As a general rule, products which have recognised / more esteemed brands and that are higher in value are more likely to succeed using this “own shop” channel. Firstly, consumers are more likely to specifically seek out, directly from producers, brands they recognise and hold in higher esteem. Secondly, postage fees are likely to be a lower proportion of total consumer e-commerce costs for higher-value products.
- **Fulfilment, delivery and taxes.** Thought needs to be given to how products will be sent from producers in the EU to consumers in the UK. While some of these challenges existed before the UK left the EU, new ones have since emerged. When posting from the EU directly to consumers in the UK, consideration needs to be given to the courier used, with the ability to track deliveries and speed important factors in view of potential complexities at the border. With the UK leaving the EU, cross-border sales to the UK are no longer VAT exempt. Consignments worth GBP 135 or less will be subject to UK sales VAT; those worth above this will be subject to an import VAT system under which the seller pays VAT and subsequently reclaims if they can. In view of the complexities now arising, some operators are using a local presence to facilitate cross-border sales. This can include fulfilment centres within the UK so that goods are effectively imported into the UK in bulk and then sent on to customers as they make sales. Nonetheless, it

should be noted that this can add cost (particularly in the case that sales volumes are small).

### 6.1.7 Conclusions

E-commerce is both large and growing in the UK. Going forward, the UK is expected to see the growth of a CAGR of 4% in online e-Commerce sales. Total usage spiked during the COVID-19 pandemic and many consumers have retained the usage of e-commerce even as the economy of the UK has reopened post-COVID-19. UK consumers increasingly utilise various e-commerce platforms to have food and beverages delivered to their homes; though supermarkets play a particularly important role in the e-commerce grocery landscape; and with in-store and online product offerings from supermarkets similar, the process for gaining access to the supermarket e-commerce market is also similar. Nonetheless, EU producers seeking to utilise the e-commerce channel in the UK do have several other potential options. More notable ones include approaching online-only grocery retailers; partnering with third-party independent platforms; and in some cases setting up subscription services or own websites. Consumers are set to continue to push toward the usage of e-commerce in the UK which will put EU producers who are not, through one way or another, present through this channel of distribution at a disadvantage. That said, selling products or getting them onto other e-commerce platforms is likely to require a certain level of sales and / or recognition as a starting point.

## 6.2 The UK organic foods market

### 6.2.1 Introduction

The production and consumption of organic foods in the UK have been a long-existing practice with many observers pointing to the foundation of the UK soil association in 1946 as the first major milestone in the development of organic food production and consumption in the UK. Compared to other European countries however, the development of organic foods in the UK has been a slower process with these products being rare in the UK until the late 1990s. A lack of government support at the time coupled with British consumer habits are commonly identified as the main reason that the organic food market in the UK developed slower than in nearby European countries such as France or Belgium. The period around the turn of the millennium marked the first major explosion in organic food consumption and production in the UK as grants for organic farming became more available making organic farming more economically viable. This coupled with increased consumer awareness about the benefits of organic food and beverages and wider concerns about health and the environment has been instrumental in driving sales of organic foods in the UK from a figure of EUR 111 million in 1993 to a figure of EUR 3.5 billion in 2021.

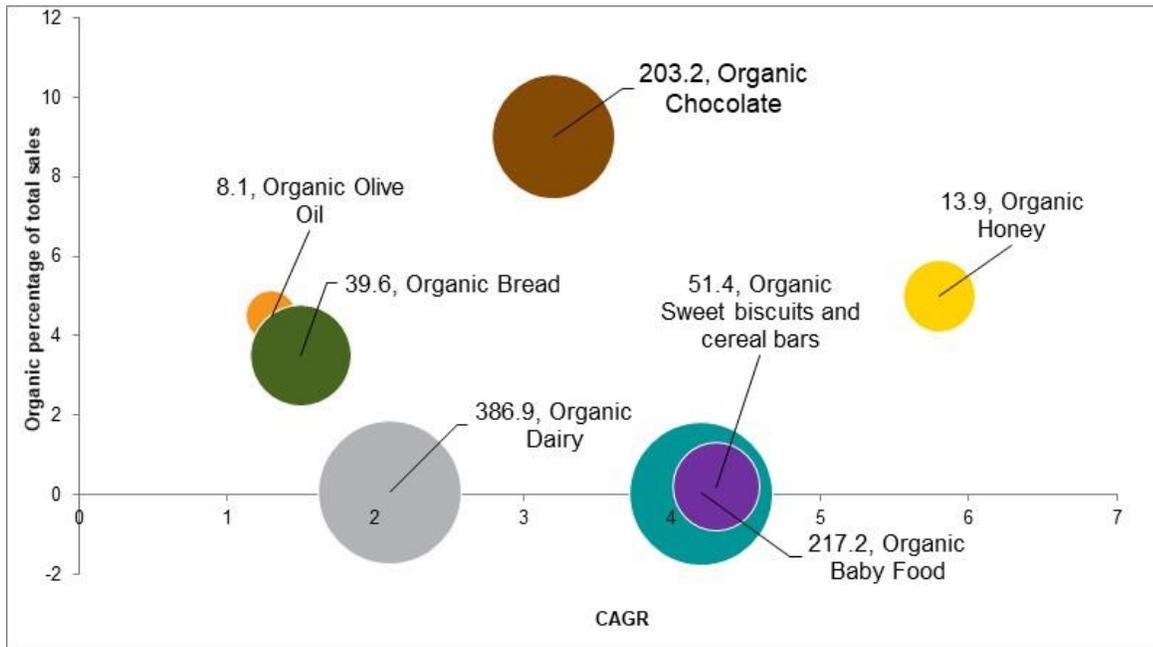
In terms of domestic production, overall, in the UK

- Almost 500 000 hectares of land are used for organic farming.
- Just over 60% of UK organic land is accounted for by permanent grassland; and similarly just over 60% of the UK's total organic farming areas are in England.
- There are roughly 5 800 organic operators in the UK.
- 3% of the cattle reared in the UK are reared organically.
- 9% of the UK organic farmland is used for the production of cereal crops.

As was noted in section 4.2.3, the UK recognises the EU's organic certification up until the end of 2023 under Annex 14 of the Trade and Co-operation Agreement; and the EU organic logo can be used on products in the UK as long as the product meets EU organic labelling standards and contains a statement of origin (EU' or 'Non-EU Agriculture'). Equivalence is due to be reassessed by 31 December 2023.

Figure 6-3 below shows a breakdown of the organic foods market in the UK from a consumer point of view. As shown, organic dairy is the largest organic category in the UK with a retail value of EUR 389 million. Within this category, organic milk is the largest product by retail value with a retail value of EUR 232 million followed by organic cheese with a retail value of EUR 94 million. The next largest category is the organic baby foods category which has a retail value of EUR 217 million followed by organic chocolate confectionary with a value of EUR 203 million represents the largest organic food and beverage category in the UK. The fastest growing organic category between 2016-2021 has been organic breakfast honey which grew at a CAGR of 5.5%.

**Figure 6-3: Market size of selected organic products in the UK**



Source: Euromonitor International

The next sections will break down organic foods sales by category and highlight the most commonly consumed and produced organic foods currently in the UK market.

### 6.2.2 Organic meat

Organic meats have grown rapidly in popularity in the UK in recent years aided by increased consumer health consciousness, the rise in concern for the welfare of animals and the environment and the slight fall in prices for organic meats due to the expansion of this production practice in the UK. UK consumers, particularly younger ones are most likely to consume organic meat as this group places a higher premium on the meats they consume due to consuming a lower overall level meat products compared to older generations in the UK. Organic poultry is the most consumed organic meat in the UK with the UK producing roughly 4 million chickens using organic practices in 2021. Concerning other meats, the UK has 731 000 organically reared sheep, 27 000 organically reared pigs and 304 000 organically reared cattle.<sup>88</sup>

Consumers can identify organic meats via the display of the word organic on the packaging of their meats coupled with accompanying organic labels from their control body.

<sup>88</sup> Organic farming statistics United Kingdom, UK department for environment, food and rural affairs, available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/996197/Organic\\_Farming\\_2020\\_stats\\_notice-24jun21.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/996197/Organic_Farming_2020_stats_notice-24jun21.pdf)

**Figure 6-4 - Examples of UK organic labels**

Going forward, organic meats in the UK will continue to grow in popularity although beef is likely to decline as total demand for beef in general also declines. Poultry, sheep and pigs are the bigger organic meat categories that are likely to continue growing in popularity in the UK.

### 6.2.3 Organic fruit and vegetable

Overall, as discussed in section 4.2.3, while the UK is a fairly large producer of fruit and vegetables, domestic production is not enough to meet demand. This situation extends itself to domestic demand for organic fruit and vegetable products. Organic fruits and vegetables from Spain and the Netherlands are amongst the most consumed and imported organic fruit and vegetable products in the UK with citrus fruits and tomatoes being common. In the UK there are several organic fruit and vegetable box schemes in operation which encourage consumers to either pick their organic fruit and vegetables at a farm or to have the products delivered to their homes. This encourages the consumption of organic fruit and vegetables in the UK although heavily in favour of domestically produced organic fruit and vegetables rather than imported organic fruit and vegetable products; although there are providers of imported (typically citrus or banana) fruits via a box-to-door scheme. At present, it is estimated that UK consumers purchase and consumed organic fruit and vegetables at least once a month. Demand is expected to continue to grow for organic fruit and vegetable products in the UK as consumers grow ever more health conscious and concerned about the use of chemicals in the production process of fruit and vegetable products. Currently, producers of fruit and vegetables in the UK that have switched to organic production practices receive a subsidy from the UK government; the amount of this subsidy depends on various factors, with more detail here: <https://www.soilassociation.org/certification/farming/what-is-organic-certification/financial-information/organic-management-conversion-england/>.

The existence of this subsidy favours the production of organic fruit and vegetables in larger farms, but smaller farms are more unlikely to switch or will be less incentivised. EU organic fruit and vegetables are likely to continue to grow in popularity in the UK with the introduction of possible checks and certification requirements on EU fruit and vegetables arriving in the UK by 2024 acting as a notable barrier to overcome in upcoming years. In the UK market, organic fruits account for 3.7% of the total volume of fruit in UK while organic vegetables account for 7.1% of the total volume of vegetables in the UK.

### 6.2.4 Organic dairy

Organic dairy sales in the UK are quite small when compared to EU member states. Currently, 1% of cheese and 5% of milk sold in the UK are considered to be organically produced; to put this in context, in Denmark up to one-third of milk sales fall into the organic category. The cost of

production and the price of organic milk are cited as the two more apparent reasons why organic dairy products have yet to widely impact the UK market. Organic feed costs and the wide availability of conventional dairy products at a reasonable cost make it further difficult for organic dairy products to penetrate the UK market to a reasonable extent although several companies are actively pursuing this. One such company includes the Danish dairy company Arla which is currently expanding into the UK organic dairy market. The company seeks to grow its business activity in the UK organic dairy market by 50% by 2026<sup>89</sup>. In the UK, Arla sells its organic dairy products to the food service sector under the Arla organic brand while the company sells its organic milk, butter and cheese products under the Yeo Valley brand in the retail sector.

### 6.2.5 Organic alcoholic beverages

Sales of organic alcoholic beverages in the UK remain a niche largely dominated by organic wines (which are generally imported) and some select spirit categories such as gin and increasingly vodka. The production of organic alcoholic beverages in the UK is mainly focused on smaller craft producers such as stroud brewers, fatty organic spirits and vintage roots. At present, there are roughly 6 small organic-focused breweries in operation in the UK. Demand for organic alcoholic beverages has grown in recent years as consumers have shifted their preferences towards products that are produced in a more environmentally friendly way and are perceived to be healthier.

### 6.2.6 Organic chocolate and confectionery

In chocolate confectionery, the organic claim continues to gain popularity due to consumers increasingly caring about the various ingredients that are used in the cocoa supply chain and their impacts on the environment. Mondelez is the leading organic chocolate and confectionary producer in the UK with its organic brand Green and Blacks which has continued to grow in popularity in 2021. The company is also taking steps to highlight its commitment to sustainability via organic labels. Other larger chocolate and confectionary producers have also begun to enforce organic production practices to tap into the growing concerns that consumers have regarding the environmental impact of the production of their favourite chocolate and confectionary products. Going forward, organic chocolate and confectionary products will become ever more common as environmentalism continues to grow in the UK amongst consumers.

### 6.2.7 Organic fruit juice and beverages

Organic fruit juice has emerged as a growing sector of the organic market in the UK as the overall organic soft drinks sector continued to see retail volume and current value growth in 2021, driven by organic 100% juice, which is increasingly seen as a healthier and more natural source of vitamins and minerals. COVID-19 led some consumers to move away from artificial drinks, which played in favour of organic 100% juice. The fact that organic 100% juice is only composed of organic fruits is a strong appeal to consumers who are pursuing healthier lifestyles. Total sales of organic fruit juices in the UK in 2021 were estimated to be around EUR 100 million while the

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<sup>89</sup> A price worth paying? The future of organic dairy in the UK, Just Food, available at <https://www.just-food.com/analysis/a-price-worth-paying-the-future-of-organic-dairy-in-the-uk/>

market for organic beverages (not including alcoholic beverages) came to a value of EUR 278 million.

## 6.3 The market for EU GI food and beverages in the UK

### 6.3.1 Introduction

The concept of GIs (Geographical indications) food and beverages are to protect the names of specific products in order to promote their unique characteristics, linked to their geographical origin as well as to the know-how embedded in this origin. As the UK left the EU at the beginning of 2020 and after the end of the transition period on 31 December 2020, it also left the EU's geographical indications system. Article 54 of the EU-UK withdrawal agreement provides for the continued protection of European Union GIs and trademarks in the UK. However, new GIs entered into the EU register after 1 January 2021 will be protected only inside EU territory, meaning that holders of such EU GIs will have to apply to UK authorities to also obtain protection as a GI in the UK. Likewise, applicants for EU GIs pertaining to UK products will need to register their products for a UK GI first access to the EU GI scheme. There are exceptions in place for Northern Ireland which is a territory of the UK that retains the EU GI scheme by virtue of the territory being part of the single market, and new EU GI products that have been registered after 1<sup>st</sup> January 2021 will be protected in Northern Ireland.

The UK subsequently has set up its own geographical protection scheme post-Brexit and operates its own logos which are outlined below. In some cases, it is possible to use the UK and the EU logo (if the product is registered under both schemes, for example – which is the case for GIs registered in the EU prior to 31 December 2020). You must check local regulations before displaying both logos on your products.

**Figure 6-5: UK Geographical origin, designation and traditional labels (Left) and the EU GI protection labels (right)**



*It is important to note that the EU GI protection label is still applicable to products produced in Northern Ireland.*

Post-Brexit, the UK remains a large market for EU GI-protected food and beverage items and producers from the EU enjoy intellectual property protection of their produce. In the remainder of this section, there is an overview of UK consumer awareness of GIs; followed by a further breakdown of popular EU GI-protected foods by sector.

### 6.3.2 Consumer awareness of GIs

This section will focus on consumer awareness of both EU GI-protected goods in the UK and UK GI-protected goods. Generally, multiple surveys carried out by both EU and UK governmental departments have indicated that total recognition and awareness surrounding the GI scheme in the UK is quite low with a UK governmental research report carried out in 2020 suggesting that

just 8% of UK consumers can recognise an EU GI label on their products.<sup>90</sup> This compares to a rate of roughly 1 in 3 consumers in France and 1 in 5 consumers in Ireland. This does have the side effect of making the introduction of new UK GI labels on UK products less radical as the previous recognition of pre-existing EU labels was low in the UK. Consumers are aware of many products that are protected by EU GIs such as Feta, Champagne or Irish whisky. However, recognition that these products actually bear GIs is much lower. The lack of recognition of EU GI products in the UK relates to a number of key factors which include:

- A small number of UK-protected food and beverages under the GI schemes compared to the number in EU member states such as France and Italy.
- UK GI production, where it takes place, is often only recognised in the immediate geographical region; and common naming conventions blur GIs and brands.
- Association of EU GI foods as simply “continental foods” is common in the UK and further encouraged by retailers who often stock EU continental foods together, this makes it further difficult for EU-protected GI products to stand out as they are often stuck together.
- UK is a smaller producer of many categories of products that typically bear GI protection. Wine and olive oil are the most notable examples of this. While a more notable producer of spirits and cheese, production is focused on a small subset of varieties (e.g. whisky for spirits), limiting the number of GIs.

Examining these points in more detail: the first is a key reason explaining why UK consumers have lower awareness of EU GI products than other countries. In total, the UK has 86 protected food, wine and spirit GI products registered under its domestic system. When considering that Portugal a country with one-sixth the population of the UK has a total of 194 EU GI protected food and beverage products then it becomes clearer as to why total awareness in the UK is low. France and Italy, both of which have a similar population to the UK, have roughly ten times the number of registered GIs; Germany has roughly twice the number. Figure 6-6 below includes a further breakdown of the total number of GI-protected food and beverage products from a select number of EU member states plus the UK, and further highlights how small the total number of UK GI products is in comparison.

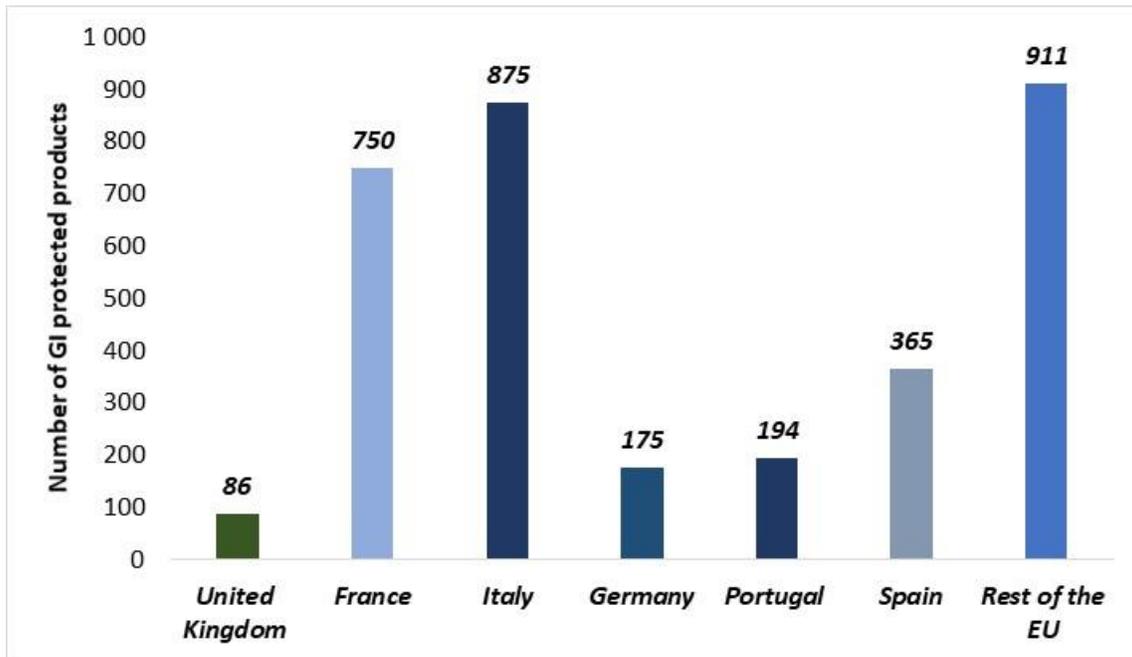
As mentioned in the points above, a key feature of many UK-protected food and beverages is that they are very localised products which are often only recognised and consumed within a particular region of the UK. For example, EU GI-protected fruit Armagh Bramley apples, while popular in Northern Ireland is rather hard to come by in the rest of the UK. The same is true of other products Stornoway black pudding or Rutland bitter. There are a limited number of exceptions to this rule – scotch whisky being the most notable, though Jersey Royal potatoes and Melton Mowbray pork pies are further examples of exceptions to a lesser extent. As can be seen from all the names mentioned so far, it is quite common in the UK for GI-protected foods to be named by their place of origin first and then their category of food or beverage (e.g. Melton Mowbray = origin; pork pie = category). Although this naming practice is common across all countries within the EU GI system, its particularly common in the UK which limits the spread of GI products across the country. This is further complicated in the UK as there are a number of brand names which follow a similar formulation to some extent (e.g. Newcastle Brown Ale; Davidstow Cheddar), and confusion for consumers about the meaning of this “name/category” usage on products. The popularity of this name/category formulation for UK GIs also means that UK consumers may have

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<sup>90</sup> Geographical Indications Qualitative Consumer Research, UK Department for Environment, Food and Rural affairs, available at [14939\\_DefraGIQualitativeConsumerResearchReport.pdf](#)

difficulty associating names using other formulations (such as Feta or Salice Salentino) with the concept of GIs.

**Figure 6-6: Number of EU Protected food and beverage products by selected countries compared to the number of UK GIs (as of 9/9/2022)**



Another factor mentioned above has been the tendency for major retailers in the UK to stock goods of EU origin together in supermarkets under the banner of “continental foods” which generally refers to foods or beverages from the rest of Europe rather than the EU specifically. This makes it additionally difficult for EU GI-protected goods to stand out to consumers when compared to domestic products as EU GI-protected goods are often stocked together under continental goods or world goods banner rather than a banner specific to their region of origin (see examples below).



Finally, the UK is a smaller producer of goods which are more likely to be especially afforded EU GI protection - wines and olive oil are the most notable examples (particularly when compared to France, Italy or Spain especially) and fruit and vegetables of a specific variety, this reduces the scope of UK products to obtain EU GI protection compared to countries with specialised variants of these products such as France, Italy and Spain. While the UK is a big producer of some products which often bear GIs such as cheese, the market has evolved in a way which tends to favour brands and categories over specific geographical origins.<sup>91</sup>

### 6.3.3 EU GI meats in the UK

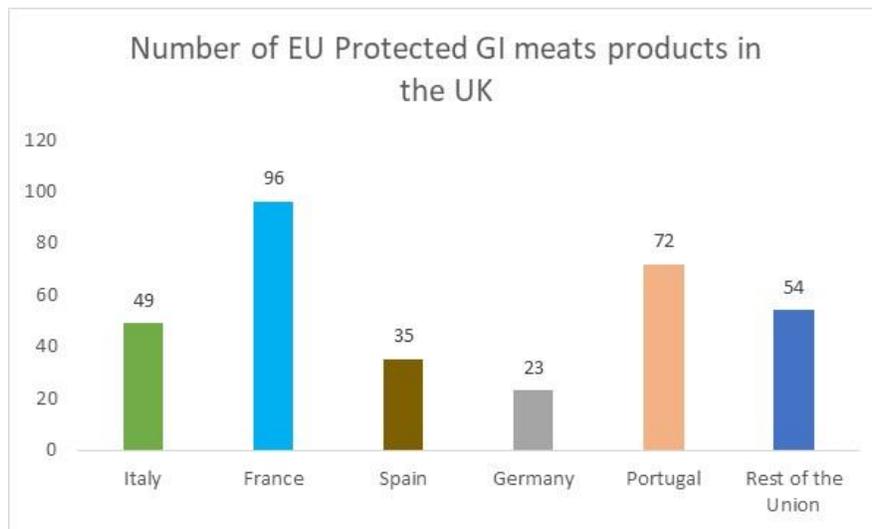
There are several EU GI types of meat which are regularly consumed in the UK, these include prosciutto di Parma (*Italy*), Chorizo riojano (*Spain*) and Timoleague brown pudding (*Ireland*). In the UK, it is common for retailers to label fresh and processed meats that are stocked together as “continental” meats rather than European meats. Consumers will immediately associate the word continental with Europe but not the EU or GIs specifically. EU GI meats, largely through this aforementioned connection, enjoy consumer awareness in the UK and consumers have a good perception of EU GI meats which often justifies the higher costs associated with EU GI meats in the UK compared to domestic meats which are on offer.

<sup>91</sup> Sources: [http://sciencesearch.defra.gov.uk/Document.aspx?Document=14939\\_DefraGIQualitativeConsumerResearchReport.pdf](http://sciencesearch.defra.gov.uk/Document.aspx?Document=14939_DefraGIQualitativeConsumerResearchReport.pdf); <https://europa.eu/eurobarometer/surveys/detail/2161>; <https://europa.eu/eurobarometer/surveys/detail/2229>; <https://op.europa.eu/en/publication-detail/-/publication/c1d86ba1-7b09-11eb-9ac9-01aa75ed71a1/language-en>; <https://www.emerald.com/insight/content/doi/10.1108/BFJ-02-2020-0156/full/html>

Most large retailers such as Sainsbury's, Tesco and Aldi will offer a variety of EU GI process meat products and will label/classify these products as continental meats in line with the aforementioned practice. Speciality butchers may also offer packaged EU GI products which are largely common within larger urban centres in the UK. Currently, in the UK, there are a total of 329 EU-protected fresh and processed meat products with a large percentage of these products coming from France, Portugal and Spain.

Figure 6-7 below shows a breakdown of the share of EU-protected GI products in the UK by EU member state.

**Figure 6-7: Breakdown of EU GI-protected meat products in the UK by EU member state**



### 6.3.4 EU GI alcoholic beverages in the UK

Alcoholic beverages (*Particularly wine and spirits*) are amongst the most consumed EU GI products in the UK and indeed amongst the more recognisable GI products amongst UK consumers with products such as Champagne, Irish Cream and various wines being a recognisable product for the average British consumers. In total there are 1 841 alcoholic beverage (wine, aromatised wine and spirit) products that are afforded EU GI protection in the UK. UK consumers commonly consumed EU GI-protected alcoholic beverages at celebratory events with Champagne, in particular, being a beverage that is consumed during birthday or wedding celebrations in the UK as an example. To further breakdown alcoholic beverages an overview is provided below:

**Wine** - EU GI-protected wine products have a good reputation in the UK with wines many EU wines, including e.g. Rioja and Champagne being amongst the more commonly consumed wines in the UK. EU wines benefit in the UK from a lack of domestic production coupled with the association of premium wines in the country being of EU origin. Currently, France has registered 465 varieties of wine in the UK under EU GI protection followed by Spain with 185 and Portugal with 78 wines. Most major retailers will stock French and Spanish wines with EU GI wines being amongst the top sellers. The UK imported a total of EUR 1.4 billion worth of French wine in 2021 with a large percentage of this importation of wine being EU GI-protected wine. In 2021 alone

roughly 29 million bottles of champagne were sold in the UK market.<sup>92</sup> Wine speciality stores and major retailers are the larger distributors of EU GI wines in the UK and consumers will often be exposed to stocked wines based on country of origin which makes it easier for consumers to identify EU (and by extension also EU GI) wines during their shopping trips.

**Spirits** - there are currently a total of 235 EU GI-protected spirits products registered in the UK with France, Spain and Italy having the highest number of protected spirit products in the UK. Popular EU GI spirits in the UK include Irish Cream (Baileys), Swedish Vodka (Absolut) and Irish Whiskey which are commonly consumed in the UK. The UK is one of the largest markets for spirits that are exported from the EU with a total value of EUR 601 million worth of spirits being exported from the EU to the UK in 2021, which represents around 60% of the total amount of spirits imported by the UK in 2021. France, Italy and Ireland were the three biggest exporters of spirits to the UK in 2021 with notable EU GI spirits from these countries including:

**France-** *Armagnac, Calvados, Genever*

**Italy-** *Brandy Italiano, Grappa, Liquor di Limone della Costa d'Amalfi*

**Ireland-** *Irish Whiskey, Irish Cream*

Most major retailers and spirit speciality stores will stock a wide variety of EU GI spirit products which gives these products wide availability to UK consumers.

### 6.3.5 EU GI cheeses

In the UK there are 231 registered EU GI cheese varieties with a large percentage of these cheeses coming from France, Spain and Italy. EU GI cheeses that are particularly popular in the UK include Parmigiano Reggiano (Italian), Feta (Greek) and Brie (*De Meaux and De Melun*, French). EU GI cheeses in the UK are generally perceived by UK consumers, albeit indirectly due to their continental affiliations, to be a luxury or indulgent product and will cost slightly more than domestically produced cheeses such as cheddar and UK variants of blue cheeses. Major retailers will generally stock the more popular EU GI cheeses from France, Greece and Italy while finding more specialised cheeses with EU GI protection in the UK will often require visiting a cheese speciality store which is most common in urban areas. While Ireland was the largest exporter of cheese to the UK in 2021, the country only has one EU GI-protected cheese, *Imokilly regato* which is likely to only account for just a minute part of the EUR 376 million worth of cheese that Ireland exported to the UK in 2021. A clearer picture of the popularity of EU cheeses in the UK comes from looking at exports of cheese from EU member states with a high number of EU-protected cheeses in the UK, these countries are France (which exported a total of EUR 262 million in 2021), Italy (EUR 255 million) and Spain (EUR 36 million). Exports of cheese from Denmark came to a value of EUR 128 million in 2021 with EU-protected cheese Danablu likely to account for a fair percentage of this trade. Exports from Greece came to a value of EUR 50 million with EU-protected cheese Feta being a popular export.

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<sup>92</sup> UK thirst for champagne "incredible" as shipments hit 29 million bottles for 2021, the drinks business, available at <https://www.thedrinksbusiness.com/2022/02/uk-thirst-for-champagne-incredible-as-shipments-hit-29-million-bottles-for-2021/>.

## 7 Communication

### 7.1 Communication strategy

Companies wanting to market products and advertise in the UK have different channels to consider. This section aims to break down each section of the mass media landscape in the UK and introduce the main communication channels (new and traditional media, as well as fairs) available in the country; as well as to provide a brief overview of key regulations for the advertisement of food and beverages.

#### 7.1.1 Online & Digital Media

**Selected notable British Digital Advertising Agencies:**

Pixated <https://pixated.agency/>

SEOWorks <https://www.seoworks.co.uk/>

Fortnight Studio <https://www.fortnight.studio/>

Creative Brand Design <https://www.cbwebsitedesign.co.uk/>

Modern <https://modernb2b.co/>

Velocity <https://velocitypartners.com/>

The Good Marketer <https://thegoodmarketer.co.uk/>

The small biz expert <https://www.thesmallsbizexpert.co.uk/>

Cheshire Cat Marketing <https://www.cheshirecatmarketing.co.uk/>

#### Social media platforms

The UK has one of the most social media savvy consumer bases in the world with roughly 78% of the population (or 55.5 million people) having at least one social media profile across various platforms. Due to this, it is common, indeed essential, for retailers and companies targeting consumers in the country to have a social media presence to advertise to consumers. Retailers and producers who do not have a social media presence in the UK will be at a distinct disadvantage when engaging with the market. Consumers in the UK are generally well tuned in to the latest developments in the social media space with new social media platforms of late such as TikTok and Snapchat being popular in the country, as well as more established social media platforms such as Facebook and Twitter. Social media is popular across all age groups with even older generations generally having at least one social media profile. It is estimated that 87% of children in the UK aged 12-15 have a social media account and are accustomed to the use of

social media.<sup>93</sup> Internet penetration in the UK is high with roughly 96% of households in the UK having access to the internet, a figure that was further boosted by the outbreak of COVID-19.

## YouTube

YouTube is extremely popular in the UK and has even supplanted traditional TV media channels in many households in the country. It is estimated that roughly 33% or a third of the UK population watched at least one YouTube video per day. Many of the major events and cultural trends taking place in the UK will also feature on YouTube in some form. YouTube is also increasingly becoming an important channel for producers to advertise on the platform via commercials before or during a video.

### Notable YouTube food-orientated channels in the UK

Gordan Ramsey - [https://www.youtube.com/channel/UCIEv3IZ\\_tNXHzL3ox-uUGQ](https://www.youtube.com/channel/UCIEv3IZ_tNXHzL3ox-uUGQ)  
Food Network UK- <https://www.youtube.com/c/FoodNetworkUKTV>  
Jamie Oliver - <https://www.youtube.com/c/jamieoliver>  
Mashed- <https://www.youtube.com/c/MashedFood>  
Sorted Food - <https://www.youtube.com/c/SORTEDFood>  
BBC Good Food- <https://www.youtube.com/c/BBCGoodFood>  
Food Unwrapped - <https://www.youtube.com/c/FoodUnwrappedTV>

## Facebook

Facebook is the most popular social media platform currently in the UK and has been so for several years. It is estimated that 51 million people in the UK have a Facebook profile in 2022 with 74% of these users checking their profile at least once a day. Females make up a slight majority of Facebook users at roughly 52% and the largest group of users by age are between 25-34 (11.2 million users). Most major brands and producers in the UK will have a Facebook presence and will often collaborate with popular Facebook pages to advertise their products.

## Instagram

Instagram is the second most popular social media platform in the UK with 34.6 million people in the country having an Instagram account. Instagram is particularly used to photo and video different elements of people's day which extends to their eating habits which may influence consumers to purchase and try new foods. The majority of users in the UK – 56% - are female and the biggest age group of 25-34 accounts for a quarter of all users.

### Top Food Instagram influencers in the UK

GordonGram - <https://www.instagram.com/gordongram/>  
Jamie Oliver - <https://www.instagram.com/jamieoliver/?hl=en>  
Nigella Lawson - <https://www.instagram.com/nigellalawson/?hl=en>  
Genarro Contaldo- <https://www.instagram.com/gennarocontaldo/?hl=en>  
The Food Medic - <https://www.instagram.com/thefoodmedic/?hl=en>  
Miguel Barclay - <https://www.instagram.com/miguelbarclay/?hl=en>

<sup>93</sup> CyberCrew, UK Social Media statistics and facts, available at <https://cybercrew.uk/blog/social-media-statistics-uk/#:-:~:text=There%20are%2053%20million%20active,77.9%25%20of%20the%20UK%20population.>

## Twitter

Twitter is the third most popular social media platform in the UK with roughly 16 million people in the country having a Twitter page. Twitter is especially popular for keeping up with current affairs as many governmental departments, celebrities and event organisers have an official Twitter page which verifies that it is them. The majority of Twitter users in the UK are male (56%) and the largest group by age are between 25-34.

## Other platforms

The above four platforms are the most popular in the UK however consumers usually have more than one social media platform spread out across various areas of interest. Other notably popular social media platforms in the UK include TikTok, LinkedIn, WhatsApp and Snapchat. Brands and producers will typically have a social media presence across multiple platforms and special care is needed to fully utilise the various features needed to navigate the different platforms available. Overall, it is essential to have at least one social media presence in the UK in order to be competitive in the UK market.

## Food blogs

Another interesting option to promote EU food products in the UK is to work closely together with food bloggers. There are possibilities to hire food bloggers and ask them to promote certain products on their blogs.

Many food bloggers will regularly promote foods from the EU and UK consumers are generally well aware of the more popular foods that are prepared and exported to the UK. It is common for food blogs to focus on one country for a week (for example Italian food week) which presents key windows to advertise products from a specific origin within the EU.

Food blogs are a popular method for consumers in the UK to keep up to date with the latest food trends and developments and are a key channel of food promotion for EU food and beverages in the market.

### Selected top British Food Bloggers

Recipes from a pantry - <https://recipesfromapantry.com/>

Hungry Healthy Happy - <https://hungryhealthyhappy.com/>

Janes Patisserie - <https://www.janespatisserie.com/>

The Curry Guy - <https://greatcurryrecipes.net/>

Becky Excell - <https://glutenfreecuppatea.co.uk/>

Lavender and Lovage - <https://www.lavenderandlovage.com/>

Kitchen Sanctuary - <https://www.kitchensanctuary.com/>

## 7.1.2 Traditional Media

Traditional media platforms such as the radio and the TV have had to adapt in recent years to the growth of both the internet and social media and are no longer the premier methods of information gathering as they once were. However, most larger TV channels in the UK such as the BBC, ITV

and Channel 4 have adapted and now provide a large online and social media offering as well as a traditional TV method of viewership. The BBC remains a highly respected institution both in the UK and globally with regards to its news coverage and also provides radio coverage of the latest events happening in both the UK and abroad. TV remains popular in the UK with the average UK citizen watching roughly three and a half hours of television every day, although this is declining among younger consumers. At present, there are roughly 460 free-to-air channels available throughout the UK and advertising via TV remains a popular option for brands and producers in the country.

Radio usage is also popular in the UK although many stations have adapted to provide a live stream of their content on both the traditional radio and via social media platforms such as YouTube. At present, the more popular radio stations in the UK include BBC1 Radio, Capital London, Heart FM, Kiss 100 and Magic 105 FM. It is estimated that roughly 90% of consumers in the UK will hear the radio at least once a week via various methods such as while they are shopping or commuting.

Newspapers and paper media has declined in recent years although most major newspapers have adapted to digital media to remain relevant in a new era of instant news, with advertising a strong part of this online business model. Newspapers remain a popular method of information gathering for older consumers although the total circulation of physical newspapers in the UK continues to decline. Advertising via physical newspapers will likely provide less success than advertising via digital alternatives. Newspapers in the UK can be broadly divided into “tabloids”, which exist in a smaller format and offer shorter, more visual articles and as a general rule appeal to the mass population; and “broadsheets” which may be in a larger format and offer longer, more in-depth articles and may be considered by some to be more intellectual in nature. Some of the more popular tabloids in the UK include the Mail, the Sun, the Express, the Mirror and the free paper the Metro. The more popular broadsheets include the Times, the Telegraph and the Guardian. The Financial Times, which focuses on economic and financial issues and is popular among white-collar workers working in areas connected to business and economics, can be considered a broadsheet as well.

#### **. Culinary TV shows**

Culinary TV shows have become very popular in the UK in recent years. In many cases they have helped raise consumer awareness of products or ingredients which are not traditionally so widely used in UK cuisine. Possibly the most popular and influential of these shows is **Saturday Kitchen**, which is aired on Saturday mornings and normally watched by around 1 million people. A full list of other popular and/or influential culinary TV shows is included below.

Come Dine with Me

Rick Stein

The Great British Bake Off

Great British Menu

Master Chef UK

Can't Cook won't Cook

Ready Steady Cook

James May: Oh Cook

### 7.1.3 Fairs and exhibitions

In addition to the digital approach or traditional media, companies may decide to promote their products on various trade fairs. Trade fairs are numerous and cover a broad range of sectors and are generally becoming a more attractive and sophisticated method for in-country product promotion and industry networking.

The UK is home to several large food and beverage fairs spread out across the country which provides plenty of opportunities to advertise and promote various food and beverage products to a consumer base well accustomed to the consumption of foreign foods. London is home to some of the largest food and beverage expos in Europe including the International food and drinks event which regularly gathers roughly 30 000 food and beverage enthusiasts to the capital city.

Most major cities in the UK will have their own food and beverage expos and fairs which should be taken into account when seeking to promote your products via this method. Notable cities with large food fairs or exhibitions every year include Edinburgh, Manchester and Brighton.

## 7.2 Advertising regulations

The advertising standards authority (ASA) is the UK's independent advertising regulator and is responsible for ensuring that the media follow UK advertising regulations. The committee of advertising practice (CAP) is the organisation responsible for the drafting of UK advertising codes and is a sister organisation to the ASA. In the UK the two leading pieces of legislation concerning advertising are the Consumer protection from unfair trading regulation 2008 (SI2008/1277) which focuses on the advertising of products or services to consumers and the business protection from misleading marketing regulations 2008 which focuses on the advertisements of products or services to businesses. In the UK, all marketing and advertising must be:

- An accurate description of the product or service
- Legal
- Decent
- Truthful
- Honest
- Socially responsible (i.e., not encouraging illegal activity).

The consumer protection from unfair trading regulation further specifies that advertisements in the UK cannot:

- Include false or misleading messages.
- Leaving out important information about the product that is being advertised.
- Use aggressive sale techniques.

Other practices that are banned under the consumer protection from unfair trading regulation include: falsifying credentials, falsifying endorsements, falsifying special promotions and promotion of products that are not in stock.

The CAP has drafted a total of 31 advertising codes which cover various areas of product promotion and also vary depending on the media of advertising being used (for example there are slight differences regarding advertising done via TV or radio). Some of the codes most relevant to food and beverages covered in this handbook are outlined below.

**Code 4: Children**

In the UK, for the purposes of the ASA CAP code, a child is defined as anyone aged 16 or younger. When advertising to this age group several considerations need to be taken into account regarding compliance with the relevant advertising codes. Such considerations include:

- Advertisements must not include activities that would be dangerous for children to replicate.
- Advertisements must not encourage bullying.
- Advertisements must not portray children pressuring their parents to purchase them a product.
- Advertisements cannot be perceived to be taking advantage of the inexperience of children.

**Code 13: Food, food supplements and associated health or nutritional claims**

- Advertisements must avoid anything likely to encourage poor nutritional habits or an unhealthy lifestyle, especially in children.
- Advertisements must not condone excess consumption of any food.
- Only nutritional claims listed in the applicable register are permitted in advertisements.
- Advertisements must not condone or encourage practices detrimentally to oral healthcare, especially in children.

Furthermore, the advertisements of infant formula (marketed to be consumed from birth) are prohibited in the UK, follow on formula and milk products aimed at infants above the age of 6 months can be advertised in the UK.

**Code 19: Alcohol**

Advertisements for alcoholic products cannot be perceived to be targeting consumers that are under the age of 18 in the UK. Furthermore:

- Advertisements must not encourage irresponsible drinking practices, even references to buying alcoholic products in bulk are banned.
- Advertisements must not imply that consuming alcoholic products will boost an individual's popularity or confidence.
- Advertisements cannot relate the consumption of alcohol with sexual activity.
- Advertisements cannot imply that alcohol has therapeutic qualities.
- Advertisements must give accurate information regarding the ABV level of the product in question, its origin and when compared to another alcoholic product the figures presented must be accurate.
- Alcohol advertisements must not be linked to activities such as driving or going to work.
- Advertisements can incorporate sporting activities so long as participants present are not consuming alcohol.

**Restrictions on the advertising and promotion of products that are high in fat, salt and sugar (HFSS)**

The UK is in the process of introducing a range of measures to restrict the advertising and promotion of HFSS products. Specifically in the area of advertising, these include restrictions on the times that HFSS foods can be advertised (only between 9pm and 5:30am). The implementation of this has been delayed until around 2024. More information on the restrictions can be found at:

<https://www.gov.uk/government/news/new-advertising-rules-to-help-tackle-childhood-obesity>

Information on the delay in implementation can be found at <https://www.gov.uk/government/news/government-delays-restrictions-on-multibuy-deals-and-advertising-on-tv-and-online>

## 8 UK Etiquette

### 8.1 Quick facts

It is important to note that the UK is made up of four constituent parts each will have its etiquettes that must be observed; this is most notably the case in Northern Ireland. Overall, the British are generally laid back regarding social etiquette, particularly with visitors from abroad which makes the UK a country where you are less likely to encounter strict etiquette. What should be observed whilst in the UK include:

- The UK differs from the rest of Europe in several areas such as the need to drive on the **left**, the use of the pound currency, and the measurement of distance in miles instead of kilometres.
- Politics has emerged as a hot-button issue in recent years fuelled by the Brexit referendum and underlying nationalist movements in Scotland and Wales. It is best when visiting just to avoid mentioning politics in general, although the British are known to discuss political developments quite openly even with strangers.
- When in Northern Ireland in particular, it is best to remain politically neutral as the population is deeply divided between those who wish to join the Republic of Ireland and those who wish to remain in the UK. In summary, it is best not to engage in political discussions in this part of the UK.
- Gifting is an uncommon practice during business activities in the UK, with some companies outright banning this practice.
- British business culture incorporates a less direct method of communicating instructions, with polite suggestions being preferably used which differs from European business practices found in the Netherlands or Scandinavia. The British will not respond well to the perception of being ordered to do something or being talked down to.

## 8.2 Key DOs and DON'Ts

<b>Dos</b>	<b>Don'ts</b>
<ul style="list-style-type: none"> <li>• Drive on the left!</li> <li>• Exchange currencies to the British pound before entering the country.</li> <li>• Attempt some regional languages (particularly Welsh) as this will be appreciated, English will be the main business language, however.</li> <li>• A firm handshake is the usual form of introduction in business meetings for both men and women.</li> <li>• Anticipate being offered a cup of tea or coffee ahead of a business meeting.</li> <li>• While business clothing is necessary for more high-level business meetings, the British are generally more laid-back regarding business attire for day-to-day business activities.</li> <li>• Research local phrases and sayings which may come up in conversation, these can be confusing for non-native speakers as they differ largely from standard English.</li> <li>• Being punctual, as being late will not be well received although giving notice ahead of time will reduce any ill feelings about being late.</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss political matters as a visitor to the UK, especially in Northern Ireland.</li> <li>• Bring gifts to business meetings as this is not a standard practice in the UK.</li> <li>• Disparage of any important cultural symbols of the UK such as the Union Jack flag or the UK banknotes which feature an image of the monarch.</li> <li>• Assume that distances in the UK are small, driving from London to Scotland can take up to 7 hours alone!</li> <li>• Wear any clothing bearing insignias that may be viewed as offensive by one of the UK's many ethnic groups.</li> <li>• Order people to do something. British business culture is not very direct, and many individuals will not respond well to the perception they are being ordered to do something; a polite suggestion is generally preferred.</li> </ul>

## 9 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in the UK, for producers wishing to export to the UK. These service providers include EU-funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 9.1 contains the project profiles for EU-funded initiatives operating in the UK.
- Section 9.2 contains the contact information for Member State embassies within the UK.
- Section 9.3 contains a listing of service providers including some information on the services available.
- Section 9.4 provides a calendar of exhibitions, trade shows, and other events to be held in the UK from 2021-22.
- Section 9.5 contains a database of professionals' contacts (buyers, importers, and distributors).

### 9.1 European Union Organisations

Certain EU-funded, or co-funded, projects within the UK offer a range of business-enabling services and information providing important insights into the British market. Depending on your company profile these services can be free or fee-based; and are available for companies from any EU Member State. As the UK was a member of the EU for 47 years, business relations between the UK and the EU are well established.



#### British chamber of commerce in Belgium and the EU

The British chamber of commerce in Belgium further acts as a British chamber of commerce to the EU. The chamber works to act as a facilitator of business activity between both the EU and the UK and works closely in providing clients and members with up-to-date information regarding the post-Brexit business environment.

#### Contacts

 Boulevard Biscoffsheim 11 – Brussels

 (+32) 2 540 9030

 <https://www.britcham.eu/>



### **Delegation of the European Union to the United Kingdom**

The EU delegation in the UK represents the common interests of the European Union in the UK and works on enhancing and developing trade relations between the two markets. Except for consular tasks, the delegation in London functions like an embassy. It is a diplomatic mission to represent the European Union in the UK. The delegation further acts as a voice for EU interests in the UK both in politics and business.

#### **Contacts**

 Europe House, 32 Smith Square London

 (+44) 7545 648 208

 [delegation-united-kingdom@eeas.europa.eu](mailto:delegation-united-kingdom@eeas.europa.eu)

 <https://www.eeas.europa.eu/delegations/united-kingdom>

## 9.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
Austria (Embassy) 	18 Belgrave Mews West, London	☎ (+44) 7344 3250 ✉ Contact Through Website 🌐 <a href="https://www.bmeia.gv.at/">https://www.bmeia.gv.at/</a>
Belgium (Embassy) 	17, Grosvenor Crescent	☎ (+44) 20 7470 3700 ✉ <a href="mailto:London@diplobel.fed.be">London@diplobel.fed.be</a> 🌐 <a href="https://unitedkingdom.diplomatie.belgium.be/">https://unitedkingdom.diplomatie.belgium.be/</a>
Bulgaria (Embassy) 	186-188 Queens Gate, London	☎ (+44) 20 7581 3144 ✉ <a href="mailto:embassy.london@mfa.bg">embassy.london@mfa.bg</a> 🌐 <a href="https://www.mfa.bg/">https://www.mfa.bg/</a>
Croatia (Embassy) 	21 Conway Street, London	☎ (+44) 20 7387 2022 ✉ <a href="mailto:Vrhlon@mvep.hr">Vrhlon@mvep.hr</a> 🌐 <a href="http://www.mvep.hr/">http://www.mvep.hr/</a>
Czech Republic (Embassy) 	26-30 Kensington Palace Gardens, London	☎ (+44) 20 7243 7908 ✉ <a href="mailto:london@embassy.mzn.cz">london@embassy.mzn.cz</a> 🌐 <a href="https://www.mzv.cz/london">https://www.mzv.cz/london</a>
Denmark (Embassy) 	55 Sloane St, London	☎ (+44) 20 7333 0200 ✉ <a href="mailto:lonamb@um.dk">lonamb@um.dk</a> 🌐 <a href="https://storbritannien.um.dk/">https://storbritannien.um.dk/</a>
Estonia (Embassy) 	44 Queen's Gate Terrace, South Kensington, London.	☎ (+44) 20 7838 5388 ✉ <a href="mailto:london@mfa.ee">london@mfa.ee</a> 🌐 <a href="https://london.mfa.ee/">https://london.mfa.ee/</a>
Finland (Embassy) 	38 Chesham PI, London	☎ (+44) 20 7838 6200 ✉ <a href="mailto:sanomat.lon@formin.fi">sanomat.lon@formin.fi</a> 🌐 <a href="https://finlandabroad.fi/">https://finlandabroad.fi/</a>
France (Embassy) 	58 Knightsbridge, London	☎ (+44) 20 7073 1000 ✉ Contact through website 🌐 <a href="https://uk.ambafrance.org/">https://uk.ambafrance.org/</a>
Germany 	23 Belgrave Square, London	☎ (+44) 20 7824 1300

EU MS	Address	Contact information
(Embassy)		☒ Contract through website 🌐 <a href="https://uk.diplo.de/">https://uk.diplo.de/</a>
Greece  (Embassy)	1A Holland Park, London	☎ (+44) 20 7313 5600 ☒ <a href="mailto:grcon.lon@mfa.gr">grcon.lon@mfa.gr</a> 🌐 <a href="https://www.mfa.gr/uk/">https://www.mfa.gr/uk/</a>
Hungary  (Embassy)	35 Eaton Pl, London	☎ (+44) 20 7201 3440 ☒ <a href="mailto:mission.lon@mfa.gov.hu">mission.lon@mfa.gov.hu</a> 🌐 <a href="https://london.mfa.gov.hu/">https://london.mfa.gov.hu/</a>
Ireland  (Embassy)	17 Grosvenor Pl, London	☎ (+44) 20 7235 2171 ☒ Contact through Website 🌐 <a href="https://www.dfa.ie/">https://www.dfa.ie/</a>
Italy  (Embassy)	14 Three Kings' Yard, London	☎ (+44) 20 7312 2200 ☒ <a href="mailto:amb.londra@cert.esteri.it">amb.londra@cert.esteri.it</a> 🌐 <a href="http://amb Londra.esteri.it">amb Londra.esteri.it</a>
Latvia  (Embassy)	45 Nottingham Pl, London	☎ (+44) 20 7725 9212 ☒ <a href="mailto:consulate.uk@mfa.gov.lv">consulate.uk@mfa.gov.lv</a> 🌐 <a href="https://www2.mfa.gov.lv/">https://www2.mfa.gov.lv/</a>
Lithuania  (Embassy)	Lithuanian House, 2 Bessborough Gardens, London	☎ (+44) 20 7592 2840 ☒ <a href="mailto:amb.uk@urm.lt">amb.uk@urm.lt</a> 🌐 <a href="https://uk.mfa.lt/">https://uk.mfa.lt/</a>
Luxembourg  (Embassy)	27 Wilton Crescent	☎ (+44) 20 7235 6961 ☒ <a href="mailto:londres.amb@mae.etat.lu">londres.amb@mae.etat.lu</a> 🌐 <a href="https://londres.mae.lu/">https://londres.mae.lu/</a>
Malta  (High Commission)	36-38 Piccadilly Mayfair, London	☎ (+44) 20 7292 4800 ☒ <a href="mailto:maltahighcommission.london@gov.mt">maltahighcommission.london@gov.mt</a> 🌐 <a href="http://www.foreign.gov.mt">www.foreign.gov.mt</a>
The Netherlands  (Embassy)	38 Hyde Park Gate London	☎ (+44) 20 7590 3200 ☒ <a href="mailto:lon@minbuza.nl">lon@minbuza.nl</a> 🌐 <a href="https://www.netherlandsworldwide.nl">https://www.netherlandsworldwide.nl</a>

EU MS	Address	Contact information
Poland  (Embassy)	47 Portland Place	☎ (+44) 20 72913 520 ✉ <a href="mailto:londyn@msz.gov.pl">londyn@msz.gov.pl</a> 🌐 <a href="https://www.gov.pl/">https://www.gov.pl/</a>
Portugal  (Embassy)	11 Belgrave Square, London	☎ (+44) 20 7235 5331 ✉ <a href="mailto:londres@mne.pt">londres@mne.pt</a> 🌐 <a href="https://londres.embaixadaportugal.mne.gov.pt/">https://londres.embaixadaportugal.mne.gov.pt/</a>
Romania  (Embassy)	1 Belgrave Square, London	☎ (+44) 20 7602 9833 ✉ <a href="mailto:londra@mae.ro">londra@mae.ro</a> 🌐 <a href="https://londra.mae.ro/">https://londra.mae.ro/</a>
Slovakia  (Embassy)	Lex House, 17 Connaught PI, Tyburnia, London	☎ (+44) 20 7313 6470 ✉ <a href="mailto:emb.london@mzv.sk">emb.london@mzv.sk</a> 🌐 <a href="https://www.mzv.sk/web/londyn-en">https://www.mzv.sk/web/londyn-en</a>
Slovenia  (Embassy)	17 Dartmouth St, London	☎ (+44) 20 7222 5700 ✉ <a href="mailto:sloembassy.london@gov.si">sloembassy.london@gov.si</a> 🌐 <a href="http://www.london.embassy.si/">http://www.london.embassy.si/</a>
Spain  (Embassy)	39 Chesham PI, London	☎ (+44) 20 7235 5555 ✉ <a href="mailto:emb.londres@maec.es">emb.londres@maec.es</a> 🌐 <a href="https://www.exteriores.gob.es/">https://www.exteriores.gob.es/</a>
Sweden  (Embassy)	11 Montagu PI, London	☎ (+44) 20 7917 6400 ✉ <a href="mailto:ambassaden.london@gov.se">ambassaden.london@gov.se</a> 🌐 <a href="https://www.swedenabroad.se">https://www.swedenabroad.se</a>

## 9.3 Other organisations and service providers

### 9.3.1 Trade promotion organisations (TPOs) and agri-food promotion organisations (APOs)

#### In-country offices

EU MS	Address	Contact information
<b>Belgium (Flanders)</b> FIT (TPO)	1A Cavendish Square, London W1G 0LD, UK	☎ (+44) 20 7307 7710 ✉ <a href="mailto:dirk.verlee@fitagency.com">dirk.verlee@fitagency.com</a>
<b>Belgium (Wallonia)</b> AWEX / Wallonia-Brussels, (TPO)	Embassy of Belgium to the UK	☎ (+44) 020 7235 0616 ✉ <a href="mailto:londres@awex-wallonia.com">londres@awex-wallonia.com</a>
<b>Cyprus</b> Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	13 St. James' Square, London SW1Y 4LB, UK	☎ (+44) 020 7321 4141 ✉ <a href="mailto:info@cyprustrade.co.uk">info@cyprustrade.co.uk</a> 🌐 <a href="http://www.cyprustrade.co.uk">www.cyprustrade.co.uk</a>
<b>France</b> Business France in the UK (TPO)	Brettenham House, 2-19 Lancaster Pl, London WC2E 7EN	✉ <a href="mailto:pauline.gauthier@businessfrance.fr">pauline.gauthier@businessfrance.fr</a>
<b>Greece</b> Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	1a Holland Park, London, UK	☎ (+44) 077278860 ✉ <a href="mailto:ecocom.london@mfa.gr">ecocom.london@mfa.gr</a>
<b>Ireland</b> BoardBia (APO)	First Floor 201 Great Portland Street, London, W1W 5AB, UK	☎ (+44) 20 7307 3555 ✉ <a href="mailto:donal.denvir@bordbia.ie">donal.denvir@bordbia.ie</a>
<b>Italy</b> Italian Trade Agency (TPO)	Sackville House, 40 Piccadilly, London W1J 0DR, UK	☎ (+44) 020 7292 3910 ✉ <a href="mailto:londra@ice.it">londra@ice.it</a>
<b>Spain</b> ICEX (TPO)	Old Broad Street, 125 - Part 4th Floor Podium, London	☎ (+44) 20 7776 7730 ✉ <a href="mailto:rortega@comercio.mineco.es">rortega@comercio.mineco.es</a>

#### Central offices inside EU Member States

EU MS	Address / location	Contact information
<b>Austria</b> Agrarmarkt Austria Marketing (APO)	Austria	🌐 <a href="https://www.ama.at/Home">https://www.ama.at/Home</a>
<b>Belgium (Flanders)</b> FIT (TPO)	Belgium	✉ <a href="mailto:michele.surinx@fitagency.be">michele.surinx@fitagency.be</a> 🌐 <a href="http://www.flandersinvestmentandtrade.com">www.flandersinvestmentandtrade.com</a>
<b>Belgium (Flanders)</b> Flanders' Agricultural Marketing Board (APO)	Koning Albert II-iaan 35 box 50 - 1030 Brussels Belgium	☎ +32 491861700 ✉ <a href="mailto:gert.vancausenbroeck@vlam.be">gert.vancausenbroeck@vlam.be</a> ; <a href="mailto:export@vlam.be">export@vlam.be</a> 🌐 <a href="https://www.vlaanderen.be/vlam/">https://www.vlaanderen.be/vlam/</a>
<b>Belgium (Wallonia)</b> AWEX / Wallonia-Brussels, (TPO)	Place Saintelette 2, Brussels, Belgium	✉ <a href="mailto:agrifood@awex.be">agrifood@awex.be</a> 🌐 <a href="http://wallonia.be/fr/investir">http://wallonia.be/fr/investir</a>

EU MS	Address / location	Contact information
<b>Belgium (Brussels)</b> (TPO)	Belgium	 <a href="https://hub.brussels/en/">https://hub.brussels/en/</a>
<b>Bulgaria</b> Bulgarian Small and Medium Enterprises Promotion Agency (TPO)	Bulgaria	 <a href="https://www.sme.government.bg/en/">https://www.sme.government.bg/en/</a>
<b>Cyprus</b> Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	6, Andreas Araouzos Street, 1421, Nicosia, Cyprus	 <a href="http://www.mcit.gov.cy/mcit/mcit.nsf/index_en/index_en">http://www.mcit.gov.cy/mcit/mcit.nsf/index_en/index_en</a>
<b>France</b> Business France	77 Boulevard Saint-Jacques, 75014 Paris, France	 <a href="mailto:agroalimentaire@businessfrance.fr">agroalimentaire@businessfrance.fr</a>  <a href="https://www.businessfrance.fr/">https://www.businessfrance.fr/</a>
<b>France</b> SOPEXA (APO)	France	 (+33) 01 55 37 50 00  <a href="mailto:mybusiness@sopexa.com">mybusiness@sopexa.com</a>
<b>Estonia</b> Enterprise Estonia (TPO)	Estonia	 (+372)6279421  <a href="mailto:info@eas.ee">info@eas.ee</a>  <a href="https://www.eas.ee/?lang=en">https://www.eas.ee/?lang=en</a>
<b>Germany</b> Federation of German Food and Drink (APO)	Germany	 (+49) 30 200786-157  <a href="mailto:bve@bve-online.de">bve@bve-online.de</a>  <a href="https://www.bve-online.de/english">https://www.bve-online.de/english</a>
<b>Greece</b> Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	Greece	 <a href="https://www.enterprisegreece.gov.gr/en/">https://www.enterprisegreece.gov.gr/en/</a>
<b>Hungary</b> Hungarian Export Promotion Agency (TPO)	Hungary	 (+36 ) 1 922 2600  <a href="mailto:info@hepa.hu">info@hepa.hu</a>  <a href="https://hepa.hu/en">https://hepa.hu/en</a>
<b>Ireland</b> Enterprise Ireland (TPO)	Ireland	 <a href="https://www.enterprise-ireland.com/en/">https://www.enterprise-ireland.com/en/</a>
<b>Ireland</b> BoardBia (APO)	Ireland	 <a href="https://www.bordbia.ie/">https://www.bordbia.ie/</a>
<b>Italy</b> Italian Trade Agency (TPO)	Via Liszt 21, Rome, Italy	 <a href="mailto:segreteria.marketing@ice.it">segreteria.marketing@ice.it</a>  <a href="https://www.ice.it/en/">https://www.ice.it/en/</a>
<b>Lithuania</b> Enterprise Lithuania (TPO)	Lithuania	 <a href="https://www.verslii Lietuva.lt/en/">https://www.verslii Lietuva.lt/en/</a>
<b>Malta</b> Trade Malta (TPO)	Malta	 <a href="https://www.trademalta.org/">https://www.trademalta.org/</a>
<b>Netherlands</b> Netherlands Enterprise Agency (TPO)	Netherlands	 <a href="https://english.rvo.nl/">https://english.rvo.nl/</a>
<b>Portugal</b> Portuguese Trade & Investment Agency – AICEP (TPO)	Portugal	 <a href="https://www.portugalglobal.pt/EN/Pages/Index.aspx">https://www.portugalglobal.pt/EN/Pages/Index.aspx</a>
<b>Slovenia</b> Spirit Slovenia (TPO)	Slovenia	 <a href="mailto:sonja.demsar@spiritslovenia.si">sonja.demsar@spiritslovenia.si</a> ; <a href="mailto:info@spiritslovenia.si">info@spiritslovenia.si</a>  <a href="https://www.sloveniabusiness.eu/">https://www.sloveniabusiness.eu/</a>

EU MS	Address / location	Contact information
Spain FIAB (APO)	Spain	+34 91 411 72 11 <a href="mailto:internacionalizacion@fiab.es">internacionalizacion@fiab.es</a>
Spain ICEX	Paseo de la Castellana, 278 - 28046 Madrid, Spain	<a href="mailto:maria.naranjo@icex.es">maria.naranjo@icex.es</a> <a href="https://www.icex.es/icex/es/index.html">https://www.icex.es/icex/es/index.html</a>

### 9.3.2 Other service providers

Service provider	Address	Contact information
<b>SERVICES FOR AUSTRIAN COMPANIES</b>		
Advantage Austria London	45 Princes Gate, London	+44 20 7584 4411 <a href="mailto:london@advantageaustria.org">london@advantageaustria.org</a> <a href="https://www.advantageaustria.org/">https://www.advantageaustria.org/</a>
<b>SERVICES FOR BELGIAN COMPANIES</b>		
Belgium – Luxembourg chamber of commerce in Great Britain	8 Northumberland, London	+ 44 20 7127 4292 <a href="mailto:info@belgianchambers.be">info@belgianchambers.be</a> <a href="https://belgianchambers.be/">https://belgianchambers.be/</a>
<b>SERVICES FOR BULGARIAN COMPANIES</b>		
Bulgarian Chamber of Commerce & Industry	17, Adriana Budevskia Str. Sofia 1463, Bulgaria	(+359 2) 8117 400; 987 26 31 <a href="mailto:bcci@bccci.bg">bcci@bccci.bg</a>
<b>SERVICES FOR CROATIAN COMPANIES</b>		
Croatian Chamber of Economy	Rooseveltov trg 2, 10000 Zagreb, Croatia	<a href="mailto:investicije@hgk.hr">investicije@hgk.hr</a> ; <a href="mailto:hgk@hgk.hr">hgk@hgk.hr</a> <a href="http://www.investincroatia.hr">www.investincroatia.hr</a>
<b>SERVICES FOR CZECH COMPANIES</b>		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	+420 266 721 300 <a href="mailto:office@komora.cz">office@komora.cz</a> <a href="http://www.komora.cz">www.komora.cz</a>
<b>SERVICES FOR CYPRIOT COMPANIES</b>		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	+357 22889800 <a href="mailto:chamber@ccci.org.cy">chamber@ccci.org.cy</a>
<b>SERVICES FOR DANISH COMPANIES</b>		

Service provider	Address	Contact information
<b>The Danish trade council in the UK</b>	55 Sloane Street, London	☎ +44 20 7333 0200 ✉ <a href="mailto:lonamb@um.dk">lonamb@um.dk</a> 🌐 <a href="https://storbritannien.um.dk/">https://storbritannien.um.dk/</a>
<b>SERVICES FOR DUTCH COMPANIES</b>		
<b>Chamber of commerce of the Netherlands in the UK</b>	8 Northumberland Avenue, London	☎ +44 3333 44 0799 ✉ <a href="mailto:info@nbcc.co.uk">info@nbcc.co.uk</a> 🌐 <a href="https://www.nbcc.co.uk/">https://www.nbcc.co.uk/</a>
<b>SERVICES FOR ESTONIAN COMPANIES</b>		
<b>Estonian Chamber of Commerce &amp; Industry</b>	Toom-Kooli 17, 10130 Tallinn	☎ +372 604 0060 ✉ <a href="mailto:koda@koda.ee">koda@koda.ee</a>
<b>SERVICES FOR FRENCH COMPANIES</b>		
<b>British - French chamber of commerce and industry</b>	Becket House, 1 Lambeth palace Road, London	☎ +44 20 7092 6600 ✉ <a href="mailto:mail@ccfgeb.co.uk">mail@ccfgeb.co.uk</a> 🌐 <a href="https://www.ccfgeb.co.uk/">https://www.ccfgeb.co.uk/</a>
<b>SERVICES FOR GERMAN COMPANIES</b>		
<b>German – British chamber of commerce</b>	Mecklenburg House, 16 Buckingham Gate, London	☎ +44 20 797 64 100 ✉ <a href="mailto:mail@ahk-london.co.uk">mail@ahk-london.co.uk</a> 🌐 <a href="https://grossbritannien.ahk.de/">https://grossbritannien.ahk.de/</a>
<b>SERVICES FOR ITALIAN COMPANIES</b>		
<b>Italian chamber of commerce and industry in the UK</b>	1 Princes Street, London	☎ +44 20 74958191 ✉ <a href="mailto:info@italchamind.org.uk">info@italchamind.org.uk</a> 🌐 <a href="https://www.italchamind.org.uk/">https://www.italchamind.org.uk/</a>
<b>SERVICES FOR LATVIAN COMPANIES</b>		
<b>Latvian Chamber of commerce and industry</b>	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	☎ +371 67225592 ✉ <a href="mailto:info@chamber.lv">info@chamber.lv</a>
<b>SERVICES FOR LITHUANIAN COMPANIES</b>		
<b>Lithuanian Chamber of commerce and industry</b>	Vašingtono sq. 1-63a, LT-01108 Vilnius	☎ +370 2613 102 ✉ <a href="mailto:info@chambers.Lt">info@chambers.Lt</a>

Service provider	Address	Contact information
		 <a href="https://chambers.lt/en/">https://chambers.lt/en/</a>
<b>SERVICES FOR LUXEMBURG COMPANIES</b>		
<b>Belgium – Luxembourg chamber of commerce in Great Britain</b>	8 Northumberland, London	 + 44 20 7127 4292  <a href="mailto:info@belgianchambers.be">info@belgianchambers.be</a>  <a href="https://belgianchambers.be/">https://belgianchambers.be/</a>
<b>SERVICES FOR MALTESE COMPANIES</b>		
<b>The Malta Chamber of Commerce, Enterprise and Industry</b>	64, Republic Street, Valletta, Malta	 + 356 2203 2000  <a href="https://www.maltachamber.org.mt/">https://www.maltachamber.org.mt/</a>
<b>SERVICES FOR POLISH COMPANIES</b>		
<b>Polish investment and trade agency</b>	Krucza St 50, Warsaw	 + 48 22 334 99 99  <a href="mailto:paih24@paih.gov.pl">paih24@paih.gov.pl</a>  <a href="https://www.paih.gov.pl/">https://www.paih.gov.pl/</a>
<b>SERVICES FOR PORTUGUESE COMPANIES</b>		
<b>Portuguese chamber of commerce in the UK</b>	4th floor, 11 Belgrave Square, London	 + 44 20 7201 6638  <a href="mailto:info@portuguese-chamber.org.uk">info@portuguese-chamber.org.uk</a>  <a href="https://portuguese-chamber.org.uk/">https://portuguese-chamber.org.uk/</a>
<b>SERVICES FOR ROMANIAN COMPANIES</b>		
<b>Chamber of Commerce and Industry of Romania</b>	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	 +40 21 3117534  <a href="mailto:narcis.pirna@ccir.ro">narcis.pirna@ccir.ro</a>  <a href="http://www.ccir.ro">www.ccir.ro</a>
<b>SERVICES FOR SLOVAK COMPANIES</b>		
<b>Slovak Chamber of Commerce &amp; Industry</b>	Gorkého 9, 81603 Bratislava, Slovakia	 +421 2 54433272
<b>SERVICES FOR SLOVENIAN COMPANIES</b>		
<b>Chamber of Commerce and Industry of Slovenia</b>	Dimičeva 13, SI-1504 Ljubljana	 +386 1 5898 000  <a href="mailto:info@gzs.si">info@gzs.si</a>
<b>SERVICES FOR SPANISH COMPANIES</b>		
<b>Spanish Chamber of commerce in the UK</b>	126 Wigmore Street	 +44 20 7009 9070

Service provider	Address	Contact information
		✉ <a href="mailto:info@spanishchamber.co.uk">info@spanishchamber.co.uk</a> 🌐 <a href="https://spanishchamber.co.uk/">https://spanishchamber.co.uk/</a>
<b>SERVICES FOR SWEDISH COMPANIES</b>		
<b>Sweden Chamber of Commerce</b>	Brunnsgatan 2, 111 38 Stockholm, Sweden	☎ (+46) 8 555 100 00 🌐 <a href="https://www.chamber.se/">https://www.chamber.se/</a>

## 9.4 Calendar of trade events and exhibitions 2022-23

Event	Date	Recurrence	Venue	Organiser Details
<b>November 2022</b>				
<b>Leisure F&amp;B expo</b>	2 <sup>nd</sup> -3 <sup>rd</sup>	Annual	NEC Birmingham	☎ +44 (0)203 026 4418 ✉ <a href="mailto:through@leisurefb.co.uk">through website</a> 🌐 <a href="https://www.leisurefb.co.uk/">https://www.leisurefb.co.uk/</a>
<b>Cake International</b>	4 <sup>th</sup> -6 <sup>th</sup>	Annual	NEC Birmingham	☎ 01425 2727 11 ✉ <a href="mailto:info@ichf.co.uk">info@ichf.co.uk</a> 🌐 <a href="https://www.cakeinternational.co.uk/">https://www.cakeinternational.co.uk/</a>
<b>Veg Fest London</b>	12 <sup>th</sup> -13 <sup>th</sup>	Annual	Olympia London	✉ <a href="mailto:info@vegfest.co.uk">info@vegfest.co.uk</a> 🌐 <a href="https://www.vegfest.co.uk/">https://www.vegfest.co.uk/</a>
<b>Plant-based world Expo</b>	20 <sup>th</sup> -1 <sup>st</sup>	Annual location rotation	Olympia, London	☎ 0306 775 060 ✉ <a href="mailto:jonathan@jdevents.com">jonathan@jdevents.com</a> 🌐 <a href="https://www.plantbasedworldeurope.com/">https://www.plantbasedworldeurope.com/</a>
<b>January 2023</b>				
<b>French wine discoveries</b>	13 <sup>th</sup>	Annual	Olympia London	☎ (+33) 1 40 22 79 12 ✉ <a href="mailto:contactw4t@wine4trade.fr">contactw4t@wine4trade.fr</a> 🌐 <a href="http://www.wine4trade.com/">http://www.wine4trade.com/</a>
<b>February 2023</b>				
<b>Dairy Tech</b>	1 <sup>st</sup>	Annual	Stoneleigh Park	☎ 02476 639 317 ✉ <a href="mailto:office@rabdf.co.uk">office@rabdf.co.uk</a> 🌐 <a href="https://dairy-tech.uk/">https://dairy-tech.uk/</a>
<b>British beekeeping show</b>	4 <sup>th</sup>	Annual	Stoneleigh Park	☎ 0122 7833 807 ✉ <a href="mailto:info@beetradex.co.uk">info@beetradex.co.uk</a> 🌐 <a href="https://www.britishbeekeepingshow.com/">https://www.britishbeekeepingshow.com/</a>
<b>Ice cream and Artisan food show</b>	7 <sup>th</sup> -9 <sup>th</sup>	Annual	Yorkshire Event Centre, Harrogate	☎ +44 01332 203333 ✉ Contact through website 🌐 <a href="https://www.ice-cream.org/">https://www.ice-cream.org/</a>
<b>The Source</b>	8 <sup>th</sup> -9 <sup>th</sup>	Bi annual	Westpoint, Exeter	☎ +44 01934 733433 ✉ <a href="mailto:mail@hale-events.com">mail@hale-events.com</a> 🌐 <a href="https://thesourcetradeshow.co.uk/">https://thesourcetradeshow.co.uk/</a>
<b>March 2022</b>				
<b>ScotHot</b>	8 <sup>th</sup> -9 <sup>th</sup>	Annual	SEC Glasgow	☎ +44 01293 854408 ✉ <a href="mailto:lyndsey@365-events.co.uk">lyndsey@365-events.co.uk</a> 🌐 <a href="https://www.scothot.co.uk/">https://www.scothot.co.uk/</a>
<b>Northern Restaurant and Bar</b>	14 <sup>th</sup> -15 <sup>th</sup>	Annual	Manchester Central	☎ +44 01457 866 683 ✉ Contact through website 🌐 <a href="https://www.northernrestaurantandbar.co.uk/">https://www.northernrestaurantandbar.co.uk/</a>

Event	Date	Recurrence	Venue	Organiser Details
<b>IFE International food and drink event / Hotel, Restaurant &amp; Catering</b>	20 <sup>th</sup> -22 <sup>nd</sup>	Annual	ExCeL London	☎ +44 020 4540 0590 ✉ Contact through website 🌐 <a href="https://www.ife.co.uk/">https://www.ife.co.uk/</a> <a href="https://www.hrc.co.uk/">https://www.hrc.co.uk/</a>
<b>IFFEX Northern Ireland</b>	Late March	Annual	Titanic Exhibition Centre, Belfast	☎ +44 01293 854408 ✉ Contact through website 🌐 <a href="https://www.ifexexhibition.co.uk/">https://www.ifexexhibition.co.uk/</a>
<b>April 2023</b>				
<b>Food and Drinks Expo</b>	24 <sup>th</sup> -26 <sup>th</sup>	Annual	NEC Birmingham	☎ +44 0 121 780 4141 ✉ <a href="mailto:info@necgroup.co.uk">info@necgroup.co.uk</a> 🌐 <a href="https://www.foodanddrinkexpo.co.uk/">https://www.foodanddrinkexpo.co.uk/</a>
<b>Natural and organic products Europe</b>	6 <sup>th</sup> -17 <sup>th</sup>	Annual	ExCeL London	☎ +44 01273 645126 ✉ <a href="mailto:info@naturalproducts.co.uk">info@naturalproducts.co.uk</a> 🌐 <a href="https://www.naturalproducts.co.uk/">https://www.naturalproducts.co.uk/</a>
<b>May 2023</b>				
<b>BrewLDN (craft beer)</b>	Early May	Annual	Printworks	🌐 <a href="https://www.brewldn.com/">https://www.brewldn.com/</a>
<b>June 2023</b>				
<b>Fine Food show north</b>	End June	Annual	Yorkshire Event Centre, Harrogate	☎ +44 01747 825200 🌐 <a href="https://gff.co.uk/shows/ffsn/">https://gff.co.uk/shows/ffsn/</a>
<b>The Source</b>	27 <sup>th</sup>	Bi annual	Ashton Gate, Bristol	☎ +44 01934 733433 ✉ <a href="mailto:mail@hale-events.com">mail@hale-events.com</a> 🌐 <a href="https://thesourcetradeshow.co.uk/">https://thesourcetradeshow.co.uk/</a>
<b>July 2023</b>				
<b>Fruit Focus</b>	12 <sup>th</sup>	Annual	NIAB East Maling	✉ through website 🌐 <a href="https://www.fruitfocus.co.uk/">https://www.fruitfocus.co.uk/</a>
<b>August 2023</b>				
<b>September 2023</b>				
<b>Speciality and fine food fair</b>	11 <sup>th</sup> -12 <sup>th</sup>	Annual	Olympia London	☎ +44 020 7886 3062 ✉ <a href="mailto:sfffteam@montgomerygroup.com">sfffteam@montgomerygroup.com</a> 🌐 <a href="https://www.specialityandfinefoodfairs.co.uk/">https://www.specialityandfinefoodfairs.co.uk/</a>
<b>Lunch!</b>	Mid-September	Annual	ExCeL London	☎ +44 01273 645110 ✉ Through website 🌐 <a href="https://www.lunchshow.co.uk/">https://www.lunchshow.co.uk/</a>
<b>Casual dining</b>	27-28 <sup>th</sup>	Annual	ExCeL London	☎ + 01273 645163 ✉ Through website 🌐 <a href="https://www.casualdiningshow.co.uk/">https://www.casualdiningshow.co.uk/</a>
<b>The Big Hospitality Expo</b>	Late September / early October	Annual	Olympia, London	☎ +44 01293 610327 ✉ Through website

Event	Date	Recurrence	Venue	Organiser Details
				 <a href="https://www.bighospitalityexpo.co.uk/">https://www.bighospitalityexpo.co.uk/</a>

## 9.5 Database of professionals' contacts

### 9.5.1 List of relevant buyers, importers, and distributors

Company name	Type	Area of interest	Contact information
<b>Aga Foods</b>	Import/Distribution	Polish Food and Beverages	 (+44) 0 161 877 57 21  <a href="mailto:orderd@agafoods.com">orderd@agafoods.com</a>  <a href="http://agafoodltd.com/">http://agafoodltd.com/</a>
<b>Agora</b>	Import/ Distribution	Greek Food and Beverages	 (+44) 0 141 237 1010  <a href="mailto:info@agoragreekdelicacies.co.uk">info@agoragreekdelicacies.co.uk</a>  <a href="https://www.agoragreekdelicacies.co.uk/">https://www.agoragreekdelicacies.co.uk/</a>
<b>Aldi UK</b>	Import/Distribution	F&B	 (+44) 0800 042 0800  Contact through website  <a href="https://www.aldi.co.uk/">https://www.aldi.co.uk/</a>
<b>Amathus Drinks Plc</b>	Import/Distribution	Beverages (soft and alcoholic)	 (+44) 0208 951 9840  Contact through website  <a href="http://www.amathusdrinks.com">www.amathusdrinks.com</a>
<b>Aramark</b>	Distribution	Food supply service	 (+44) 113 230 530  Contact through website  <a href="https://northerneurope.aramark.com/">https://northerneurope.aramark.com/</a>
<b>Aspris &amp; Son</b>	Import/Distribution	Alcoholic beverages	 (+44) 0207 485 9733  <a href="mailto:info@aspris.co.uk">info@aspris.co.uk</a>  <a href="https://www.aspris.co.uk/">https://www.aspris.co.uk/</a>
<b>Ariston Foods Ltd</b>	Import/Distribution	Greek / Mediterranean food	 (+44) 07450278868  Contact through website  <a href="https://www.aristonfoodsltd.co.uk/">https://www.aristonfoodsltd.co.uk/</a>
<b>Artisan olive oil company</b>	Import/Distribution	Olive oil, premium jams, snacks, vinegars, sauces	 (+44) 203 866 8934  <a href="mailto:info@artisanoliveoilcompany.com">info@artisanoliveoilcompany.com</a>

Company name	Type	Area of interest	Contact information
			 <a href="https://www.artisanoliveoilcompany.co.uk/">https://www.artisanoliveoilcompany.co.uk/</a>
<b>ART Foods</b>	Import/Distribution	Dutch Food and Beverages	 (+44) 0 7805 612 867  Contact through website  <a href="https://www.artfoodshop.co.uk/">https://www.artfoodshop.co.uk/</a>
<b>ASD</b>	Import/Distribution	Beverages	 (+44) 01623 441427  <a href="mailto:info@asdwholesale.co.uk">info@asdwholesale.co.uk</a>  <a href="https://www.asdwholesale.co.uk/">https://www.asdwholesale.co.uk/</a>
<b>ASDA / IPL</b>	Import/ Distribution	F&B	 (+44) 0843 299 0019  Contact through websites  <a href="https://www.asda.com/">https://www.asda.com/</a>  <a href="https://www.ipl-ltd.com/">https://www.ipl-ltd.com/</a>
<b>Atlantico</b>	Import/ Distribution	Portuguese Food and Beverages	 (+44) 0 208 649 7 444  Contact though website  <a href="https://www.atlantico.co.uk/">https://www.atlantico.co.uk/</a>
<b>Babika</b>	Import/ Distribution	Czech-Slovak Food and Beverages	 (+44) 0 7963 565 272  <a href="mailto:babickagp1@gmail.com">babickagp1@gmail.com</a>  <a href="https://babickagp.co.uk/">https://babickagp.co.uk/</a>
<b>Baltic Foods</b>	Import/ Distribution	Latvian-Lithuanian Food and Beverages	 (+44) 0 789 554 6585  <a href="mailto:info@balticfoodoxford.co.uk">info@balticfoodoxford.co.uk</a>  <a href="https://www.balticfoodoxford.co.uk/">https://www.balticfoodoxford.co.uk/</a>
<b>Bargain Booze</b>	Trade/ Distribution	Alcoholic Beverages	 (+44) 0330 303 0333  Contact through website  <a href="https://www.bargainbooze.co.uk/">https://www.bargainbooze.co.uk/</a>
<b>Beers of Europe</b>	Distribution (e-commerce)	Beer	 (+44) 01553 812000  Contact through website  <a href="https://www.beersofeurope.co.uk/">https://www.beersofeurope.co.uk/</a>
<b>Beryozka LTD</b>	Import/ Distribution	Eastern European Food and Beverages	 (+44) 0 7722 666670  Contact through website  <a href="https://www.easterneuropefoods.co.uk/">https://www.easterneuropefoods.co.uk/</a>

Company name	Type	Area of interest	Contact information
<b>Berry Bros &amp; Rudd</b>	Trade/ Distribution	Alcoholic Beverages	☎ (+44) 20 7022 8973 ✉ Contact through website 🌐 <a href="https://www.bbr.com/">https://www.bbr.com/</a>
<b>Best of Hungary</b>	Import/ Distribution	Hungarian Food and Beverages	☎ (+44) 0 780 571 7576 ✉ <a href="mailto:info@bestofhungary.co.uk">info@bestofhungary.co.uk</a> 🌐 <a href="https://www.bestofhungary.co.uk/">https://www.bestofhungary.co.uk/</a>
<b>Best one</b>	Importer /Distribution	F&B	✉ Contact through website 🌐 <a href="https://www.best-one.co.uk/">https://www.best-one.co.uk/</a>
<b>Bidfood</b>	Distribution	Food service	✉ <a href="#">through website</a> 🌐 <a href="https://www.bidfood.co.uk/">https://www.bidfood.co.uk/</a>
<b>Black Forest Deli</b>	Import/Distribution	German Food and Beverages	☎ (+44) 0 7724 141 165 ✉ <a href="mailto:info@blackforestdeli.co.uk">info@blackforestdeli.co.uk</a> 🌐 <a href="https://blackforestdeli.co.uk/">https://blackforestdeli.co.uk/</a>
<b>Blakemore retail</b>	Import/ Distribution	F&B	☎ (+44) 0121 568 2905 ✉ Contact through website 🌐 <a href="https://www.afblakemore.com/">https://www.afblakemore.com/</a>
<b>Brakes Bros</b>	Distribution	Food service	☎ (+44) 0345 606 9090 ✉ Contact through website 🌐 <a href="https://www.brake.co.uk/">https://www.brake.co.uk/</a>
<b>Budgens</b>	Import/ Distribution	F&B	✉ Contact through website 🌐 <a href="https://www.budgens.co.uk/">https://www.budgens.co.uk/</a>
<b>Bulgaria Food Store</b>	Import/ Distribution	Bulgarian Food and Beverages	☎ (+44) 0 787 260 4261 ✉ <a href="mailto:bulgarianfood@ventexbg.co.uk">bulgarianfood@ventexbg.co.uk</a> 🌐 <a href="https://bulgarianfood.co.uk/">https://bulgarianfood.co.uk/</a>
<b>Carnevale</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 020 7670 8777 ✉ <a href="#">through website</a> 🌐 <a href="https://www.carnevale.co.uk/">https://www.carnevale.co.uk/</a>
<b>C&amp;D Wines</b>	Import/ Distribution	Wine	☎ (+44) 020 8778 1711 ✉ <a href="mailto:info@canddwines.co.uk">info@canddwines.co.uk</a> 🌐 <a href="https://www.canddwines.co.uk/">https://www.canddwines.co.uk/</a>

Company name	Type	Area of interest	Contact information
<b>Cibosano</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 0 1992 804 716 ✉ <a href="mailto:enquiries@cibosano.co.uk">enquiries@cibosano.co.uk</a> 🌐 <a href="https://www.cibosano.co.uk/">https://www.cibosano.co.uk/</a>
<b>Classic Foods</b> <b>Fine</b>	Import/ Distribution	F&B	☎ (+44) 0 20 7627 9666 ✉ <a href="mailto:sales@classicfinefoods.co.uk">sales@classicfinefoods.co.uk</a> 🌐 <a href="https://www.classicfinefoods.co.uk/">https://www.classicfinefoods.co.uk/</a>
<b>Compass group</b>	Distribution	Food service	☎ (+44) 0121 457 5000 ✉ <a href="mailto:saleslead@compass-group.co.uk">saleslead@compass-group.co.uk</a> 🌐 <a href="https://www.compass-group.co.uk/">https://www.compass-group.co.uk/</a>
<b>Costcutter</b>	Import/Distribution	F&B	☎ (+44) 01904 488663 ✉ Contact through website 🌐 <a href="https://www.costcutter.co.uk/">https://www.costcutter.co.uk/</a>
<b>Day la Drinks</b>	Import/ Distribution	Alcoholic Drinks	☎ (+44) 01296 630 013 ✉ <a href="mailto:info@dayladrinks.co.uk">info@dayladrinks.co.uk</a> 🌐 <a href="https://www.dayladrinks.co.uk/">https://www.dayladrinks.co.uk/</a>
<b>Delicias</b>	Import/ Distribution	Portuguese Food and Beverages	✉ <a href="mailto:info@delicias-uk.com">info@delicias-uk.com</a> 🌐 <a href="https://delicias-uk.com/">https://delicias-uk.com/</a>
<b>Delicioso</b>	Import/Distribution	Spanish Food and Beverages	☎ (+44) 0 865 340055 ✉ <a href="mailto:info@delicioso.co.uk">info@delicioso.co.uk</a> 🌐 <a href="https://delicioso.co.uk/">https://delicioso.co.uk/</a>
<b>Delitalia</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 0 844 5611 544 ✉ Contact through website 🌐 <a href="https://www.delitalia.co.uk/">https://www.delitalia.co.uk/</a>
<b>Divine Importers</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 0 1474 360 081 ✉ <a href="mailto:info@divinefoods.co.uk">info@divinefoods.co.uk</a> 🌐 <a href="https://www.divineimporters.co.uk/">https://www.divineimporters.co.uk/</a>
<b>Donney European</b>	Import/Distribution	Polish Food and Beverages	☎ (+44) 0 1302 361 313 ✉ Contact through website 🌐 <a href="https://donneyeuropean.com/">https://donneyeuropean.com/</a>

Company name	Type	Area of interest	Contact information
<b>Drink Warehouse UK</b>	Distribution	Alcoholic beverages	☎ (+44) 0330 122 0800 ✉ sales@dw-group.co.uk 🌐 <a href="https://www.drinkwarehouseuk.co.uk/">https://www.drinkwarehouseuk.co.uk/</a>
<b>Ehrmanns Wines</b>	Import/ Distribution	Wine	☎ (+44) 020 3227 0700 ✉ info@ehrmanns.co.uk 🌐 <a href="https://www.ehrmannswines.co.uk/">https://www.ehrmannswines.co.uk/</a>
<b>Enotria &amp; Coe</b>	Import/ Distribution	Wine, spirits	☎ (+44) 020 8961 4411 ✉ info@ehrmanns.co.uk 🌐 <a href="https://www.enotriacoe.com/">https://www.enotriacoe.com/</a>
<b>Euro Brands Food</b>	Import/ Distribution	F&B	☎ (+44) 0 1604 821 200 ✉ sales@eurofoodbrands.co.uk 🌐 <a href="https://www.eurofoodbrands.co.uk/">https://www.eurofoodbrands.co.uk/</a>
<b>Euro Wines</b>	Import/Distribution	Wine	☎ (+44) 020 8469 3311 ✉ sales@euro-wines.co.uk 🌐 <a href="http://www.euro-wines.co.uk/">http://www.euro-wines.co.uk/</a>
<b>EuroBoozer</b>	Import/Distribution	Alcoholic Beverages	☎ (+44) 0 1923 263 335 ✉ enquiries@euroboozer.co.uk 🌐 <a href="https://www.euroboozer.co.uk/">https://www.euroboozer.co.uk/</a>
<b>EuroFoods</b>	Import/Distribution	Romanian-Bulgarian Food and Beverages	☎ (+44) 0 20 8803 7942 ✉ info@eurofoodsltd.com 🌐 <a href="https://www.eurofoodsltd.com/">https://www.eurofoodsltd.com/</a>
<b>Europa Foods</b>	Import/ Distribution	F&B	☎ (+44) 0 20371 93696 ✉ info@europafoodxb.com 🌐 <a href="https://europafoodxb.com/">https://europafoodxb.com/</a>
<b>Europa Fresh</b>	Import/ Distribution	Eastern European Food and Beverages	☎ (+44) 0 203 916 5253 ✉ Contact through website 🌐 <a href="https://www.europafresh.co.uk/">https://www.europafresh.co.uk/</a>
<b>Fine Specialist Food</b>	Distribution (online)	Fine foods	☎ (+44) 020 7627 2553 ✉ support@finefoodspecialist.co.uk 🌐 <a href="https://www.finefoodspecialist.co.uk/">https://www.finefoodspecialist.co.uk/</a>

Company name	Type	Area of interest	Contact information
<b>Foods of Europe</b>	Import/ Distribution	F&B	☎ (+44) 0 1420 4886 44 ✉ <a href="mailto:enquiries@foodsofeurope.co.uk">enquiries@foodsofeurope.co.uk</a> 🌐 <a href="https://www.foodsofeurope.co.uk/">https://www.foodsofeurope.co.uk/</a>
<b>French Bubble</b>	Import	French Wine	☎ (+44) 07825 670737 ✉ Contact through website 🌐 <a href="https://frenchbubbles.co.uk/">https://frenchbubbles.co.uk/</a>
<b>French Click</b>	Import/ Distribution	French Foods	☎ (+44) 0845 838 5347 ✉ <a href="mailto:sales@frenchclick.com">sales@frenchclick.com</a> 🌐 <a href="https://www.frenchclick.co.uk/">https://www.frenchclick.co.uk/</a>
<b>German Deli</b>	Import/ Distribution	German Food and Beverages	☎ (+44) 0 20 8985 8000 ✉ <a href="mailto:info@germandeli.co.uk">info@germandeli.co.uk</a> 🌐 <a href="https://germandeli.co.uk/">https://germandeli.co.uk/</a>
<b>Greek Express</b>	Import/ Distribution	Greek Food and Beverages	✉ Contact through website 🌐 <a href="https://www.ohmygreek.co.uk/">https://www.ohmygreek.co.uk/</a>
<b>Greek Market</b>	Import/ Distribution	Greek Food and Beverages	☎ (+44) 0 800 368 9111 ✉ Contact through website 🌐 <a href="https://greekmarket.co.uk/">https://greekmarket.co.uk/</a>
<b>Gusturi Romanesti</b>	Import/Distribution	Romanian Food and Beverages	☎ (+44) 0 75 55 62 35 20 ✉ <a href="mailto:orders@thedelimarket.co.uk">orders@thedelimarket.co.uk</a> 🌐 <a href="https://www.thedelimarket.co.uk/">https://www.thedelimarket.co.uk/</a>
<b>Halusky</b>	Import/ Distribution	Czech-Slovak Food and Beverages	☎ (+44) 0 20 8876 8346 ✉ <a href="mailto:info@halusky.co.uk">info@halusky.co.uk</a> 🌐 <a href="https://www.halusky.co.uk/">https://www.halusky.co.uk/</a>
<b>Heathwick</b>	Import/ Distribution	Craft Beer	☎ (+44) 0 207 938 3991 ✉ <a href="mailto:enquiries@heathwick.com">enquiries@heathwick.com</a> 🌐 <a href="https://www.heathwick.com/">https://www.heathwick.com/</a>
<b>Heimat</b>	Import	German Food and Beverages	☎ (+44) 0 208 125 4679 ✉ Contact through website 🌐 <a href="https://heimat.one/">https://heimat.one/</a>
<b>Hellenic Grocery Market</b>	Import/ Distribution	Greek Food and Beverages	☎ (+44) 0 2392502120

Company name	Type	Area of interest	Contact information
			✉ <a href="mailto:support@hellenicgrocery.co.uk">support@hellenicgrocery.co.uk</a> 🌐 <a href="https://hellenicgrocery.co.uk/">https://hellenicgrocery.co.uk/</a>
<b>Herysons Foods International</b>	Import/ Distribution	F&B	☎ (+44) 0 1684 294 362 ✉ Contact through website 🌐 <a href="http://www.henrysonfoods.co.uk/">http://www.henrysonfoods.co.uk/</a>
<b>Hunafood</b>	Import/ Distribution	Hungarian Food and Beverages	☎ (+44) 07 514 6867 95 ✉ Contact through website 🌐 <a href="https://www.hunafood.co.uk/">https://www.hunafood.co.uk/</a>
<b>Hungarian groceries Store</b>	Import/ Distribution	Hungarian Food and Beverages	☎ (+44) 0 2085 40119 ✉ Contact through website 🌐 <a href="https://hungariandeli.co.uk/">https://hungariandeli.co.uk/</a>
<b>Iberica</b>	Import/Distribution	Spanish Food and Beverages	☎ (+44) 0 1273 59 02 82 ✉ Contact through website 🌐 <a href="https://www.ibericafood.com/">https://www.ibericafood.com/</a>
<b>Iceland</b>	Import/ Distribution	F&B	☎ (+44) 1244 842 842 ✉ Contact through website 🌐 <a href="https://www.iceland.co.uk/">https://www.iceland.co.uk/</a>
<b>IKEA</b>	Import/Distribution	Scandinavian Food and Beverages	☎ (+44) 02 719 19 19 ✉ Contact through website 🌐 <a href="https://www.ikea.com/">https://www.ikea.com/</a>
<b>J&amp;G</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 0 20 7697 2397 ✉ Contact through website 🌐 <a href="http://www.jgitalianfood.com/">http://www.jgitalianfood.com/</a>
<b>James Clay</b>	Import/ Distribution	Alcoholic Beverages	☎ (+44) 0 1422 377 560 ✉ Contact through website 🌐 <a href="https://www.jamesclay.co.uk/">https://www.jamesclay.co.uk/</a>
<b>James retail</b>	Import/ Distribution	F&B	☎ (+44) 01246 224800 ✉ <a href="mailto:enquiries@jamesretail.co.uk">enquiries@jamesretail.co.uk</a> 🌐 <a href="https://www.jamesretail.co.uk/">https://www.jamesretail.co.uk/</a>
<b>JBP Foods</b>	Import	Polish Food and Beverages	☎ (+44) 0 20 3417 4490

Company name	Type	Area of interest	Contact information
			✉ <a href="mailto:office@jbpfoods.com">office@jbpfoods.com</a> 🌐 <a href="https://jbpfoods.com/">https://jbpfoods.com/</a>
<b>Knedliky</b>	Import/ Distribution	Czech-Slovak Food and Beverages	☎ (+44) 0 739316 2609 ✉ <a href="mailto:info@knedliky.co.uk">info@knedliky.co.uk</a> 🌐 <a href="https://knedliky.co.uk/">https://knedliky.co.uk/</a>
<b>Lamex Group</b>	Food Import/ Distribution	F&B	✉ Contact through website 🌐 <a href="http://www.lamexfoods.eu/">http://www.lamexfoods.eu/</a>
<b>Liberty Wines</b>	Import/Distribution	Wine	☎ (+44) 0 020 7720 5350 ✉ Contact through website 🌐 <a href="https://www.libertywines.co.uk/">https://www.libertywines.co.uk/</a>
<b>Lidl UK</b>	Import/ Distribution	F&B	☎ (+44) 800 977 7766 ✉ Contact through website 🌐 <a href="https://www.lidl.com/">https://www.lidl.com/</a>
<b>Londis</b>	Import/Distribution	F&B	☎ (+44) 1304 367 779 ✉ Contact through website 🌐 <a href="https://www.londis.co.uk/">https://www.londis.co.uk/</a>
<b>M&amp;S</b>	Import/ Distribution	F&B	☎ (+44) 0322 808 2704 ✉ Contact through website 🌐 <a href="https://www.marksandspencer.com/">https://www.marksandspencer.com/</a>
<b>Mace</b>	Import/Distribution	F&B	☎ (+44) 01904 488663 ✉ Contact through website 🌐 <a href="http://www.macestores.co.uk/">http://www.macestores.co.uk/</a>
<b>Magaza Market</b>	Food Import/ Distribution	Croatian - Slovenian Food and Beverages	☎ (+44) 0 330 128 9439 ✉ <a href="mailto:shop@magaza-balkanfood.co.uk">shop@magaza-balkanfood.co.uk</a> 🌐 <a href="https://www.magazaonline.co.uk/">https://www.magazaonline.co.uk/</a>
<b>Magyar Bolt</b>	Import/ Distribution	Hungarian Food and Beverages	☎ (+44) 0 7429 499115 ✉ Contact through website 🌐 <a href="https://pick-your-taste-magyarbolt.business.site/">https://pick-your-taste-magyarbolt.business.site/</a>
<b>Maltby &amp; Greek</b>	Import/Distribution	Greek F&B	☎ (+44) 20 7993 4548 ✉ <a href="mailto:info@maltbyandgreek.com">info@maltbyandgreek.com</a>

Company name	Type	Area of interest	Contact information
			 <a href="https://www.maltbyandgreek.com/">https://www.maltbyandgreek.com/</a>
<b>Melvaco</b>	Import/Distribution	Spanish Food and Beverages	 (+44) 0 177 982 6540  <a href="mailto:purchasing@mevalco.com">purchasing@mevalco.com</a>  <a href="https://www.mevalco.com/">https://www.mevalco.com/</a>
<b>Mercanti</b>	Import	Italian Food and Beverages	 (+44) 0 117 955 2099  <a href="mailto:sales@mercanti.co.uk">sales@mercanti.co.uk</a>  <a href="https://www.mercanti.co.uk/">https://www.mercanti.co.uk/</a>
<b>Meteor Market</b>	Import/Distribution	Romanian Food and Beverages	 (+44) 0 75535 20552  <a href="mailto:office@meteormarket.com">office@meteormarket.com</a>  <a href="https://meteormarket.uk/">https://meteormarket.uk/</a>
<b>Mitchells and Butler</b>	Distribution/retail	Food service	 (+44) 121 498 4000  <a href="#">through website</a>  <a href="https://www.mbplc.com/">https://www.mbplc.com/</a>
<b>Morrison's</b>	Import/ Distribution	F&B	 (+44) 0345 611 5000  Contact through website  <a href="https://groceries.morrisons.com/">https://groceries.morrisons.com/</a>
<b>Nectar imports</b>	Import	Beverages (alcoholic and soft)	 (+44) 01747 827030  <a href="mailto:sales@nectar.net">sales@nectar.net</a>  <a href="https://www.nectar.net/">https://www.nectar.net/</a>
<b>Nedbuyfoods</b>	Import	Bulgarian Food and Beverages	 (+44) 0 121 3568 454  <a href="mailto:nedbuyfoods@gmail.com">nedbuyfoods@gmail.com</a>  <a href="https://nedbuyfoods.co.uk/">https://nedbuyfoods.co.uk/</a>
<b>Nordic Shop Expat</b>	Import/Distribution	Scandinavian Food and Beverages	 Contact through website  <a href="https://nordicexpatshop.com/">https://nordicexpatshop.com/</a>
<b>O'Kane foods Irish</b>	Import/Distribution	Irish Food and Beverages	 (+44) 0 20 8385 1771  <a href="mailto:info@okaneirishfoods.co.uk">info@okaneirishfoods.co.uk</a>  <a href="https://www.okaneirishfoods.co.uk/">https://www.okaneirishfoods.co.uk/</a>
<b>Ocado</b>	Import/ Distribution	F&B	 (+44) 1707 227 800  <a href="mailto:ocadoretail@tulchangroup.com">ocadoretail@tulchangroup.com</a>  <a href="https://ocadoretail.com/">https://ocadoretail.com/</a>

Company name	Type	Area of interest	Contact information
<b>Paprika Stores</b>	Import/ Distribution	Hungarian Food and Beverages	☒ Contact through website 🌐 <a href="https://www.paprikastore.co.uk/">https://www.paprikastore.co.uk/</a>
<b>Peter Gilding</b>	Import/Distribution	Fruit and vegetables	☎ (+44) 151 548 7070 ☒ <a href="mailto:sales@petergilding.co.uk">sales@petergilding.co.uk</a> 🌐 <a href="http://www.petergilding.co.uk/">http://www.petergilding.co.uk/</a>
<b>Polish Specialities</b>	Import/Distribution	Polish Food and Beverages	☎ (+44) 0 208 684 3059 ☒ <a href="mailto:orders@polishspecialities.com">orders@polishspecialities.com</a> 🌐 <a href="https://polishspecialities.store/">https://polishspecialities.store/</a>
<b>Portugalica</b>	Import/ Distribution	Portuguese Food and Beverages	☒ Contact through website 🌐 <a href="https://www.portugaliaoonline.co.uk/">https://www.portugaliaoonline.co.uk/</a>
<b>Products from Spain</b>	Import/Distribution	Spanish Food and Beverages	☎ (+44) 20 89 65 7274 ☒ Contact through website 🌐 <a href="https://www.productsfromspain.co.uk/">https://www.productsfromspain.co.uk/</a>
<b>Romania Food Store</b>	Import/Distribution	Romanian Food and Beverages	☒ Contact through website 🌐 <a href="https://romanianfood.co.uk/">https://romanianfood.co.uk/</a>
<b>Rondanini</b>	Import/ Distribution	Italian Food and Beverages	☎ (+44) 0 207 738 6669 ☒ Contact through website 🌐 <a href="https://www.rondanini.co.uk/">https://www.rondanini.co.uk/</a>
<b>Sainsburys</b>	Import/Distribution	F&B	☎ (+44) 0800 636 262 ☒ Contact through website 🌐 <a href="https://www.sainsburys.co.uk/">https://www.sainsburys.co.uk/</a>
<b>Sausage Man</b>	Import/ Distribution	German Food and Beverages	☎ (+44) 0 1322 867060 ☒ <a href="mailto:info@sausageman.co.uk">info@sausageman.co.uk</a> 🌐 <a href="https://sausageman.co.uk/">https://sausageman.co.uk/</a>
<b>ScandiFoods</b>	Import/Distribution	Scandinavian Food and Beverages	☎ (+44) 0 20 7580 7161 ☒ <a href="mailto:shop@scandikitchen.co.uk">shop@scandikitchen.co.uk</a> 🌐 <a href="https://www.scandikitchen.co.uk/">https://www.scandikitchen.co.uk/</a>
<b>Sodexo UK</b>	Distribution	Food service	☒ <a href="#">through website</a> 🌐 <a href="https://uk.sodexo.com/home.html">https://uk.sodexo.com/home.html</a>

Company name	Type	Area of interest	Contact information
<b>Sofia Shop</b>	Import	Bulgarian Food and Beverages	☎ (+44) 0 7411 385 088 ✉ <a href="mailto:nickolaylazaroff@gmail.com">nickolaylazaroff@gmail.com</a> 🌐 <a href="http://www.shop-sofia-manchester.co.uk/">http://www.shop-sofia-manchester.co.uk/</a>
<b>Spar UK</b>	Import/ Distribution	F&B	☎ (+44) 020 8426 3700 ✉ Contact through website 🌐 <a href="https://www.spar.co.uk/">https://www.spar.co.uk/</a>
<b>Taste Croatia</b>	Import/ Distribution	Croatian Food and Beverages	☎ (+44) 0 207 407 4439 ✉ <a href="mailto:info@tastecroatia.co.uk">info@tastecroatia.co.uk</a> 🌐 <a href="https://tastecroatia.co.uk/">https://tastecroatia.co.uk/</a>
<b>Tesco</b>	Import/Distribution/	F&B	☎ (+44) 0800 505 555 ✉ Contact through website 🌐 <a href="https://www.tesco.com/">https://www.tesco.com/</a>
<b>The CO-OP</b>	Import/ Distribution	F&B	☎ (+44) 0800 0686 727 ✉ Contact through website 🌐 <a href="https://www.coop.co.uk/">https://www.coop.co.uk/</a>
<b>The Dutch Cheeseman</b>	Import/Distribution	Dutch Food and Beverages	☎ (+44) 7570 077557 ✉ <a href="mailto:info@dutchcheeseman.co.uk">info@dutchcheeseman.co.uk</a> 🌐 <a href="https://dutchcheeseman.co.uk/">https://dutchcheeseman.co.uk/</a>
<b>The Dutch Marketplace</b>	Import/Distribution	Dutch Food and Beverages	☎ (+44) 0 1707 6533 72 ✉ <a href="mailto:reception@dutchnursery.co.uk">reception@dutchnursery.co.uk</a> 🌐 <a href="https://dutchmarketplace.co.uk/">https://dutchmarketplace.co.uk/</a>
<b>The French Garden</b>	Import/ Distribution	French Food and Beverages	☎ (+44) 020 7498 0277 ✉ <a href="mailto:enquiries@frenchgarden.com">enquiries@frenchgarden.com</a> 🌐 <a href="https://www.frenchgarden.com/">https://www.frenchgarden.com/</a>
<b>The Green Truffle</b>	Import/ Distribution inc. online	Italian food and beverages	☎ (+44) 020 8981 4135 ✉ <a href="mailto:info@thegreentruffle.co.uk">info@thegreentruffle.co.uk</a> 🌐 <a href="https://www.thegreentruffle.co.uk/">https://www.thegreentruffle.co.uk/</a>
<b>The Greek Deli</b>	Import/ Distribution	Greek Food and Beverages	☎ (+44) 0 844 800 4482 ✉ <a href="mailto:clio@thegreekdeli.com">clio@thegreekdeli.com</a>

Company name	Type	Area of interest	Contact information
			 <a href="https://thegreekdeli.com/">https://thegreekdeli.com/</a>
<b>The Tapas Lunch Company</b>	Import/Distribution	Spanish Food and Beverages	 (+44) 0 953433 858  <a href="mailto:customers@thetapaslunchcompany.co.uk">customers@thetapaslunchcompany.co.uk</a>  <a href="https://thetapaslunchcompany.co.uk/">https://thetapaslunchcompany.co.uk/</a>
<b>Totally Swedish</b>	Import/Distribution	Scandinavian Food and Beverages	 Contact through website  <a href="https://www.totallyswedish.com/">https://www.totallyswedish.com/</a>
<b>Varina</b>	Import/ Distribution	Portuguese Food and Beverages	 (+44) 0 208 842 7474  <a href="mailto:info@varina.co.uk">info@varina.co.uk</a>  <a href="http://varina.co.uk/">http://varina.co.uk/</a>
<b>Vida Wines</b>	Import/Distribution	Wine	 (+44) 0 2079 657 283  <a href="mailto:contact@vidawines.co.uk">contact@vidawines.co.uk</a>  <a href="https://vidawines.co.uk/">https://vidawines.co.uk/</a>
<b>Viking Foods</b>	Polish Import/Distribution	Polish Food and Beverages	 (+44) 0 20 8908 5593  <a href="mailto:polishfoods@btinternet.com">polishfoods@btinternet.com</a>  <a href="https://www.polishfoodsltd.co.uk/">https://www.polishfoodsltd.co.uk/</a>
<b>Waitrose</b>	Import	F&B	 (+44) 0800 188 884  Contact through website  <a href="https://www.waitrose.com/">https://www.waitrose.com/</a>
<b>Weatherspoon's</b>	Import/distribution	Alcoholic beverages, food service	 Contact through website  <a href="https://www.jdwetherspoon.com/">https://www.jdwetherspoon.com/</a>
<b>Whitbread</b>	Distribution	Food service	 (+44) 1582 424200  Contact through website  <a href="https://www.whitbread.co.uk/">https://www.whitbread.co.uk/</a>
<b>Your Irish Shop</b>	Import	Irish Food and Beverages	 (+44) 0 20 3397 0772  Contact through website  <a href="https://www.youririshshop.com/">https://www.youririshshop.com/</a>





## GETTING IN TOUCH WITH THE EU

### In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: [https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en)

### On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696, or
- by email via: [https://europa.eu/european-union/contact\\_en](https://europa.eu/european-union/contact_en)

## FINDING INFORMATION ABOUT THE EU

### Online

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### EU publications

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### EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

### Open data from the EU

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