Northern Ireland Food and Drinks Processing Report 2021

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Department of Agriculture, Environment and Rural Affairs

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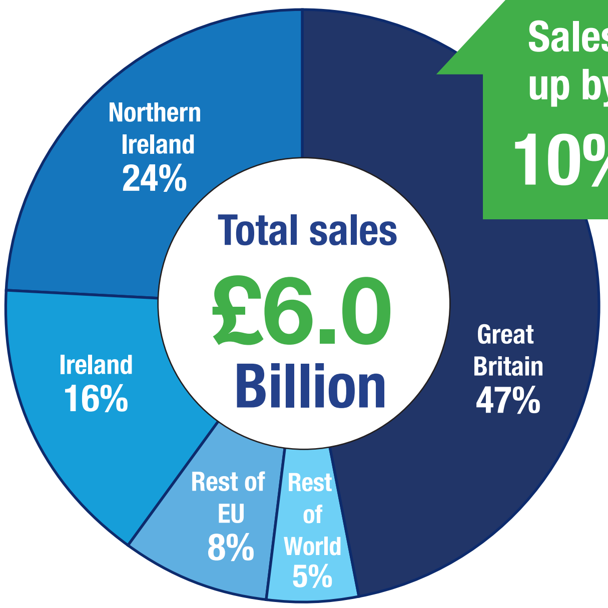
INVESTORS IN PEOPLE

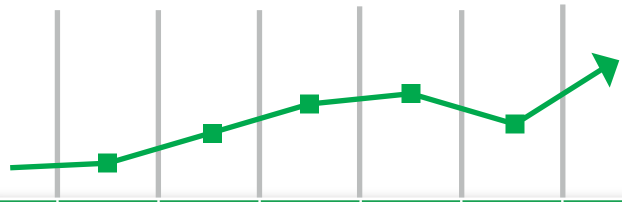
NI's Food and Drinks Processing Sector 2021

Destination of Sales



Sales up by 10%

Trend over time



Year	2016	2017	2018	2019	2020	2021
Sales	£4.3 Billion	£4.6 Billion	£4.9 Billion	£5.0 Billion	£4.7 Billion	£5.2 Billion

Gross turnover in real terms expressed in 2015 prices

Contribution to NI Manufacturing Industry

39% of total sales

Employment

up by 1%

25,116 FTE* employees

* Full time Equivalents

Value Added

up by 4%

£1.1 Billion

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KEY FACTS

Gross turnover: Total gross turnover of the Northern Ireland food and drinks processing sector is estimated to have increased by 9.5 per cent between 2020 and 2021 to £5,950 million. Provisional estimates for 2022 project an 8.0 per cent increase to £6,427 million.

Destination of sales: In 2021, the sector's sales increased to all it's broad markets. Northern Ireland (+£180.3m) and Great Britain (+£162.0m) experienced the largest increases. Great Britain remains the sector's largest market accounting for 47.4 per cent of sales in 2021; a decrease from 48.9 per cent in 2020.

Contribution to Northern Ireland manufacturing sector sales: The food and drinks processing sector contributed 38.5 per cent to total manufacturing sales in 2021; a decrease from 39.1 per cent in 2020.

Employment: In 2021, the estimated number of direct full-time employee equivalents (FTEs) in the sector increased by 0.6 per cent to 25,116 FTEs. Provisional estimates for 2022 project a 1.5 per cent increase to 25,497 FTEs.

Contribution to Northern Ireland manufacturing sector employment: The sector's contribution to total manufacturing employment was 30.1 per cent in 2021; a decrease from 30.3 per cent in 2020.

Value Added: The value added by the sector increased by 4.2 per cent to £1,096 million between 2020 and 2021. This increase was driven by wages (+£50.0m) and depreciation (+£7.6m). Net profit (-£13.0m) decreased by 5.2 per cent in the sector.

Value added to Northern Ireland Economy: The sector's contribution to total Northern Ireland GVA has decreased slightly between 2020 and 2021 from 2.5 per cent to 2.4 per cent. The contribution to manufacturing gross value added decreased from 21.4 per cent to 18.9 per cent over the same period.

Purchases: Total purchases by the Northern Ireland food and drinks processing sector is estimated to have increased by 12.3 per cent in 2021 to £4,678 million.

Purchases by origin: Total purchases increased by the sector from all broad markets of origin. Northern Ireland (+£304.1m) and Great Britain (+£131.7m) experienced the largest increases. In 2021, Northern Ireland remains the sectors largest market for purchases at 65.7 per cent of total purchases; a decrease from 66.5 per cent in 2020.

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1. INTRODUCTION

Reader Information

This document may be made available in alternative formats, please contact us to discuss your requirements. Definitions of key terms used in this publication are available in Annex A – Definitions.

Background

This is an annual publication which contains estimates for eight key Northern Ireland food and drinks processing sector size variables in 2021, as well as providing revised comparative data for 2020. In addition, the supporting data tables 14a to 14b provide fifteen benchmarking indicators of performance for each subsector for the period, such as average sales per employee and average net profit as a percentage of sales. Tables 15a to 15g provide minimum and maximum values, as well as averages, for seven out of the fifteen performance indicators.

Provisional estimates at sector level for gross turnover and employment for 2022 have also been made in this report.

Only data for firms with a minimum business turnover of £250,000 are included in the report because of the difficulty in accessing detailed accounting information for small businesses. The data presented is for those businesses (or the relevant processing sites) which have a processing capacity within Northern Ireland.

The statistics assist businesses with benchmarking, and provide context for Government when preparing food and farming strategies for Northern Ireland.

Next Updates

- Finalised data for 2021 is scheduled for publication in July 2024. This publication will also contain the first full estimates for eight key size variables and fifteen performance indicators for 2022. If there are a sufficient number of business returns available, a provisional estimate of gross turnover and the level of employment in the sector will be made for 2023.

- The scheduled dates for all upcoming publications are available from the GOV.UK statistics release calendar: https://www.gov.uk/gov/statistics

2. SIZE OF THE FOOD AND DRINKS PROCESSING SECTOR

This section provides analysis of the three main measures of size of the Northern Ireland food and drinks processing sector; gross turnover from sales of processed goods, value added and total direct full time equivalent employment i.e. agency staff are excluded. It also provides analysis of the number of businesses by turnover size and analysis of the contribution the ten largest firms make to the sector for each of the three key size measures.

Table 1 Gross turnover, direct employment and value added 2020-2022

	2020	2021	Percentage Change 20/21	Provisional 2022
Gross Turnover (£ m)	5,432.7	5,950.2	9.5	6,426.8
Direct Employees (full time equivalents)	24,965	25,116	0.6	25,497
Value added (£ million)	1,051.7	1,095.8	4.2	**

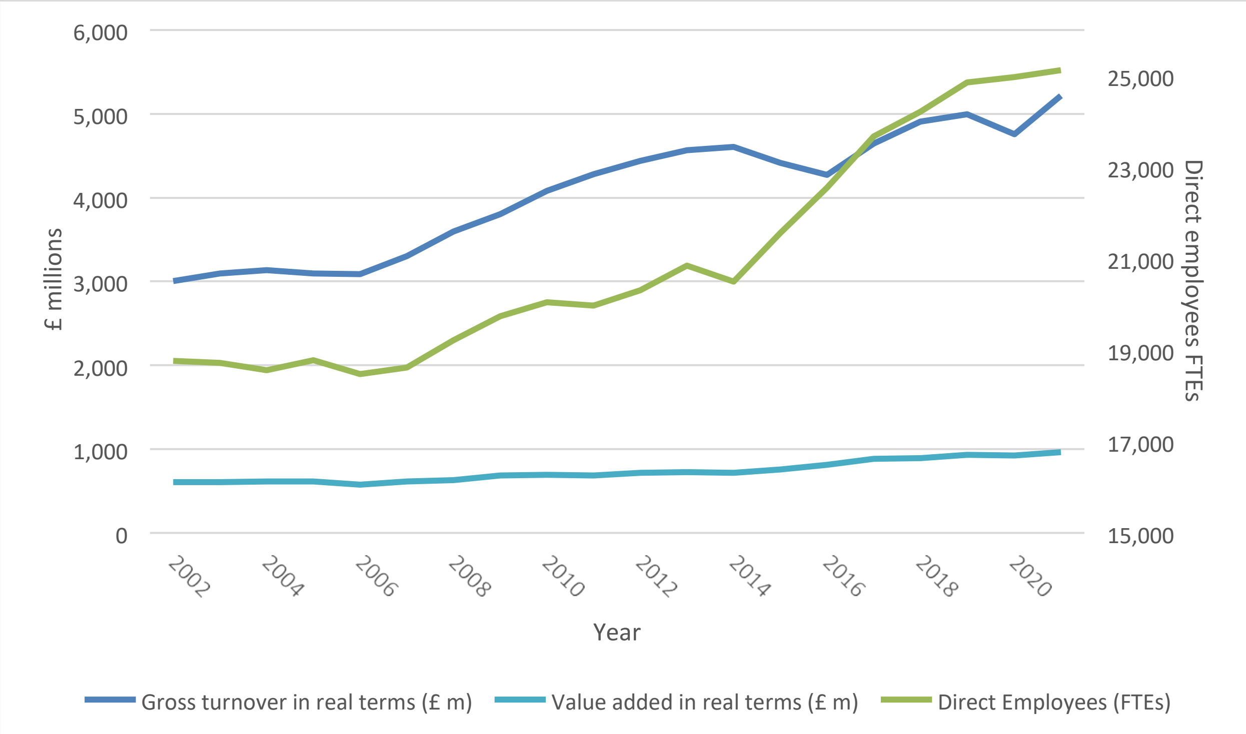
**Data not available to make a robust provisional estimate.

- The gross turnover for the food and drinks processing sector is estimated to have increased from £5,433 million in 2020 to £5,950 million in 2021; an increase of 9.5 per cent. Provisional estimates for 2022 indicate a further 8.0 per cent increase to £6,427 million.

- The number of direct FTEs in the food and drinks processing sector increased from 24,965 direct FTEs in 2020 to 25,116 in 2021; an increase of 0.6 per cent. Provisional estimates for 2022 indicate a 1.5 per cent increase to 25,497.

- The value added to the Northern Ireland economy by the sector increased from £1,052 million in 2020 to £1,096 million in 2021; an increase of 4.2 per cent.

Figure 1 Gross turnover[1], value added[1] and employment trends 2002-2021



- After adjustment for inflation, gross turnover in the food and drinks sector has increased from £4,750 million in 2020 to £5,212 million in 2021; an increase of 9.7 per cent. This follows a decline of 4.8 per cent between 2019 and 2020. Gross turnover has grown by 73.7 per cent in real terms since 2002.

- After adjustment for inflation gross turnover increased for eight consecutive years from £3,086 million to £4,599 million between 2006 and 2014, an increase of 49.0 per cent. Following two years of decline, gross turnover increased from £4,267 million in 2016 to £4,987 million in 2019; an increase of 16.9 per cent in real terms.

- After adjustment for inflation, value added in the sector has grown from £919.5 million in 2020 to £960.0 million in 2021, an increase of 4.4 per cent. This follows a decline of 1.2 per cent between 2019 and 2020. Value added has grown 59.1 per cent in real terms since 2002.

- The growth in value added has been steady over the period with decreases experienced in 2006, 2011, 2014 and 2020 within consecutive years of growth. For the period 2002 to 2011, value added increased by 13.2 per cent in real terms. This compares to a 34.3 per cent increase for the period 2012 to 2021.

- In 2021 the number of direct full-time employee equivalents in the sector stood at 25,116; an increase of 33.9 per cent from 18,754 in 2002.

- Since 2014, employment in the sector has experienced 8 years of continuous growth and has increased by 22.6 per cent up to 2021.

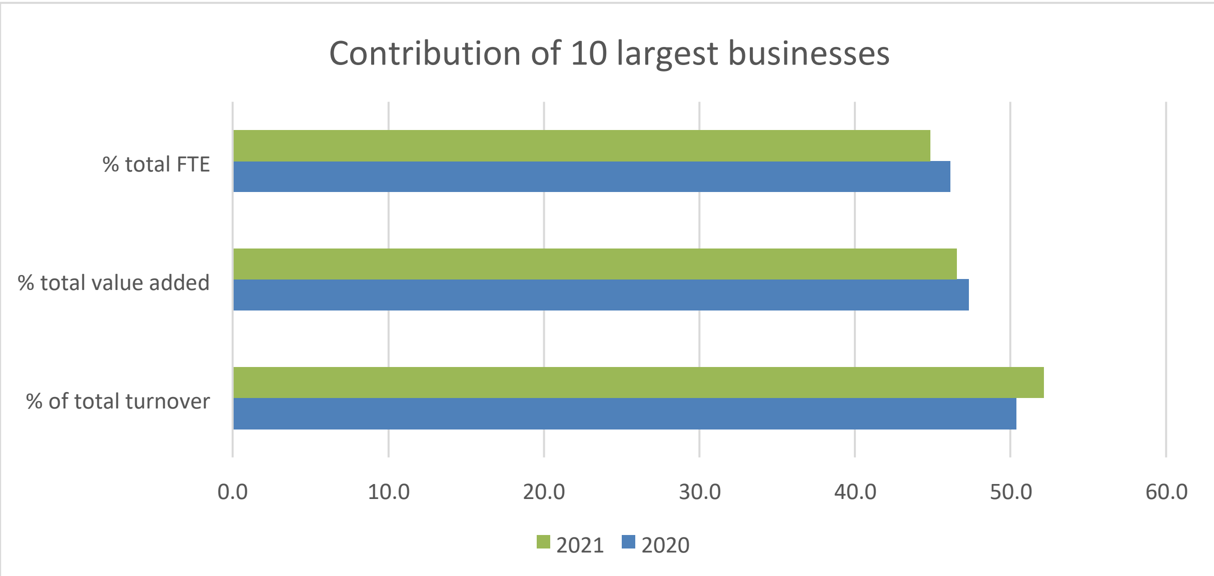
[1] Expressed in 2015 prices, calculated by using GDP deflators, updated March 2023

Table 2 Number of businesses by annual turnover 2020 and2021

Gross Turnover	Number of businesses 2020	2021	Change 20/21
£250k < £1m	106	100	-6
£1m < £10m	137	154	17
£10m < £50m	49	42	-7
> £50m	22	26	4
Total Sector	**314**	**322**	**8**

- The food and drinks processing sector had 322 businesses in 2021 with a turnover of more than £250,000; eight more than in 2020.
- There were 254 businesses in the food and drinks processing sector in 2021 with an annual turnover of less than £10.0 million; 11 more than in 2020.
- There were 68 business with an annual turnover in excess of £10.0 million in the food and drinks processing sector in 2021; three less than in 2020.

Figure 2 Contribution of 10 largest businesses 2020 and 2021



- In 2021, 52.1 per cent of total gross turnover, 46.5 per cent of total value added and 44.8 per cent of total direct employment was accounted for by the ten largest companies for each measure of size.
- Between 2020 and 2021, the contribution of the ten largest businesses to total gross turnover increased by 1.7 percentage points. Their contribution to total value added and full-time direct employment decreased by 0.8 and 1.3 percentage points respectively.

3. PERFORMANCE BY SUB-SECTOR 2020 AND 2021

This section provides analysis of food and drink sub-sector performance against eight measures of size – turnover, full time equivalent employment, value added, four components of value added and total capital employed. For benchmarking performance, by sub-sector, using fifteen different performance indicators, please refer to tables 14 and 15 in the report's supporting tables.

Table 3 Gross turnover, by subsector, 2020 and 2021[1]

	Gross Turnover (£ m)		Difference	% Change
	2020	2021	(£ m)	20/21
Animal By-Products	48.4	47.9	-0.4	-0.9
Bakeries	442.1	493.8	51.7	11.7
Beef and Sheepmeat	1,469.6	1,697.2	227.6	15.5
Drinks	423.3	476.0	52.8	12.5
Eggs	189.7	200.9	11.2	5.9
Fish	90.1	68.0	-22.0	-24.5
Fruit and Vegetables	422.7	411.3	-11.3	-2.7
Milk and Milk Products	1,186.4	1,277.1	90.7	7.6
Pigmeat	454.6	448.5	-6.1	-1.3
Poultrymeat	705.9	829.4	123.4	17.5
Total Sector	**5,432.7**	**5,950.2**	**517.5**	**9.5**

[1] Figures may not calculate from data in table due to rounding.

- Six out of the ten subsectors recorded an increase in their levels of gross turnover between 2020 and 2021. The subsectors which experienced the largest increase in total gross turnover were beef and sheepmeat (+£227.6m), poultrymeat (+£123.4m) and milk and milk products (+£90.7m). Fish (-£22.0m), fruit and vegetables(-£11.3m) and pigmeat (-£6.1m) experienced the largest decreases in turnover.

- Poultrymeat (+17.5%), beef and sheepmeat (+15.5%) and drinks (+12.5%) recorded the largest increases in the proportion of gross turnover between 2020 and 2021. Fish (-24.5%), fruit and vegetables (-2.7%) and pigmeat (-1.3%) experienced the largest decreases in the proportion of gross turnover over the period.

- Beef and sheepmeat, and milk and milk products continue to be the largest subsectors in terms of gross turnover. Their combined share of total gross turnover accounts for 50.0 per cent of sales in 2021; an increase from 48.9 per cent in 2020.

Table 4 Direct full-time employee equivalents and total agency workers, by subsector, 2020 and 2021[1]

	Employees (FTEs)		Difference	% Change
	2020	2021	(FTEs)	
Animal By-Products	110	130	20	17.7
Bakeries	4,392	4,474	82	1.9
Beef and Sheepmeat	5,635	5,722	87	1.6
Drinks	1,302	1,353	51	3.8
Eggs	405	418	13	3.2
Fish	598.5	613.0	14	2.4
Fruit and Vegetables	2,966	2,869	-97	-3.3
Milk and Milk Products	2,137	2,285	148	7.0
Pigmeat	1,929	1,820	-109	-5.7
Poultrymeat	5,491	5,434	-57	-1.0
Total Sector	**24,965**	**25,116**	**151**	**0.6**
Agency Employment	**1,489**	**1,174**	**-316**	**-21.2**

[1] Figures may not calculate from data in table due to rounding.

- Direct employment in the food and drinks processing sector increased from 24,965 FTEs in 2020 to 25,116 FTEs in 2021; an increase of 0.6 per cent.
- Seven of the ten subsectors recorded an increase in the number of direct full-time employee equivalents between 2020 and 2021. The largest increases were recorded in milk and milk products (+148 FTEs), beef and sheepmeat (+87 FTEs) and bakeries (+82 FTEs). The decreases were recorded in pigmeat (-109 FTEs), fruit and vegetables (-97 FTEs) and poultrymeat (-57 FTEs).
- Beef and sheepmeat (5,722 FTEs), poultrymeat (5,434 FTEs) and bakeries (4,474 FTEs) subsectors accounted for 62.2 per cent of the total direct employment in the food and drinks processing sector in 2021.
- In 2021, it is estimated that in addition to direct employees, the sector sourced a further 1,174 FTEs from employment agencies[2]. This is a decrease of 21.2 per cent from 2020 levels.

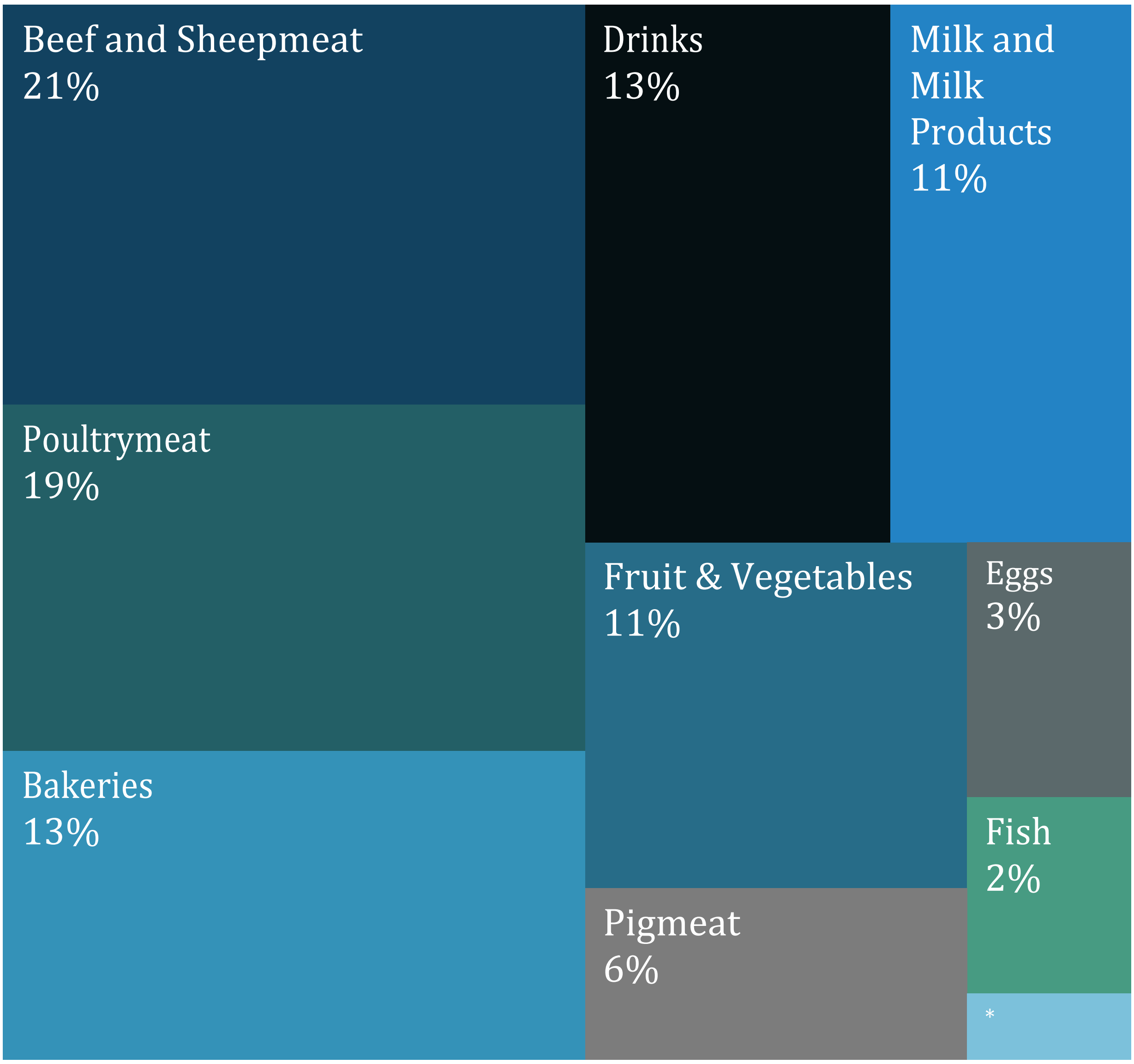
[2] Agency employees are temporary additional workers that are supplied and paid for directly from an employment agency payroll. This type of worker is excluded from the Business Register and Employment Survey and therefore it is not appropriate to include these numbers in any manufacturing industry analysis.

Table 5a Value added, by subsector, 2020 and 2021[1]

	Value Added (£ m)		Difference	% Change
	2020	**2021**	**(£ m)**	**20/21**
Animal By-Products	11.0	10.4	-0.6	-5.9
Bakeries	143.4	145.2	1.8	1.3
Beef and Sheepmeat	235.1	235.0	-0.2	-0.1
Drinks	119.2	143.4	24.3	20.4
Eggs	29.0	28.9	-0.1	-0.4
Fish	19.4	19.9	0.5	2.7
Fruit and Vegetables	119.8	118.6	-1.2	-1.0
Milk and Milk Products	99.8	124.3	24.5	24.6
Pigmeat	71.9	62.7	-9.2	-12.8
Poultrymeat	203.1	207.4	4.3	2.1
Total Sector	**1,051.7**	**1,095.8**	**44.1**	**-4.2**

[1] Figures may not calculate from data in table due to rounding.

Figure 3 Percentage of Value added by subsector, 2021



* Animal by-products 1%

- In 2021, the value added by the sector was estimated to be £1,096 million; an increase of 4.2 per cent since 2020.

- Five of the ten subsectors recorded an increase in value added in 2021. The three largest subsectors beef and sheepmeat (£235.0m), poultrymeat (£207.4m), and bakeries (£145.2m) accounted for 53.6 per cent of the sectors value added in 2021. This compares to the 55.3 per cent share held by the three largest subsectors in 2020 - beef and sheepmeat (£235.1m), poultrymeat (£203.1m), and bakeries (£143.4m).

- Value added accounted for 18.4 per cent of the total gross turnover of the food and drinks processing sector in 2021; a decrease from 19.4 per cent in 2020.

Table 5b Components of value added for each subsector, 2020

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total value added**
Animal By-Products	4.1	0.7	6.1	0.0	11.0
Bakeries	114.0	9.4	18.4	1.6	143.4
Beef and Sheepmeat	153.6	16.9	61.2	3.4	235.1
Drinks	55.7	16.8	40.2	6.4	119.2
Eggs	9.4	4.2	15.5	0.0	29.0
Fish	14.4	1.6	3.1	0.2	19.4
Fruit and Vegetables	77.5	14.4	25.6	2.2	119.8
Milk and Milk Products	70.3	20.9	7.4	1.1	99.8
Pigmeat	37.9	2.9	31.0	0.1	71.9
Poultrymeat	137.9	23.1	40.5	1.7	203.1
Total Sector	**674.9**	**110.9**	**249.1**	**16.7**	**1,051.7**

Table 5c Components of value added for each subsector, 2021

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total value added**
Animal By-Products	4.2	0.8	5.3	0.0	10.4
Bakeries	115.1	10.4	17.6	2.1	145.2
Beef and Sheepmeat	168.6	17.9	45.2	3.3	235.0
Drinks	59.8	20.2	57.5	5.9	143.4
Eggs	10.7	4.4	13.7	0.0	28.9
Fish	14.9	1.7	3.1	0.3	19.9
Fruit and Vegetables	77.9	11.4	27.4	1.9	118.6
Milk and Milk Products	81.1	22.2	20.1	1.0	124.3
Pigmeat	36.0	2.9	23.8	0.1	62.7
Poultrymeat	156.6	26.6	22.4	1.7	207.4
Total Sector	**724.9**	**118.5**	**236.1**	**16.3**	**1,095.8**

- Between 2020 and 2021, two of the four components of value added increased, with the largest increase occurring in wages and salaries (+£50.0m). Nine of the ten subsectors recorded an increase in wages and salaries between 2020 and 2021, the largest of which was poutrymeat (+£18.8m). Depreciation (+£7.6m) recorded an increase in eight of the ten subsectors over the same period. Poultrymeat (+£3.5m) recorded the largest depreciation increase.

- Net profit (-£13.0m) recorded decreases in six subsectors between 2020 and 2021, the largest of which was in the poultrymeat (-£18.0m). Interest paid (-£0.4m) recorded a decrease in four subsectors over the same period.

- The largest contributions toward value added in the sector in 2021 were from wages and salaries (66.2 per cent) and net profit (21.5 per cent).

Table 6 Total Capital employed, by subsector, 2020 and 2021[1]

	Capital Employed (£ m)		Difference	% Change
	2020	2021	(£ m)	20/21
Animal by-products	10.8	12.3	1.5	13.9
Bakeries	129.4	136.9	7.5	5.8
Beef and Sheepmeat	350.3	424.0	73.7	21.0
Drinks	561.8	633.0	71.2	12.7
Eggs	75.8	72.3	-3.5	-4.6
Fish	37.7	36.6	-1.1	-3.0
Fruit and Vegetables	181.8	197.7	15.9	8.8
Milk and Milk Products	230.0	1,143.5	913.5	397.1
Pigmeat	62.4	148.9	86.5	138.6
Poultrymeat	329.4	433.3	103.9	31.6
Total Sector	**1,969.5**	**3,238.7**	**1,269.2**	**64.4**

[1] Figures may not calculate from data in table due to rounding.

- The amount of capital employed (the sum of capital, reserves and total borrowings - see Annex A for more detail), in the food and drinks processing sector increased by £1,269 million between 2020 and 2021, from £1,970 million to £3,239 million.

- In 2021, the largest volumes of capital employed were recorded in the milk and milk products (£1,144m), drinks (£633.0m) and poultrymeat (£433.3m) subsectors. Together, the three largest subsectors in 2021 accounted for 61.8 per cent of total capital employed compared to 63.0 per cent for the three largest subsectors in 2020.

- Between 2020 and 2021, an increase in the total capital employed was recorded in eight of the ten subsectors. Milk and milk products (+£913.5m), poultrymeat (+£103.9m) and pigmeat (+£86.5m) subsectors recorded the largest increases.

- Eggs (-£3.5m) and fish (-£1.1m) were the only two subsectors to record a decrease in total capital employed between 2020 and 2021.

4. DESTINATION OF SALES 2020 AND 2021

This section provides analysis of total sales and total sub-sector sales by destination.

Table 7 Total sales by country of destination, 2020 and 2021

	Sales (£ m and proportion of total sales)			
	2020	**%**	**2021**	**%**
Northern Ireland	1,257.0	23.1	1,437.3	24.2
Great Britain	2,657.7	48.9	2,819.7	47.4
Ireland	878.1	16.2	929.6	15.6
Rest of EU	391.1	7.2	472.3	7.9
Rest of World	248.8	4.6	291.3	4.9
Intervention	0.0	0.0	0.0	0.0
Total sales	**5,432.7**	**100.0**	**5,950.2**	**100.0**
External sales	4,175.6	76.9	4,512.9	75.8
Export sales	1,518.0	27.9	1,693.2	28.5

- Between 2020 and 2021, sales in the food and drinks processing sector to destinations outside of Northern Ireland (external sales) increased by 8.1 per cent from £4,176 million to £4,513 million.

- The proportion of total sales to external markets decreased from 76.9 per cent in 2020 to 75.8 per cent in 2021.

- The largest market for the Northern Ireland food and drinks processing sector continues to be Great Britain. Between 2020 and 2021, sales to this market increased by 6.1 per cent from £2,658 million to £2,820 million. The proportion of total sales to Great Britain decreased by 1.5 percentage points from 48.9 per cent in 2020 to 47.4 per cent in 2021.

- Export sales, i.e. sales to markets outside of the United Kingdom, increased by 11.5 per cent from £1,518 million in 2020 to £1,693 million in 2021. Sales in the food and drinks processing sector to export markets accounted for 28.5 per cent of total sales in 2021; an increase of 0.6 percentage points from 2020.

- The largest export market continues to be Ireland, which recorded a 5.9 per cent increase in sales from £878.1 million in 2020 to £929.6 million in 2021. Ireland accounted for 15.6 per cent of the total sales in the food and drinks processing sector in 2021, a decrease of 0.6 percentage points from 2020.

Table 8a Destinations and values of subsector sales, 2020

(£ m)

	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Inter-vention	Total Sales	External[6] Sales	Export[7] Sales
Animal By-Products	*	*	*	*	*	0.0	**48.4**	*	*
Bakeries	200.8	128.3	106.8	1.2	4.9	0.0	**442.1**	241.3	113.0
Beef/Sheepmeat	224.1	1,002.6	116.8	*	*	0.0	**1,469.6**	1,245.5	242.9
Drinks	176.7	39.8	171.8	12.8	22.1	0.0	**423.3**	246.5	206.7
Eggs	58.7	118.6	12.1	*	*	0.0	**189.7**	131.0	12.4
Fish	14.5	47.6	6.8	18.1	3.0	0.0	**90.1**	75.5	27.9
Fruit/Vegetables	122.2	214.9	84.4	0.2	0.9	0.0	**422.7**	300.4	85.6
Milk/Milk Products	273.5	325.1	248.8	211.1	127.9	0.0	**1,186.4**	912.9	587.8
Pigmeat	99.0	226.8	72.5	*	*	0.0	**454.6**	355.5	128.7
Poultrymeat	*	*	*	*	*	0.0	**705.9**	*	*
Total	**1,257.0**	**2,657.7**	**878.1**	**391.1**	**248.8**	**0.0**	**5,432.7**	**4,175.6**	**1,518.0**

Table 8b Destinations and values of subsector sales, 2021

(£ m)

	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Inter-vention	Total Sales	External[6] Sales	Export[7] Sales
Animal By-Products	*	*	*	*	*	0.0	**47.9**	*	*
Bakeries	243.4	134.1	110.2	1.5	4.6	0.0	**493.8**	250.4	116.3
Beef/Sheepmeat	255.7	1133.7	147.9	*	*	0.0	**1,697.2**	1,441.6	307.9
Drinks	199.3	38.7	190.3	*	*	0.0	**476.0**	276.7	238.0
Eggs	62.1	128.9	9.8	*	*	0.0	**200.9**	138.8	10.0
Fish	14.5	24.2	6.7	19.6	3.1	0.0	**68.0**	53.6	29.4
Fruit/Vegetables	132.7	204.2	73.7	0.1	0.7	0.0	**411.3**	278.6	74.5
Milk/Milk Products	354.9	281.6	265.2	258.4	117.0	0.0	**1,277.1**	922.2	640.6
Pigmeat	95.5	202.2	61.7	*	*	0.0	**448.5**	353.0	150.8
Poultrymeat	*	*	*	*	*	0.0	**829.4**	*	*
Total	**1,437.3**	**2,819.7**	**929.6**	**472.3**	**291.3**	**0.0**	**5,950.2**	**4,512.9**	**1,693.2**

*Information has been suppressed to avoid disclosure.

1. Northern Ireland 2. Great Britain 3. Ireland 4. Rest of European Union
5. Rest of World 6. Sales outside NI 7. Sales outside UK

- In 2021, Great Britain was the largest market for six of the ten subsectors; one less than 2020. Northern Ireland is now the biggest market for three subsectors and the Rest of the World for one subsector.

- In 2021, there were three subsectors reliant on markets outside of Northern Ireland (external markets), for more than 80.0 per cent of their total sales – animal by-products, beef and sheepmeat and poultrymeat. The bakeries subsector (50.7 per cent) had the least reliance on external markets for sales.

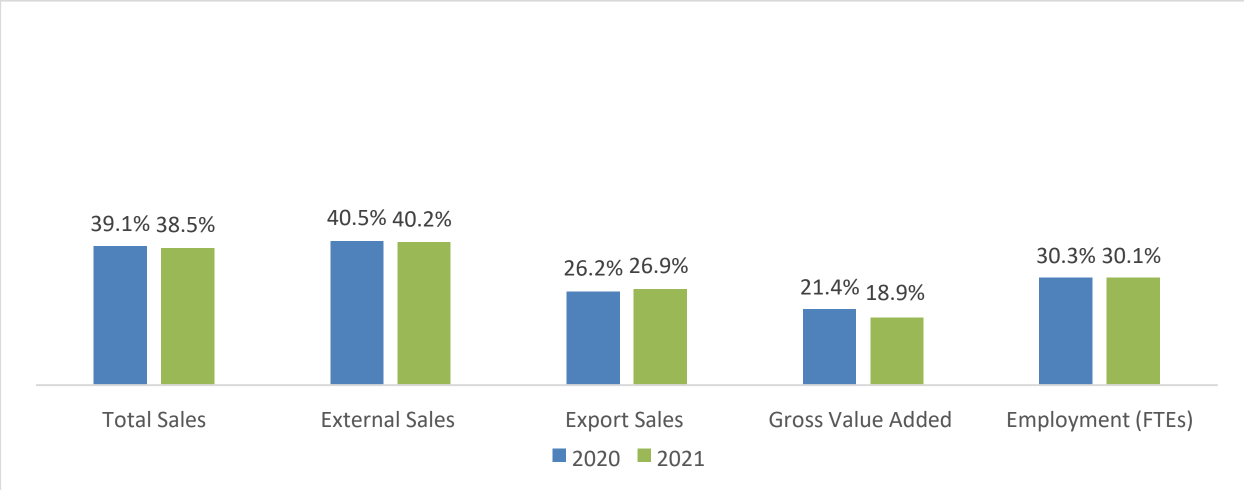
- There were four subsectors in 2021 reliant on markets outside of the United Kingdom (export sales), for more than 40.0 per cent of their total sales – animal by-products, drinks, fish and milk and milk products. Beef and sheepmeat, eggs, poultrymeat, and fruit and vegetables all had export sales of less than 20.0 per cent of their total sales.

- Ireland (IE) remains the largest export market for the food and drinks processing sector and accounted for 54.9 per cent of exports in 2021. This market also accounts for 40.0 per cent of the total sales in the drinks subsector and 22.3 per cent in the bakeries subsector in 2021.

5. CONTRIBUTION TO THE NORTHERN IRELAND MANUFACTURING INDUSTRY 2020 AND 2021

This section provides analysis of the contribution the food and drinks processing sector makes to the Northern Ireland manufacturing in terms of sales, destination of sales, employment and value added.

Figure 4 Contribution to Northern Ireland Manufacturing[3] Industry



- Total sales of Northern Ireland manufacturing goods increased 11.0 per cent in 2021 to £15,440 million, while food and drink sales increased by 9.5 per cent. As a result, the food and drinks sectors share of total Northern Ireland manufacturing good sales has decreased from 39.1 per cent in 2020 to 38.5 per cent in 2021.

- Between 2020 and 2021, the sector share of manufacturing's external good sales has decreased from 40.5 per cent to 40.2 per cent and its share of export sales has increased from 26.2 per cent to 26.9 per cent.

- The food and drinks processing sectors share of manufacturing employment has decreased to 30.1 per cent in 2021; a decrease of 0.2 percentage points from 2020.

- The sector accounted for 18.9 per cent of total value added in the manufacturing industry in 2021; a decrease of 1.5 percentage points from 2020.

- The sector made a 2.4[4] per cent contribution to gross value added in the Northern Ireland economy in 2021; a fall from 2.5 percent in 2020.

[3] Manufacturing sector data from NISRA publications; Northern Ireland Economic Trade Statistics 2021 published on 14th December 2022, Business Register and Employment Survey 2021 published on 30th June 2022 and Annual Business Inquiry 2021 published on 23rd November 2022. Please note Sales refers to Sales of Goods (excluding Services).

[4] Food and drinks value added calculated as a proportion of Northern Ireland Regional Gross Value Added (balanced) published by ONS 25th April 2023 in publication 'Regional gross value added (balanced) by industry, all ITL regions'

6. PURCHASES – EXPERIMENTAL STATISTICS

This chapter provides analysis of purchases in the Northern Ireland food and drinks processing sector. This chapter will remain classified as experimental statistics until feedback[5] indicates that the contents are useful and credible. The statistics remain subject to testing of quality and ability to meet user needs. Analysis covers all purchases of goods and services made by firms included in other chapters in this report. As the value of purchases for goods resold without further processing is not available, purchases are analysed against the sectors gross turnover including sales of unprocessed goods.

Table 9 Unadjusted Gross Turnover[1] and Purchases 2020 and 2021

	2020	2021	Percentage Change 20/21[2]
Unadjusted Gross Turnover (£ m)	5,496.4	6,016.5	9.5
Total Purchases (£m)	4,165.2	4,677.5	12.3
Percentage of Unadjusted Gross Turnover	75.8	77.7	2.6

[1] Includes the value of sales of goods purchased and resold without further processing.
[2] Figures may not calculate from data in table due to rounding.

- The unadjusted gross turnover for the food and drinks processing sector is estimated to have increased from £5,496 million in 2020 to £6,017 million in 2021; an increase of 9.5 per cent.

- The total purchases for the food and drinks processing sector are estimated to have increased from £4,165 million to £4,678 million over the same period; an increase of 12.3 per cent.

- As a proportion of unadjusted gross turnover, purchases have increased from 75.8 per cent in 2020 to 77.7 per cent in 2021, an increase of 2.6 percent.

[5] DAERA is making these experimental statistics available so that users and stakeholders can be involved in their development. DAERA hope to receive informed feedback which will improve the quality and value of the statistics.

Table 10a Purchases and unadjusted turnover by subsector2020

	£ (million)		Purchases as % of
	Purchases	Turnover	Turnover
Animal by-products	33.7	48.4	69.6
Bakeries	303.0	458.2	66.1
Beef and Sheepmeat	1,172.8	1,480.7	79.2
Drinks	257.0	428.0	60.0
Eggs	165.9	189.7	87.5
Fish	72.5	91.5	79.2
Fruit and Vegetables	317.7	440.4	72.1
Milk and Milk Products	963.4	1,192.6	80.8
Pigmeat	385.3	458.6	84.0
Poultrymeat	494.0	708.3	69.7
Total Sector	**4,165.2**	**5,496.4**	**75.8**

Table 10b Purchases and unadjusted turnover by subsector2021

	£ (million)		Purchases as % of
	Purchases	Turnover	Turnover
Animal by-products	31.1	47.9	65.0
Bakeries	358.8	515.4	69.6
Beef and Sheepmeat	1,371.2	1,708.7	80.2
Drinks	330.9	478.6	69.1
Eggs	174.3	200.9	86.8
Fish	51.8	69.4	74.6
Fruit and Vegetables	314.5	437.5	71.9
Milk and Milk Products	1,068.9	1,284.1	83.2
Pigmeat	362.2	452.5	80.0
Poultrymeat	613.9	821.5	74.7
Total Sector	**4,677.5**	**6,016.5**	**77.7**

- Six of the ten subsectors recorded an increase in their total purchases between 2020 and 2021. The subsectors which recorded the largest increase were beef and sheepmeat (+£198.4m), poultrymeat (+£119.9m) and milk and milk products (+£105.5m). Pigmeat (-£23.1m) and fish (-£20.7m) recorded the largest decreases in purchase costs.

- Drinks (+28.8%), poultrymeat (+24.3%) and bakeries (+18.4%) recorded the largest increases in the proportion of purchases between 2020 and 2021. Fish (-28.5%) and animal by-products (-7.6%) experienced the largest decreases in the proportion of purchases over the period.

- Beef and sheepmeat, and milk and milk products are the largest subsectors in terms of purchases. Their combined share of purchases increased from 51.3 per cent in 2020 to 52.2 per cent in 2021.

- In 2021, purchases in the eggs (86.8%), milk and milk products (83.2%) and pigmeat (80.0%) subsectors were over 80.0 per cent of turnover. The same three subsectors - eggs (87.5%), pigmeat (84.0%) and milk and milk products (86.2%) had purchases of more than 80.0 per cent of turnover in 2020.

- Three subsectors in 2021, animal by-products (65.0%), drinks (69.1%) and bakeries (69.6%) had purchases of less than 70 per cent of turnover. This is down from four subsectors with purchases less than 70 per cent of turnover in 2020; drinks (60.0%), bakeries (66.1%), animal by-products (69.6%) and poultrymeat (69.7%).

Table 11 Total purchases by origin, 2020 and 2021

	Purchases (£m and percentage of total purchases)			
	2020	**%**	**2021**	**%**
Northern Ireland	2,768.7	66.5	3,072.8	65.7
Great Britain	686.0	16.5	817.7	17.5
Ireland	518.9	12.5	583.1	12.5
Rest of EU	172.2	4.1	184.1	3.9
Rest of World	19.3	0.5	19.8	0.4
Total purchases	**4,165.2**	**100.0**	**4,677.5**	**100.0**
External purchases	1,396.5	33.5	1,604.7	34.3
Import purchases	710.5	17.1	787.0	16.8

- The largest market of origin for purchases for the Northern Ireland food and drinks processing sector continues to be internal market. Between 2020 and 2021, purchases within Northern Ireland increased by 11.0 per cent from £2,769 million to £3,073 million. Despite this increase, Northern Ireland's proportional share of the market decreased from 66.5 per cent to 65.7 per cent over the period.

- Between 2020 and 2021, purchases in the food and drinks processing sector from countries outside of Northern Ireland (external purchases) increased by 14.9 per cent from £1,397 million to £1,605 million. The proportion of total purchases from external markets increased from 33.5 per cent to 34.3 per cent over the period.

- The largest external market for purchases is Great Britain. Purchases from Great Britain increased from £686.0 million in 2020 to £817.7 million in 2021; an increase of 19.2 per cent. This resulted in Great Britain's share of the purchases market increasing by 1.0 percentage point to 17.5 per cent.

- Imports, i.e. purchases from markets outside of the United Kingdom, increased by 10.8 per cent from £710.5 million in 2020 to £787.0 million in 2021. Imports in the food and drinks processing sector accounted for 16.8 per cent of total sales in 2021; a decrease of 0.3 percentage points from 2020.

- The largest import market is Ireland, which recorded a 12.4 per cent increase in purchases from £518.9 million in 2020 to £583.1 million in 2021. Ireland accounted for 12.5 per cent of the total purchases in the food and drinks processing sector in both 2020 and 2021.

Table 12a Origin and values of subsector purchases, 2020

	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Total	External[6]	Imports[7]
				£ (m)				
Animal By-Products	26.8	*	6.2	*	*	**33.7**	6.9	*
Bakeries	158.0	100.0	27.8	16.6	0.6	**303.0**	145.0	45.0
Beef/Sheepmeat	820.4	251.1	96.1	*	*	**1,172.8**	352.4	101.4
Drinks	69.4	36.6	72.7	68.3	10.0	**257.0**	187.6	151.1
Eggs	148.5	2.7	10.4	4.3	0.0	**165.9**	17.4	14.7
Fish	59.8	3.1	7.5	0.5	1.5	**72.5**	12.7	9.6
Fruit/Vegetables	190.9	90.4	22.3	*	*	**317.7**	126.8	36.4
Milk/Milk Products	720.7	51.2	164.8	*	*	**963.4**	242.7	191.4
Pigmeat	279.6	10.3	95.0	0.3	0.0	**385.3**	105.7	95.3
Poultrymeat	294.7	*	16.1	*	*	**494.0**	199.3	*
Total	**2,768.7**	**686.0**	**518.9**	**172.2**	**19.3**	**4,165.2**	**1,396.5**	**710.5**

Table 12b Origin and values of subsector purchases, 2021

	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Total	External[6]	Imports[7]
				£ (m)				
Animal By-Products	25.4	2.4	3.4	0.0	0.0	**31.1**	5.8	3.4
Bakeries	209.6	105.5	23.7	19.5	0.4	**358.8**	149.2	43.7
Beef/Sheepmeat	1,003.3	279.8	81.1	*	*	**1,371.2**	367.9	88.1
Drinks	71.6	60.7	109.3	77.2	12.1	**330.9**	259.3	198.6
Eggs	142.2	13.1	14.2	4.8	0.0	**174.3**	32.1	19.0
Fish	42.0	1.0	7.7	0.3	0.8	**51.8**	9.8	8.8
Fruit/Vegetables	186.7	89.0	22.9	11.5	4.3	**314.5**	127.7	38.8
Milk/Milk Products	*	*	*	*	*	**1,068.9**	*	*
Pigmeat	256.6	12.8	92.5	0.3	0.0	**362.2**	105.6	92.8
Poultrymeat	*	*	*	*	*	**613.9**	*	*
Total	**3,072.8**	**817.7**	**583.1**	**184.1**	**19.8**	**4,677.5**	**1,604.7**	**787.0**

*Information has been suppressed to avoid disclosure.
1. Northern Ireland 2. Great Britain 3. Ireland 4. Rest of European Union
5. Rest of World 6. Purchases outside NI 7. Purchases outside UK

- In both 2020 and 2021 Northern Ireland was the largest purchase market for nine out of the ten subsectors. In 2021, three subsectors were reliant on Northern Ireland for more than 80.0 per cent of their total purchases; eggs (81.6%), animal by-products (81.5%) and fish (81.1%). This compares to two subsectors in 2020; eggs (89.5%) and fish (82.5%).

- In 2021, there are four subsectors reliant on markets outside of Northern Ireland (external markets) to purchase more than 40.0 per cent of their goods; drinks (78.4%), bakeries (41.6%), fruit and vegetables (40.6%) and poultrymeat (41.1%). This compares to three subsectors in 2020; drinks (73.0%), bakeries (47.9%) and poultrymeat (40.3%).

- There are three subsectors in 2021 reliant on markets outside of the United Kingdom (import markets) for more than 20.0 per cent of their total purchases; drinks (60.0%), pigmeat (25.6%) and milk and milk products (21.3%). This compares to two subsectors in 2020; drinks (58.8%) and pigmeat (24.7%). The beef and sheepmeat (8.6% 2020, 6.4% 2021) subsector has the least reliance on imports in the supply chain.

7. ANIMAL FEED AND PET FOOD – EXPERIMENTAL STATISTICS

This section provides experimental statistics and analysis of food processing that is not for human consumption. The statistics will remain classified as experimental statistics until user feedback[6] indicates that they are useful and credible. Analysis will be limited to the three main measures of the size of the animal feed and pet food sector until credibility is established. These figures are not included in chapter two totals for the size of the Northern Ireland food and drink processing sector.

Table 13 Feed and pet food gross turnover, FTEs and value added 2020 and 2021

	2020	**2021**	**Percentage Change 20/21**
Gross Turnover (£ m)	766.6	826.2	7.8
Direct Employees (full time equivalents)	1,458	1,427	-2.1
Value added (£ million)	88.8	97.1	9.3

- The gross turnover for the animal feed and pet food processing sector is estimated to have increased from £766.6 million in 2020 to £826.2 million in 2021; an increase of 7.8 per cent.
- Between 2020 and 2021 the number of direct FTEs in the animal feed and pet food processing sector is estimated to have decreased from 1,458 direct FTEs to 1,427 FTEs, a decrease of 2.1 per cent.
- The value added by animal feed and pet food processing increased from £88.8 million in 2020 to £97.1 million in 2021, an increase of 9.3 per cent.
- Value added accounted for 11.7 per cent of the subsector turnover in 2021; an increase from 11.6 per cent in 2020.

[6] DAERA is making these experimental statistics available so that users and stakeholders can be involved in their development. DAERA hope to receive informed feedback which will improve the quality and value of the statistics.

National Statistics Status

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics were designated as National Statistics in June 2013 following a full assessment against the Code of Practice.

No official compliance checks have been completed since, however, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Sought and implemented recommendations from GSS good practice team to improve the publication;
- Redesigned the publication to provide more context to results by setting recent changes within context of longer term trends;
- Improved statistical output by creating infographics to accompany the report and tables;
- Improved statistical output by creating an interactive dashboard to accompany the report and tables;
- Removed pre-release access to enhance trustworthiness;
- Accompanying data files are available in open source format for accessibility;
- Included experimental statistics on food not for human consumption.
- Included experimental statistics on purchases.

ANNEX A DEFINITIONS

Definitions of subsectors

Animal By-Products	Businesses which process red offals and fats which enter the human food chain. It excludes pet food, rendering, and hide and skin processing businesses.
Bakeries	Flour milling and bread and pastry manufacturers. Home bakeries, which sell their products through their own single retail outlet, are excluded.
Beef and Sheepmeat	All the businesses involved in the slaughtering of cattle and sheep and the processing of beef and sheepmeat.
Drinks	Both alcoholic and non-alcoholic drinks manufacturing businesses. The main products are bottled water, soft drinks, beers and spirits.
Eggs	Businesses involved in the grading and packing of eggs and the preparation of egg components for bakeries and catering businesses.
Fish	Businesses which process and package freshwater and sea fish species. Activities range from filleting to preparing cooked products.
Fruit and Vegetables	A wide range of businesses from those principally involved in the grading and packing of fruit and vegetables to those which manufacture products such as potato crisps. Wholesale fruit and vegetable businesses are excluded.
Milk and Milk Products	Businesses which pasteurise milk and those which manufacture milk products such as butter, cheese, ice-cream and yoghurt. Data does not include milk roundsmen activities.
Pigmeat	All businesses involved in the slaughter and processing of pigs. Products include bacon, pork, hams and sausages.
Poultrymeat	All slaughtering and processing of table poultry such as chickens, ducks and turkeys. Products range from whole birds to highly developed ready meals based on chicken.

Definitions of size terms

Gross turnover	Sum of the annual turnovers of all the businesses in the subsector excluding the value of sales of goods purchased and resold without further processing - also equal to the total annual sales of the businesses within the subsector.
Direct full-time employee equivalents (FTEs)	Employees on the payroll of a company with a full contract of employment. Part-time employees are converted to FTEs by multiplying by 0.5 and adding to the number of full-time employees.
Value added	Calculated by deducting all of the ‘inputs’, which are the ‘outputs’ of other industries, from the gross turnover of the processing subsector. It is equal to the sum of the wages

	and salaries, depreciation, net profit and interest paid in the subsector.
Wages and salaries	Total remuneration to directors and employees including National Insurance contributions, representing the employment cost to the employer, not the amount received by the employee.
Depreciation	The depreciation charge made against all the tangible fixed assets in the business.
Net profit	The profit generated after deduction of all costs and charges, including interest costs, but before deduction of tax.
Interest	This is the interest paid on hire purchase and finance agreements minus the interest received for investments. If the interest from investments is greater that the interest paid, then the interest is zero.
Total capital employed	The sum of the share capital, reserves and total borrowings for incorporated businesses. For partnerships and sole traders this figure is estimated based on sales and subsector averages.

Definitions of other terms

Full-time employee	Someone employed for at least 30 hours per week.
Part-time employee	Someone employed for less than 30 hours per week.
Agency employment	The supply of temporary additional workers to a company on a short-term basis by an employment agency. Converted into FTEs by dividing the total number hours worked by 8 to give the total number of working days and then by dividing again by the total number of working days in a year. (233 working days in a normal year and 234 in a leap year).
Intervention	This refers to a number of policy instruments and market tools available in the dairy sector to provide a safety net in the case of serious market imbalance.
Unadjusted gross turnover	Sum of the annual turnovers of all the businesses in the subsector including the value of sales of goods purchased and resold without further processing.
Purchases	Sum of the annual purchases of goods and services for all the businesses in the subsector.

Sales destination definitions

Northern Ireland (NI)	Sales of goods processed and sold in Northern Ireland.
Great Britain (GB)	Sales of goods processed in Northern Ireland and sold to England, Scotland or Wales.
Ireland (IE)	Sales of goods processed in Northern Ireland and sold to Ireland.
Rest of EU (REU)	Sales of goods processed in Northern Ireland and sold to European Union countries excluding Ireland (IE).

Rest of World (ROW)	Sales of goods processed in Northern Ireland and sold to countries outside the United Kingdom and European Union.
External sales	Sales of goods processed in Northern Ireland and sold to GB, IE, REU and ROW.
Export sales	Sales of goods processed in Northern Ireland and sold to IE, REU and ROW.

Purchases by origin definitions

Northern Ireland (NI)	Purchases of goods and services from Northern Ireland.
Great Britain (GB)	Purchases of goods and services from England, Scotland or Wales.
Ireland (IE)	Purchases of goods and services from Ireland.
Rest of EU (REU)	Purchases of goods and services from European Union countries excluding Ireland (IE).
Rest of World (ROW)	Purchases of goods and services from countries outside the United Kingdom and European Union.
External sales	Purchases of goods and services from GB, IE, REU and ROW.
Export sales	Purchases of goods and services from IE, REU and ROW.

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