NISRA Northern Ireland Statistics and Research Agency

# Northern Ireland Food and Drinks Processing Report 2019

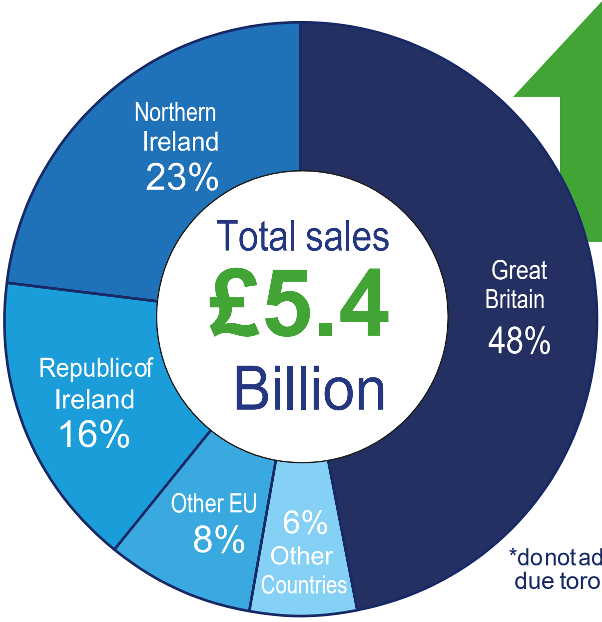
***Sustainability** at the heart of a living, working, active landscape valued by everyone.*

Department of Agriculture, Environment and Rural Affairs
www.daera-ni.gov.uk

INVESTORS IN PEOPLE

# NI's Food and Drinks Processing Sector 2019

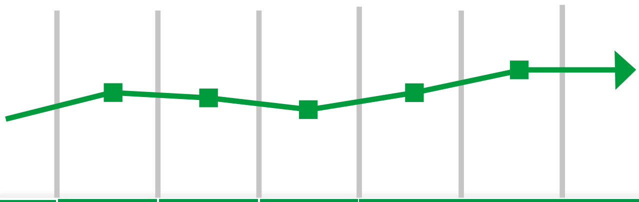
## Destination of Sales




Sales up by 4%

*do not add to 100% due to rounding.

## Trend over time



| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| Sales | £4.6 Billion | £4.4 Billion | £4.3 Billion | £4.6 Billion | £4.9 Billion | £4.9 Billion |

Gross turnover in real terms expressed in 2015 prices

## Contribution to NI Manufacturing Industry

37%
of total sales

## Employment

up by 3%

24,945 FTE*
employees

* Full time Equivalents

## Value Added

up by 7%

£998
million

*Sustainability at the heart of a living, working, active landscape valued by everyone.*

## KEY FACTS

**Gross turnover:** The total gross turnover of the Northern Ireland food and drinks processing sector is estimated to have increased by 3.7 per cent in 2019 to £5,365 million. Provisional estimates for 2020 project a 1.0 per cent increase to £5,413 million.

**Employment:** The estimated number of direct full-time employee equivalents (FTEs) in the sector increased by 3.2 per cent to 24,945 FTEs in 2019. Provisional estimates for 2020 project a 0.2 percent increase to 24,984 FTEs.

**Value Added:** The value added by the sector increased by 7.0 per cent to £998 million between 2018 and 2019.

**Destination of sales:** Between 2018 and 2019 the sector's sales increased to Great Britain (+£30.3m), to Ireland (+£66.6m) and to Other Countries outside the EU (+£180.2m). Sales decreased within Northern Ireland (-£52.9m) and to Other EU Countries (-£31.3m). Great Britain remains the sector's largest market accounting for 47.5 per cent of sales in 2019; a decrease from 48.7 per cent in 2018.

**Contribution to Northern Ireland manufacturing sector sales:** The food and drinks sector contributed 36.8 per cent to total manufacturing sales in 2019, an increase from 35.3 per cent in 2018. The sector accounted for 38.9 per cent of manufacturing external sales in 2019 and 24.4 per cent of export sales.

**Value added to the Northern Ireland Economy:** The sector's contribution to total Northern Ireland GVA has increased slightly between 2018 and 2019 from 2.3 per cent to 2.4 per cent. The contribution to manufacturing GVA increased from 19.7 per cent to 21.7 per cent.

**Contribution to Northern Ireland manufacturing sector employment:** The sector's contribution to total manufacturing employment increased from 28.9 per cent to 29.5 per cent between 2018 and 2019.

**Issue No:** 29
**Date of Publication:** 29 July 2021
**Theme:** Food and Farming
**Reporting Period:**
1 January 2018 to 31 December 2020

**URL:** [https://www.daera-ni.gov.uk/publications/size-and-performance-ni-food-and-drinks-processing-sector](https://www.daera-ni.gov.uk/publications/size-and-performance-ni-food-and-drinks-processing-sector)

**Issued by:**
Statistics and Analytical Services Branch Department of Agriculture, Environment and Rural Affairs (DAERA), Room 816, Dundonald House
Belfast BT4 3SB

**Contact:** Philip Hamilton
**Telephone:** 028 90524312
**Email:** philip.hamilton@daera-ni.gov.uk

## CONTENTS

# 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 2019, as well as providing revised comparative data for 2018. In addition, the supporting data tables 10a to 10b 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 11a to 11g 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 2020 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 2019 is scheduled for publication in July 2022. This publication will also contain the first full estimates for eight key size variables and fifteen performance indicators for 2020. 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 2021.

- 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, 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 2018-2020**

| | **2018** | **2019** | **Percentage Change 18/19** | **Provisional 2020** |
|---|---|---|---|---|
| Gross Turnover (£ m) | 5,172.3 | 5,365.2 | 3.7 | 5,413.4 |
| Direct Employees (full time equivalents) | 24,181 | 24,945 | 3.2 | 24,984 |
| Value added (£ million) | 933.2 | 998.5 | 7.0 | ** |

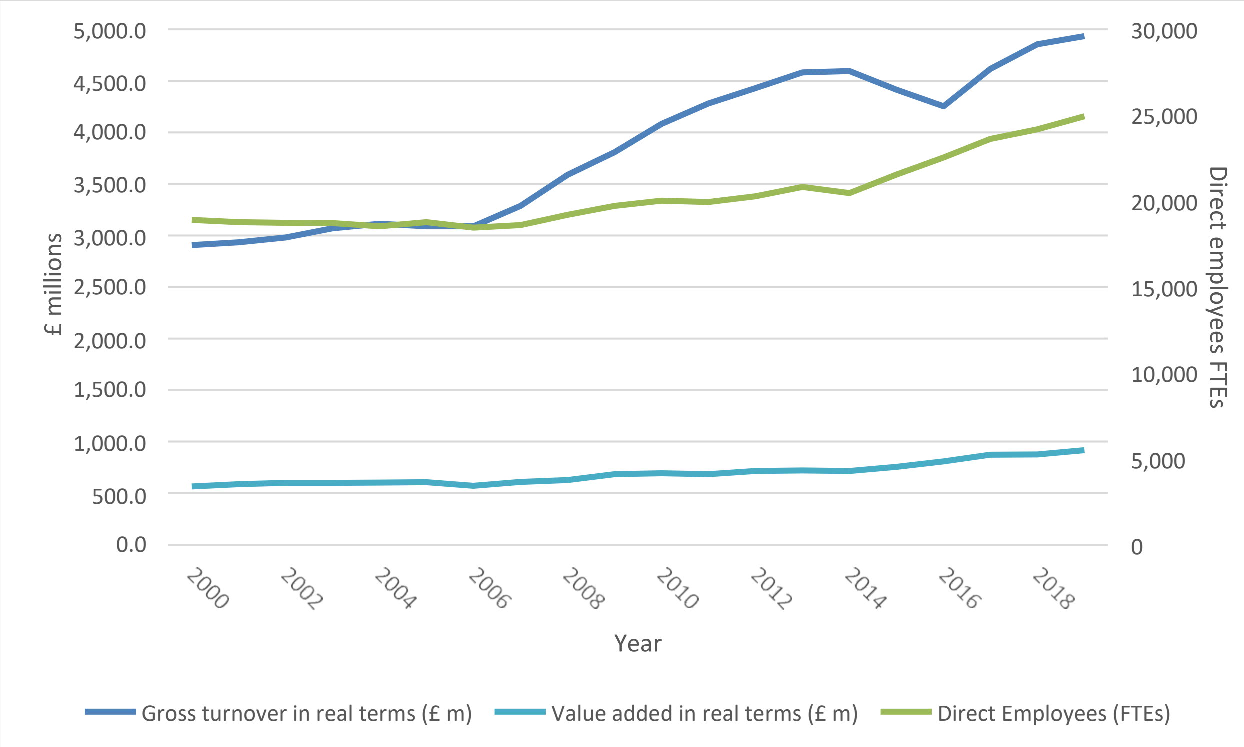
**No provisional estimate made.

- The gross turnover for the food and drinks processing sector is estimated to have increased from £5,172 million in 2018 to £5,365 million in 2019; an increase of 3.7 per cent. Provisional estimates for 2020 indicate a further 0.9 per cent increase to £5,413 million.

- The number of direct FTEs in the food and drinks processing sector increased from 24,181 direct FTEs in 2018 to 24,945 in 2019; an increase of 3.2 per cent. Provisional estimates for 2020 indicate a 0.2 per cent increase to 24,984.

- The value added to the Northern Ireland economy by the sector increased from £933 million in 2018 to £998 million in 2019; an increase of 7.0 per cent.

**Figure 1 Gross turnover[1], value added[1] and employment trends 2000-2019**




- After adjustment for inflation, gross turnover has grown from £2,909 million in 2000 to £4,935 million in 2019; an increase of 69.6 per cent in real terms.

- Between 2005 and 2014 gross turnover increased for ten consecutive years from £3,090 million to £4,597 million, an increase of 48.8 per cent in real terms. Following two years of decline, gross turnover increased from £4,256 million in 2016 to a high of £4,935 million in 2019; an increase of 16.0 per cent.

- After adjustment for inflation, value added in the sector has grown from £566 million in 2000 to £918 million in 2019; an increase of 62.2 per cent in real terms.

- The growth in value added has been steady over the period with three decreases experienced in 2006, 2011 and 2014 followed by consecutive years of growth. For the ten year period 2000 to 2009, value added increased by 20.8 per cent in real terms. This compares to a 32.4 per cent increase for the ten year period 2010 to 2019.

- Between 2000 and 2019 the number of direct full-time employee equivalents in the sector has increased from 18,906 to 24,495; an increase of 31.9 per cent.

- Between 2000 and 2007 the number of direct full-time employee equivalents in the sector remained steady at between 18,000 and 19,000 employees. Between 2007 and 2019 direct full-time employment has grown by 34.0 per cent.

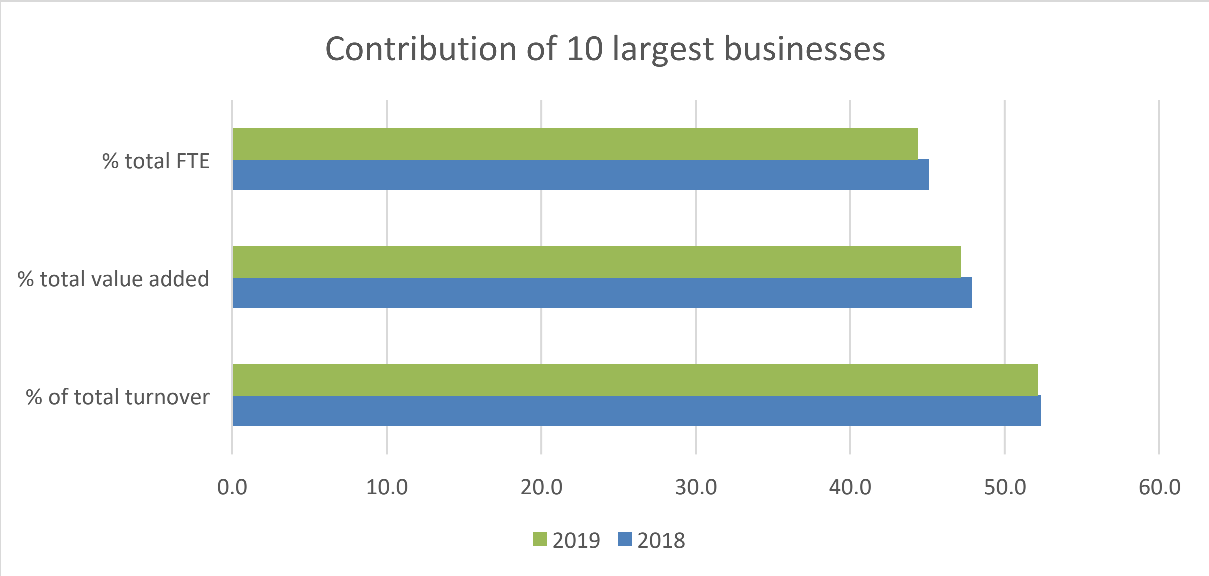
[1] Expressed in 2015 prices, calculated by using GDP deflators, updated 3 March 2021

**Table 2 Number of businesses by annual turnover 2018 and 2019**

| Gross Turnover | Number of businesses 2018 | 2019 | Change (Number of businesses) |
|---|---|---|---|
| **£250k < £1m** | 102 | 100 | -2 |
| **£1m < £10m** | 148 | 143 | -5 |
| **£10m < £50m** | 44 | 49 | 5 |
| **> £50m** | 22 | 22 | 0 |
| **Total Sector** | **316** | **314** | **-2** |

- The food and drinks processing sector had 314 businesses in 2019 with a turnover of more than £250,000; two less than in 2018.
- There were 243 businesses in the food and drinks processing sector in 2019 with an annual turnover of less than £10 million; seven less than in 2018.
- There were 71 business with an annual turnover in excess of £10 million in the food and drinks processing sector in 2019; five more than in 2018.

**Figure 2 Contribution of 10 largest businesses 2018 and 2019**




- In 2019, 52.1 per cent of total gross turnover, 47.1 per cent of total value added and 44.3 per cent of total direct employment was accounted for by the ten largest companies for each variable.
- Between 2018 and 2019, the contribution of the ten largest businesses to total gross turnover decreased by 0.3 percentage points and total value added decreased by 0.7 percentage points. Their contribution to total direct employment decreased by 0.7 percentage points.

## 3. PERFORMANCE BY SUB-SECTOR 2018 AND 2019

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 10 and 11 in the report's supporting tables.

**Table 3 Gross turnover, by subsector, 2018 and 2019**

| | Gross Turnover (£ m) | | (%) Change |
|---|---|---|---|
| | **2018** | **2019** | **18/19** |
| Animal By-Products | 46.6 | 45.1 | -3.3 |
| Bakeries | 376.9 | 405.6 | 7.6 |
| Beef and Sheepmeat | 1437.6 | 1,390.3 | -3.3 |
| Drinks | 419.5 | 449.1 | 7.1 |
| Eggs | 182.0 | 189.8 | 4.3 |
| Fish | 89.2 | 92.6 | 3.8 |
| Fruit and Vegetables | 366.5 | 393.3 | 7.3 |
| Milk and Milk Products | 1142.8 | 1,227.7 | 7.4 |
| Pigmeat | 365.8 | 400.1 | 9.4 |
| Poultrymeat | 745.4 | 771.6 | 3.5 |
| **Total Sector** | **5,172.3** | **5,365.2** | **3.7** |

- Eight out of the ten subsectors recorded an increase in their levels of gross turnover between 2018 and 2019. The subsectors which experienced the largest increase in total gross turnover were milk and milk products (+£84.9m), pigmeat (+£34.3m) and drinks (+£29.7m). Beef and sheepmeat (-£47.3m) and animal by-products (-£1.5m) experienced a decrease in gross turnover.

- Pigmeat (+9.4%), bakeries (+7.6%) and milk and milk products (+7.4%) recorded the largest increases in the proportion of gross turnover between 2018 and 2019. Animal by-products and beef and sheepmeat both experienced 3.3 per cent 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. However, their combined share of total gross turnover decreased from 49.9 per cent in 2018 to 48.8 per cent in 2019.

**Table 4 Direct full-time employee equivalents and total agency workers, by subsector, 2018 and 2019**

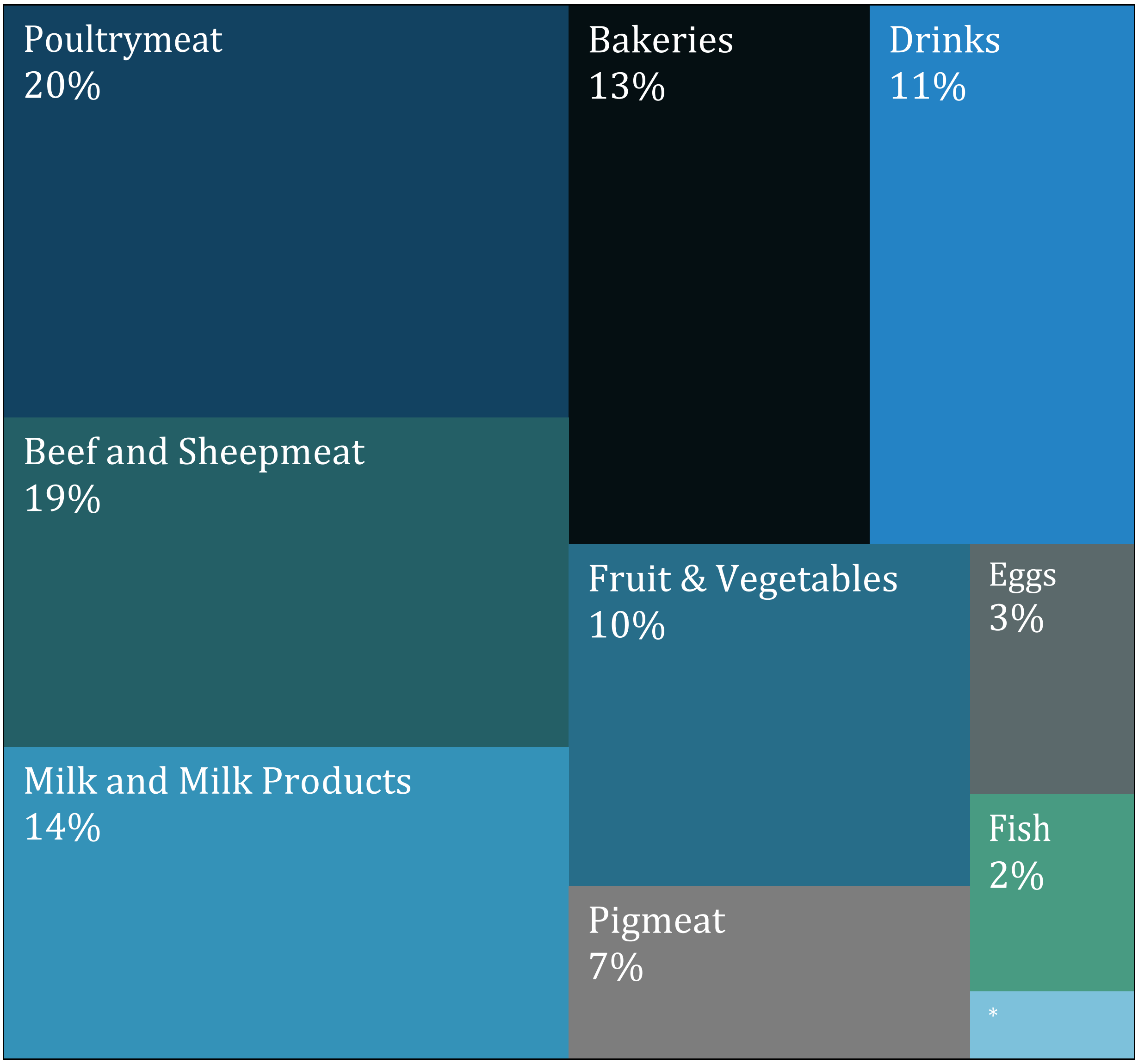
| | Employees (FTEs) | | (%) Change |
|---|---|---|---|
| | **2018** | **2019** | **18/19** |
| Animal By-Products | 115 | 102 | -10.9 |
| Bakeries | 4,101 | 4,541 | 10.7 |
| Beef and Sheepmeat | 5,468 | 5,617 | 2.7 |
| Drinks | 1,424 | 1,442 | 1.3 |
| Eggs | 413 | 417 | 1.0 |
| Fish | 633 | 624 | -1.5 |
| Fruit and Vegetables | 2,847 | 2,959 | 3.9 |
| Milk and Milk Products | 2,354 | 2,299 | -2.3 |
| Pigmeat | 1,656 | 1,730 | 4.4 |
| Poultrymeat | 5,171 | 5,215 | 0.8 |
| **Total Sector** | **24,181** | **24,945** | **3.2** |
| **Agency Employment** | **2,749** | **2,034** | **-26.0** |

- Direct employment in the food and drinks processing sector increased from 24,181 FTEs in 2018 to 24,945 FTEs in 2019; an increase of 3.2 per cent.
- Seven of the ten subsectors recorded an increase in the number of direct full-time employee equivalents between 2018 and 2019. The largest increases were recorded in bakeries (+440 FTEs), beef and sheepmeat (+149 FTEs) and fruit and vegetables (+112 FTEs) subsectors. The decreases were recorded in milk and milk products (-55 FTEs), animal by-products (-13 FTEs) and fish (-9 FTEs).
- Beef and sheepmeat (5,617 FTEs), poultrymeat (5,215 FTEs) and bakeries (4,541 FTEs) subsectors accounted for 61.6 per cent of the total direct employment in the food and drinks processing sector in 2019.
- In 2019, it is estimated that in addition to direct employees, the sector sourced a further 2,034 FTEs from Employment Agencies. This is a decrease of 26.0 per cent from 2018 levels. It would not be appropriate to include these in any manufacturing industry analysis.

**Table 5a Value added, by subsector, 2018 and 2019**

| | Value Added (£ m) | | (%) Change |
|---|---|---|---|
| | 2018 | 2019 | 18/19 |
| Animal By-Products | 10.3 | 10.6 | 3.2 |
| Bakeries | 122.5 | 134.5 | 9.8 |
| Beef and Sheepmeat | 195.9 | 189.5 | -3.2 |
| Drinks | 109.4 | 108.7 | -0.7 |
| Eggs | 27.6 | 29.3 | 6.1 |
| Fish | 18.8 | 19.1 | 1.6 |
| Fruit and Vegetables | 93.2 | 103.9 | 11.5 |
| Milk and Milk Products | 109.1 | 137.8 | 26.3 |
| Pigmeat | 57.5 | 65.6 | 14.1 |
| Poultrymeat | 188.9 | 199.4 | 5.6 |
| **Total Sector** | **933.2** | **998.5** | **7.0** |

**Figure 3 Percentage of Value added by subsector, 2019**




* Animal by-products 1%

- In 2019, the value added by the sector was estimated to be £998 million; an increase of 7.0 per cent from the 2018 figure of £933 million.

- Eight of the ten subsectors recorded an increase in value added in 2019. The three largest subsectors poultrymeat (£199.4m), beef and sheepmeat (£189.5m), and milk and milk products (£137.8m) accounted for 52.8 per cent of the sectors value added in 2019. This compares to the 54.4 per cent share held by the three largest subsectors in 2018 - beef and sheepmeat (£195.9m), poultrymeat (£188.9m) and bakeries (£122.5m).

- Value added accounted for 18.6 per cent of the total gross turnover of the food and drinks processing sector in 2019; an increase from 18.0 per cent in 2018.

**Table 5b Components of value added for each subsector, 2018**

| | Value added (£ m) | | | | |
|---|---|---|---|---|---|
| | **Wages and salaries** | **Depreciation charge** | **Net profit** | **Interest paid** | **Total Value added** |
| Animal By-Products | 3.9 | 0.6 | 5.7 | 0.1 | 10.3 |
| Bakeries | 95.1 | 9.6 | 16.4 | 1.4 | 122.5 |
| Beef and Sheepmeat | 145.7 | 16.6 | 29.6 | 4.0 | 195.9 |
| Drinks | 56.8 | 19.9 | 23.9 | 8.8 | 109.4 |
| Eggs | 8.9 | 4.0 | 14.6 | 0.1 | 27.6 |
| Fish | 12.0 | 1.9 | 4.5 | 0.3 | 18.8 |
| Fruit and Vegetables | 61.7 | 10.1 | 19.6 | 1.7 | 93.2 |
| Milk and Milk Products | 66.1 | 18.8 | 22.5 | 1.8 | 109.1 |
| Pigmeat | 37.0 | 2.6 | 17.9 | 0.1 | 57.5 |
| Poultrymeat | 121.9 | 14.5 | 50.9 | 1.5 | 188.9 |
| **Total Sector** | **609.2** | **98.6** | **205.6** | **19.8** | **933.2** |

**Table 5c Components of value added for each subsector, 2019**

| | Value added (£ m) | | | | |
|---|---|---|---|---|---|
| | **Wages and salaries** | **Depreciation charge** | **Net profit** | **Interest paid** | **Total Value added** |
| Animal By-Products | 3.9 | 0.9 | 5.8 | 0.1 | 10.6 |
| Bakeries | 106.1 | 8.6 | 18.1 | 1.6 | 134.5 |
| Beef and Sheepmeat | 137.2 | 16.7 | 31.8 | 3.8 | 189.5 |
| Drinks | 57.5 | 19.5 | 23.2 | 8.5 | 108.7 |
| Eggs | 9.1 | 4.0 | 16.2 | 0.0 | 29.3 |
| Fish | 13.6 | 1.9 | 3.3 | 0.3 | 19.1 |
| Fruit and Vegetables | 76.6 | 10.6 | 14.8 | 1.8 | 103.9 |
| Milk and Milk Products | 68.2 | 19.9 | 48.4 | 1.3 | 137.8 |
| Pigmeat | 40.5 | 2.8 | 22.2 | 0.1 | 65.6 |
| Poultrymeat | 126.4 | 22.9 | 47.9 | 2.3 | 199.4 |
| **Total Sector** | **639.1** | **107.9** | **231.7** | **19.8** | **998.5** |

- Between 2018 and 2019, three of the four components of value added increased, with the largest increase occurring in wages and salaries (+£30.0m). Eight of the ten subsectors recorded an increase in wages and salaries between 2018 and 2019, the largest of which was the fruit and vegetables subsector (+£14.9m).

- Net profit (+£26.0m) recorded increases in 5 subsectors between 2018 and 2019, the largest of which was in the milk and milk products subsector (+£26.0m). Depreciation (+£9.2m) recorded increases in 6 subsectors over the period, the largest of which was poultrymeat (+£8.4m). There was no change in interest paid between 2018 and 2019.

- The largest contributions toward value added in the sector in 2019 were from wages and salaries (64.0 per cent) and net profit (23.2 per cent).

**Table 6 Total Capital employed, by subsector, 2018 and 2019**

| | Capital Employed (£ m) | | (%) Change |
|---|---|---|---|
| | **2018** | **2019** | **18/19** |
| Animal by-products | 12.4 | 10.2 | -18.2 |
| Bakeries | 102.9 | 110.7 | 7.5 |
| Beef and Sheepmeat | 346.1 | 330.9 | -4.4 |
| Drinks | 484.3 | 356.2 | -26.5 |
| Eggs | 75.2 | 78.2 | 4.0 |
| Fish | 33.7 | 41.7 | 23.6 |
| Fruit and Vegetables | 156.2 | 169.8 | 8.7 |
| Milk and Milk Products | 322.3 | 357.8 | 11.0 |
| Pigmeat | 96.0 | 116.2 | 21.1 |
| Poultrymeat | 290.0 | 316.9 | 9.3 |
| **Total Sector** | **1,919.0** | **1,888.5** | **-1.6** |

- 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 decreased by £30 million between 2018 and 2019, from £1,919 million to £1,889 million.

- In 2019, the largest volumes of capital employed were recorded in the milk and milk products (£357.8m), drinks (£356.2m) and beef and sheepmeat (£330.9m) subsectors. Together, the three largest subsectors in 2019 accounted for 55.3 per cent of total capital employed compared to 60.1 per cent for the same three largest subsectors in 2018.

- From 2018 to 2019, an increase in the total capital employed was recorded in seven of the ten subsectors. The milk and milk products (+£35.5m), poultrymeat (+£27.0m) and pigmeat (+£20.2m) subsectors recorded the largest increases.

- Three of the ten subsectors recorded a decrease in total capital employed between 2018 and 2019. The drinks (-£128.1m) and beef and sheepmeat (-£15.2m) subsectors recorded the largest decreases.

## 4. DESTINATION OF SALES 2018 AND 2019

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

**Table 7 Total sales by country of destination, 2018 and 2019**

| | Sales (£ m and proportion of total sales) | | | |
|---|---|---|---|---|
| | **2018** | **%** | **2019** | **%** |
| Northern Ireland | 1,294.8 | 25.0 | 1,241.9 | 23.1 |
| Great Britain | 2,518.4 | 48.7 | 2,548.7 | 47.5 |
| Ireland | 789.1 | 15.3 | 855.6 | 15.9 |
| Rest of EU | 441.4 | 8.5 | 410.1 | 7.6 |
| Rest of World | 128.6 | 2.5 | 308.8 | 5.8 |
| Intervention | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total sales** | **5,172.3** | **100.0** | **5,365.2** | **100.0** |
| External sales | 3,877.4 | 75.0 | 4,123.2 | 76.9 |
| Export sales | 1,359.1 | 26.3 | 1,574.5 | 29.3 |

- Between 2018 and 2019, sales in the food and drinks processing sector to destinations outside of Northern Ireland (external sales) increased by 6.3 per cent from £3,877 million to £4,123 million.

- The proportion of total sales to external markets increased from 75.0 per cent in 2018 to 76.9 per cent in 2019.

- The largest market for the Northern Ireland food and drinks processing sector continues to be Great Britain. Between 2018 and 2019, sales to this market increased by 1.2 per cent from £2,518 million to £2,549 million. The proportion of total sales to Great Britain decreased by 1.2 percentage points from 48.7 per cent in 2018 to 47.5 per cent in 2019.

- Export sales, i.e. sales to markets outside of the United Kingdom, increased by 15.9 per cent from £1,359 million in 2018 to £1,575 million in 2019. Sales in the food and drinks processing sector to export markets accounted for 29.3 per cent of total sales in 2019; an increase of 3.0 percentage points.

- The largest export market continues to be Ireland, which recorded an 8.4 per cent increase in sales from £789 million in 2018 to £856 million in 2019. Ireland accounted for 15.9 per cent of the total sales in the food and drinks processing sector in 2019, an increase of 0.6 percentage points.

- Sales to the Rest of World increased from £129 million in 2018 to £309 million in 2019; an increase of 140.1 per cent. The Rest of World accounted for 5.8 per cent of total sales in 2019; an increase of 3.3 percentage points. Sales to the Rest of EU decreased from £441 million in 2018 to £410 million in 2019, a decrease of 7.1 percent. The Rest of EU accounted for 7.6 per cent of total sales in 2019, a decrease of 0.9 percentage points.

**Table 8a Destinations and values of subsector sales, 2018**

(£ 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 | **46.6** | * | * |
| Bakeries | 178.3 | 89.2 | 104.6 | 1.1 | 3.7 | 0.0 | **376.9** | 198.6 | 109.4 |
| Beef/Sheepmeat | 170.6 | 1,034.5 | 89.4 | 131.2 | 11.8 | 0.0 | **1,437.6** | 1,266.9 | 232.5 |
| Drinks | 199.0 | 37.2 | 155.0 | 10.1 | 18.2 | 0.0 | **419.5** | 220.5 | 183.3 |
| Eggs | 62.1 | 105.7 | 14.0 | * | * | 0.0 | **182.0** | 119.9 | 14.2 |
| Fish | 15.6 | 42.7 | 7.2 | 21.9 | 1.8 | 0.0 | **89.2** | 73.6 | 30.9 |
| Fruit/Vegetables | 122.5 | 168.7 | 73.1 | 1.1 | 1.1 | 0.0 | **366.5** | 244.0 | 75.3 |
| Milk/Milk Products | 251.0 | 411.9 | 191.9 | 238.2 | 49.8 | 0.0 | **1,142.8** | 891.8 | 479.9 |
| Pigmeat | 113.0 | 145.9 | 73.1 | * | * | 0.0 | **365.8** | 252.8 | 106.9 |
| Poultrymeat | * | * | * | * | * | 0.0 | **745.4** | * | * |
| **Total** | **1,294.8** | **2,518.4** | **789.1** | **441.4** | **128.6** | **0.0** | **5,172.3** | **3,877.4** | **1,359.1** |

**Table 8b Destinations and values of subsector sales, 2019**

(£ 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 | **45.1** | * | * |
| Bakeries | 159.6 | 121.0 | 117.0 | 2.9 | 5.1 | 0.0 | **405.6** | 246.0 | 125.0 |
| Beef/Sheepmeat | 206.5 | 941.9 | 104.8 | 106.2 | 30.8 | 0.0 | **1,390.3** | 1,183.7 | 241.8 |
| Drinks | 199.2 | 39.6 | 165.8 | * | * | 0.0 | **449.1** | 249.9 | 210.2 |
| Eggs | 60.2 | 114.9 | 14.5 | * | * | 0.0 | **189.8** | 129.6 | 14.7 |
| Fish | 14.6 | 49.4 | 6.0 | * | * | 0.0 | **92.6** | 78.0 | 28.5 |
| Fruit/Vegetables | 125.5 | 188.1 | 77.9 | 0.7 | 1.0 | 0.0 | **393.3** | 267.7 | 79.6 |
| Milk/Milk Products | 192.4 | 462.1 | 206.0 | 229.1 | 138.2 | 0.0 | **1,227.7** | 1,035.4 | 573.2 |
| Pigmeat | 101.3 | 121.7 | 82.4 | * | * | 0.0 | **400.1** | 298.8 | 177.1 |
| Poultrymeat | * | * | * | * | * | 0.0 | **771.6** | * | * |
| **Total** | **1,241.9** | **2,548.7** | **855.6** | **410.1** | **308.8** | **0.0** | **5,365.2** | **4,123.2** | **1,574.5** |

*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 both 2018 and 2019 Great Britain was the largest market for seven out of the ten subsectors.

- In 2019, there were four subsectors reliant on markets outside of Northern Ireland i.e. external markets, for more than 80.0 per cent of their total sales – animal by-products, beef and sheepmeat, milk and milk products and fish subsectors. The drinks subsector (55.6 per cent) had the least reliance on external markets for sales.

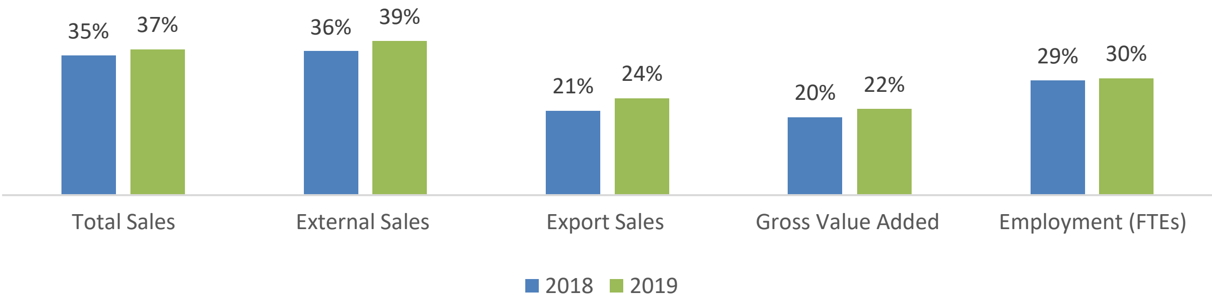
- There were four subsectors in 2019 reliant on markets outside of the United Kingdom i.e. export sales, for more than 40.0 per cent of their total sales – animal by-products, drinks, pigmeat and milk and milk products subsectors. The eggs, poultrymeat and beef and sheepmeat sub-sectors all had export 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 54.3 per cent of exports in 2019. The market accounts for 36.9 per cent of the total sales in the drinks subsector and 28.8 per cent in the bakeries subsector in 2019.

# 5. CONTRIBUTION TO THE NORTHERN IRELAND MANUFACTURING INDUSTRY 2018 AND 2019

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[2] Industry**




- Total sales of Northern Ireland manufacturing goods fell 0.4 per cent in 2019 to £14,580 million, while food and drink sales increased by 3.7 per cent. As a result, the food and drinks sectors share of total Northern Ireland manufacturing good sales has increased from 35.3 per cent in 2018 to 36.8 per cent in 2019.

- Over the same period, the sector has increased its share of manufacturing's external good sales from 36.3 per cent to 38.9 per cent and its share of exports has increased from 21.3 per cent to 24.4 per cent.

- The food and drinks processing sector's share of manufacturing employment has increased to 29.5 per cent in 2019; an increase from a 28.9 per cent share in 2018.

- The sector accounted for 21.7 per cent of total value added in the manufacturing industry in 2019; an increase from 19.7 per cent in 2018.

- The sector made a 2.4[3] per cent contribution to gross value added in the Northern Ireland economy in 2019; an increase from 2.3 per cent in 2018.

[2] Manufacturing sector data from NISRA publications; 'Northern Ireland Broad Economy Sales & Exports Statistics' published on 28th July 2021, Business Register and Employment Survey published on 30th June 2020 and Annual Business Inquiry published on 31st March 2021. Please note Sales refers to Sales of Goods (excluding Services).
[3] Food and drinks value added calculated as a proportion of Northern Ireland Regional Gross Value Added (balanced) published by ONS 26th May 2021 in publication 'Regional economic activity by gross domestic product, UK: 1998 to 2019'

## 6. 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[4] 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 9 Feed and pet food gross turnover, FTEs and value added 2018 and 2019**

| | **2018** | **2019** | **Percentage Change 18/19** |
|---|---|---|---|
| Gross Turnover (£ m) | 743.4 | 797.1 | 7.2 |
| Direct Employees (full time equivalents) | 1,183 | 1,238 | 4.6 |
| Value added (£ million) | 84.0 | 82.2 | -2.1 |

- The gross turnover for the animal feed and pet food processing sector is estimated to have increased from £743 million in 2018 to £797 million in 2019; an increase of 7.2 per cent.
- Between 2018 and 2019 the number of direct FTEs in the animal feed and pet food processing sector is estimated to have increased from 1,183 direct FTEs in to 1,238 FTEs, an increase of 4.6 per cent.
- The value added by animal feed and pet food processing decreased from £84 million in 2018 to £82 million in 2019, a decrease of 2.1 per cent.
- Value added accounted for 10.3 per cent of the subsector turnover in 2019; a decrease from 11.3 per cent in 2018.

[4] 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.

# 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 whiskey. |
| **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 sector or sub-sector - also equal to the total annual sales of the businesses within the sector or sub-sector. |
| 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). |
| 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 the Republic of Ireland. |
| Rest of EU (REU) | Sales of goods processed in Northern Ireland and sold to European Union countries outside the United Kingdom and Ireland (IE). |
| Rest of World | Sales of goods processed in Northern Ireland and sold to countries outside the European Union. |
| 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. |
| 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. |

Policy, Economics and Statistics Division
Department of Agriculture, Environment and Rural Affairs
Dundonald House
Upper Newtownards Road
Ballymiscaw
BELFAST BT4 3SB

Department of
Agriculture, Environment
and Rural Affairs

www.daera-ni.gov.uk

INVESTORS
IN PEOPLE

DMS 21.22.066