Northern Ireland Food and Drinks Processing Report 2020

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Department of Agriculture, Environment and Rural Affairs
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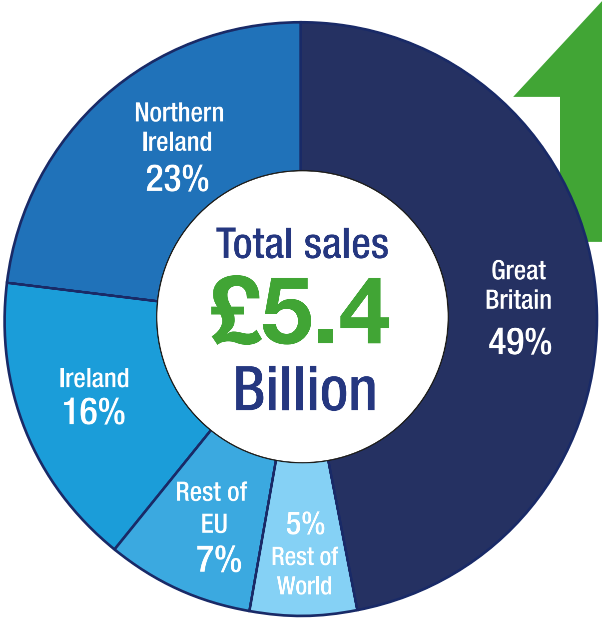
NISRA
Northern Ireland Statistics and Research Agency
NATIONAL STATISTICS

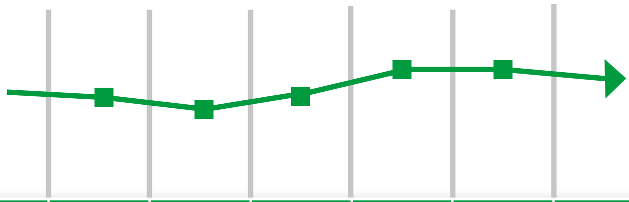
NI's Food and Drinks Processing Sector 2020

Destination of Sales



Sales up by 1%

Trend over time



Year	2015	2016	2017	2018	2019	2020
Sales	£4.4 Billion	£4.2 Billion	£4.6 Billion	£4.9 Billion	£5.0 Billion	£4.8 Billion

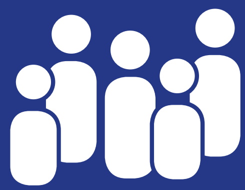
Gross turnover in real terms expressed in 2015 prices

Contribution to NI Manufacturing Industry

39% of total sales

Employment

up by 1%



25,078 FTE* employees

* Full time Equivalents

Value Added

up by 8%

£1.1 Billion

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

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INVESTORS IN PEOPLE

KEY FACTS

Gross turnover: The total gross turnover of the Northern Ireland food and drinks processing sector is estimated to have increased by 0.9 per cent between 2019 and 2020 to £5,424 million. However, after adjustment for inflation, gross turnover is estimated to have decreased by 4.2 per cent in real terms. Provisional estimates for 2021 project a 6.4 per cent increase to £5,769 million.

Employment: The estimated number of direct full-time employee equivalents (FTEs) in the sector increased by 0.8 per cent to 25,078 FTEs in 2020. Provisional estimates for 2021 project a 0.1 per cent increase to 25,105 FTEs.

Value Added: The value added by the sector increased by 8.4 per cent to £1,088 million between 2019 and 2020. After adjustment for inflation this increase is estimated at 2.9 per cent.

Destination of sales: Between 2019 and 2020 the sector's sales increased to Great Britain (+£107.7m) and to Ireland (+£13.3m). Sales decreased within Northern Ireland (-£0.3m), to other EU Countries (-£25.3m) and to the Rest of the World (-£47.4m). Great Britain remains the sector's largest market accounting for 48.9 per cent of sales in 2020; an increase from 47.3 per cent in 2019.

Contribution to Northern Ireland manufacturing sector sales: The food and drinks sector contributed 39.3 per cent to total manufacturing sales in 2020, an increase from 36.6 per cent in 2019. The sector also accounted for 42.5 per cent of manufacturing external sales in 2020 and 26.8 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 2019 and 2020 from 2.4 per cent to 2.6 per cent. The contribution to manufacturing gross value added increased from 21.7 per cent to 22.3 per cent over the same period.

Contribution to Northern Ireland manufacturing sector employment: The sector's contribution to total manufacturing employment increased from 29.4 per cent to 30.4 per cent between 2019 and 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 2020, as well as providing revised comparative data for 2019. 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 2021 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 2020 is scheduled for publication in July 2023. This publication will also contain the first full estimates for eight key size variables and fifteen performance indicators for 2021. 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 2022.

- 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 2019-2021

	2019	2020	Percentage Change 19/20	Provisional 2021
Gross Turnover (£ m)	5,375.6	5,423.6	0.9	5,768.5
Direct Employees (full time equivalents)	24,885	25,078	0.8	25,105
Value added (£ million)	1,003.7	1,087.7	8.4	**

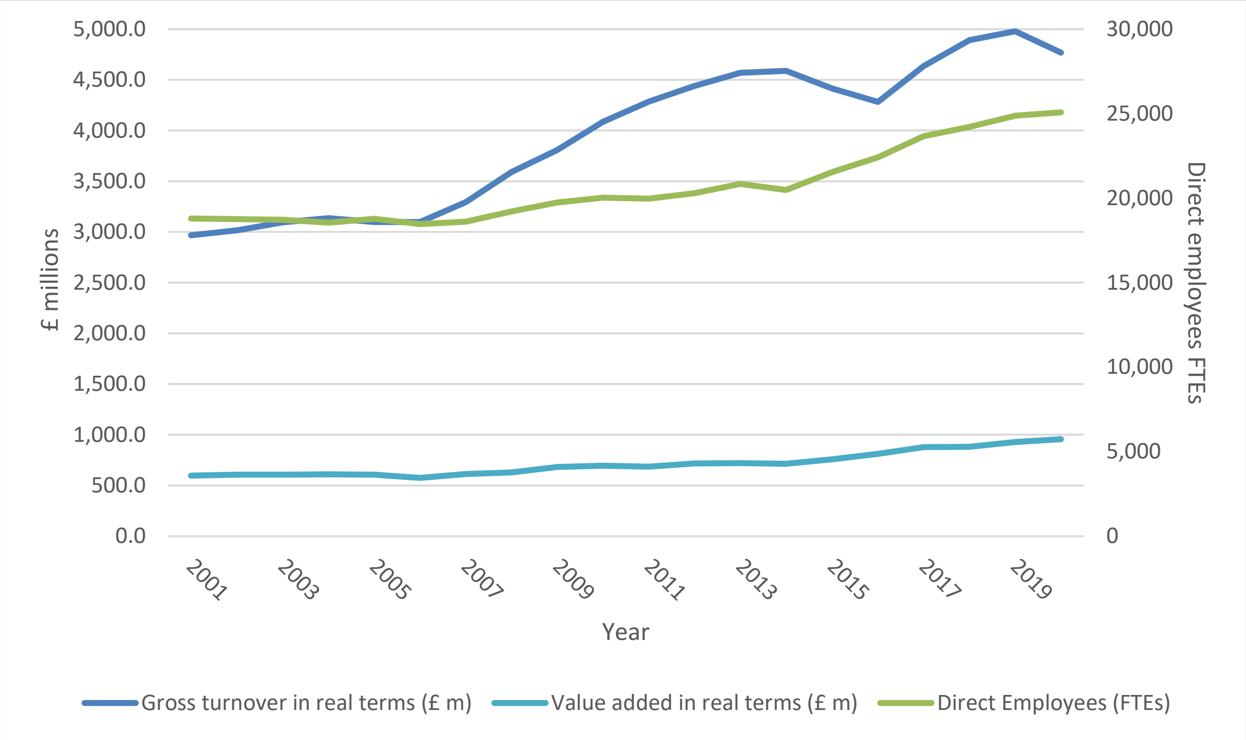
**No provisional estimate made.

- The gross turnover for the food and drinks processing sector is estimated to have increased from £5,376 million in 2019 to £5,424 million in 2020; an increase of 0.9 per cent. Provisional estimates for 2021 indicate a further 6.4 per cent increase to £5,769 million.

- The number of direct FTEs in the food and drinks processing sector increased from 24,885 direct FTEs in 2019 to 25,078 in 2020; an increase of 0.8 per cent. Provisional estimates for 2021 indicate a 0.1 per cent increase to 25,105.

- The value added to the Northern Ireland economy by the sector increased from £1,004 million in 2019 to £1,088 million in 2020; an increase of 8.4 per cent.

Figure 1 Gross turnover[1], value added[1] and employment trends 2000-2020



- After adjustment for inflation, gross turnover in the food and drinks sector has fallen from £4,979 in 2019 to £4,770 million in 2020; a decrease of 4.2 per cent. However, gross turnover has grown by 60.7 per cent in real terms from £2,968 million in 2001.

- Between 2005 and 2014 gross turnover increased for ten consecutive years from £3,098 million to £4,590 million, an increase of 48.2 per cent in real terms. Following two years of decline, gross turnover increased from £4,283 million in 2016 to a high of £4,979 million in 2019; an increase of 16.2 per cent.

- After adjustment for inflation, value added in the sector has grown from £930 million in 2019 to £957 million in 2020, an increase of 2.9 per cent. Value added has grown from £361 million between 2001 and 2020; an increase of 60.6 per cent in real terms.

- The growth in value added has been steady over the period with decreases experienced between 2004-2006, 2010-2011 and 2013-2014 followed by consecutive years of growth. For the ten-year period 2001 to 2010, value added increased by 16.5 per cent in real terms. This compares to a 39.7 per cent increase for the ten-year period 2011 to 2020.

- Between 2001 and 2020 the number of direct full-time employee equivalents in the sector has increased from 18,793 to 25,078; an increase of 33.4 per cent.

- Between 2001 and 2007 the number of direct full-time employee equivalents in the sector remained steady at between 18,000 and 19,000 employees. Since 2007 direct full-time employment has grown by 34.8 per cent in the sector.

[1] Expressed in 2015 prices, calculated by using GDP deflators, updated 31st March 2022

Table 2 Number of businesses by annual turnover 2019 and 2020

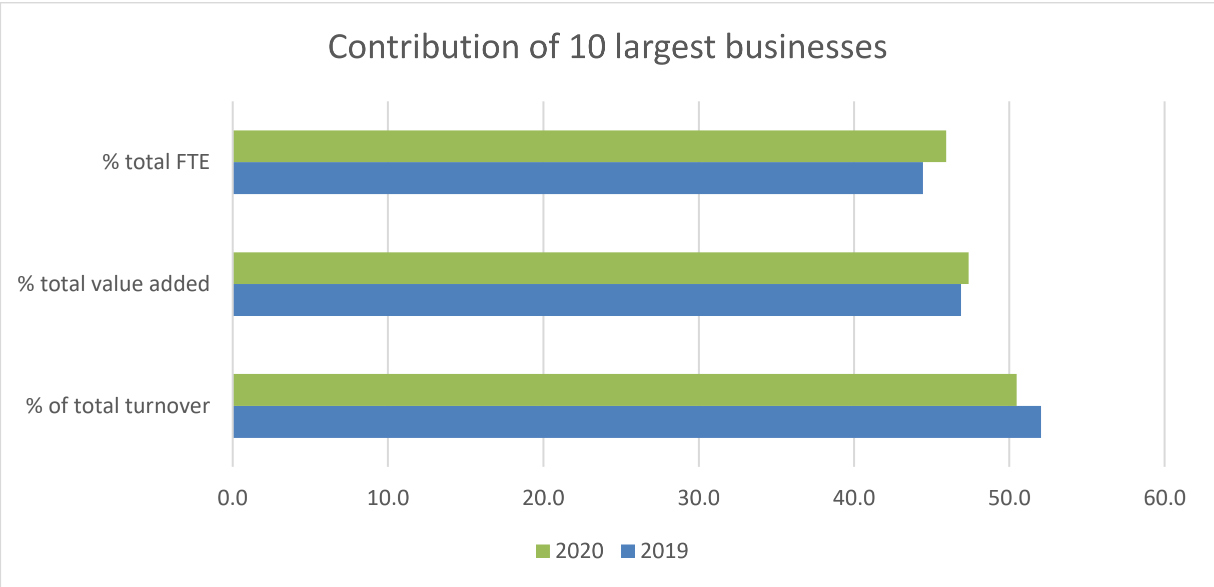
Gross Turnover	Number of businesses 2019	2020	Change (Number of businesses)
£250k < £1m	99	107	8
£1m < £10m	144	135	-9
£10m < £50m	49	49	0
> £50m	22	22	0
Total Sector	**314**	**313**	**-1**

- The food and drinks processing sector had 313 businesses in 2020 with a turnover of more than £250,000; one less than in 2019.

- There were 242 businesses in the food and drinks processing sector in 2020 with an annual turnover of less than £10 million; one less than in 2019.

- There were 71 business with an annual turnover in excess of £10 million in the food and drinks processing sector in 2020; no change from 2020.

Figure 2 Contribution of 10 largest businesses 2019 and 2020



- In 2020, 50.5 per cent of total gross turnover, 47.4 per cent of total value added and 45.9 per cent of total direct employment was accounted for by the ten largest companies for each size measure.

- Between 2019 and 2020, the contribution of the ten largest businesses to total gross turnover decreased by 1.5 percentage points. Their contribution to total value added and full time direct employment increased by 0.5 and 1.5 percentage points respectively.

3. PERFORMANCE BY SUB-SECTOR 2019 AND 2020

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, 2019 and 2020[1]

	Gross Turnover (£ m) 2019	2020	Difference (£ m)	(%) Change 19/20
Animal By-Products	45.1	48.4	3.3	7.3
Bakeries	404.7	441.9	37.2	9.2
Beef and Sheepmeat	1,395.0	1,469.6	74.6	5.3
Drinks	448.5	421.7	-26.8	-6.0
Eggs	189.8	189.7	-0.1	-0.1
Fish	95.4	89.8	-5.5	-5.8
Fruit and Vegetables	398.2	416.1	17.9	4.5
Milk and Milk Products	1,227.4	1,186.9	-40.5	-3.3
Pigmeat	400.6	453.5	53.0	13.2
Poultrymeat	771.0	705.9	-65.0	-8.4
Total Sector	**5,375.6**	**5,423.6**	**47.9**	**0.9**

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

- Five out of the ten subsectors recorded an increase in their levels of gross turnover between 2019 and 2020. The subsectors which experienced the largest increase in total gross turnover were beef and sheepmeat (+£74.6m), pigmeat (+£53.0m) and bakeries (+£37.2m). Poultrymeat (-£65.0m), milk and milk products (-£40.5m) and drinks (-£26.8m) experienced the largest decreases in turnover.

- Pigmeat (+13.2%), bakeries (+9.2%) and animal by-products (+7.3%) recorded the largest increases in the proportion of gross turnover between 2019 and 2020. Poultrymeat (-8.4%), drinks (-6.0%) and fish (-5.8%) 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 increased slightly from 48.8 per cent in 2019 to 49.0 per cent in 2020.

Table 4 Direct full-time employee equivalents and total agency workers, by subsector, 2019 and 2020[1]

	Employees (FTEs)		Difference	(%) Change
	2019	2020	(FTEs)	
Animal By-Products	102	110	8	7.8
Bakeries	4,418	4,403	-15	-0.3
Beef and Sheepmeat	5,660	5,639	-21	-0.4
Drinks	1,442	1,306	-136	-9.4
Eggs	417	405	-12	-3.0
Fish	629	604	-25	-4.1
Fruit and Vegetables	2,969	3,068	99	3.3
Milk and Milk Products	2,299	2,132	-167	-7.3
Pigmeat	1,735	1,922	187	10.8
Poultrymeat	5,215	5,491	276	5.3
Total Sector	**24,885**	**25,078**	**193**	**0.8**
Agency Employment	**1,651**	**1,480**	**-171**	**-10.4**

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

- Direct employment in the food and drinks processing sector increased from 24,885 FTEs in 2019 to 25,078 FTEs in 2020; an increase of 0.8 per cent.

- Four of the ten subsectors recorded an increase in the number of direct full-time employee equivalents between 2019 and 2020. The largest increases were recorded in poultrymeat (+276 FTEs), pigmeat (+187 FTEs) and fruit and vegetables (+99 FTEs) subsectors. The largest decreases were recorded in milk and milk products (-167 FTEs), drinks (-136 FTEs) and fish (-25 FTEs) subsectors.

- Beef and sheepmeat (5,639 FTEs), poultrymeat (5,491 FTEs) and bakeries (4,403 FTEs) subsectors accounted for 61.9 per cent of the total direct employment in the food and drinks processing sector in 2020.

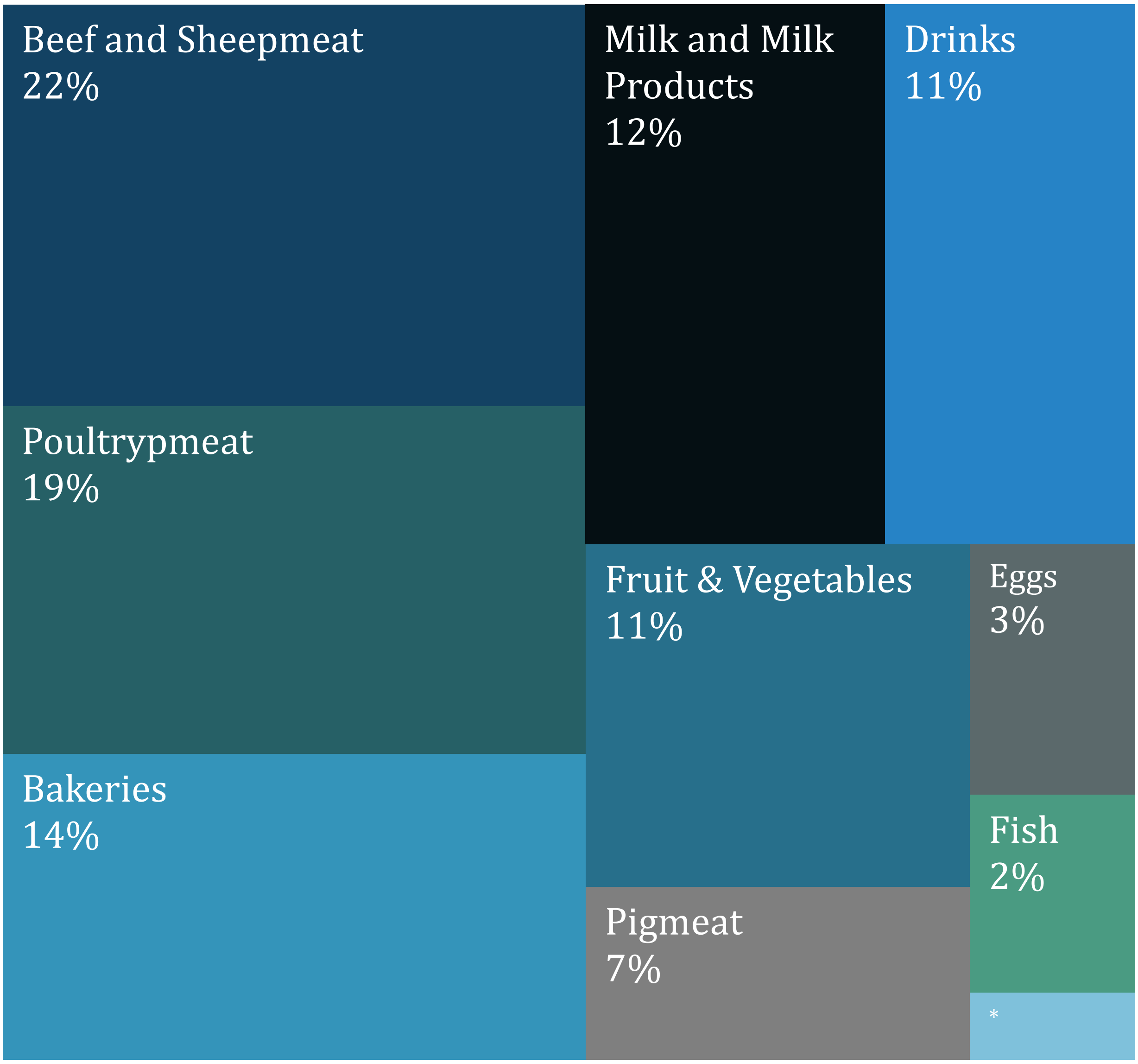
- In 2020, it is estimated that in addition to direct employees, the sector sourced a further 1,480 FTEs from Employment Agencies. This is a decrease of 10.4 per cent from 2019 levels. It would not be appropriate to include these in any manufacturing industry analysis.

Table 5a Value added, by subsector, 2019 and 2020[1]

	Value Added (£ m) 2019	Value Added (£ m) 2020	Difference (£ m)	(%) Change 19/20
Animal By-Products	10.6	11.0	0.4	4.2
Bakeries	138.7	152.9	14.1	10.2
Beef and Sheepmeat	190.2	235.6	45.5	23.9
Drinks	108.3	118.7	10.4	9.6
Eggs	29.4	29.0	-0.3	-1.1
Fish	19.5	19.6	0.0	0.1
Fruit and Vegetables	104.0	119.7	15.7	15.1
Milk and Milk Products	137.8	126.3	-11.5	-8.4
Pigmeat	65.8	71.8	6.0	9.1
Poultrymeat	199.4	203.1	3.7	1.8
Total Sector	**1,003.7**	**1,087.7**	**84.0**	**8.4**

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

Figure 3 Percentage[2] of Value added by subsector, 2020



* Animal by-products 1%

[2] Figures don't add to 100% due to rounding.

- In 2020, the value added by the sector was estimated to be £1,088 million; an increase of 8.4 per cent from the 2019 figure of £1,004 million.

- Eight of the ten subsectors recorded an increase in value added in 2020. The three largest subsectors beef and sheepmeat (£235.6m), poultrymeat (£203.1m), and bakeries (£152.9m) accounted for 54.4 per cent of the sectors value added in 2020. This compares to the 52.6 per cent share held by the three largest subsectors in 2019 - poultrymeat (£199.4m), beef and sheepmeat (£190.2m) and bakeries (£138.7m).

- Value added accounted for 20.1 per cent of the total gross turnover of the food and drinks processing sector in 2020; an increase from 18.7 per cent in 2019.

Table 5b 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	110.4	8.7	18.1	1.5	138.7
Beef and Sheepmeat	137.7	16.7	32.0	3.8	190.2
Drinks	57.5	19.5	22.8	8.5	108.3
Eggs	9.1	4.0	16.3	0.0	29.4
Fish	13.9	1.9	3.4	0.3	19.5
Fruit and Vegetables	77.1	10.6	14.4	1.9	104.0
Milk and Milk Products	68.2	19.9	48.4	1.3	137.8
Pigmeat	40.7	2.8	22.3	0.1	65.8
Poultrymeat	126.5	22.9	47.8	2.3	199.4
Total Sector	**644.7**	**108.0**	**231.3**	**19.7**	**1,003.7**

Table 5c 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	0.1	11.0
Bakeries	124.1	9.3	17.4	2.0	152.9
Beef and Sheepmeat	154.3	16.7	61.2	3.4	235.6
Drinks	55.5	16.8	39.9	6.4	118.7
Eggs	9.4	4.2	15.5	0.0	29.0
Fish	14.4	1.6	3.3	0.3	19.6
Fruit and Vegetables	78.2	14.4	25.0	2.1	119.7
Milk and Milk Products	70.9	20.9	33.3	1.1	126.3
Pigmeat	37.8	2.9	31.0	0.1	71.8
Poultrymeat	137.9	23.1	40.5	1.7	203.1
Total Sector	**686.6**	**110.7**	**273.2**	**17.2**	**1087.7**

- Between 2019 and 2020, three of the four components of value added increased, with the largest increase occurring in net profit (+£42.0m). Five of the ten subsectors recorded an increase in net profit between 2019 and 2020, the largest of which was beef and sheepmeat subsector (+£29.2m).

- Wages and salaries (+£41.8m) recorded increases in eight subsectors between 2019 and 2020, the largest of which was in the beef and sheepmeat subsector (+£16.7m). Depreciation (+£2.8m) recorded increases in six subsectors over the period, the largest of which was fruit and vegetables (+£3.8m). There was a decrease in interest paid (-£2.5m) between 2019 and 2020.

- The largest contributions toward value added in the sector in 2020 were from wages and salaries (63.1 per cent) and net profit (25.1 per cent).

Table 6 Total Capital employed, by subsector, 2019 and 2020[1]

	Capital Employed (£ m)		Difference	(%) Change
	2019	**2020**	**(£ m)**	**19/20**
Animal by-products	10.2	10.8	0.7	6.5
Bakeries	112.5	135.3	22.8	20.3
Beef and Sheepmeat	331.6	347.4	15.8	4.8
Drinks	531.3	562.3	31.0	5.8
Eggs	78.0	75.8	-2.2	-2.8
Fish	42.1	37.6	-4.4	-10.5
Fruit and Vegetables	170.6	192.3	21.7	12.7
Milk and Milk Products	357.9	231.7	-126.2	-35.3
Pigmeat	116.2	61.9	-54.3	-46.7
Poultrymeat	316.7	329.4	12.6	4.0
Total Sector	**2,067.0**	**1,984.5**	**-82.5**	**-4.0**

[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 decreased by £82.5 million between 2019 and 2020, from £2,067 million to £1,985 million.

- In 2020, the largest volumes of capital employed were recorded in the drinks (£562.3m), beef and sheepmeat (£347.4m) and poultrymeat (£329.4m) subsectors. Together, the three largest subsectors in 2020 accounted for 62.4 per cent of total capital employed compared to 59.1 per cent for the three largest subsectors in 2019.

- From 2019 to 2020, an increase in the total capital employed was recorded in six of the ten subsectors. The drinks (+£31.0m), bakeries (+£22.8m) and fruit and vegetables (+£21.7m) subsectors recorded the largest increases.

- Four of the ten subsectors recorded a decrease in total capital employed between 2019 and 2020. The milk and milk products (-£126.2m) and pigmeat (-£54.3m) 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, 2019 and 2020

	Sales (£ m and proportion of total sales)			
	2019	**%**	**2020**	**%**
Northern Ireland	1,259.3	23.4	1,259.0	23.2
Great Britain	2,542.7	47.3	2,650.3	48.9
Ireland	861.7	16.0	874.9	16.1
Rest of EU	416.6	7.7	391.3	7.2
Rest of World	295.4	5.5	248.0	4.6
Intervention	0.0	0.0	0.0	0.0
Total sales	**5,375.6**	**100.0**	**5,423.6**	**100.0**
External sales	4,116.3	76.6	4,164.6	76.8
Export sales	1,573.7	29.3	1,514.3	27.9

- Between 2019 and 2020, sales in the food and drinks processing sector to destinations outside of Northern Ireland (external sales) increased by 1.2 per cent from £4,116 million to £4,165 million.

- The proportion of total sales to external markets increased from 76.6 per cent in 2019 to 76.8 per cent in 2020.

- The largest market for the Northern Ireland food and drinks processing sector continues to be Great Britain. Between 2019 and 2020, sales to this market increased by 4.2 per cent from £2,543 million to £2,650 million. The proportion of total sales to Great Britain increased by 1.6 percentage points from 47.3 per cent in 2019 to 48.9 per cent in 2020.

- Export sales, i.e. sales to markets outside of the United Kingdom, decreased by 3.8 per cent from £1,574 million in 2019 to £1,514 million in 2020. Sales in the food and drinks processing sector to export markets accounted for 27.9 per cent of total sales in 2020; a decrease of 1.4 percentage points.

- The largest export market continues to be Ireland, which recorded a 1.5 per cent increase in sales from £862 million in 2019 to £875 million in 2020. Ireland accounted for 16.1 per cent of the total sales in the food and drinks processing sector in 2020, an increase of 0.1 percentage points.

Table 8a 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	164.5	118.5	113.8	2.8	5.0	0.0	**404.7**	240.2	121.7
Beef/Sheepmeat	217.6	938.0	110.4	110.9	18.0	0.0	**1,395.0**	1,177.4	239.4
Drinks	198.4	38.2	167.5	*	*	0.0	**448.5**	250.1	211.9
Eggs	58.2	116.8	14.5	*	*	0.0	**189.8**	131.6	14.8
Fish	14.9	49.1	6.1	20.8	4.4	0.0	**95.4**	80.4	31.3
Fruit/Vegetables	126.1	190.5	80.0	0.7	1.0	0.0	**398.2**	272.1	81.7
Milk/Milk Products	192.3	462.1	206.0	228.9	138.2	0.0	**1,227.4**	1,035.2	573.1
Pigmeat	104.9	119.5	82.5	*	*	0.0	**400.6**	295.6	176.1
Poultrymeat	*	*	*	*	*	0.0	**771.0**	*	*
Total	**1,259.3**	**2,542.7**	**861.7**	**416.6**	**295.4**	**0.0**	**5,375.6**	**4,116.3**	**1,573.7**

Table 8b 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	200.9	129.3	105.7	1.3	4.7	0.0	**441.9**	241.0	111.7
Beef/Sheepmeat	224.1	1002.6	116.8	*	*	0.0	**1,469.6**	1,245.5	242.9
Drinks	178.0	37.9	171.8	12.9	21.2	0.0	**421.7**	243.7	205.8
Eggs	59.0	118.3	12.1	*	*	0.0	**189.7**	130.6	12.4
Fish	14.4	47.6	6.7	18.1	3.0	0.0	**89.8**	75.4	27.8
Fruit/Vegetables	122.4	210.1	82.3	0.3	1.0	0.0	**416.1**	293.7	83.6
Milk/Milk Products	273.6	325.3	248.9	211.2	128.0	0.0	**1,186.9**	913.3	588.1
Pigmeat	99.2	225.4	72.6	*	*	0.0	**453.5**	354.4	129.0
Poultrymeat	*	*	*	*	*	0.0	**705.9**	*	*
Total	**1,259.0**	**2,650.3**	**874.9**	**391.3**	**248.0**	**0.0**	**5,423.6**	**4,164.6**	**1,514.3**

*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 2019 and 2020 Great Britain was the largest market for seven out of the ten subsectors.

- In 2020, 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, poultrymeat and fish subsectors. The bakeries subsector (54.5 per cent) had the least reliance on external markets for sales.

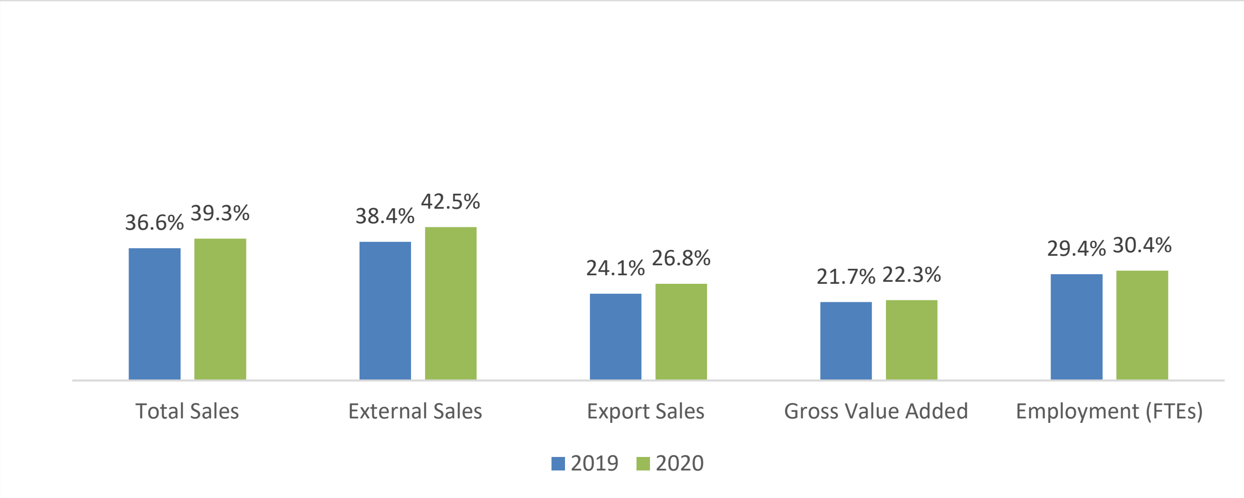
- There were three subsectors in 2020 reliant on markets outside of the United Kingdom i.e. export sales, for more than 40.0 per cent of their total sales – animal by-products, drinks and milk and milk products subsectors. The eggs, poultrymeat and beef and sheepmeat sub-sectors all had export sales 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 57.8 per cent of exports in 2020. The market accounts for 40.7 per cent of the total sales in the drinks subsector and 23.9 per cent in the bakeries subsector in 2020.

5. CONTRIBUTION TO THE NORTHERN IRELAND MANUFACTURING INDUSTRY 2019 AND 2020

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 fell 5.9 per cent in 2020 to £13,812 million, while food and drink sales increased by 0.9 per cent. As a result, the food and drinks sectors share of total Northern Ireland manufacturing good sales has increased from 36.6 per cent in 2019 to 39.3 per cent in 2020.

- Over the same period, the sector has increased its share of manufacturing's external good sales from 38.4 per cent to 42.5 per cent and its share of export sales has increased from 24.1 per cent to 26.8 per cent.

- The food and drinks processing sectors share of manufacturing employment has increased to 30.4 per cent in 2020; an increase from a 29.4 per cent share in 2019.

- The sector accounted for 22.3 per cent of total value added in the manufacturing industry in 2020; an increase from 21.7 per cent in 2019.

- The sector made a 2.6[4] per cent contribution to gross value added in the Northern Ireland economy in 2020; an increase from 2.4 per cent in 2019.

[3] Manufacturing sector data from NISRA publications; 'Northern Ireland Broad Economy Sales & Exports Statistics' published on 26th April 2022, Business Register and Employment Survey published on 3rd August 2021 and Annual Business Inquiry published on 23rd November 2021. 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 30th May 2022 in publication 'Regional economic activity by gross domestic product, UK: 1998 to 2020'

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[5] 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 2019 and 2020

	2019	**2020**	**Percentage Change 19/20**
Gross Turnover (£ m)	799.8	758.2	-5.2
Direct Employees (full time equivalents)	1,328	1,431	7.8
Value added (£ million)	82.3	85.4	3.8

- The gross turnover for the animal feed and pet food processing sector is estimated to have decreased from £800 million in 2019 to £758 million in 2020; a decrease of 5.2 per cent.

- Between 2019 and 2020 the number of direct FTEs in the animal feed and pet food processing sector is estimated to have increased from 1,328 direct FTEs to 1,431 FTEs, an increase of 7.8 per cent.

- The value added by animal feed and pet food processing increased from £82 million in 2019 to £85 million in 2020, an increase of 3.8 per cent.

- Value added accounted for 11.3 per cent of the subsector turnover in 2020; an increase from 10.3 per cent in 2019.

[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.

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 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 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.

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