

THE UK'S FOOD AND GROCERY INDUSTRY



INTRODUCTION

Food and grocery is one of the UK's largest private sector employers. Every day, millions of people working across the supply chain ensure the UK's 27 million households¹ continue to have access to safe, affordable and quality food.

We are living through times of great change – yet with this change comes great opportunities for our industry. From exciting new products and inspiring shopping experiences, to first-class supply chains and dedicated, passionate people, we are immensely proud of our industry's achievements over the last few years. You'll find some of these detailed below.

Joanne Denney-Finch OBE
Chief Executive, IGD

IGD sits at the heart of the food and grocery industry, to provide insight and leadership, develop people and create secure and sustainable public benefit.

A MAJOR CONTRIBUTOR TO THE UK ECONOMY

IGD data highlights that food and grocery sales are worth £179.1bn (50.2% of total retail sales)²



The UK exports market was worth £304.4bn in 2016, of which food and drink exports accounted for £18.4bn with opportunity for this to grow even further³



£18.4bn



£27.7bn

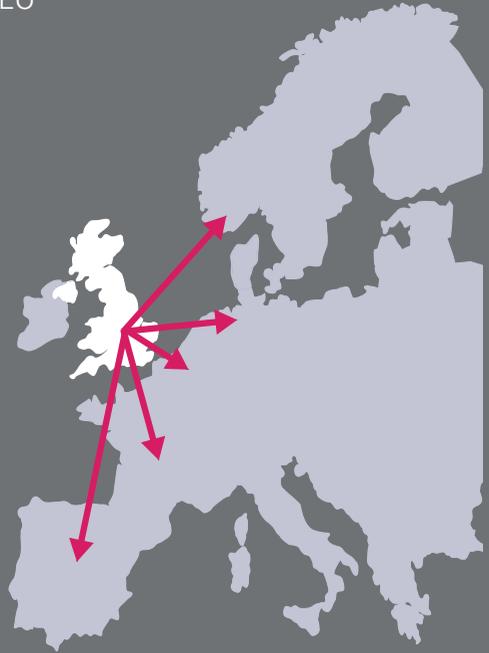


£24.9bn



£30.6bn

Last year, almost two-thirds of UK food and drink exports were to the EU⁴



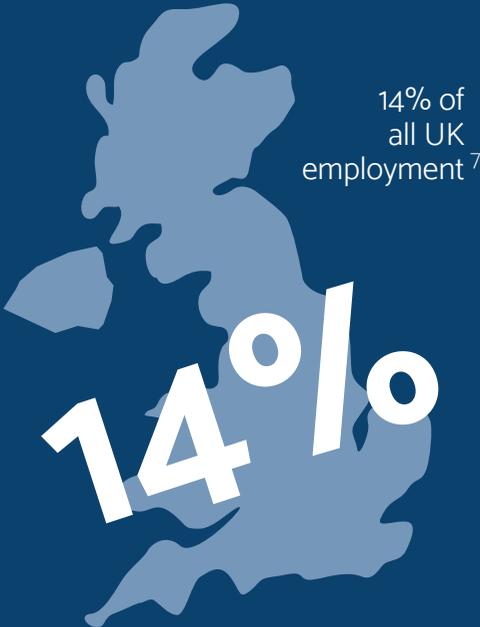
The UK exported £7.5bn worth of food and grocery goods to non-EU countries in 2016⁵



BRITAIN'S LARGEST PRIVATE SECTOR EMPLOYER

The industry employs 3.9 million people spanning farming, manufacturing, wholesaling, retailing and catering, plus even more indirectly through all the service providers to our sector ⁶

3,9  , 



OR

1 in every
7 jobs



Through IGD's Feeding Britain's Future, the industry has offered over

60,000
OPPORTUNITIES

to young unemployed people and school students ⁸

THE UK'S LARGEST MANUFACTURING SECTOR

Food and drink manufacturing is worth ⁹

£96bn

More than new vehicle
production and aerospace
manufacturing put together ¹⁰

£72.6bn

19%

Food and drink
manufacturing
accounts for 19% of
¹¹ UK manufacturing

UK INDUSTRY LEADER IN SUPPORT OF SMEs

There are 338,375 SMEs in our industry ¹²



This includes 6,400 food and drink manufacturing SMEs, with a turnover of nearly £22bn and 124,000 employees ¹³



In the food sector, SMEs account for 32% of employment and 94% of businesses ¹⁴

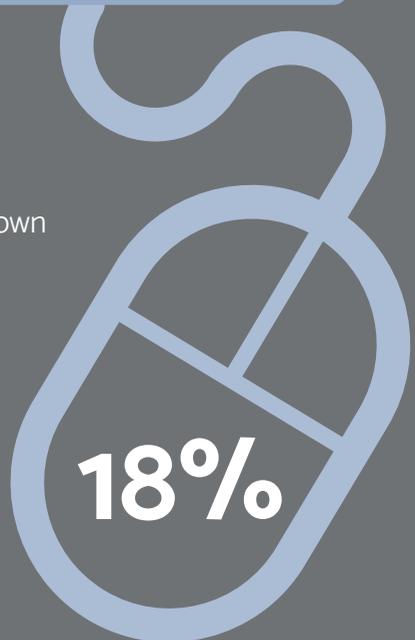
32% of
employment

94% of
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CONTINUALLY ADVANCING IN A DIGITAL WORLD



...which is the second largest online grocery market in the world, after China, and has grown 18% year-on-year ¹⁶



HELPING BUSY SHOPPERS BY OFFERING NEW WAYS TO BUY FOOD ON-THE-GO

IGD data highlights the food-to-go market was worth £16.1bn in 2016, and five key segments make this up¹⁷



£2.7bn

Coffee specialists



£5bn

Quick service
restaurants



£4.6bn

Food-to-go
specialists



£2.5bn

Convenience, forecourt &
other retailers



£1.2bn

Supermarkets &
hypermarkets

We are seeing food-to-go becoming more popular with shoppers¹⁸

Almost a fifth of food-to-go shoppers are buying breakfast on-the-go twice a week



Two-thirds of food-to-go shoppers have bought a drink on-the-go



Over half buy lunch-on-the-go once a week

51%

A quarter buy a snack on-the-go twice a week

25%

Almost half of these are leisure food-to-go shoppers

49%

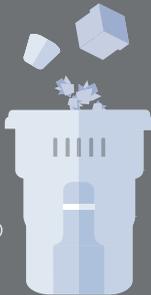
SUPPLY CHAIN WORLD LEADERS IN COLLABORATION & WASTE

Through WRAP's Courtauld Commitment 3, businesses saved over £100m by reducing food waste. Product and packaging waste was reduced by 3%, cutting carbon impact by 7% ¹⁹



£100,000,000

260,000 tonnes of product and packaging waste was eliminated over five years through IGD's ECR UK programme ²⁰



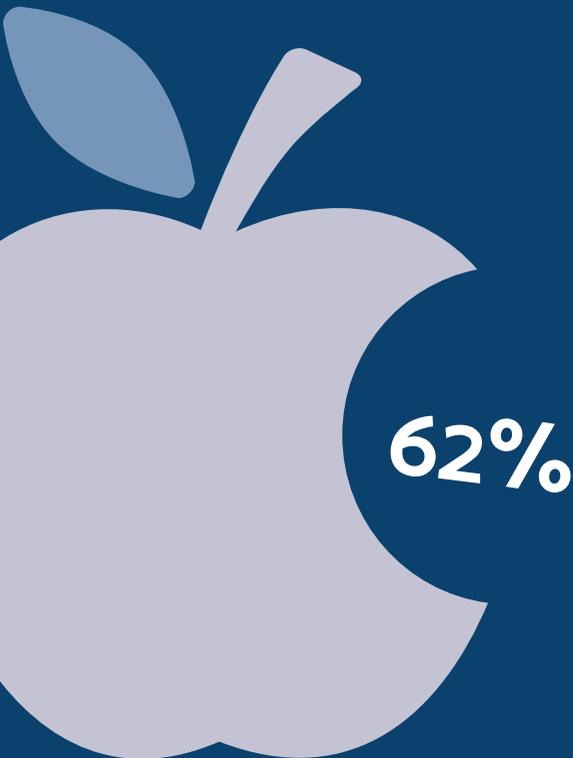
260,000 tonnes

IGD's mentoring scheme has established 130 partnerships between retailers, manufacturers, wholesalers and foodservice companies to help nurture and develop people working in supply chains ²¹



A KEY PARTNER FOR THE FARMING INDUSTRY IN BRITAIN

UK agriculture industry provides 62% of the food consumed in the UK ²²



The agriculture and fishing industry contributes £10.7bn to the UK economy ²³



Provides 76% of foods that can be grown in this country ²⁴



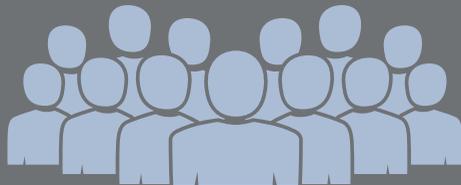
WORLD LEADING FARMING STANDARDS

Over £12bn worth of food and drink annually bear the Red Tractor logo with standards covering food, safety, animal welfare, traceability and environmental protection²⁵



59,079
members

There are 59,079 Red Tractor scheme members and a total of 86,900 Red Tractor-recognised enterprises²⁶



86,900
enterprises

ONE OF THE WORLD'S LEADING FAIRTRADE MARKETS

Sales of Fairtrade products in the UK were £1.6bn in 2015 ²⁷



Over 400 companies are licensed to use the Fairtrade mark on products in the UK ²⁸



Over £29m Fairtrade premium was generated from sales in the UK in 2015 ³⁰



In 2015, UK Fairtrade banana sales increased by 5% in volume, generating around £8.2m in Fairtrade premium for farmers and workers ²⁹



£29m

Sources:

1. ONS
2. IGD
- 3-5. UK Trade Info
6. Defra Food Statistics Pocketbook (Sept 2016)
7. Defra Food Statistics Pocketbook (Sept 2016)
8. IGD
- 9-11. ONS Annual Business Survey published in November 2016
12. Business Population Estimates provided by BEIS
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- 15-18. IGD
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- 20-21. IGD
22. Defra Food Statistics Pocketbook (Sept 2016)
23. Defra British Food and Farming at a glance
24. Defra Food Statistics Pocketbook (Sept 2016)
- 25-26. Red Tractor
- 27-30. Fairtrade



IGD is a training and research
charity for the food and
grocery industry

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