THE UK’S FOOD AND GROCERY INDUSTRY

IGD
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 households\(^1\) 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

\(^1\)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

£179.1bn

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 further ³

£18.4bn
£27.7bn

Last year, almost two-thirds of UK food and drink exports were to the EU ⁴

The UK exported £7.5bn worth of food and grocery goods to non-EU countries in 2016 ⁵
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.

14% of all UK employment

Through IGD’s Feeding Britain’s Future, the industry has offered over 60,000 opportunities to young unemployed people and school students.

1 in every 7 jobs
THE UK’S LARGEST MANUFACTURING SECTOR

Food and drink manufacturing is worth £96bn

More than new vehicle production and aerospace manufacturing put together

£72.6bn

19%

Food and drink manufacturing accounts for 19% of UK manufacturing
UK INDUSTRY LEADER IN SUPPORT OF SMEs

There are 338,375 SMEs in our industry. This includes 6,400 food and drink manufacturing SMEs, with a turnover of nearly £22bn and 124,000 employees.

In the food sector, SMEs account for 32% of employment and 94% of businesses.
CONTINUALLY ADVANCING IN A DIGITAL WORLD

IGD data shows the UK’s online food and grocery market is worth... £10.5bn

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

- **£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 shoppers:

- Almost a fifth of food-to-go shoppers are buying breakfast on-the-go twice a week (17%)
- 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%)
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%

£100,000,000

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

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

260,000 tonnes
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

£10.7bn

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

76%
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 protection.

There are 59,079 Red Tractor scheme members and a total of 86,900 Red Tractor-recognised enterprises.
ONE OF THE WORLD’S LEADING FAIRTRADE MARKETS

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

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

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

Over £29m Fairtrade premium was generated from sales in the UK in 2015.
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
12. Business Population Estimates provided by BEIS
15-18. IGD
19. WRAP
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

www.igd.com