

## Chapter 8 Overseas Trade

### Summary

In 2006:

- the value of food, feed and drink exports was £10.5 billion, a rise of 5.7 per cent over 2005;
- the value of food, feed and drink imports increased by 6.0 per cent to £24.8 billion;
- the trade gap in food, feed and drink widened by 6.3 per cent to £14.3 billion;
- principal destinations for exports were the Irish Republic (19 per cent), France (13 per cent), USA (8.6 per cent), Spain (7.0 per cent) and Germany (5.9 per cent);
- the most important trade partners for imports were France (13 per cent), the Netherlands (12 per cent), Irish Republic (9.0 per cent), Germany (7.5 per cent) and Spain (6.1 per cent).

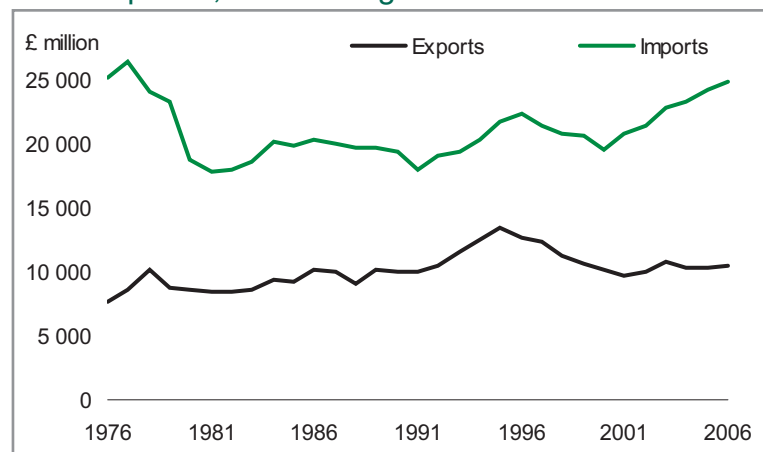
### Introduction

- 1 The Overseas Trade Statistics presented in this chapter are based on data collected by HM Revenue and Customs and are compiled from returns made by importers and exporters. Before the completion of the Single Market in the European Union at the end of 1992 all overseas trade data for the United Kingdom were compiled from Customs declarations made by traders. Since the beginning of 1993 the collection of trade statistics has been divided into two categories: that transacted between the United Kingdom and countries outside the European Union (extra-EU trade) and that between the United Kingdom and its European Union partners (intra-EU trade). Extra-EU trade statistics are compiled, as before, from Customs declarations by importers, exporters and their agents; intra-EU trade statistics are compiled using a system linked to traders' VAT returns, known as Intrastat.
- 2 The trade statistics shown here may not match those shown in the commodities tables in Chapter 5 where for example, trade in meat includes the carcase weight equivalent of trade in live animals and trade in milk is of raw milk before processing and not of processed and packaged milk and cream as shown here.

### Trade in food, feed and drink (chart 8.1, table 8.1)

- 3 The value of exports of food, feed and drink was 15 per cent lower in real terms in 2006 than in 1997. This is a consequence of the combination of the strength of sterling, disease related issues, and lower world commodity prices. The value of imports was 16 per cent higher in real terms in 2006 than in 1997. As a consequence, the trade gap in food, feed and drink has widened by 57 per cent in real terms between 1997 and 2006 to £14.3 billion.

Chart 8.1 Trade in food, feed and drink in real terms at 2006 prices; United Kingdom



4 Table 8.1 shows the value of trade at current prices. The value of food, feed and drink exports was £10.5 billions in 2006, 5.7 per cent up on 2005 when it stood at £9.9 billion, while the value of food, feed and drink imports was £24.8 billion in 2006, 6.0 per cent higher than in 2005 when it stood at £23 billion.

**Table 8.1 Trade in food, feed and drink by SITC division (at current prices); United Kingdom**

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£ million		Calendar years					
SITC division Code	Title	Average of 1995-97	2002	2003	2004	2005	2006
<b>Exports</b>							
01	Meat	1 130.5	513.8	603.9	667.0	727.6	758.9
02	Dairy	763.2	619.3	760.5	782.2	720.4	726.5
03	Fish	705.7	762.3	891.4	885.8	939.5	944.1
04	Cereals	1 435.8	1 135.5	1 344.4	1 240.7	1 240.2	1 237.1
05	Fruit and vegetables	460.3	432.2	472.6	508.0	515.0	582.8
06	Sugar	421.7	325.7	342.4	375.0	340.9	374.4
07	Coffee, tea, etc.	682.0	615.6	628.1	605.7	626.4	671.7
08	Animal feed	389.9	311.1	330.5	315.2	315.1	363.7
09	Misc.	484.3	621.1	683.3	714.4	732.6	776.4
11	Drink	3 158.0	3 329.0	3 502.5	3 373.9	3 507.5	3 748.4
22 + S4	Oils	271.5	249.7	321.8	234.1	276.5	320.9
	<b>Total</b>	<b>9 902.9</b>	<b>8 915.2</b>	<b>9 881.4</b>	<b>9 701.9</b>	<b>9 941.8</b>	<b>10 504.7</b>
<b>Imports</b>							
01	Meat	2 366.5	2 891.8	3 365.7	3 540.2	3 721.8	3 924.0
02	Dairy	1 131.5	1 324.6	1 538.4	1 652.7	1 746.8	1 862.2
03	Fish	1 177.3	1 438.8	1 439.0	1 474.2	1 696.4	1 922.1
04	Cereals	1 130.8	1 310.2	1 391.0	1 459.5	1 511.1	1 557.7
05	Fruit and vegetables	4 068.2	4 528.0	4 930.9	5 099.9	5 643.7	5 975.4
06	Sugar	847.4	792.3	858.4	897.7	958.9	969.2
07	Coffee, tea, etc.	1 268.7	1 169.3	1 194.4	1 236.1	1 382.3	1 476.5
08	Animal feed	826.5	757.4	902.7	927.7	928.4	1 015.0
09	Misc.	859.5	888.0	1 062.1	1 156.9	1 184.9	1 263.3
11	Drink	2 216.9	3 118.1	3 323.5	3 574.5	3 722.4	3 808.5
22+S4	Oils	1 011.1	872.1	937.7	922.1	932.0	1 061.1
	<b>Total</b>	<b>16 904.3</b>	<b>19 090.6</b>	<b>20 943.8</b>	<b>21 941.5</b>	<b>23 428.7</b>	<b>24 834.9</b>

Defra's aggregate 'Food, Feed and Drink' is composed of the following divisions from the Standard International Trade Classification:

01	Meat: meat from cattle, sheep, pigs, goats, poultry, horses etc. preparations including blood, juices, sausages, livers, offal.
02	Dairy: includes milk (skimmed or otherwise), butter, buttermilk, cream, yoghurt, ice cream, whey, cheese and curd, all types of eggs both in and out of shell.
03	Fish: All types of edible marine life excluding mammals, fresh, frozen, processed, prepared or preserved.
04	Cereals: includes rice, wheat, barley, oats, maize, grain sorghum and preparations including sweet biscuits, waffles, gingerbread, uncooked/unstuffed pasta.
05	Fruit and vegetables: includes fresh, frozen or prepared fruit (except crystallised) and vegetables, nuts (except groundnuts), vegetable and fruit juices of all kinds except wine (see division 11), jams, marmalades, fruit or nut puree/paste etc.
06	Sugar: includes both natural sugar and sugar confectionery (but not chocolate or cocoa), both natural and artificial honey, and liquorice.
07	Coffee, tea, etc.: includes all types of tea, coffee (e.g. green, decaffeinated), extracts and substitutes thereof cocoa and chocolate (of all kinds): all kinds of spices.
08	Animal feed: includes hay, fodder, bran, sharps and other residues derived from cereals or leguminous plants, oil-cake and other solid residues, other residues, brewing dregs, all types of pet or animal food.
09	Miscellaneous: includes margarine, shortening, homogenised products or preparations not elsewhere specified, sauces, vinegar, soups, yeasts, cooked/stuffed pasta, food preparations for infant use.
11	Drink: includes alcoholic drinks of all kinds also natural or artificial mineral and aerated waters sweetened or otherwise.
22+S4	Oils: includes groundnuts (peanuts), soya beans, sunflower seeds, rape seeds, palm nuts, linseed, poppy seeds etc., lard, pig fat, olive oil, rape oil, corn oil, linseed oil, beeswax etc.

Division 00, which covers all live animals, is excluded from the aggregate 'Food, Feed and Drink' because it includes non-food animals, particularly race horses.

S4 stands for Section 4 in the SITC and covers animal and vegetable oils, fats and waxes.

Trading partners (charts 8.2, 8.3)

5 Principal destinations of food, feed and drink exports to the European Union in 2006 were the Irish Republic (£2 billion), France (£1.4 billion), Spain (£731 million) and Germany (£623 million). The principal European Union Members States from which food, feed and drink were imported into the United Kingdom in 2006 were France (£3.1 billion), the Netherlands (£3.0 billion), the Irish Republic (£2.2 billion) and Germany (£1.9 billion).

6 Principal non-EU destinations of food, feed and drink exports in 2006 were the USA (£901 million), Canada (£167 million) and South Korea (£158 million) while the main non-EU countries from which food, feed and drink were imported into the United Kingdom were the USA (£765 million), Brazil (£589 million) and Australia (£551 million).

Exports and imports (charts 8.4, 8.5)

7 Between 1997 and 2006, in real terms at 2006 prices:

- Exports of highly processed foods and drink, such as confectionery, canned meats, jams, alcoholic drinks and ice cream, fell by 12.1 per cent.
- Exports of lightly processed foods and drinks, i.e. goods that retain their raw recognisable form, such as meat, cheese and butter, powdered milk, flour and sugar, fell by 15 per cent.
- Exports of unprocessed commodities, such as fresh fruit and vegetables, honey, eggs, milk and cream and unmilled cereals, fell by 34 per cent.

Chart 8.2 Trade in food, feed and drink by country of destination 2006; United Kingdom

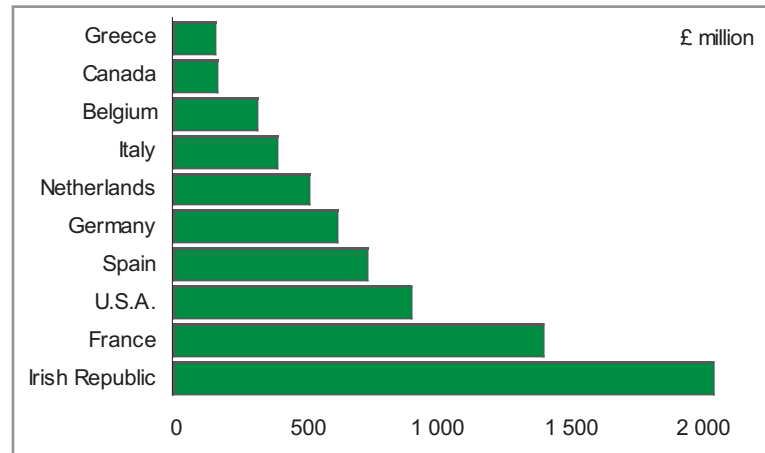


Chart 8.3 Trade in food, feed and drink by country of despatch 2006; United Kingdom

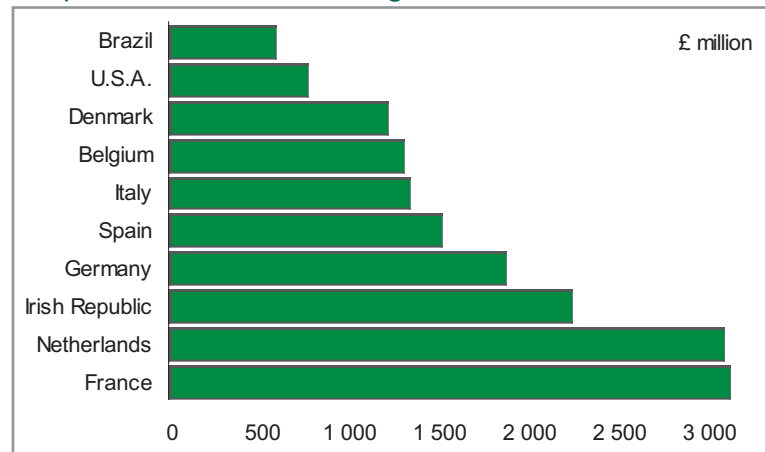
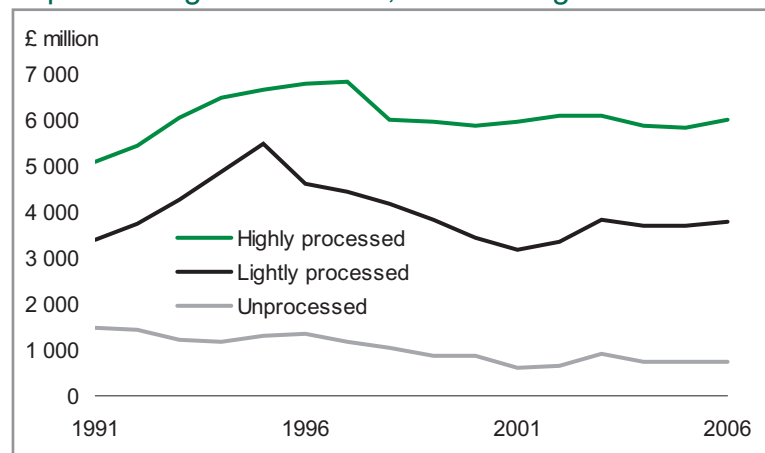


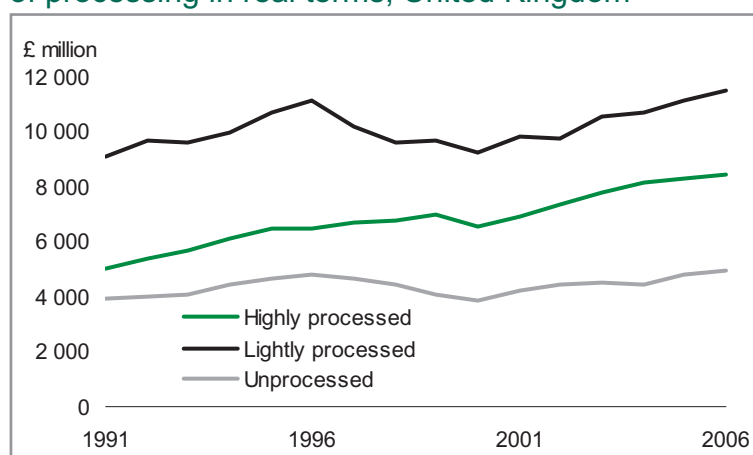
Chart 8.4 Exports of food, feed and drink by degree of processing in real terms; United Kingdom



8 Between 1997 and 2006, in real terms at 2006 prices:

- Imports of highly processed foods and drink increased by 26.3 per cent.
- Imports of lightly processed foods and drinks increased by 12.9 per cent.
- Imports of unprocessed commodities increased by 6.1 per cent.

Chart 8.5 Imports of food, feed and drink by degree of processing in real terms; United Kingdom



### Trade in key commodities (table 8.2, 8.3)

9 Between 1997 and 2006, in real terms at 2006 prices:

- the value of exports of whisky fell by 17 per cent to £2.5 billion; the value of wine imports increased by 13 per cent to £2.3 billion;
- the value of exports of lamb and mutton fell by 27 per cent (exports were banned during the outbreak of foot and mouth disease in 2001 but partially recovered in 2002 and 2003);
- the value of beef exports more than quadrupled and the value of imports increased by 45 per cent (the pattern of beef exports reflects the export ban on beef between March 1996 and November 2005);
- the value of pork imports more than doubled while exports declined by 71 per cent over the same period reflecting the fall in pig production in the United Kingdom and the ban imposed during the outbreak of foot and mouth disease in 2001;
- the value of poultrymeat imports increased by 25 per cent while the value of exports fell by 37 per cent;
- all trade in breakfast cereal increased with the value of imports increasing by 74 per cent and exports increasing by 2.2 per cent;
- the value of cheese exports increased by 50 per cent while imports increased by 19 per cent.

Table 8.2 Trade in key commodities in real terms at 2006 prices; United Kingdom

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£ million		Calendar years					
		Average of 1995-97	2002	2003	2004	2005	2006
Whisky	Imports	62.0	77.9	92.7	96.8	103.2	114.2
	Exports	3 043.7	2 603.5	2 635.9	2 442.0	2 494.3	2 526.6
Wine	Imports	1 888.8	2 278.9	2 395.2	2 489.3	2 431.0	2 335.6
	Exports	123.2	154.7	155.2	125.6	132.7	171.3
Cheese	Imports	760.9	727.5	812.8	860.2	881.1	885.9
	Exports	181.3	172.8	196.0	213.9	226.5	230.6
Poultrymeat	Imports	550.3	634.9	723.7	784.4	785.3	705.3
	Exports	240.4	160.9	186.9	205.9	215.2	160.5
Beef and veal	Imports	426.7	514.2	604.0	648.4	601.9	624.6
	Exports	332.7	20.3	21.7	21.3	26.3	92.1
Wheat, unmilled	Imports	161.3	165.7	128.9	99.1	139.4	133.0
	Exports	503.2	133.5	319.0	220.5	205.2	190.8

continued

Table 8.2 continued

£ million		Calendar years					
		Average of 1995-97	2002	2003	2004	2005	2006
Lamb and mutton	Imports	318.5	256.4	275.4	300.4	301.3	282.0
	Exports	377.5	160.4	208.6	200.5	220.6	232.7
Pork	Imports	309.4	372.2	506.9	527.4	608.9	682.4
	Exports	322.3	83.5	71.0	97.9	107.6	99.6
Breakfast cereals	Imports	49.2	85.1	82.8	97.2	101.8	95.1
	Exports	273.6	286.6	301.8	295.6	307.0	307.3
Milk and cream	Imports	76.8	35.3	32.6	35.9	37.4	46.0
	Exports	182.1	123.8	183.2	148.8	178.3	178.3
Bacon and ham	Imports	750.2	639.2	680.3	581.4	544.9	550.2
	Exports	22.7	34.4	42.2	36.5	28.6	25.8
Butter	Imports	298.2	286.1	307.1	295.9	319.4	334.7
	Exports	179.4	79.7	81.9	62.9	75.6	59.9
Eggs and egg products	Imports	46.5	73.7	91.9	90.8	79.6	91.3
	Exports	30.1	35.5	31.8	34.8	28.3	24.4

Table 8.3 Trade in key commodities by volume; United Kingdom

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Thousand tonnes (unless otherwise specified)		Calendar years					
		Average of 1995-97	2002	2003	2004	2005	2006
Whisky (million litres)	Imports	8.2	13.8	16.3	14.6	13.5	16.9
	Exports	271.0	267.9	277.9	273.4	284.1	302.0
Wine (million litres)	Imports	846.0	1 128.2	1 220.0	1 333.7	1 315.1	1 260.1
	Exports	32.9	28.5	24.5	21.8	21.4	32.3
Cheese	Imports	241.3	285.2	315.6	334.7	352.9	378.1
	Exports	55.3	82.3	89.8	93.3	96.3	104.2
Poultrymeat	Imports	232.6	317.1	346.6	396.4	406.4	381.7
	Exports	187.0	243.8	268.3	265.5	304.6	258.7
Beef and veal	Imports	134.2	226.1	269.4	280.6	239.9	235.7
	Exports	114.3	5.3	5.7	6.5	8.9	41.2
Wheat, unmilled	Imports	920.3	1 367.6	984.7	776.4	1 200.7	1 028.1
	Exports	3 543.8	1 624.0	3 661.5	2 528.2	2 494.8	2 116.5
Lamb and mutton	Imports	129.0	101.8	111.5	116.2	110.1	113.8
	Exports	127.7	61.1	75.8	76.7	85.2	87.1
Pork	Imports	149.6	275.9	380.5	383.5	432.0	458.8
	Exports	169.5	89.5	69.4	84.3	91.5	94.7
Breakfast cereals	Imports	24.7	55.7	61.0	66.9	78.8	86.7
	Exports	126.5	159.9	159.1	152.8	168.0	169.3
Milk and cream	Imports	156.5	63.9	52.5	70.8	79.0	123.8
	Exports	187.8	159.4	312.0	339.4	592.2	621.3
Bacon and ham	Imports	243.8	291.6	303.2	301.7	283.4	264.0
	Exports	6.6	10.7	13.9	13.2	10.6	10.2
Butter	Imports	112.3	116.0	118.4	113.7	128.6	147.1
	Exports	59.6	38.8	44.4	34.8	45.1	35.7
Eggs and egg products	Imports	27.5	69.0	70.4	67.1	78.7	78.4
	Exports	14.7	18.8	17.6	15.1	13.7	13.1

## Notes to Table 8.2 and Table 8.3

Whisky	includes bourbon, scotch (malted and blended) and other whiskies.
Wine	includes grape must, vermouth and wine of fresh grapes (sparkling and still).
Cheese	includes grated or powdered, processed, blue-veined and fresh (e.g. curd).
Poultrymeat (inc. poultry offal)	includes carcase meat, cuts and offal (inc. liver).
Beef and veal	includes carcase meat and cuts, both bone-in and boneless.
Wheat, unmilled	includes durum, other wheat (inc. spelt) and meslin.
Lamb and mutton	includes carcase meat and cuts, both bone-in and boneless.
Pork	includes carcase meat and cuts, both bone-in and boneless.
Breakfast cereals	includes cereal grains worked or prepared for breakfast cereals
Milk and cream	includes milk (inc. skimmed milk) and cream, not concentrated or sweetened.

## Trade with EU 26 countries (charts 8.6 to 8.17)

- 10** This section describes the trade in several key commodities between the United Kingdom and the other 26 Member States of the European Union (the EU 26 countries).

### Bacon and ham

- 11** Imports of bacon and ham from the EU 26 countries have been far in excess of exports for many years. Total imports have fluctuated but have fallen in recent years to 264 thousand tonnes in 2006. In 2006, the Netherlands and Denmark accounted for 79 per cent of all imported bacon and ham.

Chart 8.6 Trade with EU 26 countries:bacon and ham

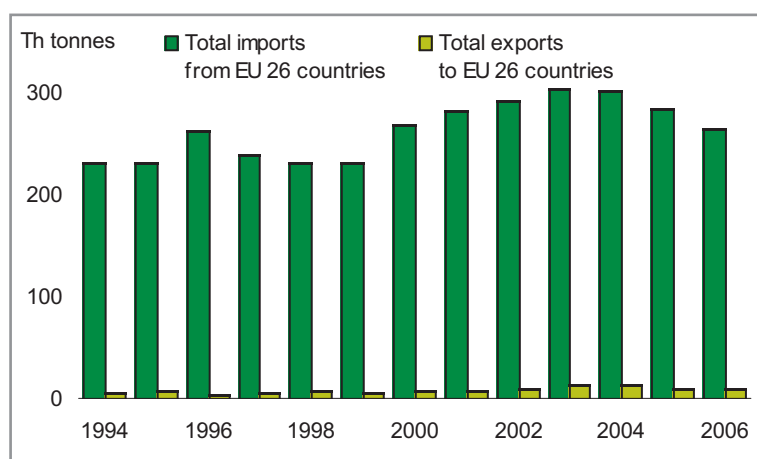
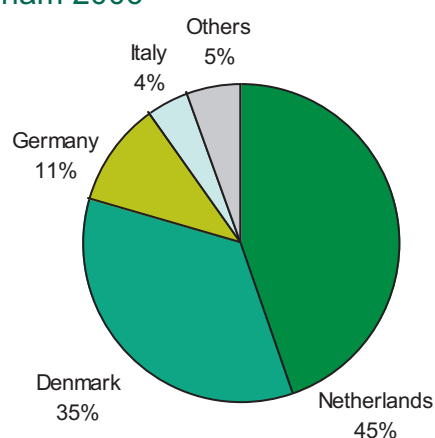


Chart 8.7 Trade with EU 26 countries: imports of bacon and ham 2006



### Pork

- 12** Exports of pork to the EU 26 countries grew strongly in 1997 and 1998. Since 1998 exports have declined rapidly. The dip in 2001 is the result of a ban on exports during the outbreak of foot and mouth disease that year. Imports have outperformed exports except in the two strong years for exports in 1997 and 1998. Imports rose to 453 thousand tonnes in 2006 while exports increased slightly to 85 thousand tonnes. Denmark and the Netherlands accounted for over half of the imports of pork in 2006 with a further 20 per cent contributed by Germany, Belgium and Luxembourg.

Chart 8.8 Trade with EU 26 countries: pork

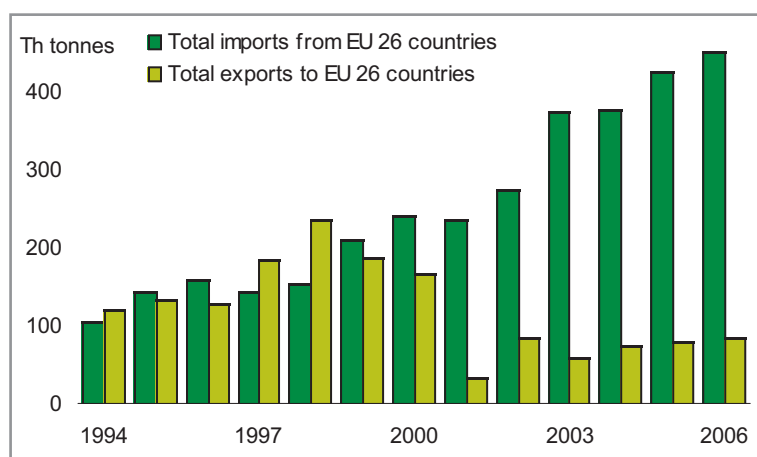
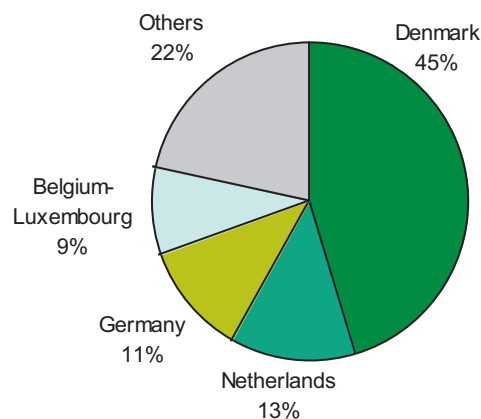


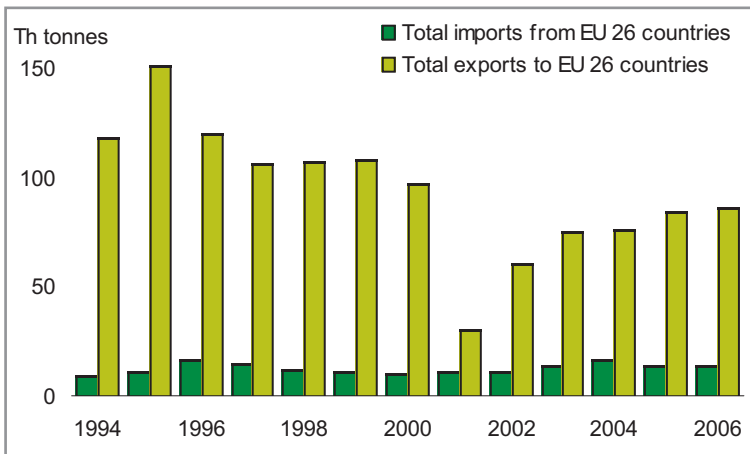
Chart 8.9 Trade with EU 26 countries: imports of pork 2006



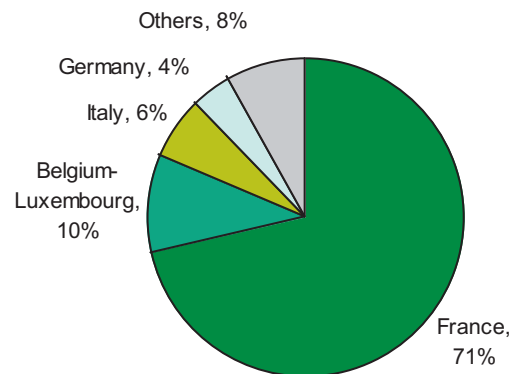
### Lamb and mutton

**13** The United Kingdom has exported much more lamb and mutton to the EU 26 countries than it has imported from these countries for many years. Exports peaked in 1995 but have since declined. The ban on exports during the outbreak of foot and mouth disease shows in the dip in 2001 followed by a recovery to 86.3 thousand tonnes for 2006. 71 per cent of all lamb and mutton exported to the EU 26 countries in 2006 went to France with a further 20 per cent going to Belgium, Luxembourg, Germany and Italy.

**Chart 8.10 Trade with EU 26 countries: lamb and mutton**



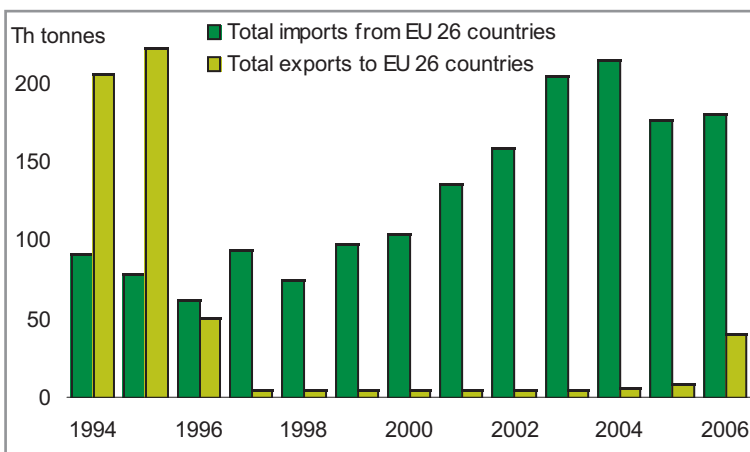
**Chart 8.11 Trade with EU 26 countries: exports of lamb and mutton 2006**



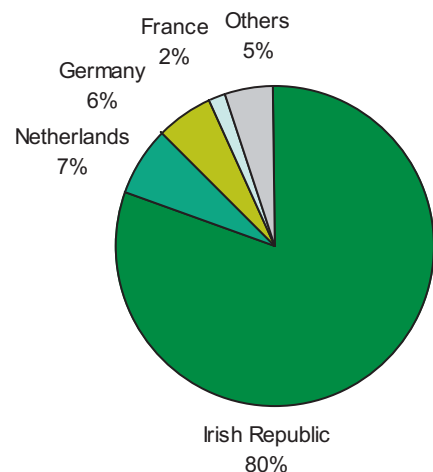
### Beef and veal

**14** Following the Government's announcement of a link between BSE and new variant CJD, exports of beef originating in the United Kingdom were banned between March 1996 and November 2005. The small amounts of exports seen here from 1997 are of beef and veal of non-UK origin which have been imported into the United Kingdom and then exported. Since the ban began, imports from the EU 26 countries have risen strongly reaching 180 thousand tonnes in 2006. The Irish Republic accounted for 80 per cent of the imports in 2006 with the Netherlands, Germany and France accounting for a further 15 per cent.

**Chart 8.12 Trade with EU 26 countries: beef and veal**



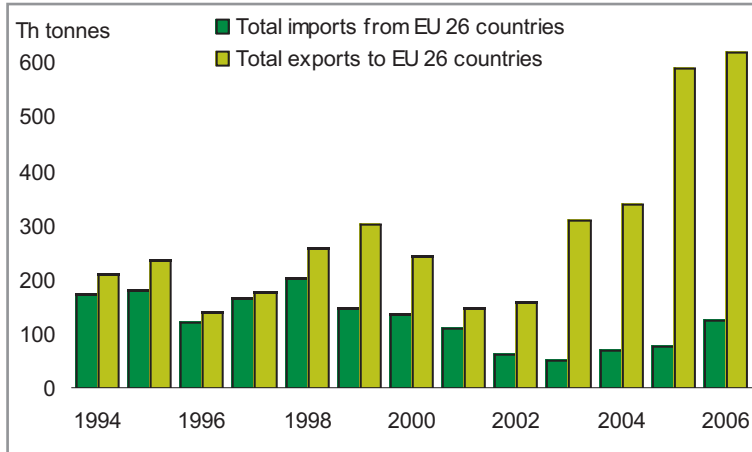
**Chart 8.13 Trade with EU 26 countries: imports of beef and veal 2006**



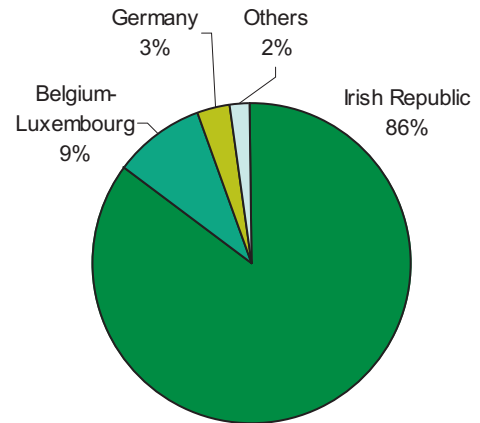
### Milk and cream

**15** Since 1998 imports have been in decline but increased to 124 thousand tonnes in 2006, more than double the 2003 total. Exports have risen sharply since 2002 reaching 620 thousand tonnes in 2006. In 2006, 86 per cent of milk and cream exports went to the Irish Republic with a further 14 per cent exported to Belgium, Luxembourg, and Germany.

**Chart 8.14 Trade with EU 26 countries: milk and cream**



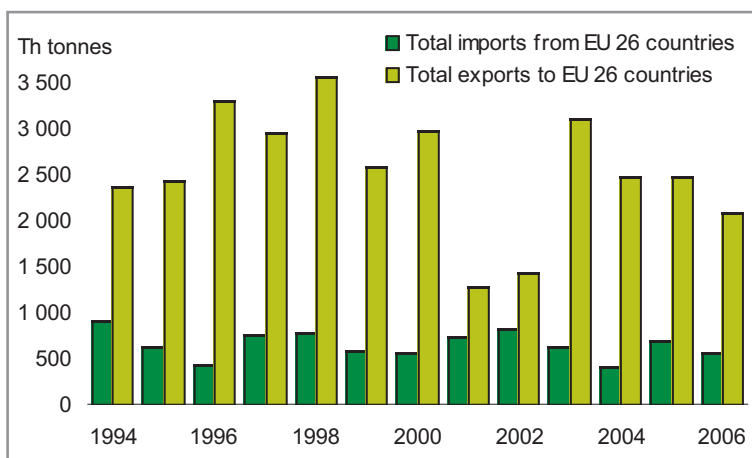
**Chart 8.15 Trade with EU 26 countries: exports of milk & cream 2006**



### Unmilled wheat

**16** Exports of unmilled wheat to the EU 26 countries have exceeded imports from these countries. The drop in exports in 2001 and 2002 was due to poor harvests resulting from bad weather. In 2006, exports stood at 2,094 thousand tonnes, of which over half went to Spain. A further 38 per cent went to Portugal, the Netherlands and the Irish Republic.

**Chart 8.16 Trade with EU 26 countries: unmilled wheat**



**Chart 8.17 Trade with EU 26 countries: exports of unmilled wheat 2005**

