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# **Report Name:** Exporter Guide

**Country:** United Kingdom

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**Report Highlights:**

The UK has strong social and cultural ties to the United States, demonstrated by the similarities in consumer trends in the retail and food-service markets. The UK presents strong market opportunities for many U.S. consumer-orientated products, including specialty food products, "healthy" food items, wine, sauces, fruit, nuts, and juices. "Health" and convenience foods are the main driving forces in the UK value-added food and beverage market. Consumers in this country are looking for variety in high quality food products, especially those perceived to have health benefits.

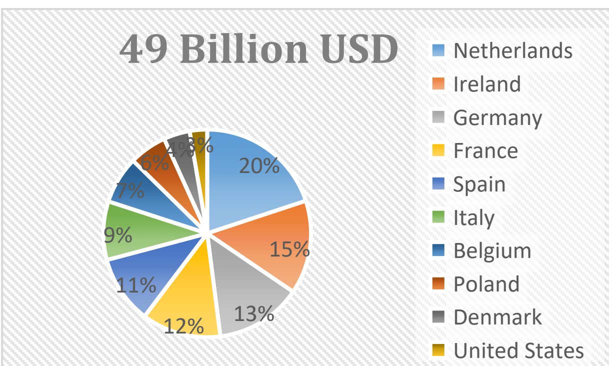
# Market Fact Sheet: United Kingdom

## Executive Summary

The UK, a leading trading power and financial center, is the third-largest economy in Europe, after Germany and France. Agriculture is intensive, highly mechanized, and efficient by European standards but, in terms of gross-added value, represents less than 1 percent of GDP. While UK agriculture produces about 60 percent of the country's food needs with less than 2 percent of the labor force, the UK is heavily reliant on imports to meet the varied demands of the UK consumer, who also expects year-round availability of all food products. The UK is very receptive to goods and services from the United States. With its $2.92 trillion GDP, the UK is the United States' top European market and the fifth largest market worldwide for all goods, after Canada, Mexico, China and Japan. Consumer-oriented food and beverage products remain the most important sector for U.S. agriculture, amounting to $1.03 billion (38 percent of the total) in 2018. Demand for U.S. consumer-oriented food products continues to differentiate the UK from many of its European neighbors. The UK is the 11th largest market in the world for U.S. consumer-oriented products. Within this category it is worth noting that U.S. exports to the UK of fresh vegetables, chocolate and cocoa, and condiments and sauces all set records in 2018.

## Imports of Consumer-Oriented Products

In 2018, the UK imported consumer-oriented agricultural products worth $49.0 billion. Just over half (54 percent) of these originated from other EU member states.




## Food Processing Industry

The food and drink sector is the largest single employer in the UK manufacturing sector. Food and drink is also the largest manufacturing industry in the UK, with an annual turnover in 2018 of $136.2 billion (£104 billion). Around 450,000 people across the UK are employed in jobs associated with food and drink manufacture and sales. Around 103,000 of these workers are EU nationals, amounting to about a quarter of the UK workforce.

## Food Retail Industry

The sector is saturated, highly consolidated and competitive. The top five retail groups together account for 76 percent of the market. Independent stores continue to face strong competition from modern grocery retailers. Online food sales are showing tremendous growth, with the sector being valued at $15.4 billion (£12.3 billion) in 2018. UK consumers are willing to try foods from other countries but expect quality products at a competitive price.

## Quick Facts CY 2018

**Imports of Consumer-Oriented Products** *(USD billion)* 49.0

**List of Top 10 Growth Products in Host Country**

| | |
|---|---|
| 1) Ice Cream | 2) Whey |
| 3 Cocoa Paste | 4) Coffee Extracts |
| 5) Vanilla | 6) Cranberry Juice |
| 7) Ginger | 8) Dried Fruit Mixtures |
| 9) Baby Food | 10) Cucumbers |

**Food Industry by Channels (USD billion) 2018**

| | |
|---|---|
| Food Industry Output - Turnover | 136.2 |
| Food Exports – Agricultural Total | 0.98 |
| Food Imports – Agricultural Total | 1.7 |
| Retail | 273.0 |
| Food Service | 71.2 |

**Top 10 Host Country Retailers**

| | |
|---|---|
| **1) Tesco** | **6) Cooperative** |
| **2) Sainsbury's** | **7) Lidl** |
| **3) Asda** | **8) Waitrose** |
| **4) Morrison's** | **9) Iceland** |
| **5) Aldi** | **10) Marks & Spencer** |

**GDP/Population**

Population *(millions)*: 66
GDP *(trillions USD)*: 2.95
GDP per capita *(USD)*: 44,300

**Sources:** Food & Drink Federation, GTA, Kantar Worldpanel

## Strengths/Weaknesses/Opportunities/Challenges

| **Strengths** | **Weaknesses** |
|---|---|
| The UK is one of the biggest markets in Europe with one of the highest income levels in the world. | U.S. exporters face competition from tariff-free products from other EU member states and FTA partners. |
| **Opportunities** | **Threats** |
| Speaking the same language, the UK's affinity with the U.S. and its products and the potential of a free trade agreement make the UK an attractive market. | EU's focus on SPS-related trade barriers (beef, poultry, biotech) in combination with the UK's strict approach to import controls, creates potential for increased number of port of entry issues |

**Data and Information Sources:**
Global Trade Atlas (GTA), Kantar Worldpanel

**Contact:**
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# I. MARKET OVERVIEW

The UK, a leading trading power and financial center, is the third largest economy in Europe, after Germany and France. Services, particularly banking, insurance, and business services, account for the largest proportion of Gross Domestic Product (GDP) while manufacturing continues to decline in importance. Agriculture is intensive, highly mechanized and efficient by European standards but, in terms of gross added value, represents less than 1 percent of GDP. While UK agriculture produces about 60 percent of the country's food needs with less than 2 percent of the labor force, the UK is heavily reliant on imports to meet the varied demands of the UK consumer who also expect year-round availability of all food products.

The UK is very receptive to goods and services from the United States. With its $2.925 trillion GDP, the UK is the United States' top European market and the fifth largest market worldwide for all goods, after Canada, Mexico, China and Japan. In 2018, the United States exported $57.2 billion of industrial and agricultural goods to the UK.

United States agricultural, fish, and forestry exports to the UK reached $2.94 billion in 2018. Consumer-oriented food and beverage products remain the most important UK market sector for U.S. agriculture, amounting to $1.03 billion. Wood pellet exports for renewable energy remains strong, driving U.S. forest product exports to the UK to $846.8 million in 2018. Demand for U.S consumer-oriented food products continues to differentiate the UK from many of its European neighbors. The UK is the 11th largest market in the world for U.S. consumer-orientated products. Within this category it is worth noting that U.S. exports of fresh vegetables, chocolate and cocoa products, and condiments and sauces to the UK all set records in 2018.

## BREXIT

At the time of writing, and with the re-election of Prime Minister Boris Johnson's Conservative Party on December 13, 2019, the UK is expected to leave the European Union (EU) in an orderly fashion by January 31, 2020. In this scenario, the UK will enter a transition period through until at least December 31, 2020. During this period, all existing trade and other arrangements under the UK's membership of the EU will continue unchanged. The UK and EU will use this transition period to negotiate their future trading relationship. If a UK/EU Free Trade Agreement (FTA) is not agreed by the end of 2020, and there is no extension made to the negotiating period, be that to the end of 2021 or 2022, then on January 1, 2021 the UK will start to trade with the EU on WTO terms. During this transition period, the UK is free to negotiate FTAs with any third countries, but implementation can only occur at the end of the aforementioned transition period. It is expected that U.S./UK negotiations could commence as soon as February 2020. Much preparatory work to lay the groundwork for these negotiations has already been achieved through a series of six working group meetings.

### Background

On June 23, 2016, in a referendum, UK voters indicated their wish to leave the EU by 52-48 percent. On March 29, 2017, the UK Government formally notified the EU of its intention to withdraw from the EU pursuant to Article 50 of the Lisbon Treaty. The Article 50 procedure had never been utilized before and while it triggered a 2-year period of negotiation on the terms of the departure, the UK requested, and was granted by the EU, several extensions. The latest of these expires on January 31, 2020.

Early in the process the UK and EU agreed to split the UK's departure from the EU into two tranches. The first tranche includes the so-called Withdrawal Agreement while the second tranche covers the future trading relationship. The framework for the latter is laid out in the Political Declaration. It sits alongside the Withdrawal Agreement which covers such areas as the financial settlement, citizen's rights, border arrangements and dispute resolution.

It is the first tranche, and agreement on these two documents, that has seen a series of delays. The original Withdrawal Agreement was rejected by the UK Parliament on three occasions and led to the resignation of Prime Minister Theresa May. Her successor, Prime Minister Boris Johnson, renegotiated the Withdrawal Agreement with the EU but, faced with an increasing minority in Parliament, chose to call a general election, campaigning on a 'Get Brexit Done' mandate. On December 13, 2019, his Conservative party won with a large majority so it is now expected his Government will submit this second Withdrawal Agreement to Parliament and it will be ratified by both the UK and EU ahead of the January 31, 2020 deadline. The UK will then enter a transition period through until at least December 31, 2020. During this period, all existing trade and other arrangements under the UK's membership of the EU will continue unchanged. The UK and EU will use this transition period to negotiate their future trading relationship.

Under the terms of the Withdrawal Agreement, in June 2020, the UK and EU will have a one-time opportunity to extend the transition period by one or two years, to December 31, 2021 or December 31, 2022.

If a UK/EU Free Trade Agreement (FTA) is not agreed by the end of 2020, and there is no extension made to the negotiating period, then on January 1, 2021 the UK will start to trade with the EU on WTO terms.

During the transition period, the UK is free to negotiate FTAs with any third countries, but implementation can only occur at the end of the aforementioned transition period.

More information can be found at: https://www.gov.uk/government/brexit

**UK Demographics**

According to the UK Office for National Statistics (ONS), in June 2018, the population of the United Kingdom was estimated at 66.0 million, up 392,000 from the previous year. It is projected to reach 73 million by 2041.

According to the latest data available (2018), the South East of England is home to some 9.13 million residents (13.8 percent of the population, followed by London, which has 9.0 million people (13.4 percent of the population). Thus, over a quarter of the UK population lives in London and in the South East of the country. The two regions together cover less than one tenth of the UK's land area. The North West (Manchester, Liverpool etc.) had the third largest population with 7.29 million residents (11.0 percent of the population).

In 2018, 87.2 percent of the UK population was listed as white with 14 percent (about 8 million people) belonging to mixed, non-white or other ethnic groups. There are many ethnic groups in the UK including large populations from Asia, the Caribbean, and Africa. The UK has a wide variety of ethnic restaurants particularly in London and other major cities in the country.

**Key Influences on UK Consumer Demands**

- **Slow population growth**
- **Aging population -** (11.9 million aged over 65 – 18 percent of population and 1.6 million over 85 years old – 2.4 percent of population)
- **Number of household units growing** – (27.3 million in 2018 and 19.1 million families).
- **Smaller households** (notably one-person households)
- **Growing personal disposable income** (boosting premium/convenience/eating out)
- **Rise in number of working women** (46 percent of total workforce)
- **International consumer tastes** e.g., Chinese, Indian, Italian, Thai, Mexican
- **Reduction in formal meal occasions**, leading to an increase in snacking and "grazing"
- **Increasing public debate centered on food**, incorporating safety, environmental, ethical, social and economic issues
- **Improvements in efficiency across the supply chain**, reducing the real cost of food

- **Increased retail concentration** (supermarkets growth vs. independent retailers)
- **Higher number of urban population rather than rural**

**Table 1: Advantages and Challenges**

| Advantages | Challenges |
|---|---|
| Market dominated by a few retailers with strong market penetration. Sophisticated replenishment systems mean U.S. products can be widely distributed. | Supermarket chains demand significant volume and their concentration can make market access difficult initially. Trial listings must give results in a short time or product will be de-listed. |
| There are many specialty importers, capable and interested in importing from the United States. | The UK has well-established brands for mainstream products. Brand-building and marketing costs are substantial. |
| U.S. products are viewed by UK consumers as affordable. | The UK has well-established brands for mainstream products. Brand-building and marketing costs are substantial. |
| The country is English speaking and is therefore an easier gateway into the rest of Europe for U.S. exporters. | EU competitors do not pay import duty on goods to the UK. The United States generally pays 0-25 percent import duty, depending on the product. |
| The United States is a popular destination for UK tourists and familiarity with U.S. products is widespread. | Popularity of specialty products from many EU countries is high, e.g. French cheeses, Spanish citrus, Italian pasta, South African produce. |

Source: FAS London

## II. EXPORTER BUSINESS TIPS

**Essential UK Market Considerations:** When looking at the UK market consider the following factors:

Basic market research; Retail, Foodservice or Processing; UK business partner and terms; Import duty and excise tax; UK Value Added Tax; Price points and competitors; Labeling; EU Food Standards Restrictions and Promotion budget and resources.

**General Consumer Tastes and Preferences**

| | |
|---|---|
| Food Safety | As a result of food scares over the past two decades, the UK food supply chain is now heavily scrutinized, meaning that UK retailers, foodservice operators and manufacturers are uncompromising on traceability and quality assurance. UK buyers often require technical specifications above the level mandated by government legislation. |
| Biotech (GE) | Biotech products or products that contain biotech ingredients can only be sold in the EU if the genetically engineered (GE) trait has been given approval. This is generally not an issue as normally the EU has approved all U.S.-grown mainstream ingredients before a product could be imported. The onus is on the UK customer to ask the necessary questions of the United States exporter to know whether the product contains biotech ingredients. If the product does contain biotech ingredients that are EU approved, it may be sold with the appropriate labelling, i.e., a positive statement of GE presence in |

| | |
|---|---|
| | the food product. (See: https://ec.europa.eu/food/plant/gmo/traceability_labelling. Food products containing biotech-derived ingredients in the UK are minimal. Large supermarket chains have generally determined that they will not stock products with biotech ingredients in their private label products (typically these, account for 45-50 percent of supermarket lines). Many large companies with a presence in the UK/EU have also taken a non-GE approach, as well as many restaurants and cafes. |
| Organic | Sales of organic food and drink has been on the increase for several years with sales in 2018 reaching a record $3.0bn (£2.3bn), this is an increase of 5.3 percent over the previous year. This is fueled by fresh produce, dairy and processed food products. Supermarket sales have grown by 3.3%, independent retailers by 6.2%, home delivery by 14.2% and organic sales with foodservice by 8%. Organic food is more available than ever. Many chains like McDonalds, Nando's and Pret include organic items on their menus. Organic products that have had increased success include baby food, milk, vegetable and seed oils and non-food products such as textiles and health and beauty products. Nonfood categories have seen sales rise by 18%. Young consumers and families choosing to pay more for organic products have pushed sales up. It should be noted that organic sales represent only around 1.5% of the total food and drink market. This equates to $58.5 million (£45m) spent by consumers each week. The largest growth was home delivery boxes and online sales, these accounted for 14% or organic food sales. The fastest growing sectors was beer, wine and spirit sales, with chilled and canned also increasing. Meat, fish, poultry and dairy categories all fell slightly. |
| Health | Consumers are looking for foods to improve their health which is driving sales of premium, less processed food, functional food, fresh fruit, fruit juices and low-fat or low-sugar processed food. Sales of vegetarian and plant-based products have seen a big increase with those aged over 55 being the biggest buyers. |
| Package Sizes | UK households are mainly comprised of 2 people. In addition, kitchens and fridges are small. Shopping is undertaken every couple of days, with a "large shop" once a week. U.S. suppliers should consider this in determining export package size. |
| Fair Trade | The UK is one of the world's leading Fairtrade markets. Sales of Fairtrade products increase by 7% in 2017 to £1.76 billion ($2.11 billion) in 2017. There are over 41,500 Fairtrade certified products for sale in the UK. The most popular products being bananas, cocoa, coffee, tea and flowers. Requirements to meet "Fairtrade" labelling standards are available at: http://www.fairtrade.org.uk/ and http://www.fairtrade.org.uk/en/what-is-fairtrade/using-the-fairtrade-mark |

## III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

### Food Standards and Regulations

The UK follows EU policies regarding labeling and ingredient requirements. The EU Food and Agricultural Import Regulations & Standards Country Report (FAIRS) specifically addresses labeling and ingredient requirements. It is available through the FAS reporting website or by emailing aglondon@usda.gov

### General Import and Inspection Procedures

Her Majesty's Revenue & Customs (HMRC) are responsible for the clearance of all goods entering the UK, for further information and customs forms please go to www.hmrc.gov.uk .

## IV. MARKET SECTOR STRUCTURE AND TRENDS

**Products in the market that have good sales potential**

- Processed products – health food, mainstream grocery, snack foods etc.
- Dried and Processed Fruit: Cranberries, dried cherries, prunes, raisins, wild berries
- Nuts: Almonds, peanuts, pecans, pistachios, walnuts
- Fish and Seafood: Cod, pollock, salmon, scallops & other fish products
- Fresh Fruit and Vegetables: Apples, grapefruit, pears, sweet potatoes, table grapes
- Meat: Hormone-free beef and pork products
- Drinks: Craft beer, spirits, wine
- Food Ingredients

**Products not present because they face significant boundaries**

- Food additives not approved by the European Commission
- Red meat and meat products produced with growth promotants
- Most poultry and eggs
- Biotech-derived products that are not approved in the EU

The UK retail grocery market was valued at $239.8 billion (£190.3 billion) in June 2018, an increase of 3.1 percent on 2017. The Institute of Grocery Distribution (IGD) estimates that the UK grocery market will be worth $283.0 billion (£217.7 billion) in 2024; a 12.5 percent increase on 2018.

- In 2018, groceries accounted for 10 percent of total household spending in the UK, making it the third largest area of expenditure (the largest is housing, and the second largest is transport)
- Food and grocery expenditure accounts for 51 pence in every £1.00 of retail spending
- Four in five shoppers say they have visited a discounter for grocery shopping in the past month
- Forty two percent of British shoppers say they have bought some of their food by shopping online
- Nine in ten people visit a convenience store on a regular basis to buy everyday grocery necessities
- According to IGD, the average shopper makes 24 trips to buy food every month spread over 5 different outlets

**Retail Sector**

**Supermarket Chains -** Four supermarket chains dominate UK food retailing, accounting for 68 percent of the market. Tesco is the market leader, with 27.0 percent market share, followed by Sainsbury's with 15.6 percent, Asda/Wal-Mart with 15 percent, and Morrison's has 10.0 percent. Other UK supermarket chains include Aldi, The Cooperative, Waitrose, Lidl, Iceland and Marks and Spencer.

**Market Shares of the UK's Supermarket Chains**

| Retailer | Market Share % |
|---|---|
| Tesco | 27.0 |
| Sainsbury's | 15.6 |
| Asda/Wal-Mart | 15.0 |
| Morrison's | 10.0 |
| Aldi | 8.0 |
| Cooperative | 6.5 |

| | |
|---|---|
| Lidl | 5.9 |
| Waitrose | 5.0 |
| Iceland | 2.1 |
| Others | 1.8 |
| Symbols/Independents | 1.8 |
| Ocado | 1.4 |

Source: Kantar Worldpanel, market share summary, November 3, 2019.
These market shares are updated monthly, so there can be a slight change month to month.

**Discounters -** The discounters Aldi and Lidl continue to gain market share. They now have a combined market share reached 13.9 percent of the British grocery market for the first time. The discounters show no signs of stopping with plans to open hundreds more stores between them. Four in five shoppers say they now shop in Aldi or Lidl at least once a month.

In general, each chain focuses on a specific market segment. For example, Tesco targets the middle market, providing both economy and up-scale products. Sainsbury's is pitched slightly up-market of Tesco, with Asda/Wal-Mart slightly down-market. Morrison's and the Cooperative both compete at much the same level as Asda/Wal-Mart, while Waitrose, part of the John Lewis Partnership, is the most up-market of the leading chains. Iceland, Aldi, and Lidl are all price-focused outlets.

**Private Label -** The UK has one of the most advanced private label markets in the world and is seen as a flagship market for private label development. The UK's major supermarket chains dominate the private label market and on average 50 percent of products in their stores are private label. Originally, private label goods were a copy of a branded product but today they are often innovative and marketed as a premium or high quality brand. They give UK retailers the opportunity to diversify their product ranges and develop new revenue streams.

**Internet or Online Shopping -** The value of the UK online grocery market has seen tremendous growth in recent years and in 2018 was valued at $16.0 billion (£12.3 billion). Online grocery sales are predicted to reach $25.7 billion (£19.8 billion) by 2023 as the internet becomes more widely used and relied upon by UK shoppers.

Online grocery shopping is now offered by all of the major UK supermarket chains. Outside of these suppliers, the market is mainly populated by a wide range of niche, specialized retailers, many of which offer products that are not always available in major supermarkets.

The IGD survey found that two out of five (42%) of UK shoppers buy some of their groceries online every month, with three out of five shoppers (60%) intending to shop online and get home delivery over the next 2-3 years. Twenty eight percent of existing online shoppers claim to conduct one big online shop every month. The UK is the second largest online grocery market in the world second only to China.

Visiting a physical store remains an important part of grocery shopping habits as 4 in 10 shoppers say they use a mix of online and supermarket shopping.

Innovations such as grocery click and collect have also helped the popularity of this service. Click and collect allows customers to order all their grocery shopping online and then drive to the supermarket to collect it from a designated point. Click and collect lockers are also available at some underground stations. Although this is still a small part of the industry sales are growing year on year. It is the younger generation that is predominately driving the growth with one fifth (19 percent) of 25-34-year-olds now doing their grocery shopping online.

**Department Stores -** Marks and Spencer (M&S) food halls continue to maintain successful business growth. Most M&S customers tend to buy the bulk of their groceries from less high-end retailers. A typical shopper uses M&S for special occasions, for convenience food such as ready-meals and as a top-up to their regular shop with a few luxury items. M&S consistently offer innovative, high quality and rigorously checked food.

The London-based Department Stores: Harvey Nichols and Selfridges have expanded to other major UK cities such as Birmingham, Manchester and Leeds. This has increased sales of U.S. products sold in their food halls. Other notable department stores stocking products from the United States are Fortnum & Mason and Harrods. Department Store food halls provide a unique opportunity for U.S. specialty foods. This is because these stores sell products at much higher prices, therefore make products more affordable. Also, the department stores do not sell vast quantities of products like the major supermarket chains do, therefore smaller U.S. companies can keep up with demand.

**Convenience Chains -** The focus of these stores is mainly brands that are well known to the British consumers. They are located in town centers, train and metro stations as a convenient stop for commuters and families making small purchases on evenings or weekends. Also, major supermarket chains have all opened small format convenience type stores.

**Other Retailers -** B&M and Home Bargains now sell a lot of non-perishable grocery items, both of which also carry a large U.S. fixture of predominately confectionery ranges. The UK has other outlets for U.S. products such as health food stores, mail/internet order companies and delicatessens. U.S. exporters typically work through UK importers to reach these smaller customers.

For further information on the UK retail sector, please see the UK Retail Market Briefs which can be found looking at the FAS reporting website.

**Hotel, Restaurant & Institutional (HRI) Sector**

In the UK, the HRI Sector is known as the Catering or Foodservice Industry and is generally considered to have two sectors:

Cost Sector: Caterers within the cost sector traditionally do not derive substantial margins. Meal provision tends to be out of necessity, rather than as a result of a business opportunity being identified. Provision is governed by contract where pricing is controlled, if not fixed. Examples are: schools, hospitals, prisons and specialist care homes.

Profit Sector: This is the area of the foodservice market in which the potential business gains are the main motivator. It is also usually allied to hospitality and leisure. Pricing is flexible and examples are: restaurants, fast food chains, pubs, hotels and leisure venues.

The UK HRI market was estimated to be $63.4 billion (£51.5 billion) in 2018. The food service sector is the UK's fourth largest consumer market following retail, cars, clothing and footwear.

Shoppers are increasing eating out more frequently than they were 5 years ago. Whether this is having a meal or stopping for a coffee and a snack, it is estimated that 40 percent of shoppers now eat something when they are out. In addition, forty-five percent of UK consumers currently eat out or have food delivered at least once per week.

About 3 million meals are eaten at work every day of which two million are prepared by contract caterers. British consumers are exposed to many different cuisines from around the world, with non-European foods being popular. As many as 7 out of 10 of Britons state that they like and eat non-European styles of food. The food service sector serves 8.6 billion meals a year, equivalent to 39,000 a minute.

**Supply Chain -** There are two main ways to enter the UK catering market. Some companies go direct to suppliers, domestic or foreign. However, by far the most popular way is through an intermediary such as a UK-based importer. Because there are many small companies operating in the catering market, intermediaries skilled at filling small orders play a crucial role in the distribution of products. The importer normally takes title of the goods (i.e. ownership) following the purchase from a supplier to resell to trade customers.

The UK's food service industry holds many avenues of opportunity for U.S food and beverage products. Networking within the industry is vital to ascertain the best market entry strategy.

For further information on the HRI sector please see UK HRI report which can be found using the following link: Foodservice.

**Food Processing**

The food and drink sector are the largest single employer in the manufacturing sector. Food and drink are also the largest manufacturing industry in the UK, with an annual turnover in 2018 of $135.2 billion (£104 billion). This accounts for 19% of total UK manufacturing. Around 450,000 people across Britain are employed in jobs associated with food and drink manufacture and sales.

- Around 106,000 of these workers are of EU nationality, amounting to about a quarter of the UK workforce.
- Ninety seven percent of the 7,290 food and drink businesses are small to medium sizes companies.

Soft drinks companies have reduced sugars and calories from their products by 18 percent since 2012. The UK Government has set up the most ambitious sugar reduction program in the world to help combat the obesity problem.

UK multinationals such as Unilever and Diageo are among the largest in Europe. Many United States companies, such as Kraft, PepsiCo, Kellogg's, ADM, ConAgra and Cargill, also have substantial interests in the UK.

The major unprocessed commodities that are not commercially produced by the UK are rice, citrus fruit, bananas, corn, coffee, cocoa, stone fruit, tea and some oilseeds. Although the UK produces beet sugar, cane sugar is imported. Processed products that the UK has to import include wine and preserved/frozen fruit and fruit juices.

The UK's top three export markets are Ireland, USA, and France.

## V. AGRICULTURAL AND FOOD IMPORTS

**Imports from the United States of Most Popular Products**

| Product Category | Growth 2014 –2018 (%) | U.S. Exports to UK 2017 ($ million) |
|---|---|---|
| Forest Products | +32.7 | 846.8* |
| Wine & Beer | +8.5 | 275.6 |
| Tree Nuts | +15.0 | 196.9 |
| Distilled Spirits | +6.4 | 190.2 |
| Prepared Food | +28.8 | 167.4 |
| Soybeans | +1.5 | 109.2 |
| Live Animals | -1.4 | 89.8 |
| Fresh Vegetables | +75.9 | 85.7* |
| Fish Products | -47.4 | 74.4 |
| Processed Fruit & Vegetables | -47.2 | 59.2 |
| Snack Foods (excl nuts) | -15.5 | 48.9 |
| Chocolate & Cocoa Products | +58.4 | 42.3* |
| Condiments | +41.2 | 37.0* |
| Fresh Fruit | -37.7 | 29.9 |
| Wheat | +34.2 | 29.4 |
| Dairy Products | +79.0 | 26.5 |
| Non-Alcoholic Beverages Exc. Juices | +0.44 | 22.7 |
| Animal Fats | +1,900 | 22.0 |
| Pulses | -33.8 | 20.7 |
| Rice | +10.4 | 14.8 |
| Breakfast Cereals & Pancake Mix | +93.4 | 14.7 |
| Fruit & Vegetable Juices | +29.2 | 7.0 |
| Pet Foods (Dog & Cat Food) | +28.8 | 5.8 |
| Pork & Pork Products | -26.0 | 3.7 |
| Beef & Beef Products | +30.0 | 2.6 |

Source: BICO Report/U.S. Bureau of the Census Trade Data

*Denotes Highest Export Levels Since at Least CY1970.

## VI. KEY CONTACTS AND FURTHER INFORMATION

If you have any questions or comments regarding this report, require a listing of UK importers or need any other assistance exporting to the United Kingdom, please contact the USDA office in London.

**United States Department of Agriculture**
Embassy of the United States of America, 33 Nine Elms Lane, London, SW11 7US
Tel: +44 20 7891 3313, E-Mail: aglondon@usda.gov
Website: www.fas.usda.gov or https://uk.usembassy.gov/embassy-consulates/government-agencies/foreign-agricultural-service/fas-contact/

FAS London publishes other market and commodity reports available through the Global Agricultural Information Network (GAIN) at https://gain.fas.usda.gov/#/

**Department for Environment, Food & Rural Affairs**

Nobel House, 17 Smith Square, London, SW1P 3JR, Tel: +44 20 7238 6951
E-mail: helpline@defra.gsi.gov.uk Website: www.defra.gov.uk
Contact For: UK Government Agency for any information on the UK Agricultural sector.

**Food Standards Agency**
Aviation House, 125 Kingsway, London WC2B 6NH, Tel: +44 20 7276 8829
Email: helpline@foodstandards.gsi.gov.uk Website: www.food.gov.uk
Contact For: UK Government Association for information on UK food safety standards and policies.

**United States Mission to the European Union**
Office of Agricultural Affairs, Boulevard du Regent 27, B-1000 Brussels, Belgium, Tel: +32 2 811 4154
E-mail: AgUSEUBrussels@fas.usda.gov Website: http://www.usda-eu.org/
Contact For: U.S. Government Office dealing with EU agricultural policy information.

**UK Trade Associations**

**Institute of Grocery Distribution**
Grange Lane, Letchmore Heath, Watford, Hertfordshire, WD25 8GD, Tel: +44 1923 857141
E-mail: askigd@igd.com Web: www.igd.com
Contact For: UK trade association for information about the food and grocery chain.

**Food and Drink Federation**
6th Floor, 10 Bloomsbury Way, London, WC1A 2SL, Tel: +44 20 7836 2460
E-mail: generalenquiries@fdf.org.uk Website: www.fdf.org.uk
Contact For: UK trade association which is the voice of the UK food and drink manufacturing industry.

**Fresh Produce Consortium**
Minerva House, Minerva Business Park, Lynch Wood, Peterborough PE2 6FT, Tel: +44 1733 237117
E-mail: info@freshproduce.org.uk Website: www.freshproduce.org.uk
Contact For: UK trade association for the fresh produce industry.

**British Health Food Manufacturer's Association**
1 Wolsey Road, East Molesey, Surrey KT8 9EL, Tel: +44 20 8481 7100
E-mail: hfma@hfma.co.uk Website: www.hfma.co.uk
Contact For: UK trade association which works effectively to represent the interests of the UK natural health products industry at all levels of the legislative, regulatory and Parliamentary process.

**British Frozen Food Federation**
Warwick House, Unit 7, Long Bennington Business Park, Long Bennington, Newark, NG23 5JR
Tel: +44 1400 283 090, E-mail: generaladmin@bff.co.uk Website: www.bfff.co.uk
Contact For: UK trade association for all aspects of the frozen food industry.

## Attachments:

No Attachments