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Northern Ireland Food and Drinks Processing Report 2022

Department of
Agriculture, Environment and Rural Affairs
An Roinn
Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe
Depairtment o'
Fairmin, Environment an' Kintra Matthers
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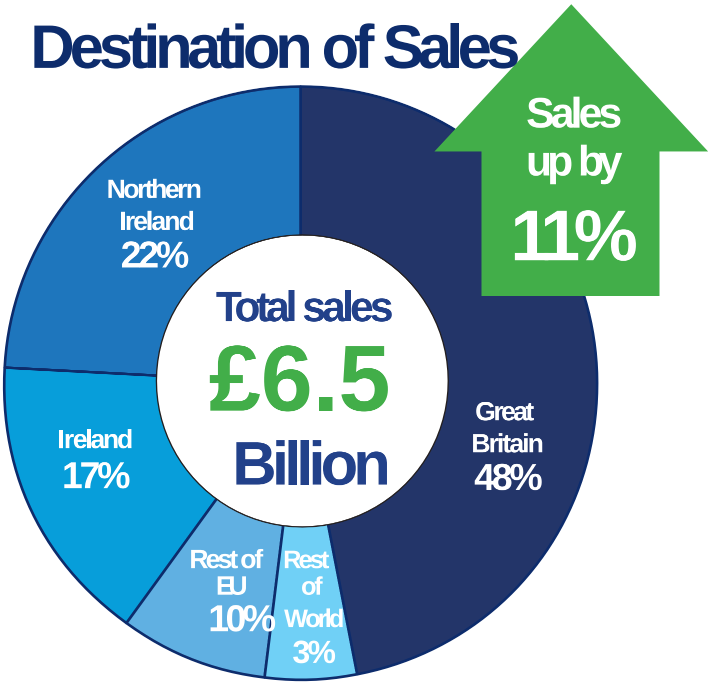
NI's Food and Drinks Processing Sector 2022

Destination of Sales



Trend over time

Year	2017	2018	2019	2020	2021	2022
Sales	£4.6 Billion	£4.9 Billion	£5.0 Billion	£4.8 Billion	£5.2 Billion	£5.4 Billion

Gross turnover in real terms
Expressed in 2015 prices

Contribution to NI Manufacturing Industry

36%
of total sales

Employment

up by **1%**

25,508 FTE* employees

* Full time Equivalents

Value Added

up by **3%**

£1.1 Billion

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KEY FACTS

Gross turnover: Total gross turnover of the Northern Ireland food and drinks processing sector increased by 11.0 per cent between 2021 and 2022 to £6,516 million. Provisional estimates for 2023 project a 9.4 per cent increase to £7,128 million.

Destination of sales: In 2022, sector sales rose to four of its five broad markets. Great Britain saw the largest increase (+£337.9m), while sales to the Rest of the World decreased (-£91.8m). Great Britain remains the sector's largest market, making up 48.5% of total sales.

Contribution to Northern Ireland manufacturing sector sales: In 2022, the food and drinks sector contributed 35.5% of total manufacturing sales, down from 39.3% in 2021.

Employment: Between 2021 and 2022, the estimated number of direct full-time employee equivalents (FTEs) in the sector increased by 1.0 per cent to 25,508 FTEs. Provisional estimates for 2023 project a 1.1 per cent decrease to 25,216 FTEs.

Contribution to Northern Ireland manufacturing sector employment: The sector contributed 30.1 percent to total manufacturing employment in 2022, which is similar to the 30.3 percent reported in 2021.

Value Added: The value added by the sector increased by 3.4 per cent to £1,120 million between 2021 and 2022. This growth was driven by wages (+£17.6m) and net profit (+£10.9m).

Value added to Northern Ireland Economy: The sector's contribution to total Northern Ireland gross value added (GVA) fell slightly from 2.3% in 2021 to 2.2% in 2022. Its share in manufacturing GVA dropped slightly from 20.0% (2021) to 19.3% (2022).

Purchases: Total purchases made by the Northern Ireland food and drinks processing sector are estimated to have increased by 11.7 per cent between 2021 and 2022 to £5,142million.

Purchases by origin: Between 2021 and 2022, purchases in the sector increased from four of its five broad markets. Purchases from Northern Ireland saw the largest growth (+£263.7m), whilst purchases from the Rest of the World decreased (-£2.4m). Northern Ireland makes up 63.1% of the sector's purchases.

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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 2022, as well as providing revised comparative data for 2021. In addition, the supporting data tables 18a to 18b 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 19a to 19g 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 2023 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 2022 is scheduled for publication in November 2025. This publication will also contain the first full estimates for eight key size variables and fifteen performance indicators for 2023. If there are a sufficient number of businesses returns available, a provisional estimate of gross turnover and the level of employment in the sector will be made for 2024.

- The scheduled dates for all upcoming publications are available from the Gov.UK statistics release calendar.

2. SIZE OF THE FOOD AND DRINKS PROCESSING SECTOR

This section analyses the size of the Northern Ireland food and drinks processing sector based on gross turnover from sales, value added, and total direct full-time equivalent employment, excluding agency staff. It also examines the number of businesses by turnover size and the contribution of the ten largest firms to each of these measures.

Table 1 Gross turnover, value added and direct employment trends 2021-2023

	2021	2022	Percentage Change 21/22	Provisional 2023
Gross Turnover (£ m)	5,868.5	6,516.0	11.0	7,127.9
Direct Employees (full time equivalents)	25,251	25,508	1.0	25,216
Value added (£ million)	1,082.7	1,119.6	3.4	**

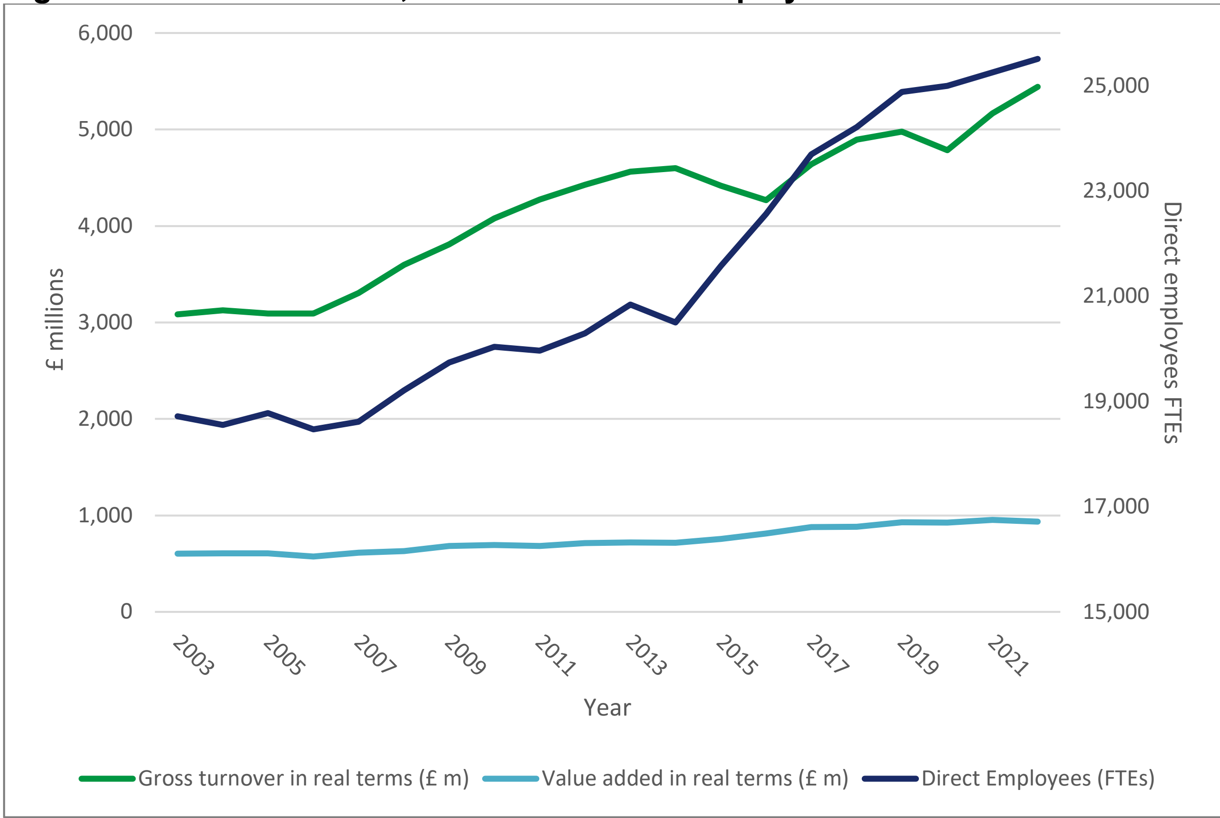
See supporting Table 1 Gross turnover, value added and direct employment trends 2021-2023
**Data not available to make a robust provisional estimate.

- The gross turnover for the food and drinks processing sector is estimated to have increased from £5,869 million in 2021 to £6,516 million in 2022; an increase of 11.0 per cent. Provisional estimates for 2023 indicate a further 9.4 per cent increase to £7,128 million.

- The number of direct FTEs in the food and drinks processing sector increased from 25,251 direct FTEs in 2021 to 25,508 in 2022; an increase of 1.0 per cent. Provisional estimates for 2023 indicate a 1.1 per cent decrease to 25,216.

- The value added to the Northern Ireland economy by the sector increased from £1,083 million in 2021 to £1,120 million in 2022; an increase of 3.4 per cent.

Figure 1 Gross turnover[1], value added[1] and employment trends 2003-2022



See supporting Table 2 Gross turnover, value added and employment trends 2003-2022

- After adjustment for inflation, gross turnover in the food and drinks sector has increased from £5,168 million in 2021 to £5,442 million in 2022; an increase of 5.3 per cent. This follows an increase of 8.0 per cent between 2020 and 2021. Gross turnover has grown by 76.5 per cent in real terms since 2003.

- After adjustment for inflation gross turnover experienced consecutive years of growth from £3,092 million in 2005 to £4,600 million in 2014, an increase of 48.8 per cent. Following two years of decline, gross turnover increased from £4,268 million in 2016 to £4,977 million in 2019; an increase of 16.6 per cent in real terms.

- After adjustment for inflation, value added in the sector has declined from £953.4 million in 2021 to £935.1 million in 2022, a decrease of 1.9 per cent. This follows an increase of 3.0 per cent between 2020 and 2021. Value added has grown 54.7 per cent in real terms since 2003.

- The growth in value added has been steady over the period with decreases experienced in 2006, 2011, 2014 and 2020 followed by consecutive years of growth. For the period 2003 to 2012, value added increased by 18.2 per cent in real terms. This compares to a 30.2 per cent increase for the period 2013 to 2022.

- In 2022 the number of direct full-time employee equivalents in the sector stood at 25,508; an increase of 36.3 per cent from 18,720 in 2003.

[1] Expressed in 2015 prices, calculated by using GDP deflators, updated December 2024

- Since 2014, employment in the sector has experienced 8 years of consecutive growth and has increased by 24.4 per cent up to 2022.

Table 3 Number of businesses by annual turnover 2021 and 2022

Gross Turnover	Number of businesses 2021	2022	Change 21/22
£250k < £1m	100	94	-6
£1m < £10m	153	153	0
£10m < £50m	44	46	2
> £50m	26	27	1
Total Sector	**323**	**320**	**-3**

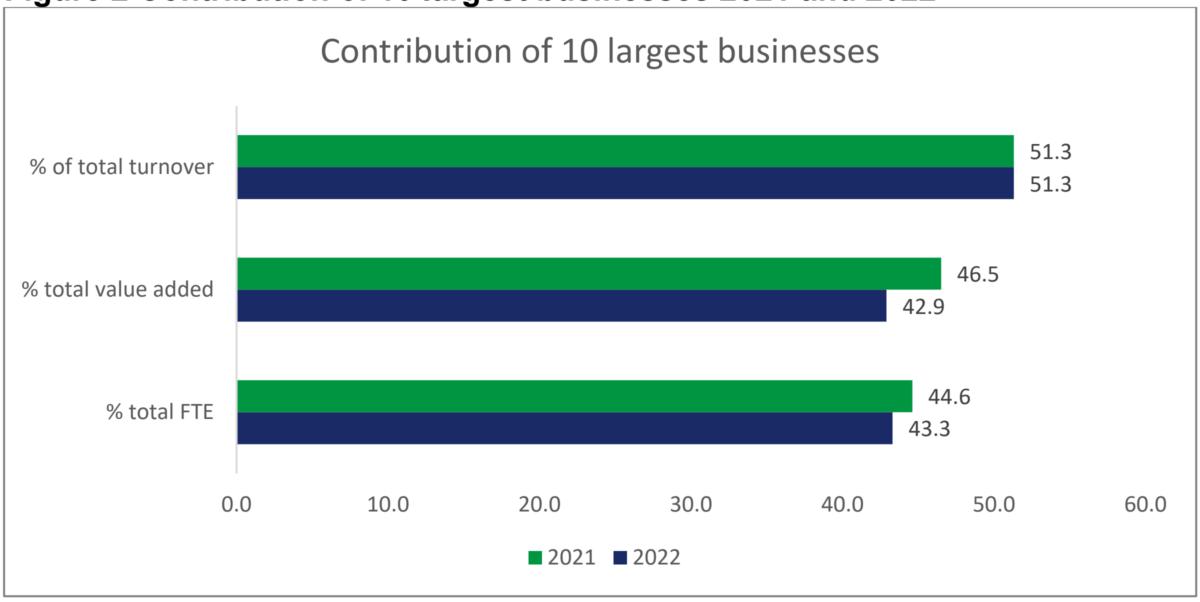
See supporting Table 3 Number of businesses by annual turnover 2021 and 2022

- The food and drinks processing sector had 320 businesses in 2022 with a turnover of more than £250,000; three less than in 2021.

- There were 247 businesses in the food and drinks processing sector in 2022 with an annual turnover of less than £10.0 million; 6 less than in 2021.

- There were 73 business with an annual turnover in excess of £10.0 million in the food and drinks processing sector in 2022; 3 more than in 2021.

Figure 2 Contribution of 10 largest businesses 2021 and 2022



See supporting Table 4 Contribution of 10 largest businesses 2021 and 2022

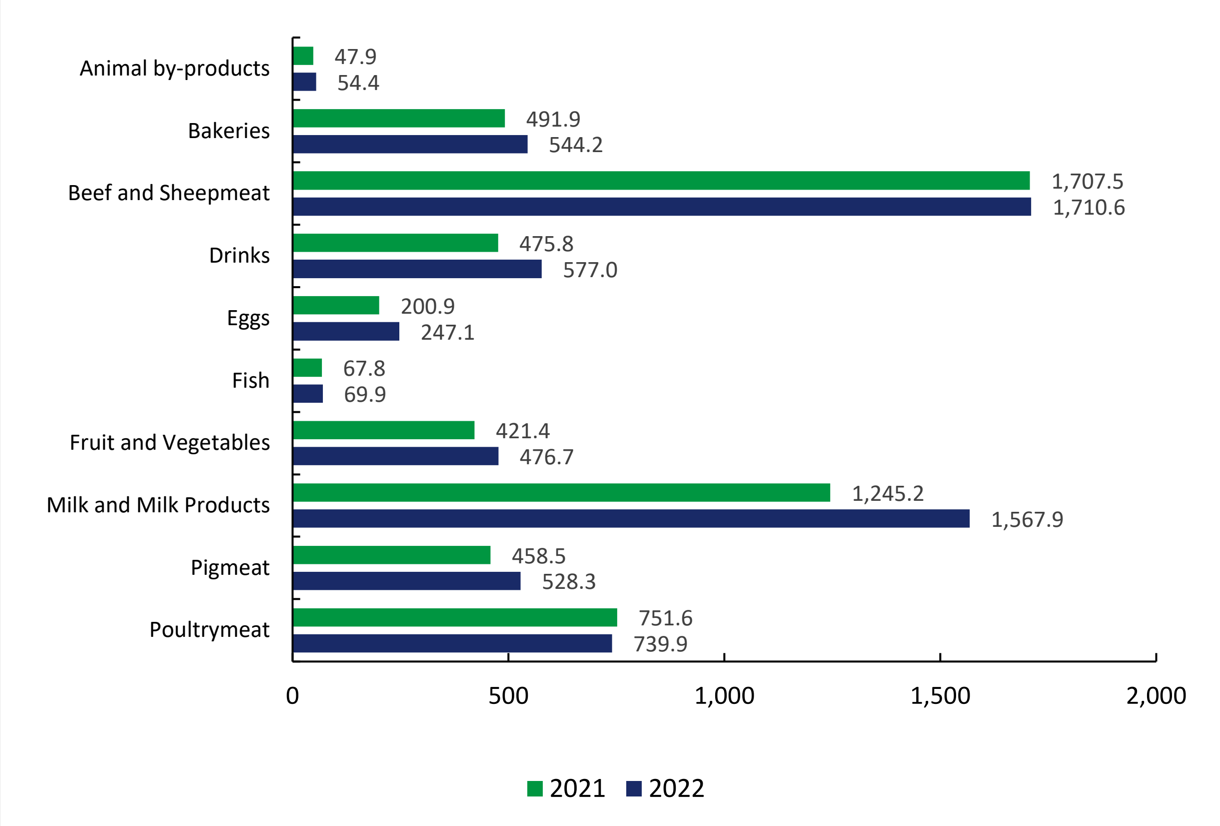
- In 2022, 51.3 per cent of total sector gross turnover, 42.9 per cent of total value added and 43.3 per cent of total direct employment was accounted for by the ten largest companies for each measure of size.

- Between 2021 and 2022, the contribution of the ten largest businesses to total gross turnover remained the same at 51.3 per cent. Their contribution to total value added and full-time direct employment decreased by 3.6 and 1.3 percentage points respectively.

3. PERFORMANCE BY SUB-SECTOR 2021 AND 2022

This section analyses food and drink sub-sector performance based on turnover, employment, value added (including its four components), and total capital employed. For benchmarking by sub-sector with fifteen performance indicators, see supporting tables 18 and 19 .

Figure 3 Gross turnover, by subsector, 2021 and 2022[1]



See supporting Table 5 Gross turnover, by subsector, 2021 and 2022

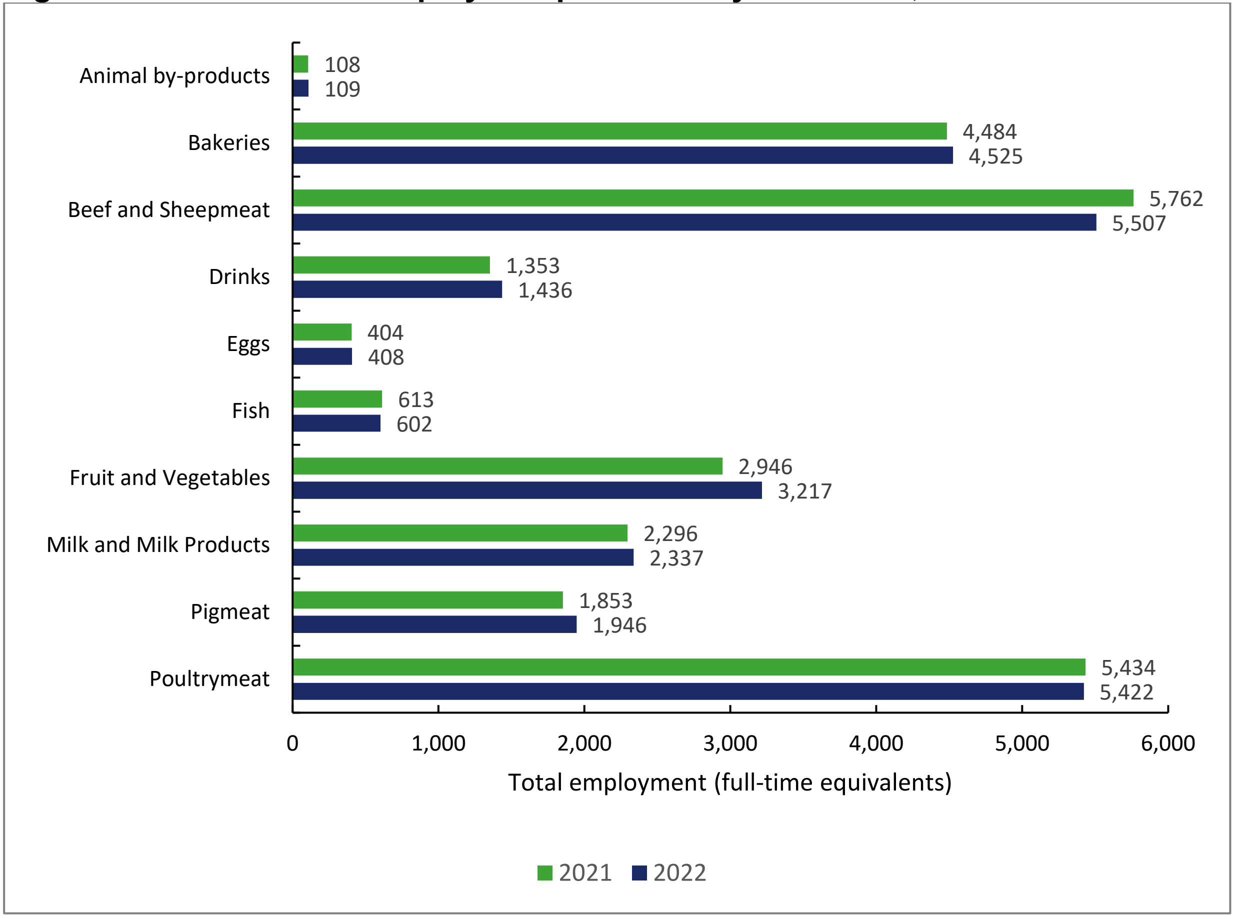
[1] Figures in commentary may not calculate from data in chart and table due to rounding.

- Nine of the ten subsectors recorded an increase in their levels of gross turnover between 2021 and 2022. The subsectors which experienced the largest increase in total gross turnover were milk and milk products (+£322.7m), drinks (+£101.2m) and pigmeat (+£69.8m). Poultrymeat (-£11.7m) was the only subsector that experienced a decrease.

- Milk and milk products (+25.9%), eggs (+23.0%) and drinks (+21.3%) recorded the largest increases in the proportion of gross turnover between 2021 and 2022. Poultrymeat turnover declined by 1.6 per cent.

- Beef and sheepmeat (£1,711m) and milk and milk products (£1,568m) continue to be the largest subsectors in terms of gross turnover. Their combined share of total gross turnover accounts for 50.3 per cent of processing sales in both 2021 and 2022.

Figure 4 Direct full-time employee equivalents by subsector, 2021 and 2022[1]



See supporting Table 6 Direct full-time employee equivalents and total agency workers, by subsector, 2021 and 2022
[1] Figures in commentary may not calculate from data in chart and table due to rounding.

- Direct employment in the food and drinks processing sector increased from 25,251 FTEs in 2021 to 25,508 FTEs in 2022; an increase of 1.0 per cent.

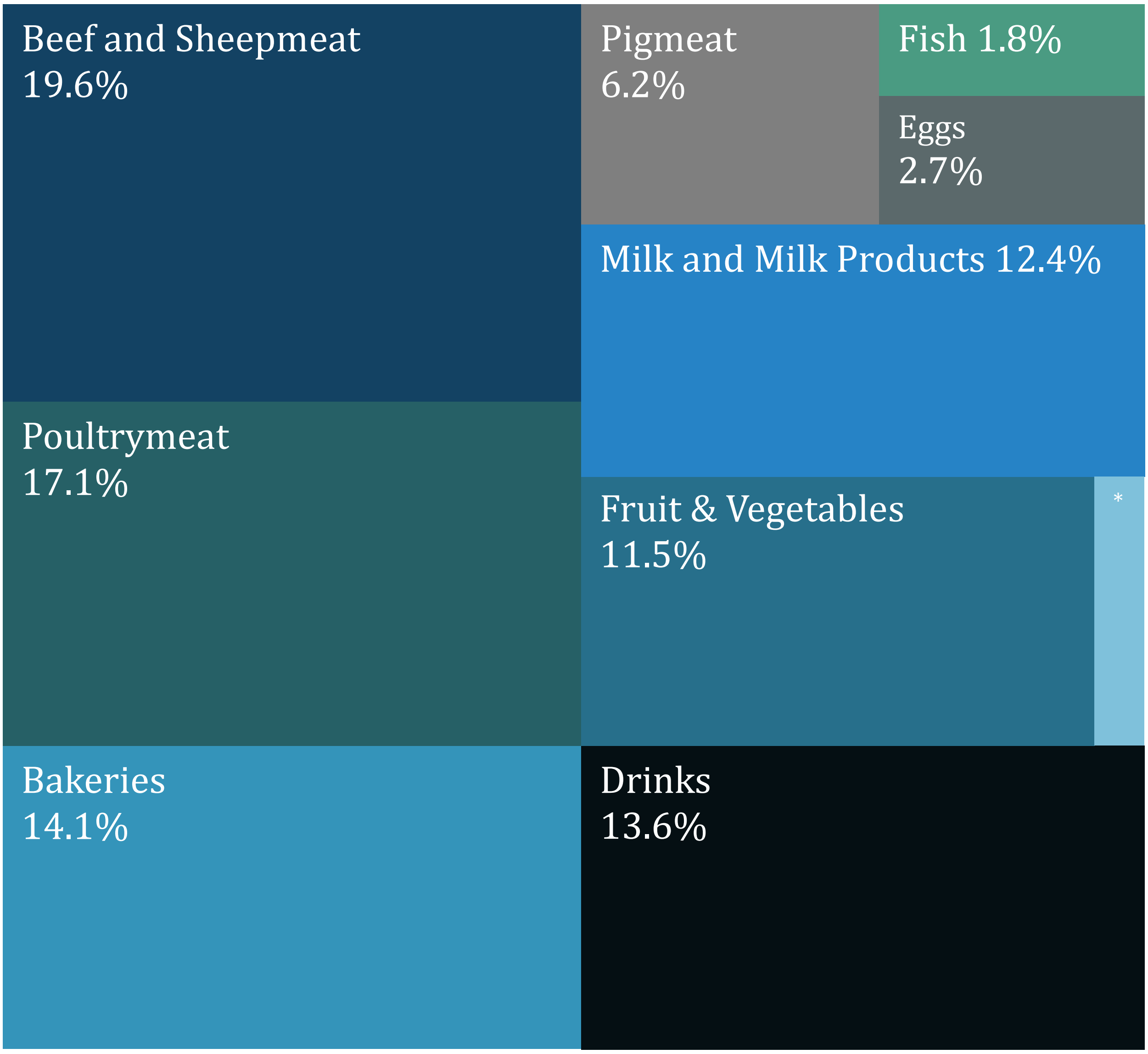
- Seven of the ten subsectors recorded an increase in the number of direct full-time employee equivalents between 2021 and 2022. The largest increases were recorded in fruit and vegetables (+271 FTEs), pigmeat (+93 FTEs) and drinks (+83 FTEs). Decreases were recorded in beef and sheepmeat (-255 FTEs), poultrymeat (-12 FTEs) and fish (-11FTEs).

- Beef and sheepmeat (5,507 FTEs), poultrymeat (5,422 FTEs) and bakeries (4,525 FTEs) subsectors accounted for 60.6 per cent of the total direct employment in the food and drinks processing sector in 2022, a decrease from 62.1 per cent in 2021.

- In 2022, it is estimated that in addition to direct employees, the sector sourced a further 1,679 FTEs from employment agencies[2]. This is an increase of 2.3 per cent from 2021 levels.

[2] Agency employees are temporary additional workers that are supplied and paid for directly from an employment agency payroll. This type of worker is excluded from the Business Register and Employment Survey and therefore it is not appropriate to include these numbers in any manufacturing industry analysis.

Figure 3 Percentage of Value added by subsector, 2022



* Animal by-products 0.9%
See supporting Table 7 Percentage of value added by subsector, 2022

Table 8a Value added, by subsector, 2021 and 2022[1]

	Value Added (£ m)		Difference	% Change
	2021	2022	(£ m)	21/22
Animal By-Products	10.4	10.3	-0.1	-0.6
Bakeries	144.2	158.1	13.9	9.6
Beef and Sheepmeat	235.5	219.5	-16.0	-6.8
Drinks	142.2	152.7	10.5	7.4
Eggs	28.9	29.7	0.8	2.7
Fish	19.9	19.8	-0.1	-0.6
Fruit and Vegetables	121.8	129.2	7.4	6.1
Milk and Milk Products	115.6	138.7	23.1	20.0
Pigmeat	61.3	69.6	8.3	13.6
Poultrymeat	202.9	191.9	-11.0	-5.4
Total Sector	**1,082.7**	**1,119.6**	**36.9**	**3.4**

See supporting Table 8a Value added, by subsector, 2021 and 2022
[1] Figures in commentary may not calculate from data in table due to rounding.

- In 2022, the value added by the sector was estimated to be £1,120 million; an increase of 3.4 per cent since 2021.

- Six of the ten subsectors recorded an increase in value added in 2022. The three largest subsectors, namely beef and sheepmeat (£219.5m), poultrymeat (£191.9m), and bakeries (£158.1m), accounted for 50.9 percent of the sector's value added in 2022. In comparison, these three subsectors held a 53.8 per cent share in 2021.

- Value added accounted for 17.2 per cent of the total gross turnover of the food and drinks processing sector in 2022; a decrease from 18.4 per cent in 2021.

Table 8b Components of value added for each subsector, 2021[1]

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total value added**
Animal By-Products	4.1	0.8	5.5	0.0	10.4
Bakeries	113.7	10.4	18.0	2.1	144.2
Beef and Sheepmeat	168.6	18.0	45.6	3.3	235.5
Drinks	59.9	20.2	56.2	5.9	142.2
Eggs	10.7	4.4	13.7	0.0	28.9
Fish	14.9	1.7	3.1	0.3	19.9
Fruit and Vegetables	80.9	11.9	27.1	2.0	121.8
Milk and Milk Products	76.3	20.6	18.3	0.4	115.6
Pigmeat	37.9	3.7	19.6	0.2	61.3
Poultrymeat	156.6	24.0	20.8	1.6	202.9
Total Sector	**723.8**	**115.6**	**227.6**	**15.7**	**1,082.7**

See supporting Table 8b Components of value added for each subsector, 2021

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

Table 8c Components of value added for each subsector, 2022[1]

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total value added**
Animal By-Products	4.5	0.8	5.0	0.0	10.3
Bakeries	134.9	11.9	8.7	2.5	158.1
Beef and Sheepmeat	155.1	17.5	43.7	3.3	219.5
Drinks	66.8	23.2	56.1	6.6	152.7
Eggs	10.9	4.5	14.3	0.0	29.7
Fish	14.7	1.7	3.1	0.3	19.8
Fruit and Vegetables	93.6	14.7	18.3	2.6	129.2
Milk and Milk Products	74.0	23.0	41.0	0.6	138.7
Pigmeat	34.8	4.0	30.5	0.2	69.6
Poultrymeat	152.0	20.4	17.9	1.6	191.9
Total Sector	**741.4**	**121.8**	**238.6**	**17.8**	**1,119.6**

See supporting Table 8c Components of value added for each subsector, 2022

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

- Between 2021 and 2022, all four components of value added increased, with the largest increase occurring in wages and salaries (+£17.6m).

- Between 2021 and 2022, wages and salaries increased in five subsectors, with bakeries supporting the largest rise (+£21.1m). Depreciation rose in five subsectors, most significantly in drinks (+£3.0m). Net profit increased in three subsectors, with milk and milk products experiencing the biggest increase (+£22.7m). Interest paid grew in five subsectors, amounting to an overall increase of £2.1m.

- The largest contributions towards value added in the sector in 2022 came from wages and salaries (66.2%) and net profit (21.3%).

Table 9 Total Capital employed, by subsector, 2021 and 2022[1]

	Capital Employed (£ m)		Difference	% Change
	2021	**2022**	**(£ m)**	**21/22**
Animal by-products	12.3	15.6	3.3	26.7
Bakeries	149.5	153.0	3.4	2.3
Beef and Sheepmeat	424.7	427.4	2.7	0.6
Drinks	633.1	692.2	59.1	9.3
Eggs	72.3	79.8	7.4	10.3
Fish	36.8	40.5	3.7	10.1
Fruit and Vegetables	220.5	256.3	35.8	16.2
Milk and Milk Products	1,124.8	423.8	-700.9	-62.3
Pigmeat	147.0	193.4	46.4	31.6
Poultrymeat	392.4	338.6	-53.8	-13.7
Total Sector	**3,213.4**	**2,620.6**	**-592.8**	**-18.4**

See supporting Table 9 Total Capital employed, by subsector, 2021 and 2022

[1] Figures in commentary 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 £592.8 million between 2021 and 2022, from £3,213 million to £2,621 million.

- In 2022, capital employed was highest in drinks (£692.2m), beef and sheepmeat (£427.4m), and milk and milk products (£423.8m) subsectors. These three subsectors made up 58.9 per cent of total capital employed, compared to 67.9 per cent in 2021.

- Between 2021 and 2022, an increase in the total capital employed was recorded in eight of the ten subsectors. Drinks (+£59.1m), pigmeat (+£46.4m) and fruit and vegetables (+£35.8m) subsectors recorded the largest increases.

- Milk and milk products (-£700.9m) and poultrymeat (-£53.8m) were the only two subsectors to record a decrease in total capital employed between 2021 and 2022.

4. DESTINATION OF SALES 2021 AND 2022

This section provides analysis of total sales and total sub-sector sales by destination.

Table 10 Total sales by country of destination, 2021 and 2022[1]

	Sales (£ m and proportion of total sales)			
	2021	**%**	**2022**	**%**
Northern Ireland	1,332.3	22.7	1,421.8	21.8
Great Britain	2,823.8	48.1	3,161.6	48.5
Ireland	924.9	15.8	1,078.2	16.5
Rest of EU	472.6	8.1	631.4	9.7
Rest of World	315.0	5.4	223.1	3.4
Intervention	0.0	0.0	0.0	0.0
Total sales	**5,868.5**	**100.0**	**6,516.0**	**100.0**
External sales	4,536.2	77.3	5,094.3	78.2
Export sales	1,712.5	29.2	1,932.7	29.7

See supporting Table 10 Total sales by country of destination, 2021 and 2022
[1] Figures in write up may not calculate from data in table due to rounding.

- Between 2021 and 2022, sales in the food and drinks processing sector to destinations outside of Northern Ireland (external sales) increased by 12.3 per cent from £4,536 million to £5,094 million.

- The proportion of total sales to external markets increased from 77.3 per cent in 2021 to 78.2 per cent in 2022.

- The largest market for the Northern Ireland food and drinks processing sector continues to be Great Britain. Between 2021 and 2022, sales to this market increased by 12.0 per cent from £2,824 million to £3,162 million. The proportion of total sales to Great Britain increased by 0.4 percentage points from 48.1 per cent in 2021 to 48.5 per cent in 2022.

- Export sales, i.e. sales to markets outside of the United Kingdom, increased by 12.9 per cent from £1,713 million in 2021 to £1,933 million in 2022. Sales in the food and drinks processing sector to export markets accounted for 29.7 per cent of total sales in 2022; an increase of 0.5 percentage points from 2021.

- The largest export market continues to be Ireland, which recorded a 16.6 per cent increase in sales from £924.9 million in 2021 to £1,078 million in 2021. Ireland accounted for 16.5 per cent of the total sales in the food and drinks processing sector in 2022, an increase of 0.7 percentage points from 2021.

- Sales to the Rest of the EU grew 33.6% from £472.6 million in 2021 to £631.4 million in 2022, while sales to the Rest of World fell 29.2 per cent from £315.0 million to £223.1 million.

Table 11a Destinations and values of subsector sales, 2021

(£ 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	**47.9**	*	*
Bakeries	238.1	142.6	105.2	1.5	4.5	0.0	**491.9**	253.8	111.2
Beef/Sheepmeat	264.9	1,134.8	147.9	*	*	0.0	**1,707.5**	1,442.6	307.8
Drinks	198.6	38.4	191.0	*	*	0.0	**475.8**	277.2	238.8
Eggs	62.1	128.9	9.8	*	*	0.0	**200.9**	138.8	10.0
Fish	14.4	24.1	6.6	19.6	3.1	0.0	**67.8**	53.4	29.2
Fruit/Vegetables	123.8	199.4	92.1	2.4	3.6	0.0	**421.4**	297.6	98.2
Milk/Milk Products	264.7	330.9	255.7	247.8	146.1	0.0	**1,245.2**	980.6	649.6
Pigmeat	97.5	208.7	62.7	*	*	0.0	**458.5**	361.0	152.3
Poultrymeat	*	*	*	*	*	0.0	**751.6**	*	*
Total	**1,332.3**	**2,823.8**	**924.9**	**472.6**	**315.0**	**0.0**	**5,868.5**	**4,536.2**	**1,712.5**

See supporting Table 11a Destinations and values of subsector sales, 2021

Table 11b Destinations and values of subsector sales, 2022

(£ 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	**54.4**	*	*
Bakeries	264.8	149.0	122.2	2.5	5.6	0.0	**544.2**	279.4	130.4
Beef/Sheepmeat	278.8	1,114.3	157.3	134.6	25.6	0.0	**1,710.6**	1,431.8	317.5
Drinks	224.9	59.3	238.2	*	*	0.0	**577.0**	352.1	292.8
Eggs	56.5	180.6	9.8	*	*	0.0	**247.1**	190.6	10.0
Fish	14.8	25.8	7.4	19.7	2.3	0.0	**69.9**	55.1	29.3
Fruit/Vegetables	159.6	222.8	90.5	1.9	1.8	0.0	**476.7**	317.1	94.3
Milk/Milk Products	261.9	474.9	328.4	*	*	0.0	**1,567.9**	1,306.0	831.1
Pigmeat	87.6	*	46.8	9.2	*	0.0	**528.3**	440.7	*
Poultrymeat	*	*	*	*	*	0.0	**739.9**	*	*
Total	**1,421.8**	**3,161.6**	**1,078.2**	**631.4**	**223.1**	**0.0**	**6,516.0**	**5,094.3**	**1,932.7**

See supporting Table 11b Destinations and value of subsector sales, 2022

*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 2022, Great Britain was the largest market for eight of the ten subsectors; one more than 2021.

- In 2022, there were five subsectors reliant on markets outside of Northern Ireland (external markets), for more than 80.0 per cent of their total sales – animal by-products and poultrymeat had the greatest reliance on external markets for sales. The bakeries subsector (51.3%) had the least reliance on external markets for sales.

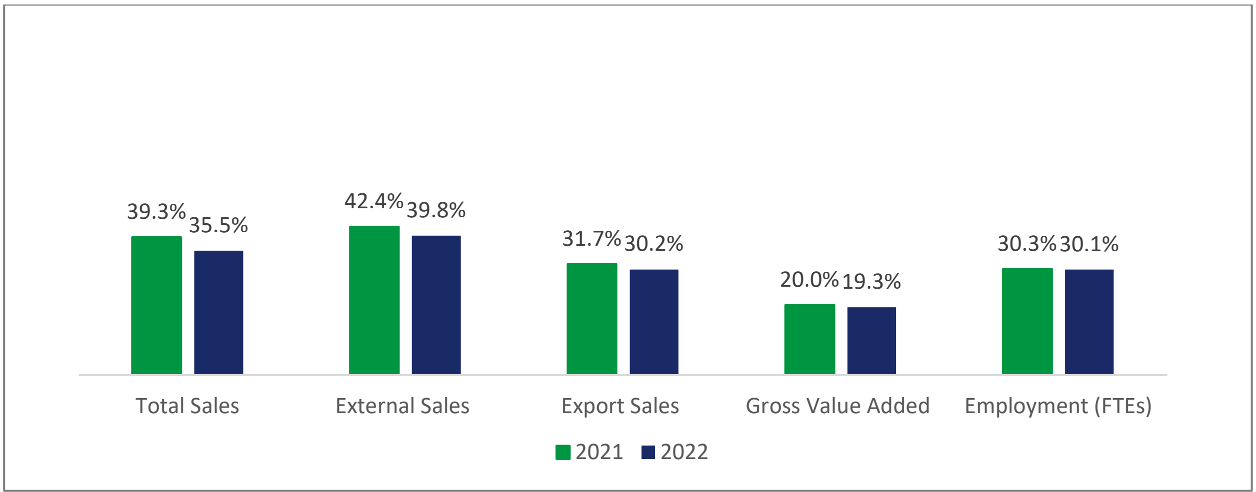
- There were three subsectors in 2022 reliant on markets outside of the United Kingdom (export sales), for more than half of their total sales – animal by-products, milk and milk products and drinks. Fruit and vegetables, beef and sheepmeat, pigmeat, poultrymeat and eggs all had export sales of less 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 55.8 per cent of exports in 2022. This market also accounted for 41.3 per cent of the total sales in the drinks subsector and 22.5 per cent in the bakeries subsector in 2022.

5. CONTRIBUTION TO THE NORTHERN IRELAND MANUFACTURING INDUSTRY 2020 AND 2021

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



See supporting Table 12 Contribution to Northern Ireland Manufacturing Industry 2021 and 2022

- Total sales of Northern Ireland manufacturing goods increased 22.9 per cent between 2021 and 2022, while food and drink sales increased by 11.0 per cent over the same period. As a result, the food and drinks sectors share of total Northern Ireland manufacturing good sales decreased from 39.3 per cent in 2021 to 35.5 per cent in 2022.

- Between 2021 and 2022, the sector's share of manufacturing's external good sales has decreased from 42.4 per cent to 39.8 per cent and its share of export sales has decreased from 31.7 per cent to 30.2 per cent.

- The food and drinks processing sectors share of manufacturing employment was 30.1 per cent in 2022; similar to the 30.3 per cent recorded in 2021.

- The sector accounted for 19.3 per cent of gross value added in the manufacturing industry in 2022; a decrease of 0.7 percentage points from 2021.

- The sector made a 2.2[4] per cent contribution to gross value added in the Northern Ireland economy in 2022; similar to the 2.3 per cent contribution in 2021.

[3] Manufacturing sector data from NISRA publications; Northern Ireland Economic Trade Statistics 2023 published on 11th December 2024, Business Register and Employment Survey 2022 published on 26th September 2023 and Annual Business Inquiry 2023 published on 11th December 2024. 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 Regional gross value added (balanced) by industry published by ONS 24th April 2024.

6. PURCHASES – Official Statistics in Development

This chapter provides analysis of purchases in the Northern Ireland food and drinks processing sector. This chapter will remain classified as official statistics in development until feedback[5] indicates that the contents are useful and credible. The statistics remain subject to testing of quality and ability to meet user needs. Analysis covers all purchases of goods and services made by firms included in other chapters in this report. As the value of purchases for goods resold without further processing is not available, purchases are analysed against the sectors gross turnover including sales of unprocessed goods.

Table 13 Unadjusted Gross Turnover[1] and Purchases 2021 and 2022

	2021	2022	Percentage Change 21/22
Unadjusted Gross Turnover (£ m)	5,933.8	6,661.7	12.3
Total Purchases (£m)	4,604.3	5,142.4	11.7
Percentage of Unadjusted Gross Turnover	77.6	77.2	-0.5

[1] Includes the value of sales of goods purchased and resold without further processing.
See supporting Table 13 Unadjusted Gross Turnover and Purchases 2021 and 2022

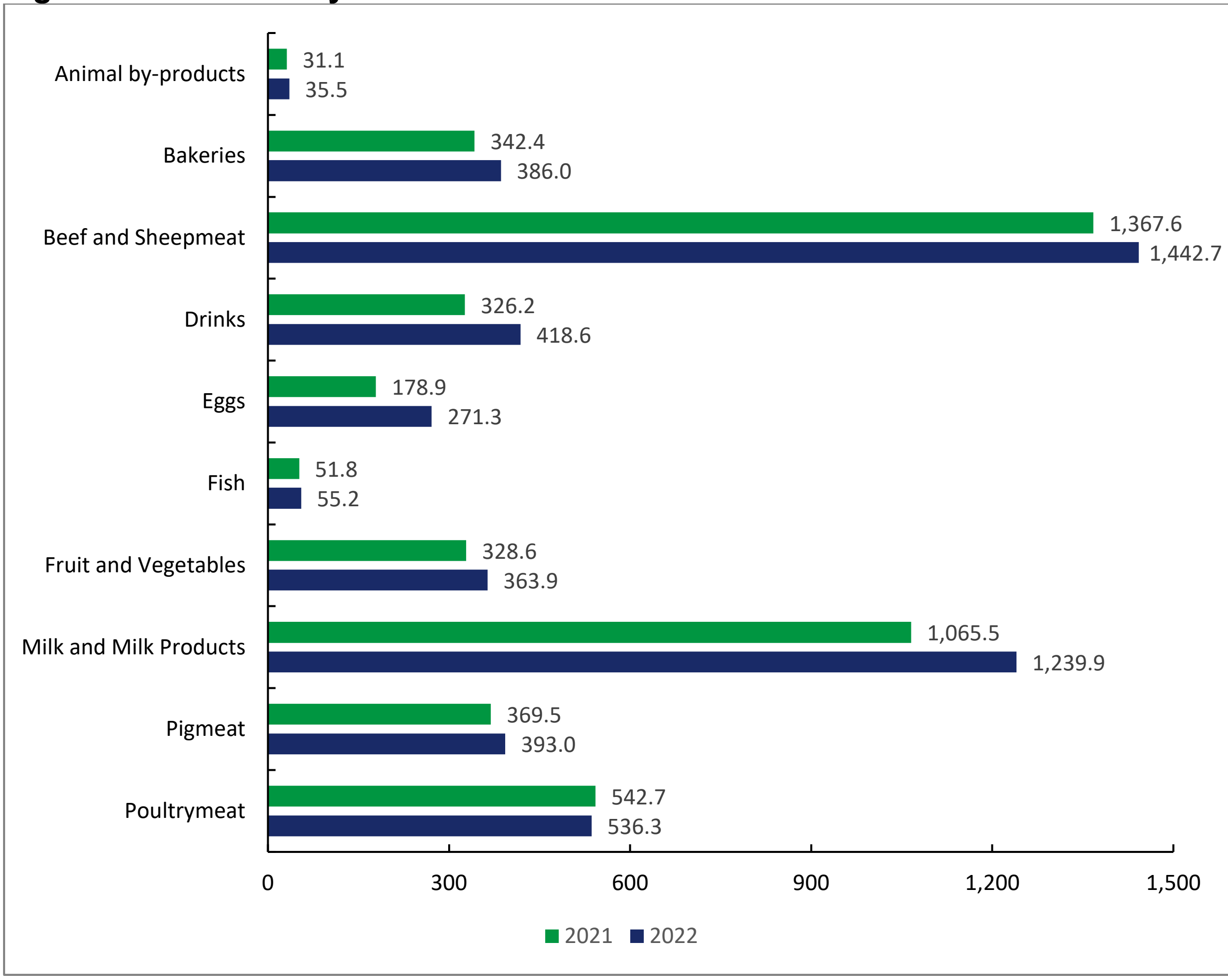
- The unadjusted gross turnover for the food and drinks processing sector is estimated to have increased from £5,934 million in 2021 to £6,662 million in 2022; an increase of 12.3 per cent.

- The total purchases for the food and drinks processing sector are estimated to have increased from £4,604 million to £5,142 million over the same period; an increase of 11.7 per cent.

- As a proportion of unadjusted gross turnover, purchases have decreased from 77.6 per cent in 2021 to 77.2 per cent in 2022, a decrease of 0.5 per cent.

[5] DAERA is making these official statistics in development 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. Please contact philip.hamilton@daera-ni.gov.uk to provide feedback.

Figure 5 Purchases by subsector 2021 and 2022[1]



See supporting [Table 14a and 14b Purchases and unadjusted turnover by subsector 2021 and 2022]

[1] Figures in commentary may not calculate from data in chart and tables due to rounding.

- Nine of the ten subsectors recorded an increase in their total purchases between 2021 and 2022. The subsectors which recorded the largest increase were milk and milk products (+£174.4m), eggs (+£92.4m) and drinks (+£92.3m). Poultrymeat (-£6.3m) recorded the only decrease in purchase costs.

- Beef and sheepmeat, and milk and milk products are the largest subsectors in terms of purchases. Their combined share of purchases fell from 52.8 per cent in 2021 to 52.2 per cent in 2022.

Table 15 Total purchases by origin, 2021 and 2022[1]

	Purchases (£m and percentage of total purchases)			
	2021	%	2022	%
Northern Ireland	2,983.3	64.8	3,247.0	63.1
Great Britain	862.2	18.7	886.0	17.2
Ireland	595.4	12.9	782.1	15.2
Rest of EU	120.9	2.6	187.3	3.6
Rest of World	42.4	0.9	40.0	0.8
Total purchases	**4,604.3**	**100.0**	**5,142.4**	**100.0**
External purchases	1,620.9	35.2	1,895.3	36.9
Import purchases	758.7	16.5	1,009.4	19.6

See supporting Table 15 Total purchases by origin, 2021 and 2022

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

- The largest market of origin for purchases for the Northern Ireland food and drinks processing sector continues to be internal market. Between 2021 and 2022, purchases within Northern Ireland increased by 8.8 per cent from £2,983 million to £3,247 million. However, Northern Ireland's proportional share of purchases decreased from 64.8 per cent to 63.1 per cent over the period.

- Between 2021 and 2022, purchases in the food and drinks processing sector from countries outside of Northern Ireland (external purchases) increased by 16.9 per cent from £1,621 million to £1,895 million. The proportion of total purchases from external markets increased from 35.2 per cent to 36.9 per cent over the period.

- The largest external market for purchases is Great Britain. Purchases from Great Britain increased from £862.2 million in 2021 to £886.0 million in 2022; an increase of 2.8 per cent. Great Britain's share of the purchases market fell by 1.5 percentage points to 17.2 per cent.

- Imports, i.e. purchases from markets outside of the United Kingdom, increased by 33.0 per cent from £758.7 million in 2021 to £1,009 million in 2022. Imports in the food and drinks processing sector accounted for 19.6 per cent of total purchases in 2022; an increase of 3.1 percentage points from 2021.

- The largest import market is Ireland, with a 31.4 per cent increase in purchases from £595.4 million in 2021 to £782.1 million in 2022. Ireland accounted for 15.2 per cent of the total purchases in the food and drinks processing sector in 2022; an increase of 2.3 percentage points from 2021.

Table 16a Origin and values of subsector purchases, 2021

	£ (m)							
	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Total	External[6]	Imports[7]
Animal By-Products	*	*	*	0.0	*	**31.1**	*	*
Bakeries	206.7	83.9	26.6	24.7	0.5	**342.4**	135.7	51.8
Beef/Sheepmeat	925.7	347.1	89.9	4.8	*	**1,367.6**	441.8	94.8
Drinks	170.3	63.1	75.7	6.6	10.6	**326.2**	156.0	92.9
Eggs	95.9	24.9	24.0	13.7	*	**178.9**	83.1	58.2
Fish	43.1	1.0	6.5	0.3	0.9	**51.8**	8.7	7.7
Fruit/Vegetables	198.6	60.3	31.0	30.5	8.2	**328.6**	130.0	69.7
Milk/Milk Products	760.5	63.4	*	18.8	*	**1,065.5**	305.0	241.6
Pigmeat	259.4	16.8	92.8	0.4	0.0	**369.5**	110.1	93.3
Poultrymeat	*	*	*	21.1	*	**542.7**	*	*
Total	**2,983.3**	**862.2**	**595.4**	**120.9**	**42.4**	**4,604.3**	**1,620.9**	**758.7**

See supporting Table 16a Origin and values of subsector purchases, 2021

Table 16b Origin and values of subsector purchases, 2022

	£ (m)							
	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Total	External[6]	Imports[7]
Animal By-Products	28.8	2.7	4.0	0.0	0.0	**35.5**	6.7	4.0
Bakeries	229.4	91.4	24.2	38.5	2.4	**386.0**	156.5	65.2
Beef/Sheepmeat	885.0	426.4	120.5	7.8	3.0	**1,442.7**	557.7	131.3
Drinks	326.2	51.4	*	19.2	*	**418.6**	92.4	41.0
Eggs	216.0	13.5	14.5	11.3	16.1	**271.3**	55.3	41.9
Fish	38.8	1.9	12.0	0.2	2.2	**55.2**	16.3	14.4
Fruit/Vegetables	261.6	30.0	30.1	32.2	10.0	**363.9**	102.3	72.3
Milk/Milk Products	773.5	*	*	39.6	*	**1,239.9**	466.3	*
Pigmeat	239.8	82.2	*	12.5	*	**393.0**	153.2	71.1
Poultrymeat	247.8	*	*	25.8	*	**536.3**	288.6	*
Total	**3,247.0**	**886.0**	**782.1**	**187.3**	**40.0**	**5,142.4**	**1,895.3**	**1,009.4**

See supporting Table 16b Origin and values of subsector purchases, 2022

*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. Purchases outside NI 7. Purchases outside UK

- In both 2021 and 2022 Northern Ireland was the largest purchase market for all ten subsectors. In 2022, only one subsector was reliant on Northern Ireland for more than 80.0 per cent of their total purchases; animal by-products. This compares to two subsectors in 2021; animal by-products and fish.

- In 2022, there are two subsectors reliant on markets outside of Northern Ireland (external markets) to purchase more than 40.0 per cent of their processing inputs from; poultrymeat and bakeries. This compares to three subsectors in 2021; drinks, eggs and poultrymeat.

- There are three subsectors in 2022 reliant on markets outside of the United Kingdom (import markets) for more than 20.0 per cent of their total purchases; poultrymeat, milk and milk products and fish. This compares five subsectors in 2021 reliant on markets outside of the United Kingdom for more than 20.0 per cent of their total purchases; eggs, drinks, pigmeat, milk and milk products and fruit and vegetables. The beef and sheepmeat subsector has the least reliance on imports in the supply chain accounting for only 9.1 per cent of the subsector purchases in 2022.

7. FOOD NOT FOR HUMAN CONSUMPTION

This section provides statistics and analysis of food processing that is not for human consumption i.e. animal feed and pet food processing. These figures are not included in chapter two totals for the size of the Northern Ireland food and drink processing sector.

Table 17 Food not for human consumption, gross turnover, FTEs and value added 2021 and 2022

	2021	2022	Percentage Change 21/22
Gross Turnover (£ m)	822.3	986.1	19.9
Direct Employees (full time equivalents)	1,398	1,421	1.7
Value added (£ million)	96.0	106.1	10.5

See supporting Table 17 Food not for human consumption, gross turnover, FTEs and value added 2021 and 2022

- The gross turnover for the animal feed and pet food processing sector is estimated to have increased from £822.3 million in 2021 to £986.1 million in 2022; an increase of 19.9 per cent.
- Between 2021 and 2022 the number of direct FTEs in the animal feed and pet food processing sector is estimated to have increased from 1,398 direct FTEs to 1,421 FTEs, an increase of 1.7 per cent.
- The value added by animal feed and pet food processing increased from £96.0 million in 2021 to £106.1 million in 2022, an increase of 10.5 per cent.
- Value added accounted for 10.8 per cent of the subsector turnover in 2022; a decrease from 1.7 per cent in 2021.

Accredited Official Statistics Status

Accredited Official 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 Accredited Official 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 statistics on food not for human consumption.
- Included official statistics in development on purchases.

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.
Food not for Human Consumption	Businesses involved the processing and packaging of animal feeds and pet food.

Definitions of size terms

Gross turnover	Sum of the annual turnovers of all the businesses in the subsector excluding the value of sales of goods purchased and resold without further processing - also equal to the total annual sales of the businesses within the subsector.
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).
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.
Unadjusted gross turnover	Sum of the annual turnovers of all the businesses in the subsector including the value of sales of goods purchased and resold without further processing.
Purchases	Sum of the annual purchases of goods and services for all the businesses in the subsector.

Sales destination definitions

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 Ireland.
Rest of EU (REU)	Sales of goods processed in Northern Ireland and sold to European Union countries excluding Ireland (IE).
Rest of World (ROW)	Sales of goods processed in Northern Ireland and sold to countries outside the United Kingdom and European Union.
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.

Purchases by origin definitions

Northern Ireland (NI)	Purchases of goods and services from Northern Ireland.
Great Britain (GB)	Purchases of goods and services from England, Scotland or Wales.
Ireland (IE)	Purchases of goods and services from Ireland.
Rest of EU (REU)	Purchases of goods and services from European Union countries excluding Ireland (IE).
Rest of World (ROW)	Purchases of goods and services from countries outside the United Kingdom and European Union.
External purchases	Purchases of goods and services from GB, IE, REU and ROW.
Imports	Purchases of goods and services from IE, REU and ROW.

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