



# GROWING OUR AGRI-FOOD EXPORTS TO 2030 AND BEYOND





# Growing the nation's agri-food & drink exports

**It is the NFU's ambition to grow our agri-food exports by 30% by the end of the decade, increasing their value by £7.5 billion, bringing the total value to £33 billion. We hope that the government shares this target for agri-food exports to grow by 30% by 2030 to exceed £30bn - 30,30,30+**

The UK's food and drink is in demand all over the world and is already enjoyed by people in more than 200 countries. Over the last 10 years we have seen the value of our agri-food exports grow by over 40%, or £7.3 billion, to reach a total of £25 billion<sup>1</sup> in 2019.

We have seen some challenges in recent years, mainly due to the effects of the global pandemic and our changing relationship with Europe, but despite this there is overwhelming support across our industry to see export growth continue, and even accelerate, over the next 10 years.

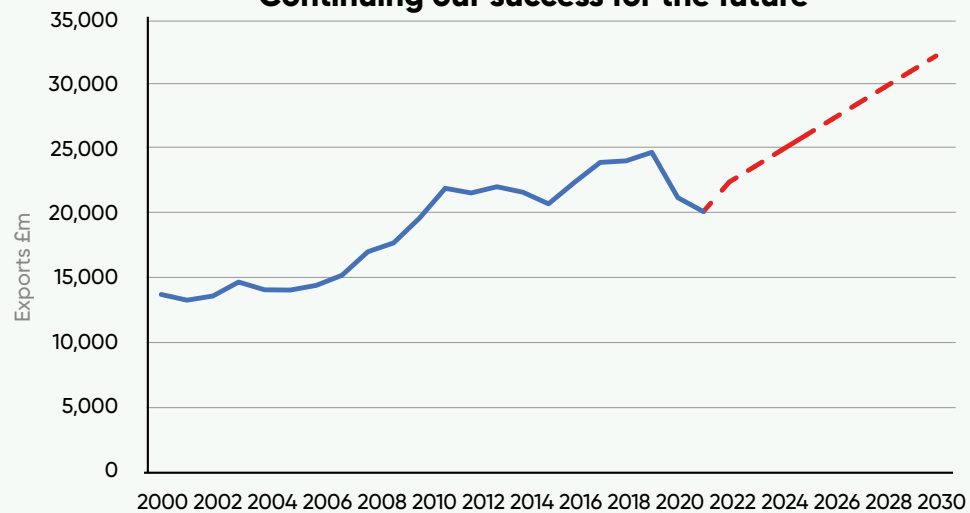
British food and farming is a success story. It contributes more than £127 billion (GVA) to the economy, creating more than four million jobs. It is renowned for its excellence, with a reputation for high quality, safe, traceable, sustainable and climate-friendly produce.

<sup>1</sup> Defra Value of Food, Feed & Drink Exports

The NFU's ambition is to support the government's trade agenda and achieve growth in our agri-food exports by a further 30% over the next 10 years. We are likely to exceed this level of growth in emerging markets as we build a foothold in new exciting places, many of which we are seeking to secure trade deals with, but it is vital we also prioritise our traditional markets and ensure we add value to those existing relationships.

To achieve our ambition we should continue to focus on selling quality, innovative and value-added (often premium) products. Going toe-to-toe with global heavyweight producers by trying to compete on commoditised trade is unlikely to present major opportunities for UK producers. But we can still look to take a greater slice of the global value chain for by-products not readily consumed in the UK such as specific cuts of the carcass.

### Continuing our success for the future



Year  
Blue line = Value of Food, Feed & Drink Exports (2020 prices) Defra  
Red line = NFU ambition for growth

In the UK, we currently export the equivalent of four billion litres of milk a year in the form of milk, cheese, butter, yoghurt and other dairy products. With markets in 135 countries worldwide, UK dairy exports are worth around £1.6 billion in total.

By 2050, there could be almost two billion more middle class consumers on the planet, demanding high quality products like those produced in the UK.



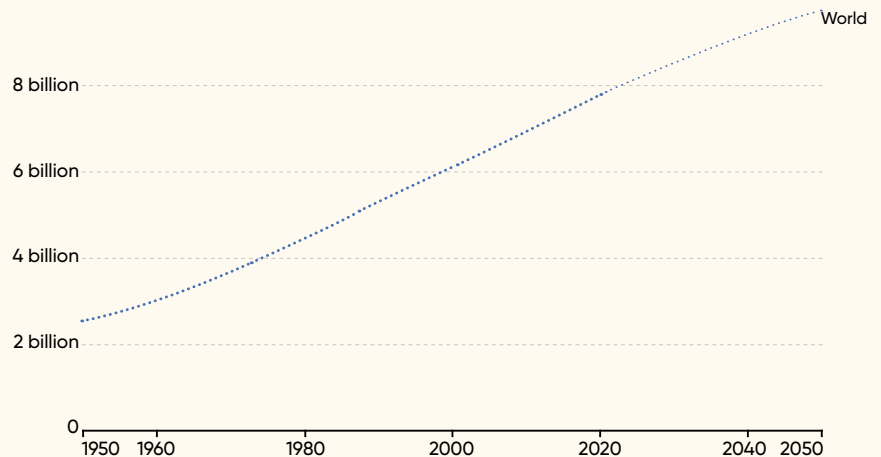
# Seizing global opportunities

Global demand for food continues to grow, with the world's population set to increase by more than a quarter over the next 30 years. By 2050, there could be almost two billion more middle class consumers on the planet, demanding high quality products like those produced in the UK.

Across the entire agri-food sector there is consensus that accessing overseas markets is a crucial component of a successful sector, complementing efforts to increase the share of the domestic market supplied by UK producers. But accessing international markets is highly competitive, and other countries already have footholds in the growth areas the government wants to focus on. To gain and expand our share of these target markets will require a huge collective effort from across industry and the government.

## Population projection by the UN, World. 1950 to 2050

Shown is the total population since 1950 and the Medium Variant projections by the UN Population Division until 2100



Source: United Nations - Population Division (2019 Revision)

Malt is the second largest use of barley across the world. In the UK, we grow high quality malting barley. For this reason, UK malt is a premium product, largely recognised for its quality and taste, and ranging in flavour and colour, and it has contributed to developing the distinct flavour of our globally popular whiskies and beers. The UK malting industry is the third largest in the world. In particular, British maltsters provide malt to 14 of the largest 20 brewers in the world, as well as supplying the smallest micro-breweries.

To deliver our ambition, industry and government collaboration will be vital. To this end, recent government announcements aimed at boosting our exports, including putting agri-food exports at the core of the new export strategy, the establishment of a further eight agri-food attaché posts overseas, and the creation of the Food and Drink Export Council, are all welcome. They must be implemented with enough resource and energy to embrace the opportunities ahead. The launch of the Food and Drink Export Council creates an excellent platform to deliver a high level of ambition and, critically, for everyone to recognise their roles and to provide

a clear focus on what is needed to seize the opportunities. British farmers look forward to playing their part in delivering ambitious export growth that, in turn, adds significant economic value to the nation.

With its maritime climate and relatively fertile soils, a variety of crops are grown across the UK. The amount of cereals and oilseeds available to export can vary from year to year depending on the crop and size of harvest but, in years of surplus, the export market is necessary to balance the domestic market. Because of the UK's maritime climate, the "softer" milling wheat we produce tends to have a lower gluten content. The resulting flour is ideal for making cakes, biscuits and pastries or for mixing with higher gluten wheats that are typically imported to make bread. This means there are great opportunities for UK manufacturers to maximise their use of UK wheat through sales of UK cakes, biscuits and pastries that are extremely popular in overseas markets looking to experience quality British food.



# A ten-point plan for growing our exports



Drawing on the expertise of the Food and Drink Sector Council Export Working Group, and the recommendations from the Trade and Agriculture Commission, the NFU has identified a ten-point plan that will form the building blocks to maximise our export success.

## 1 UNDERSTANDING OUR STRENGTHS

There needs to be a systematic assessment that maps out the UK agri-food and drink sector's strengths, weaknesses, opportunities and threats (SWOT). This will provide the foundation for domestic policies and private initiatives to be properly focused on the most promising export growth prospects.

## 2 IDENTIFYING THE BEST OVERSEAS MARKETS FOR SUCCESS

Government and industry should identify key "target markets" overseas that complement the strengths established through the SWOT analysis in our first building block. We should use our overseas resources and networks, identifying winning strategies adopted by exporting countries around the world to ensure opportunities are taken.

## 3 UNLOCKING OUR TARGET MARKETS

Working in partnership, government and industry need to identify existing barriers to accessing or growing market share in our target markets. We should speed up efforts to remove market access barriers through FTA negotiations with target markets and wider diplomacy. To facilitate this, the government should rapidly increase its overseas resourcing by expanding its network of agri-food experts based in embassies in target markets. The industry should invest in upskilling and supporting the knowledge of our overseas representatives to ensure they can be the best ambassadors for our sector. A dedicated government minister specifically responsible for growing agri-food exports and addressing market barriers will undoubtedly help deliver.

Overseas markets are crucial for pig carcase balance. In 2021, the UK exported more than £557 million of pork to almost 100 countries around the world, with pork the most widely consumed meat in Asia. Continuing to grow our pork exports will help to balance trade volatility while widening outlets for specific products, enabling processors to maximise the value of every product.

## 4 INVESTING IN TECHNICAL EXPERTISE AT HOME AND ABROAD

UK agri-food producers already invest around £6.6 million via AHDB levy funds to grow our exports. This is delivering real successes, but more can be done to turbocharge these efforts. Government should, as a minimum, match fund levy payers contributions for export activity. The newly appointed overseas agriculture attaché posts should have sufficient resources to deliver a programme of successful events and initiatives in the target markets. Organisations such as the UK Export Certification Partnership (UKECP) and AHDB are vital to growing our exports. They have a key role in delivering successful inward missions and audit events to facilitate any legal and technical measures and adjustments needed to secure market access overseas. Government should consult on widening the remit of UKECP to cover market access priorities beyond its current remit to include the poultry, fresh produce and cereals sectors.





The UK poultry industry has an excellent reputation for high health birds and productivity and currently exports genetic products all around the world. It is estimated that 70% of the world's broiler production derives from UK chickens and UK exports of breeding stock around the world are worth approximately £140 million a year.

## 5 DOMESTIC INNOVATION AND INVESTMENT TO IMPROVE EXPORT CAPACITY

Public/private investment in research and technology will help to grow our exports. For example, carrying out studies to extend shelf life, reduce transport costs or develop "demonstration of life" protocols to meet religious slaughter requirements required by overseas buyers. Resources should be earmarked in research and grant funding initiatives to support this objective.

## 6 ENSURING DOMESTIC INFRASTRUCTURE SUPPORTS INTERNATIONAL TRADE

Investment in the nation's infrastructure to support exports, such as sufficiently trained vets and plant health capability, is vital. With much of our food and drink production and manufacturing

capacity spread across the UK, and with primary producers naturally situated in rural areas, efficient transport links across the UK and to our export hubs at ports and airports must be fit for the 21st Century. Furthermore, rural areas must have access to high-speed internet connectivity to ensure they can be as integrated as possible into modern agri-food supply chains. Government should continue to seek to "level up" all areas of the UK and should make available processing and marketing grants to build the right infrastructure to support our exports and seek to continually innovate.

## 7 DOMESTIC SUPPORT FOR EXPORTERS

Government and industry should continue to invest in domestic awareness and upskilling initiatives such as the "Open Doors" campaign and mentoring schemes to champion export success. Government and the banks should review the UK Export Finance service to ensure that food and drink exporters can access appropriate levels of support.

## 8 CREATING A TRADE INFORMATION ONE-STOP-SHOP FOR OUR AGRI-FOOD EXPORTS

UK producers and food businesses need to have easy access to comprehensive information and support to help them grow their exports. A one-stop-shop bringing together information from across the UK, tailored to individual parts

of the UK where necessary, would provide a focal point to coordinate activities more effectively between regions of England, devolved administrations, Local Enterprise Partnerships, businesses and stakeholder organisations. This would include a dedicated trade portal that collates existing information and tools from across gov.uk and agency sites into one easy-to-access hub that improves communication with traders and helps domestic food producers trade much more effectively. This should cover everything from tariffs, certificates, VAT, and non-tariff barriers. It should highlight and promote the business opportunities currently laid out on great.gov.uk

## 9 MARKETING AND PROMOTION

A review of marketing and promotional activities for agri-food exports should be carried out, particularly under the banner of the GREAT campaign. The GREAT campaign should be made more accessible to potential users, for example the rules on brand use on marketing material for livestock products should be reviewed. We should seek to enhance UK industry's presence at events such as trade shows, "meet the buyer / meet the grower" and on-line market place initiatives. 97% of businesses in the food and drink sector are small and medium-sized enterprises. Accessing funding and support to participate in overseas trade events is a vital part of the effort to grow our exports.

## 10 STRATEGIC CO-ORDINATION AND OWNERSHIP

The recently announced Food and Drink Export Council should be convened as a matter of urgency. The Council should be jointly led by government and industry, with co-chairs appointed on a rotating basis from governments and industry across each of the four nations. The Council would provide strategic oversight and co-ordination of delivery of these building blocks and identify additional measures that will help deliver increased exports.

# Learning lessons from our competitors

International markets are highly competitive and many of our competitors already have strong footholds in the markets we could target. But that means there is an opportunity for us to better understand how other successful exporting nations have achieved strategic market access and export opportunities. We can learn from their experiences and, by identifying best practises, ensure future UK policies deliver the right results.






## Dedicated agricultural staff

The use of dedicated agricultural staff, known as agricultural counsellors and/or attachés, is commonplace among exporting nations. The specific role differs by country, but the common objective is clear - to maximise the opportunities for agri-food sales within the host market.

Based in embassies, attachés build relationships overseas, they seek to resolve market access issues, they keep their eyes open and ears to the ground to identify upcoming changes and they promote their domestic industries. The UK has two dedicated agri-food counsellors in place, one in the Gulf region and another in China which has been historically funded with levy payer funding via AHDB. We welcome the addition of a further eight new agricultural attachés announced in December 2021. The NFU will work closely with government and these appointees to ensure they have the right support and material to truly understand and promote British agri-food products. They will be on the front line of our overseas efforts, and we will maintain strong links with them to bring the same passion we have for our products.

It is vital that each post has sufficient financial resources allocated to it to deliver a successful programme of engagement within that market, and that they are visible and industry is able to engage with them.

Ireland's independent trade body, Bord Bia, focusses on promoting Irish agricultural food and drink products globally. It employs market researchers and sales representatives with expert knowledge of Irish produce to sell to new markets. Alongside other income, Bord Bia's average annual income between 2019 and 2020 was €76,962,000, of which 80.4% and 76% was government funding respectively.

Country	Insight
<b>USA</b> 	The Foreign Agricultural Service (FAS) of the US Department of Agriculture works with US farmers to enhance export opportunities. It has a global network of nearly 100 offices covering approximately 180 countries and also offers a variety of programs to support the US agricultural industry. For example, the Foreign Market Development Program has an estimated total funding of \$34.5 million.
<b>New Zealand</b> 	New Zealand has 18 agricultural attachés located in 13 countries around the world promoting and facilitating New Zealand exports. New Zealand has developed an agricultural strategy, 'Fit for a Better World', which aims to ensure the food and fibres sector is at the forefront of a sustainable, productive and export-led recovery that invests back into its rural areas.
<b>Australia</b> 	Australia has recently increased its number of agricultural counsellors from 22 to 25. The counsellors are spread across the world and work to enable technical market access wins, build relationships with industry and governments and report market intelligence. The Australian Government invests in AUSTRADE which supports its industry to go further, faster with its exports.
<b>Netherlands</b> 	The Netherlands has approximately 35 agriculture specialist staff in 58 offices working across 79 countries to promote Dutch agriculture products.
<b>Japan</b> 	Japan has approximately 76 specialist agriculture staff working overseas. Its Agricultural Export Expansion Strategy outlines a course of action for increasing exports. JETRO is a Japanese governmental organisation that promotes mutually beneficial trade and investment relations between Japan and other nations.

**AHDB**

AHDB helps to support its levy payers get their products into new and existing export markets around the world. It raises the profile of our products abroad through events here and overseas. It identifies new and potentially lucrative export markets and works in partnership with government and industry to unlock them. It follows, and makes sense of, consumers buying behaviours, market conditions and import requirements to maximise opportunities. Its annual budget for export activity is in the region of £6.6 million.

## Government match funding

Overseas governments strengthen their industry bodies, levy bodies, export councils and research institutions through match funding. In Australia, the Agricultural Trade and Market Access Cooperation Programme enables government to develop partnerships with industry to support trade expansion and diversification. In the US, export councils receive funding through membership dues and levy payments. Alongside this, we see funding from government for generic overseas marketing and promotional activities through programs such as the US's Agricultural Trade Promotion Program and the Market Access Program. In 2019, the US Meat Export Federation, for example, received \$27,556,680 and \$13,071,015 respectively, from each of these programs. The government should ensure sufficient resources are allocated to support our nation's export growth. UK agri-food producers already invest around £6.6 million via AHDB levy funds to grow our exports. Government should, as a minimum, match fund levy payers' contributions for export activity.

# Recognising our strengths

UK agricultural production is diverse. In 2020, 71%, or 17.3 million hectares, of the UK land area was used for agricultural production, the majority of this (72%) being grassland for grazing livestock and the remainder (26%) for growing crops<sup>1</sup>. Our gross output sits just shy of £30 billion, with crops, meat and dairy contributing £9 billion, £5.2 billion and £4.3 billion respectively to the economy. Each sector has its strengths and opportunities for driving increased exports. Many of the products we export complement the demands of the UK market. For example, export markets can offer lucrative outlets for parts of the carcass not in demand here, bringing balance across the carcass. At the same time, our export markets can expand the opportunities for sales of our high value products such as our world-class red meat cuts, our value-added confectionary or our cereal preparations, many of which will be made with key British ingredients.

Key Products	Growth in value 2019 v 2002 (% change)
Cheese	110%
Poultrymeat	10%
Beef and veal	51%
Lamb and mutton	6%
Pork	184%
Milk and cream	43%
Butter	275%
Eggs and egg products	106%
Fresh vegetables	66%
Fresh fruit	38%

Our fruit and vegetables are grown to very high standards which protect and enhance our environment. The UK's approach to food safety and hygiene significantly contributes to the reputation of UK-produced horticulture internationally, with a general overseas perception of safety and high quality.

The UK's high welfare and environmental standards for red meat are revered nationally and internationally. Our pasture-based system represents a template for sustainability, whilst grazing and forage-based production systems ensure the quality and taste of our British beef and lamb. Our red meat supply chains offer lifetime traceability and are especially attractive for consumers around the world who place food safety as a top priority.

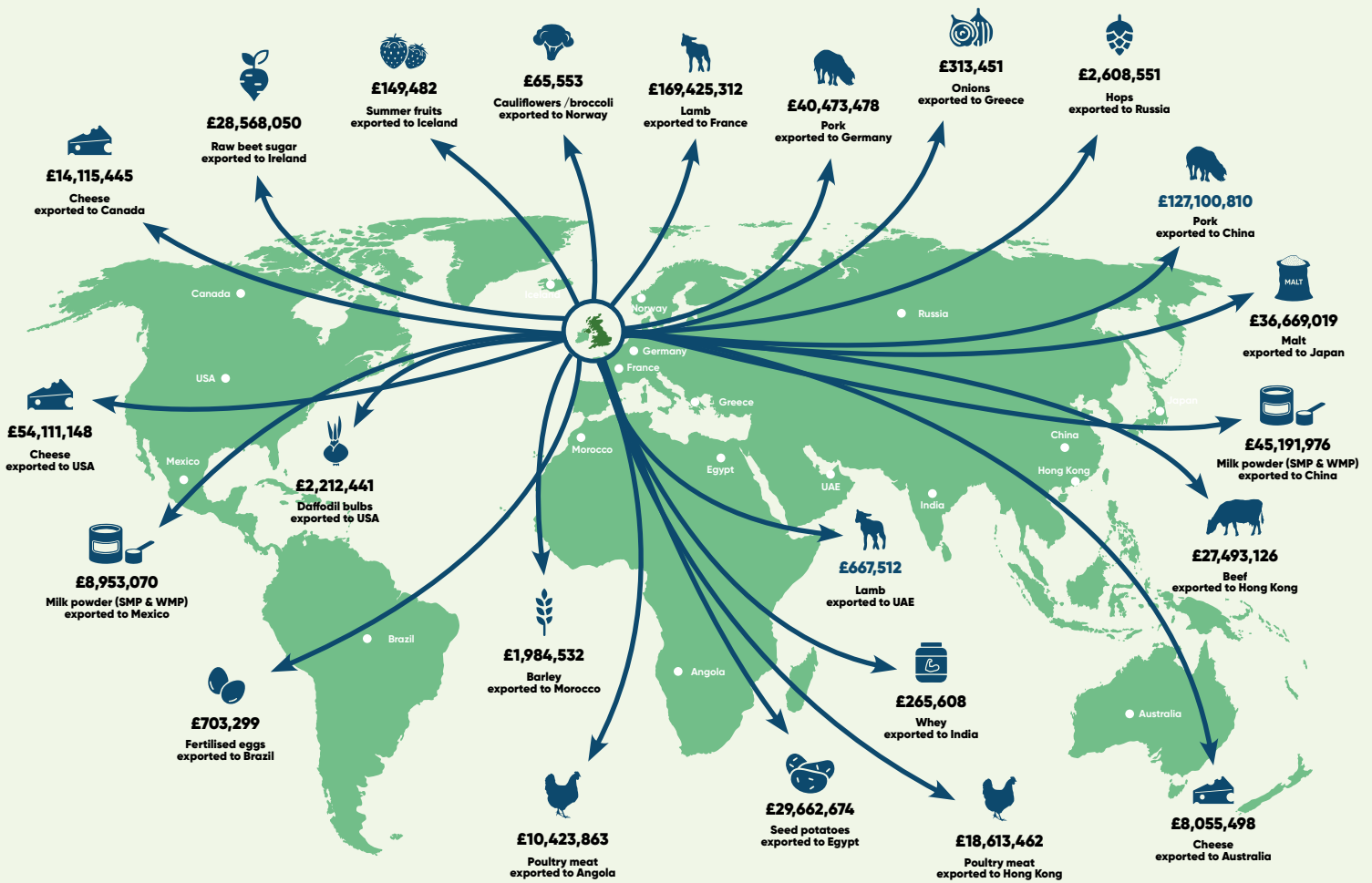


The UK's homegrown sugar industry involves 3,000 sugar beet growers and supports up to 9,500 UK jobs in the wider economy. Sugar beet is a heavy crop which is 75% water and, as a result, it is extremely difficult to transport and export in crop form. However, sugar refined from homegrown beet is used in many quintessentially British products such as cakes, biscuits and scones, as well as other staples, which are sold around the world.

30, 30, 30+

1. United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources - GOV.UK (www.gov.uk)

# Exporting British produce across the world (2019)



## GROWING OUR AGRI-FOOD EXPORTS TO 2030 AND BEYOND



30% growth by 2030 to exceed £30bn

The NFU has developed sector specific export strategies for the dairy and red meat sectors. These can be viewed at [www.nfuonline.com](http://www.nfuonline.com)

Read the NFU's export focus factsheets for all sectors of UK agriculture at [www.nfuonline.com](http://www.nfuonline.com)

