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NATIONAL STATISTICS

Northern Ireland Food and Drinks Processing Report 2018

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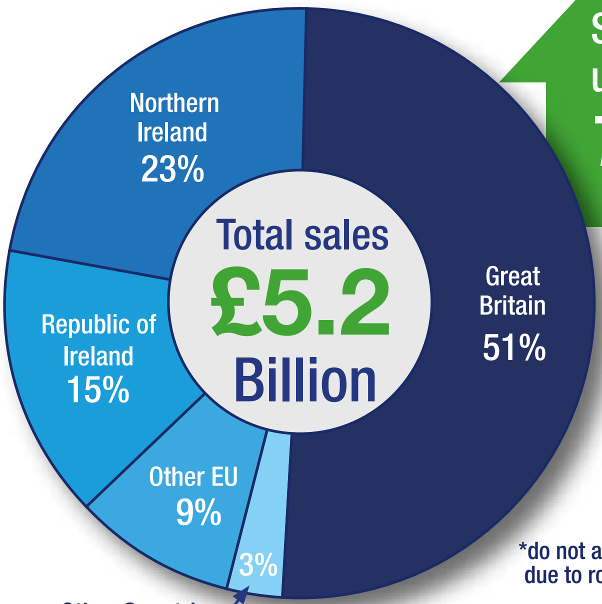
NI's Food and Drinks Processing Sector 2018

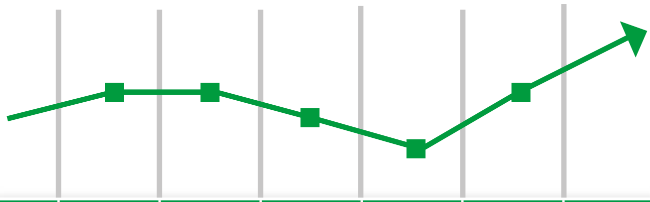
Destination of Sales



*do not add to 100% due to rounding.

Sales up by 7%

Trend over time



Year	2013	2014	2015	2016	2017	2018
Sales	£4.6 Billion	£4.6 Billion	£4.4 Billion	£4.3 Billion	£4.6 Billion	£4.9 Billion

Gross turnover in real terms expressed in 2015 prices

Contribution to NI Manufacturing Industry

35% of total sales

Employment

No Change

23,625 FTE* employees

* Full time Equivalents

Value Added

up by 1%

£921.2 million

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KEY FACTS

Gross turnover: The total gross turnover of the Northern Ireland food and drinks processing sector is estimated to have increased by 7.4 per cent in 2018 to £5,162 million.

Value Added: The value added by the sector increased by 1.1 per cent to £921 million between 2017 and 2018.

Employment: The estimated number of direct full-time employee equivalents (FTE) in the sector remained broadly the same at 23,625 in 2018 compared to 23,632 in 2017.

Destination of sales: Between 2017 and 2018 the sectors sales increased within Northern Ireland (+£6.9m), to Great Britain (+£240.1m), to Ireland (+£81.9m) and to other EU countries (+£27.3m). Sales to the rest of the world fell slightly (-£0.2m). Great Britain remains the sectors largest market accounting for 50.7 per cent of sales in 2018 compared to 49.5 per cent in 2017.

Contribution to Northern Ireland manufacturing sector sales: The food and drinks sector contributed 35.4 per cent to total manufacturing sales in 2018, an increase from 32.0 per cent in 2017. The sector accounted for 38.1 per cent of manufacturing external sales in 2018 and 22.8 per cent of export sales.

Value added to the Northern Ireland Economy: The sectors contribution to total Northern Ireland GVA has remained unchanged between 2017 and 2018 at 2.2 per cent. The contribution to manufacturing gross value added increased from 19.1 per cent to 19.6 percent.

Contribution to Northern Ireland manufacturing sector employment: The sectors contribution to total manufacturing employment fell from 28.3 per cent to 27.3 per cent between 2017 and 2018.

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CONTENTS

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 2018, as well as providing revised comparative data for 2017. In addition, the supporting data table's 10a to 10b 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. Table's 11a to 11g provide minimum and maximum values, as well as averages, for seven out of the fifteen performance indicators.

As a result of a lower number of available business returns for 2019, no provisional estimates for gross turnover and employment for 2019 have 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 2018 is scheduled for publication in July 2021. This publication will also contain the first estimates for eight key size variables and fifteen performance indicators for 2019. If there are a sufficient number of business returns available, a provisional estimate of gross turnover and the level of employment in the sector will be made for 2020.

- The scheduled dates for all upcoming publications are available from the GOV.UK statistics release calendar: https://www.gov.uk/gov/statistics

2. SIZE OF THE FOOD AND DRINKS PROCESSING SECTOR

This section provides analysis of the three main measures of size of the Northern Ireland food and drinks processing sector; gross turnover, value added and total direct full time equivalent employment i.e. agency staff are excluded. It also provides analysis of the number of businesses by turnover size and analysis of the contribution the ten largest firms make to the sector for each of the three key size measures.

Table 1 Gross turnover, value added and direct employment 2017 and 2018

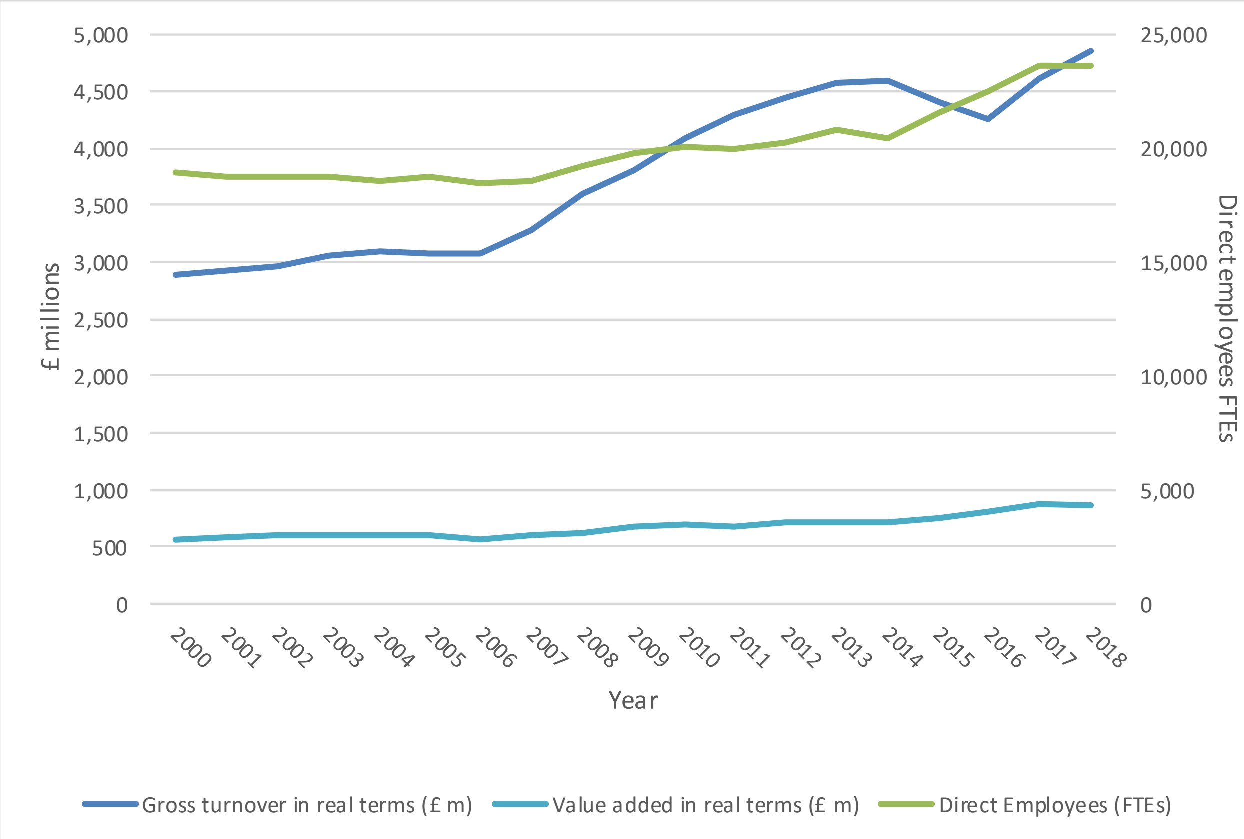
	2017	2018	(%) Change 17/18
Gross turnover (£ m)	4,806.7	5,161.8	7.4
Value added (£ m)	911.0	921.2	1.1
Direct employees (full time equivalents)	23,632	23,625	0.0

- The gross turnover for the food and drinks processing sector is estimated to have increased from £4,807 million in 2017 to £5,162 million in 2017; an increase of 7.4 per cent.

- The value added by the sector increased by 1.1 per cent to £921 million between 2017 and 2018.

- The number of direct FTEs in the food and drinks processing sector has remained broadly the same at 23,625 direct FTEs in 2018 compared to 23,632 direct FTEs in 2017.

Figure 1 Gross turnover[1], value added[1] and employment trends 2000 - 2018



- After adjustment for inflation, gross turnover has grown from £2,889 million in 2000 to £4,856 in 2018, an increase of 68.1 per cent in real terms.

- Between 2005 and 2014 gross turnover increased for ten consecutive years from £3,081 million to £4,593 million, an increase of 49.1 per cent in real terms. Following two years of decline, gross turnover increased from £4,256 million in 2016 to a high of £4,856 million in 2018, an increase of 14.1 per cent.

- After adjustment for inflation, value added in the sector has grown from £562 million in 2000 to £867 million in 2018, an increase of 54.1 per cent in real terms.

- The growth in value added has been steady over the period with three decreases experienced in 2006, 2011 and 2014 followed by consecutive years of growth. For the ten year period 2000 to 2009, value added increased by 21.6 per cent in real terms. This compares to a 26.7 per cent increase for the ten year period 2009 to 2018.

- Between 2000 and 2018 the number of direct full-time employee equivalents in the sector has increased from 18,906 to 23,625, an increase of 25 per cent.

- Between 2000 and 2007 the number of direct full-time employee equivalents in the sector remained steady at between 18,000 and 19,000 employees. Between 2007 and 2018 direct full-time employment has grown by 26.9 per cent.

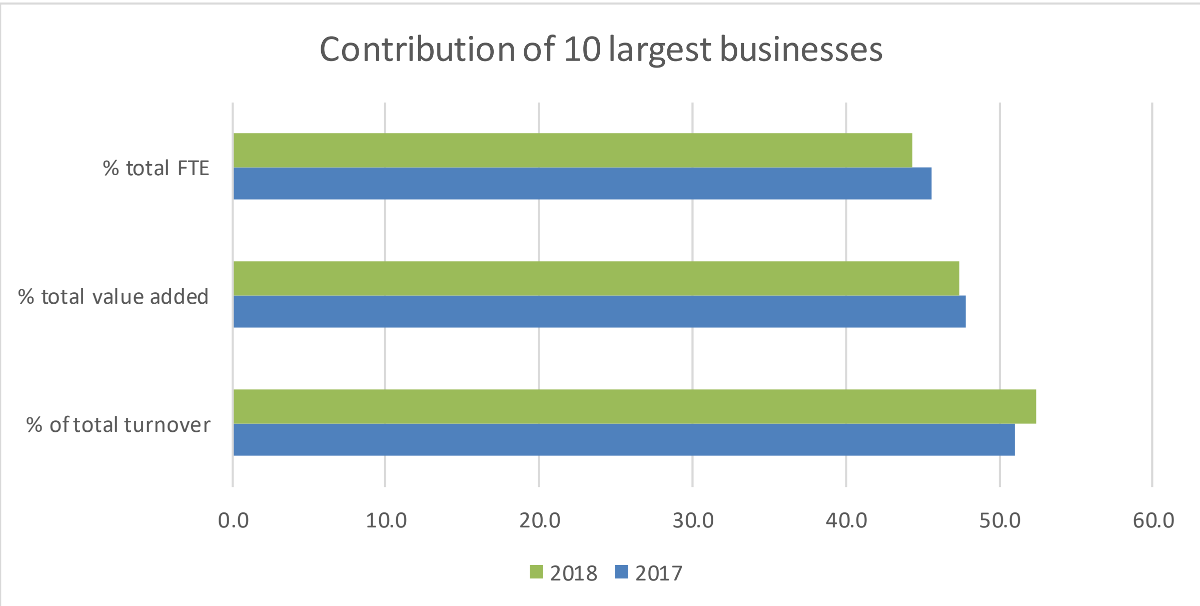
[1] Expressed in 2015 prices, calculated by using GDP deflators, updated 11 March 2020

Table 2 Number of businesses by annual turnover 2017 and 2018

Gross Turnover	Number of businesses 2017	2018	Change (Number of businesses)
£250k < £1m	98	95	-3
£1m < £10m	140	142	2
£10m < £50m	41	44	3
> £50m	23	22	-1
Total Sector	**302**	**303**	**1**

- The food and drinks processing sector had 303 businesses in 2018 with a turnover of more than £250,000; one more than in 2017.
- There were 66 businesses in the food and drinks processing sector in 2018 with an annual turnover of more than £10 million; two more than in 2017.
- There were 22 business with an annual turnover in excess of £50 million in the food and drinks processing sector in 2018; one less than in 2017.

Figure 2 Contribution of 10 largest businesses 2017 and 2018



- In 2018, 52.5 per cent of total gross turnover, 47.5 per cent of total value added and 44.3 per cent of total direct employment was accounted for by the ten largest companies for each variable.
- Between 2017 and 2018, the contribution of the ten largest businesses to total gross turnover increased by 1.5 percentage points and total value added decreased by 0.3 percentage points. The contribution to total direct employment decreased by 1.3 percentage points.

3. PERFORMANCE BY SUB-SECTOR 2017 AND 2018

This section provides analysis of food and drink sub-sector performance against eight measures of size – turnover, full time equivalent employment, value added, four components of value added and total capital employed. For benchmarking performance, by sub-sector, using fifteen different performance indicators, please refer to table's 10 and 11 in the report's supporting tables.

Table 3 Gross turnover, by subsector, 2017 and 2018

	Gross Turnover (£ m) 2017	2018	(%) Change 17/18
Animal By-Products	53.1	46.6	-12.2
Bakeries	325.6	376.0	15.5
Beef and Sheepmeat	1,312.2	1,436.4	9.5
Drinks	390.7	415.4	6.3
Eggs	175.4	182.0	3.8
Fish	90.5	89.6	-0.9
Fruit and Vegetables	339.4	362.6	6.9
Milk and Milk Products	1,067.6	1,142.9	7.1
Pigmeat	343.2	364.9	6.3
Poultrymeat	709.0	745.4	5.1
Total Sector	**4,806.7**	**5,161.8**	**7.4**

- Eight out of the ten subsectors recorded an increase in their levels of gross turnover between 2017 and 2018. The subsectors which experienced the largest increase in total gross turnover were beef and sheepmeat (+£124.2m), milk and milk products (+£75.3m) and bakeries (+£50.3m). Animal by-products (-£6.5m) and fish (-£0.8m) experienced a decrease in gross turnover.

- Bakeries (+15.5%), beef and sheepmeat (+9.5%) and milk and milk products (+7.1%) recorded the largest increases in the proportion of gross turnover between 2017 and 2018. Animal by-products (-12.2%) experienced the largest decrease in the proportion of gross turnover over the period.

- Beef and sheepmeat, and milk and milk products continue to be the largest subsectors in terms of gross turnover; accounting for almost one half of total gross turnover in both 2017 and 2018.

Table 4 Direct full-time employee equivalents and total agency workers, by subsector, 2017 and 2018

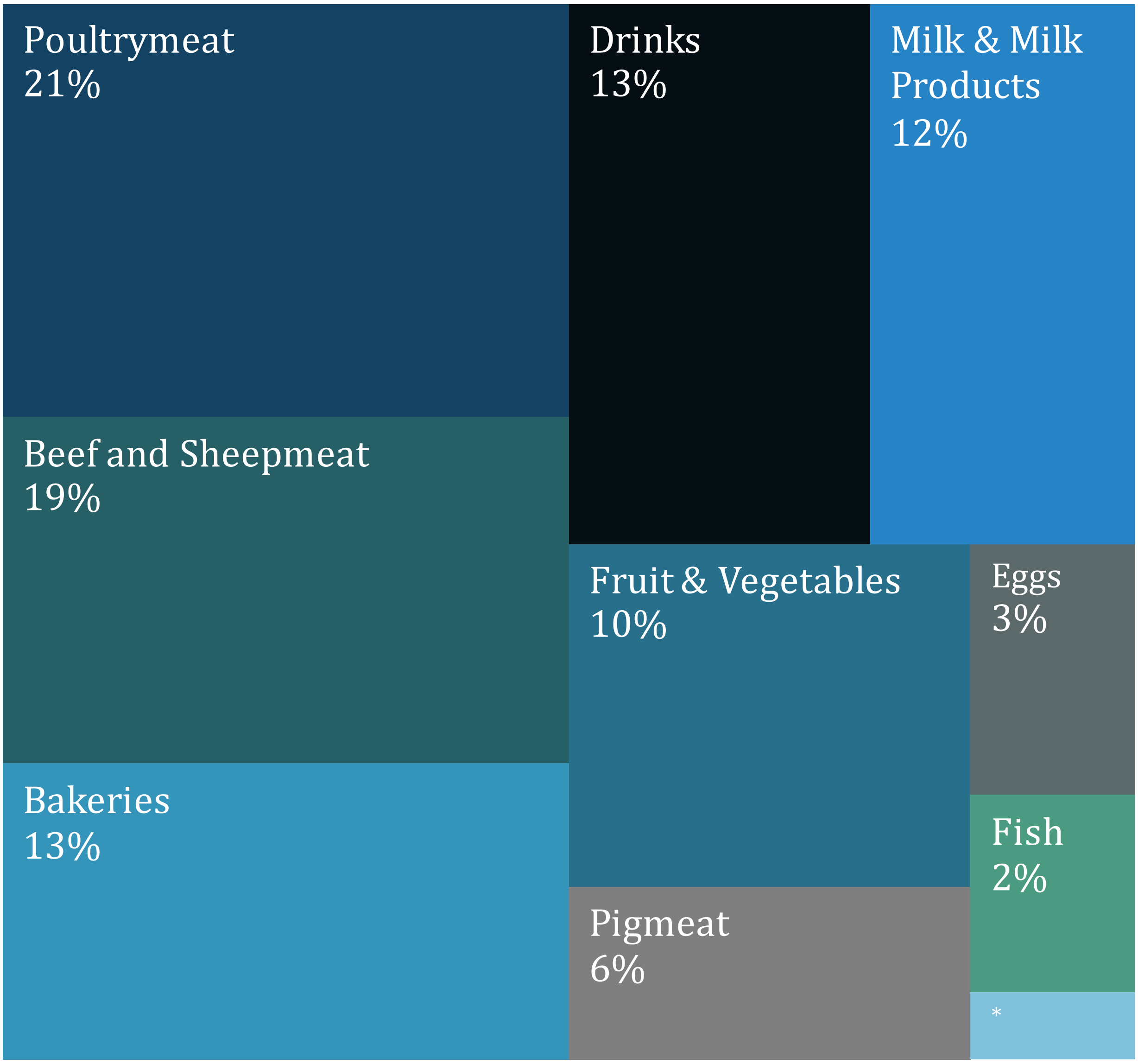
	Employees (FTEs) 2017	Employees (FTEs) 2018	(%) Change 17/18
Animal By-Products	112	115	2.2
Bakeries	3,926	4,057	3.3
Beef and Sheepmeat	5,123	5,048	-1.5
Drinks	1,318	1,399	6.1
Eggs	395	413	4.6
Fish	643	633	-1.5
Fruit and Vegetables	2,553	2,788	9.2
Milk and Milk Products	2,200	2,351	6.8
Pigmeat	1,725	1,652	-4.2
Poultrymeat	5,639	5,171	-8.3
Total Sector	**23,632**	**23,625**	**0.0**
Agency Employment	**2,616**	**2,720**	**4.0**

- In 2018, direct employment in the food and drinks processing sector remained broadly the same at 23,625 FTEs; a fall of 7 FTEs.
- Six of the ten subsectors recorded an increase in the number of direct full-time employee equivalents between 2017 and 2018. The three largest increases were recorded in fruit and vegetables (+235 FTEs), milk and milk products (+151 FTEs) and bakeries (+131 FTEs) subsectors. The three largest decreases were recorded in poultrymeat (-468 FTEs), beef and sheepmeat (-75 FTEs) and pigmeat (-73 FTEs).
- Poultrymeat (5,171 FTEs), beef and sheepmeat (5,048 FTEs), and bakeries (4,057 FTEs) subsectors accounted for 60.4 per cent of the total direct employment in the food and drinks processing sector in 2018.
- In 2018, it is estimated that in addition to direct employees, the sector sourced a further 2,720 FTEs from Employment Agencies. This is an increase of 4.0 per cent from 2017 levels. It would not be appropriate to include these in any manufacturing industry analysis.

Table 5a Value added, by subsector, 2017 and 2018

	Value Added (£ m)		(%) Change
	2017	2018	17/18
Animal By-Products	10.9	10.3	-5.8
Bakeries	111.2	122.7	10.4
Beef and Sheepmeat	168.8	178.0	5.5
Drinks	103.2	117.2	13.5
Eggs	28.4	27.5	-3.1
Fish	18.2	18.5	1.5
Fruit and Vegetables	83.8	91.8	9.5
Milk and Milk Products	126.5	108.8	-14.0
Pigmeat	58.7	57.6	-2.0
Poultrymeat	201.2	188.9	-6.1
Total Sector	**911.0**	**921.2**	**1.1**

Figure 3 Percentage of Value added by subsector, 2018



* Animal by-products 1%

- In 2018, the value added by the sector was estimated to be £921 million; an increase of 1.1 per cent from the 2017 figure of £911 million.

- Five of the ten subsectors recorded an increase in value added in 2018. The three largest subsectors poultrymeat (£188.9m), beef and sheepmeat (£178.0m), and bakeries (£122.7m) accounted for 53.1 per cent of the sectors value added in 2018. This compares to the 54.5 per cent share held by the three largest subsectors in 2017 - poultrymeat (£201.2m), beef and sheepmeat (£168.8m) and milk and milk products (£126.5m).

- Value added accounted for 17.8 per cent of the total gross turnover of the food and drinks processing sector in 2018; a decrease from 19.0 per cent in 2017.

Table 5b Components of value added for each subsector, 2017

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total Value added**
Animal By-Products	4.0	1.1	5.8	0.1	**10.9**
Bakeries	86.6	6.7	16.0	1.8	**111.2**
Beef and Sheepmeat	125.8	15.7	24.0	3.2	**168.8**
Drinks	52.4	19.7	22.7	8.4	**103.2**
Eggs	8.3	5.4	14.6	0.1	**28.4**
Fish	12.0	2.1	3.8	0.3	**18.2**
Fruit and Vegetables	54.7	9.8	17.7	1.5	**83.8**
Milk and Milk Products	63.5	17.2	44.0	1.7	**126.5**
Pigmeat	36.2	2.3	20.1	0.1	**58.7**
Poultrymeat	137.0	14.7	46.8	2.8	**201.2**
Total Sector	**580.6**	**94.7**	**215.6**	**20.1**	**911.0**

Table 5c Components of value added for each subsector, 2018

	Value added (£ m)				
	Wages and salaries	**Depreciation charge**	**Net profit**	**Interest paid**	**Total Value added**
Animal By-Products	3.9	0.6	5.7	0.1	**10.3**
Bakeries	95.1	9.6	16.0	2.0	**122.7**
Beef and Sheepmeat	127.8	16.6	29.7	4.0	**178.0**
Drinks	56.2	19.9	32.4	8.8	**117.2**
Eggs	8.9	4.0	14.5	0.1	**27.5**
Fish	12.1	1.9	4.1	0.3	**18.5**
Fruit and Vegetables	61.2	10.0	18.9	1.7	**91.8**
Milk and Milk Products	66.0	18.8	22.3	1.8	**108.8**
Pigmeat	37.0	2.7	17.8	0.1	**57.6**
Poultrymeat	121.9	14.5	50.9	1.5	**188.9**
Total Sector	**590.1**	**98.4**	**212.3**	**20.3**	**921.2**

- Between 2017 and 2018, three of the four components of value added increased, with the largest increase occurring in wages and salaries (+£9.5m).

- The largest contributions toward value added in the sector in 2018 were from wages and salaries (64.1 per cent) and net profit (23.0 per cent).

- Eight of the ten subsectors recorded an increase in wages and salaries between 2017 and 2018, the largest of which was the bakeries subsector (+£8.5m).

- Net profit (-£3.3m) was the only component of value added that recorded a decrease between 2017 and 2018. Five of the subsectors recorded an increase in net profit over the period, while four recorded a decrease. The largest decrease in net profit was in the milk and milk products subsector (-£21.8m).

Table 6 Total Capital employed, by subsector, 2017 and 2018

	Capital Employed (£ m)		(%) Change
	2017	**2018**	**17/18**
Animal by-products	13.4	11.0	-18.4
Bakeries	95.1	98.1	3.2
Beef and Sheepmeat	307.3	346.4	12.7
Drinks	469.1	426.2	-9.2
Eggs	68.9	75.5	9.6
Fish	33.6	34.2	1.8
Fruit and Vegetables	150.4	154.7	2.9
Milk and Milk Products	342.3	322.3	-5.8
Pigmeat	96.7	96.0	-0.8
Poultrymeat	328.7	286.2	-12.9
Total Sector	**1,905.6**	**1,850.5**	**-2.9**

- 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 approximately £55.1 million between 2017 and 2018, from £1,906 million to £1,851 million.

- In 2018, the largest volumes of capital employed were recorded in the drinks (£426.2m), beef and sheepmeat (£346.4m) and milk and milk products (£322.3m) subsectors. Together, the three largest subsectors in 2018 accounted for 59.2 per cent of total capital employed compared to 59.8 per cent for the three largest subsectors (drinks, milk and milk products and poultrymeat) in 2017.

- From 2017 to 2018, an increase in the total capital employed was recorded in five of the ten subsectors. The beef and sheepmeat (+£39.1m) and eggs (+£6.6m) subsectors recorded the largest increases.

- Five of the ten subsectors recorded a decrease in total capital employed between 2017 and 2018. Drinks (-£43m), poultrymeat (-£42.5m) and milk and milk products (-£20.0m) experienced the largest decreases.

4. DESTINATION OF SALES 2017 AND 2018

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

Table 7 Total sales by country of destination, 2017 and 2018

	Sales (£ m and proportion of total sales)			
	2017	**%**	**2018**	**%**
Northern Ireland	1,167.3	24.3	1,174.2	22.7
Great Britain	2,378.3	49.5	2,618.4	50.7
Ireland	710.3	14.8	792.2	15.3
Other EU	415.8	8.6	443.1	8.6
Other Countries	134.1	2.8	134.0	2.6
Intervention	0.9	0.0	0.0	0.0
Total sales	**4,806.7**	**100.0**	**5,161.8**	**100.0**
External sales	3,638.5	75.7	3,987.6	77.3
Export sales	1,260.2	26.2	1,369.2	26.5

- Between 2017 and 2018, sales in the food and drinks processing sector to destinations outside of Northern Ireland (external sales) increased by 9.6 per cent from £3,639 million to £3,988 million.

- The proportion of total sales to external markets increased from 75.7 per cent in 2017 to 77.3 per cent in 2018.

- The largest market for the Northern Ireland food and drinks processing sector continues to be Great Britain. From 2017 to 2018, sales to this market increased by 10.1 per cent from £2,378 million to £2,618 million. The proportion of total sales to Great Britain increased by 1.2 percentage points from 49.5 per cent in 2017 to 50.7 per cent in 2018.

- Export sales, i.e. sales to markets outside of the United Kingdom, increased by 8.6 per cent from £1,260 million in 2017 to £1.369 million in 2018. Sales in the food and drinks processing sector to export markets accounted for 26.5 per cent of total sales in 2018.

- The largest export market continues to be Ireland, which recorded an 11.5 per cent increase in sales from £710.3 million in 2017 to £792.2 million in 2018. Ireland accounted for 15.3 per cent of the total sales in the food and drinks processing sector in 2018, an increase of 0.5 percentage points.

Table 8a Destinations and values of subsector sales, 2017

(£ 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	**53.1**	*	*
Bakeries	162.0	66.6	94.0	0.7	2.3	0.0	**325.6**	163.6	97.1
Beef/Sheepmeat	161.2	927.2	85.5	125.5	12.7	0.0	**1,312.2**	1,150.9	223.7
Drinks	162.2	33.0	170.6	13.1	11.8	0.0	**390.7**	228.5	195.5
Eggs	56.5	106.0	*	*	0.0	0.0	**175.4**	118.9	12.9
Fish	13.6	42.0	7.2	24.2	3.4	0.0	**90.5**	76.9	34.8
Fruit/Vegetables	114.0	161.4	61.9	0.8	1.2	0.0	**339.4**	225.3	63.9
Milk/Milk Products	290.4	363.6	128.8	*	*	0.9	**1,067.6**	776.3	412.7
Pigmeat	141.8	111.1	72.6	*	*	0.0	**343.2**	201.4	90.3
Poultrymeat	*	*	74.6	*	*	0.0	**709.0**	*	*
Total	**1,167.3**	**2,378.3**	**710.3**	**415.8**	**134.1**	**0.9**	**4,806.7**	**3,638.5**	**1,260.2**

Table 8b Destinations and values of subsector sales, 2018

(£ m)

	NI[1]	GB[2]	IE[3]	REU[4]	ROW[5]	Inter-vention	Total Sales	External[6] Sales	Export[7] Sales
Animal By-Products	*	*	*	12.6	*	0.0	**46.6**	*	*
Bakeries	179.4	88.3	103.2	1.2	3.9	0.0	**376.0**	196.5	108.3
Beef/Sheepmeat	169.4	1,034.5	89.4	131.2	11.8	0.0	**1,436.4**	1,266.9	232.5
Drinks	194.5	37.1	155.6	9.4	18.7	0.0	**415.4**	220.8	183.7
Eggs	62.1	105.7	14.0	*	*	0.0	**182.0**	119.9	14.2
Fish	15.3	39.8	7.1	24.3	3.1	0.0	**89.6**	74.4	34.5
Fruit/Vegetables	119.7	170.3	70.5	1.1	1.1	0.0	**362.6**	243.0	72.7
Milk/Milk Products	253.5	411.6	191.3	237.2	49.4	0.0	**1,142.9**	889.5	477.9
Pigmeat	114.1	144.7	74.1	*	*	0.0	**364.9**	250.9	106.2
Poultrymeat	*	*	85.3	*	*	0.0	**745.4**	*	*
Total	**1,174.2**	**2,618.4**	**792.2**	**443.1**	**134.0**	**0.0**	**5,161.8**	**3,987.6**	**1,369.2**

*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 2018 Great Britain was the largest market for seven out of the ten subsectors, an increase of one from 2017.

- In 2018, there were four subsectors reliant on markets outside of Northern Ireland i.e. external markets, for more than 80.0 per cent of their total sales – animal by-products, poultrymeat, beef and sheepmeat and fish subsectors. The bakeries subsector (52.3 per cent) had the least reliance on external markets for sales.

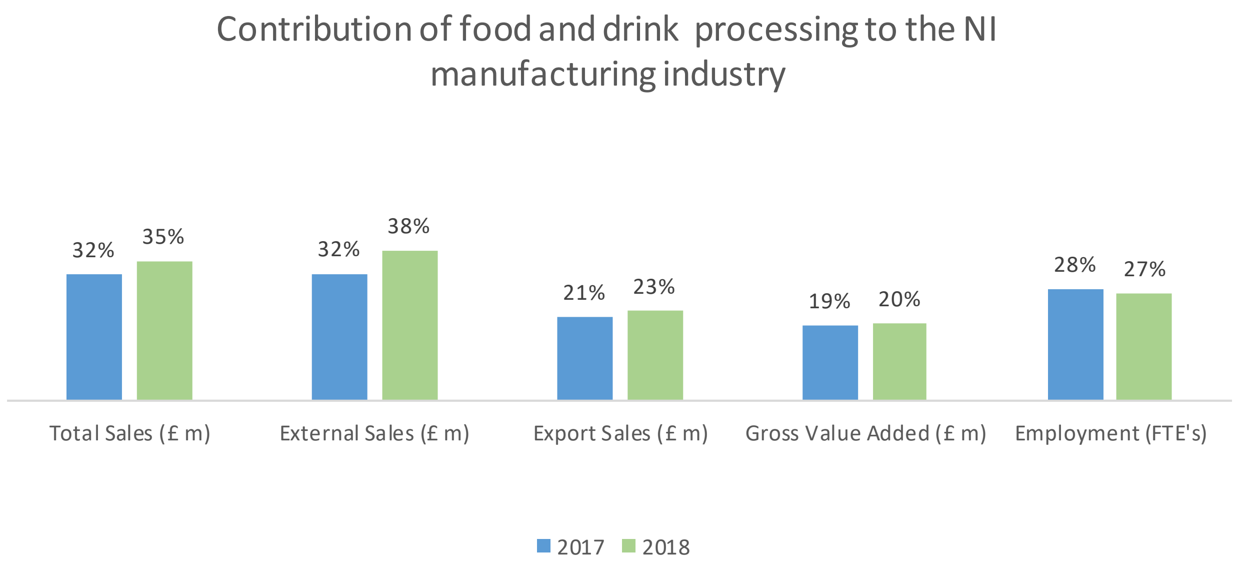
- There were three subsectors in 2018 reliant on markets outside of the United Kingdom i.e. export sales, for more than 40.0 per cent of their total sales – animal by-products, drinks and milk and milk products subsectors. The eggs, poultrymeat and beef and sheepmeat sub-sectors all had export sales 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 57.9 per cent of exports in 2018. The market accounts for 37.4 per cent of the total sales in the drinks subsector and 27.5 per cent in the bakeries subsector in 2018.

5. CONTRIBUTION TO THE NORTHERN IRELAND MANUFACTURING INDUSTRY 2017 AND 2018

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[2] Industry



- Total sales of Northern Ireland manufacturing goods fell 2.9 per cent in 2018 to £14,578 million, while food and drink sales increased by 7.4 per cent. As a result, the food and drinks sectors share of total Northern Ireland manufacturing good sales has increased from 32.0 per cent in 2017 to 35.4 per cent in 2018.

- Over the same period, the sector has increased its share of manufacturing's external good sales from 32.3 per cent to 38.1 per cent and its share of exports has increased from 21.3 per cent to 22.8 per cent.

- The sector accounts for 19.6 per cent of total value added in the manufacturing industry in 2018; an increase from 2017 when it contributed 19.1 per cent.

- The sectors contribution to gross value added in the Northern Ireland economy in 2018 remains unchanged from the 2.2[3] per cent contribution made in 2017.

- Northern Ireland manufacturing sector employment increased by 3.7 per cent in 2018 to 86,519 FTE. This increase has led to food and drinks contribution of total manufacturing employment falling from 28.3 per cent to 27.3 per cent.

[2] Manufacturing sector data from NISRA publications; 'Northern Ireland Broad Economy Sales & Exports Statistics' published on 21st May 2020, Business Register and Employment Survey published on 27th June 2019 and Annual Business Inquiry published on 29th November 2019. Please note Sales refers to Sales of Goods (excluding Services).

[3] Food and drinks value added calculated as a proportion of Northern Ireland Regional Gross Value Added (balanced) published by ONS 19th December 2019 in publication 'Regional economic activity by gross domestic product, UK: 1998 to 2018'

6. ANIMAL FEED AND PET FOOD – EXPERIMENTAL STATISTICS

This section provides experimental statistics and analysis of food processing that is not for human consumption. The statistics will remain classified as experimental statistics until user feedback[4] indicates that they are useful and credible. Analysis will be limited to the three main measures of the size of the animal feed and pet food sector until credibility is established. These figures are not included in chapter two totals for the size of the Northern Ireland food and drink processing sector.

Table 9 Feed and pet food gross turnover, value added and FTEs 2017 and 2018

	2017	**2018**	**(%) Change 17/18**
Gross turnover (£ million)	671.7	754.5	12.3
Value added (£ million)	72.2	82.3	14.1
Direct employees (full time equivalents)	1,087	1,167	7.4

- The gross turnover for the feed and pet food processing sector is estimated to have increased from £672 million in 2017 to £755 million in 2018; an increase of 12.3 per cent.
- The value added by feed and pet food processing increased from £72 million in 2017 to £82 million in 2018, an increase of 14.1 per cent.
- Value added accounted for 10.9 per cent of the subsector turnover in 2018; an increase from 10.7 per cent in 2017.
- Between 2017 and 2018 the number of direct FTEs in the feed and pet food processing sector is estimated to have increased from 1,087 direct FTEs in to 1,167 FTEs, an increase of 7.4 per cent.

[4] DAERA is making these experimental statistics 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.

National Statistics Status

National 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 National 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 experimental statistics on food not for human consumption.

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 retail outlets, 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 whiskey.
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.

Definitions of size terms

Gross turnover	Sum of the annual turnovers of all the businesses in the sector or sub-sector - also equal to the total annual sales of the businesses within the sector or sub-sector.
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).
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 the Republic of Ireland
Rest of EU (REU)	Sales of goods processed in Northern Ireland and sold to European Union countries outside the United Kingdom and Ireland (IE)
Rest of World	Sales of goods processed in Northern Ireland and sold to countries outside the European Union.
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.
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

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