



SNAPSHOT OF OPPORTUNITIES IN THE U.K.'S GRAIN SECTOR



MARKET TRENDS

FIFTH-LARGEST CONSUMER OF BREAD IN WESTERN EUROPE

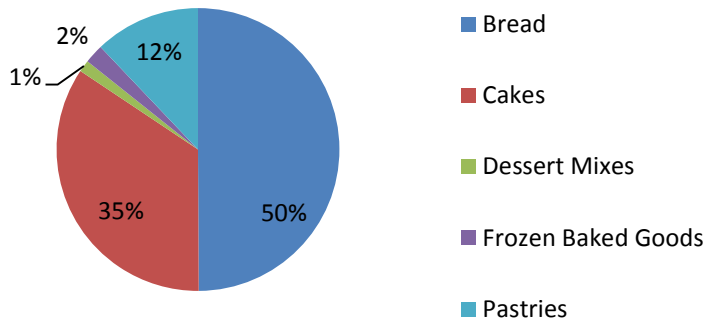
- Consumer trends toward healthy eating and natural products are increasing the demand for specialty breads with functional ingredients that are high in protein, rich in dietary fibre, and that contain antioxidants such as magnesium, iron, and folate.
- “Super grains”, such as quinoa, millet, and buckwheat, offer baked goods and flour companies a variety of options for taking advantage of current health trends and increasing price-point.

GRAIN TRADE

- The U.K. is the twenty-second largest importer of grains in the world and the sixth-largest in the European Union (EU), with imports worth US\$1.2 billion in 2016.
- In 2016, Canada was the U.K.'s third-largest supplier of grains in the world, worth US\$92.1 million.
- 73% of the U.K.'s grain imports were maize, wheat and muslin, and semi-milled or wholly milled rice. The combined import value of these products was US\$909.6 million in 2016.

HISTORIC AND FORECAST RETAIL SALES

Top 5 processed food categories containing grains in the U.K. in 2016



The energy bars category experienced the most growth with sales increasing by 181.7% from 2012 to 2016

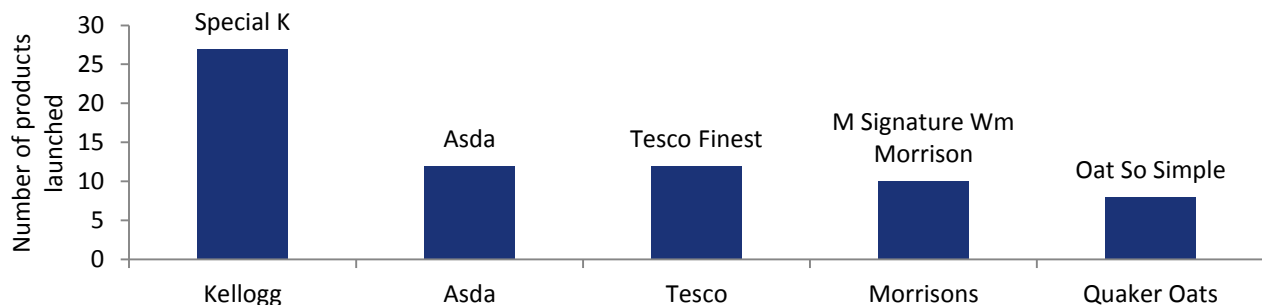
- Bread is expected to remain the most significant category in terms of value from 2017 to 2021, with a moderate growth rate of 1.9%.
- The hot cereals category experienced significant growth over the last five years, increasing by 38.8%, reaching retail sales worth US\$421.9 million in 2016.
- Retail sales of plain biscuits are expected to decline by 0.9% from 2017 to 2021.

GRAINS USED AS AN INGREDIENT

- Top product launch categories were **cold cereals, snack/cereal/energy bars, and bread and bread products**.
- Grocery retailers Warburton's and Tesco, have both recently launched high-protein bakery products, including loaves, rolls, thins, and wraps. Marks & Spencer offers additional fibre in its entire packaged bread range.

FROM 2012 TO 2016, 172 PRODUCTS CONTAINING WHEAT AND OATS WERE LAUNCHED IN THE U.K.

Top companies launching the most value-added products from 2012 to 2016 and their top brands in the U.K.





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BRITISH CONSUMERS WANT CLEAN LABELS AND PRODUCTS WITH REDUCED FAT AND SUGAR CONTENT

Top 5 Growing Claims

1. Ethical – Environmental
2. Bone Health
3. Social Media
4. Low/No/Reduced Trans fat
5. GMO Free

Top 5 Declining Claims

1. Vegetarian
2. Wholegrain
3. High/Added Fiber
4. Slimming
5. Female

CONSUMERS ARE INCREASINGLY SEEKING PRODUCTS IN CONVENIENT OR MINIATURE FORMATS

Top Package Type

1. Flexible
2. Flexible stand-up pouch
3. Tub
4. Bottle
5. Carton

Top Packaged Materials

1. Plastic
2. Metallised film
3. Polypropylene plastic
4. Multi laminate
5. Coloured glass

TOP INNOVATIVE MARKETS FOR GRAINS (WHEAT AND OATS) IN THE WORLD

63% of product launches were new products, varieties, ranges and extensions.

Product Innovation Rating Scale

Innovation Criteria	USA	France	Australia	Germany	Mexico	UK	Brazil	Spain	Canada	China
Relaunch	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
New Product	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Dark Blue
Product Line Diversity	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Health & Wellness Claims	Dark Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Rating	Colour
Excellent (20-17)	Dark Blue
Very good (16-13)	Blue
Good (12-9)	Light Blue
Fair (8-5)	Very Light Blue
Low (4-0)	White

FACTORS OF CONSIDERATION

- The European Union (EU) is a common market and imports must comply with applicable EU regulations and food safety requirements for parameters such as mycotoxins.
- Custom duties are applied to all products and rates depend on a variety of factors. Value-added tax, insurance, and freight cost should be included in import value.
- Imports from a third country must identify the country of origin.
- The Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU will reduce tariffs. For more details, please consult our [CETA page](#) where you will find a Factsheet on cereal preparations.

RECOMMENDATION FOR ENTRY

- Develop a clear market strategy and an extended knowledge of the targeted market prior to entry.
- Develop a good understanding of procedures and regulations to avoid imports being detained for non-compliance. Make sure that you are aware of other requirements may apply (e.g., labelling, packaging, prohibited additives).
- Work with a reputable local partner who can assist with market knowledge and accessing business networks.
- Consult with your importer to be aware of all the requirements applicable in the market you want to reach.

HOW WE CAN HELP

View our [Agri-Food Trade Services](#) for information and support to help you achieve your international business goals.

[International Trade Commissioners](#) are also an excellent point of contact for export advice and can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions, and local business contacts.

OUR MARKET INTELLIGENCE SERVICES INCLUDE:

- Identifying market opportunities and trends abroad
- Economic, business, and consumer trend forecasts
- Analysis of distribution channels, including e-commerce
- Detailed sector analysis
- Product innovation trends

HAVE WE PIQUED YOUR INTEREST?

Contact our national network of analysts at MAS-SAM@agr.gc.ca and join our distribution list, or request customized analysis that meets your organization's unique needs.



Visit our online library of public reports for more information on this and other markets.



Commodity Innovation Series

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Sources:

- Mintel Database, 2017
- Global Trade Tracker, 2017
- Looking to the future with ancient grains. British Baker. May 2017, p47-51. 5p.
- Euromonitor, 2017
- Banking on bake-off to grow food-to-go sector. British Baker. May 2017, p31-34. 4p.