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Report Highlights:

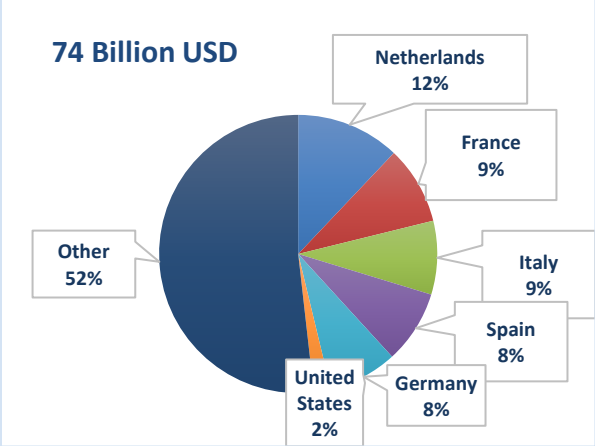
The United Kingdom (UK) is an attractive market for U.S. food and beverage exporters, with the retail grocery market valued at \$343 billion in 2026 and forecast to reach \$404 billion by 2031. Cost-of-living pressures mean UK consumers remain highly price-conscious, with value, convenience and quality driving purchasing decisions pushing growth of discounter retailers and private label products. In early 2026, private label accounted for a record 52.2 percent of grocery spending. Opportunities remain for innovative U.S. products that address growing demand for health, organic and free-from products, convenience foods, international flavors, and premium products. U.S. exports are performing strongly in several categories, particularly tree nuts, fish, processed fruit, condiments, sauces, chocolate, and confectionery.

Market Information Sheet: United Kingdom

Executive Summary: According to the [Open Factbook](#), the United Kingdom (UK) is an upper middle-income country, with a gross domestic product (GDP) of \$3.6 trillion. The country is a leading trading power and financial center with the second largest economy in Europe. Agriculture is intensive, highly mechanized, and efficient by European standards, but accounts for less than one percent of GDP. UK agriculture produces 57 percent of the country’s food needs, which is heavily reliant on imports to meet the demands of the UK consumer, who expects year-round availability of all food products.

Imports of Consumer-Oriented Products

According to Trade Data Monitor (TDM), in 2025, the UK imported consumer-oriented agricultural products totaled \$74 billion, with the United States’ market share at 1.8 percent or \$1.37 billion.



Food Retail Industry: The food retail sector is saturated, highly consolidated, and competitive. Based on February 2026 figures, the top four retailers (see Table) together account for 66 percent of the market. Discounter retailers, Aldi and Lidl combined, have 17.9 percent market share and increasingly where UK consumers shop. Independent stores face strong price competition from the top grocery stores and online retailers. According to [Mintel](#), in 2025 online purchases accounted for 13 percent of all grocery sales, with 59 percent of consumers conducting some grocery shopping online. UK consumers are willing to try foods from other countries but expect quality products at a competitive price.

Food Processing Industry: According to the latest [Food and Drink Federation](#) report, the food and drink sector remains the single largest employer in the UK manufacturing sector. In 2025, around 486,500 people across the UK were employed in jobs associated with food and drink manufacturing. The food and drink manufacturing sector’s output is valued at \$50 billion (£37 bn) with an annual turnover of \$200 billion (£148 bn).

Food Service Industry: In 2025, total foodservice food and drink sales amounted to [\\$133 billion](#). Since 2020, the industry has faced many challenges including a cost-of-living crisis and high inflation rates on food & drink products. The industry is consumer-oriented with a significant investment in research and development. U.S. foodservice chains are popular among UK consumers.

Quick Facts CY 2025 (\$1=£0.74 £1 = 1.33)

Total Imports of Consumer-Oriented Products:
\$74.1 billion

UK’s Global Top Consumer-Oriented Growth Products

1) Tree Nuts	6) Processed Fruit
2) Beef and Beef Products	7) Fresh Fruit
3) Coffee	8) Dairy Products
4) Chocolate & Cocoa	9) Egg Products
5) Poultry Meat	10) Non-alcoholic bev

Food Industry by Channels (USD billion) 2025

UK Retail Food Industry	342
UK Food Service - HRI	133
UK Food Processing	200
U.S. Food and Agriculture Exports	3.9

Top 10 Host Country Retailers

1) Tesco	6) Lidl
2) Sainsbury’s	7) Cooperative
3) Asda	8) Waitrose
4) Aldi	9) Iceland
5) Morrisons	10) Marks & Spencer

GDP/Population
Population (2025) 68.7 million; GDP \$3.6 trillion
GDP per capita: \$52,500
Sources: Open Factbook, TDM, Kantar Worldpanel, UK Government Statistics

Strength	Weakness
UK is the largest market in Europe with one of the highest per capita incomes globally	U.S. products face competition from tariff-free products from the EU and Free Trade Agreement (FTA) partners.
Opportunity	Challenge
Demand for sustainable, healthy, free-from, vegetarian, and convenience products remains strong.	High cost-of-living remains an issue; consumers are spending less on non-essential items and have switched to private-label “generic-style” products.

SECTION I. MARKET SUMMARY

In July 2026, the [Institute of Grocery Distribution \(IGD\)](#) valued the UK retail grocery market at \$343 billion (£258.5 billion) with a predicted increase of 2.7 percent to \$404 billion (£303.7 billion) by 2031.

The UK grocery market continues to change as consumers remain highly price-conscious while balancing convenience, health, and value. Although inflationary pressures have eased significantly, the ongoing cost of living crisis continues to shape how consumers shop.

Lidl (a discounter supermarket) has strengthened its position within the UK grocery sector, increasing its market share to become the UK's fifth-largest supermarket, overtaking Morrisons. The retailer has now been the UK's fastest-growing supermarket for 35 consecutive months, second only to online retailer Ocado. Lidl's growth has been driven by its investment in value, store expansion, and its successful loyalty program, Lidl Plus, which offers customers changing weekly promotions. While Aldi continues to grow its market share, sales growth has slowed considerably. Unlike Lidl, Aldi has not introduced a loyalty scheme, and therefore some shoppers are switching to Lidl to take advantage of its promotions.

In June 2026, [IGD](#) announced that annual UK food inflation fell to 1.7 percent, down from 2.2 percent in May, representing the lowest rate since August 2024. The largest reductions are sugar, jam, syrups, chocolate, and confectionery. While inflation has slowed, prices remain well above pre-2022 levels. For many households, grocery bills continue to feel expensive, resulting in careful spending. Historically, UK food inflation has averaged 2.99 percent (1989–2026), reaching a record high of 19.1 percent in March 2023 before steadily declining. Research from IGD indicates that 94 percent of shoppers are concerned over increased food prices and 86 percent over energy bills. This challenging economic climate is anticipated to disproportionately affect lower-income households, who will bear the brunt of these sustained price increases. Additional factors contributing to cost pressures include commercial shipping delays due to the Middle East conflict and extreme heat and dryness in the UK resulting in lower yields for domestically produced crops.

Key Consumer Trends - Discounters and online grocery shopping continue to gain popularity as shoppers prioritize value and convenience. Consumers are shopping more often but purchasing smaller baskets, meaning they can better manage household budgets and reduce waste. Value-led purchasing decisions remain the dominant driver of retailer choice.

Health and wellbeing also remain important priorities. The growing adoption of GLP-1 weight-loss medications has begun to influence grocery purchasing habits, as users typically consume fewer calories and buy smaller quantities of food. Although this trend is still developing, it has the potential to affect purchasing volumes across several grocery categories, particularly snacks and confectionery.

According to the [Soil Association Organic Market Report 2026](#), (an organic food certification body), despite the cost-of-living crisis, UK consumers continue to buy more organic food, which are typically at a higher price point than conventionally farmed products. In 2025, UK sales of organic food and drink increased for their 14th year. In 2025, total annual sales of organic products reached \$5.19 billion (£3.9 billion), an increase of 4.2 percent on the previous year. In 2025, sales of organic products in supermarkets increased by seven percent to \$3.45 billion (£2.6 billion). This was driven by sales in

dairy, ambient grocery, fresh produce, meat, fish, and poultry, with nearly a quarter of organic purchases made online. Sales at independent retailers decreased by 1.1 percent to \$680 million (£512 million). Sainsbury’s is the largest retailer of organic products, with online retailers Ocado and Amazon also seeing good growth.

Key Market Drivers and Consumption Trends

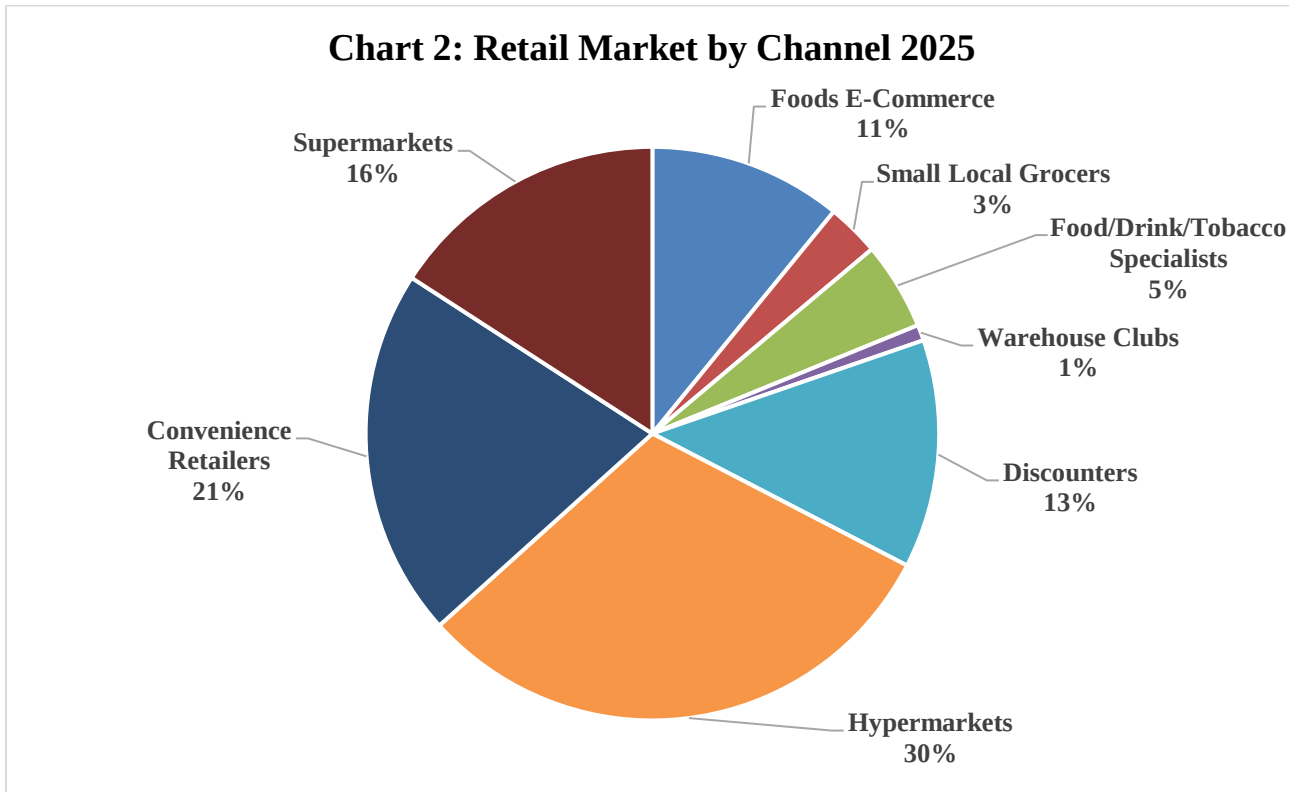
- **Health and Wellness Products:** the aging population and increased health consciousness of consumers is fueling demand for health and wellness products.
- **Convenience Ready Meals:** increasingly high-paced society and rising number of single households is driving demand for convenient ready-to-eat meals, desserts, and baking mixes.
- **Free-From Products:** products free from gluten, dairy, or lactose are increasingly popular.
- **Locally Grown:** “Buy British” campaigns are attracting UK consumers to purchase locally grown products and to support local farmers.
- **Sustainability and Eco-Friendly Products:** Some consumers view their purchasing decisions as political or lifestyle statements. Traceability and information about production methods are frequently required by certain large UK retailers to meet these perceived consumer demands.
- **Vegan & Vegetarianism:** more UK consumers are choosing to become vegan, vegetarian, or flexitarian to be more sustainable and environmentally friendly. Consumers are increasingly concerned about animal welfare.
- **Ethnic Foods:** the UK has an ethnically diverse population, which fuels demand for a wide range of cuisines and ingredients outside of staple UK products.
- **Fair Trade and Organic Products:** are popular and are perceived to be healthier by consumers.
- **Private Label:** due to increased cost-of-living, consumers are buying more private-label products from discount retailers or retail brands to save money.

Table 1: Advantages and Challenges

Advantages	Challenges
Market dominated by a few retailers with strong market penetration. Sophisticated replenishment systems mean U.S. products can be widely distributed.	Supermarket chains demand significant volume, and their concentration can make market access difficult initially. Trial listings must give results in a short time or product will be de-listed.
There are many specialty importers capable of importing from the United States.	The UK has well-established brands for mainstream products. Brand-building and marketing costs are substantial.
The United States has an opportunity to promote products that focus on the environment, sustainability, and health.	Trade barriers imposed on certain U.S. products, including meat and poultry. U.S. agriculture has regular negative portrayal in the UK media
Import conditions vary between the UK and Europe, however they are similar. Therefore, this makes the UK a good country for U.S. exporters to explore before looking at the rest of Europe.	A free trade agreement between the UK and EU means EU competitors do not pay import duty on goods to the UK. U.S. exporters face up to 25 percent import duty, depending on the product.
The United States is a popular destination for UK tourists and familiarity with U.S. products is widespread.	Popularity of specialty products from many EU countries is high, such as French cheeses, Spanish citrus, and Italian pasta.

Source: FAS London

Retail Sales by Channel



Source: Euromonitor

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

Several factors must be considered to ensure successful market entry. Businesses need to familiarize themselves with regulations governing imported food and beverages to the UK. This includes understanding the UK's food safety standards, labeling requirements, and compliance with the Food Standards Agency (FSA) regulations. Companies must ensure that products are not only safe for consumption but also appropriately labeled with information that complies with UK laws, including allergen labeling and nutritional information. These are covered in the [Food and Agricultural Importer Regulations \(FAIRS\) Report](#).

In addition to regulatory compliance, companies should conduct thorough market research to identify consumer preferences and trends in the UK food and drink sector. Understanding local tastes, dietary habits, and emerging trends such as plant-based foods or organic products can significantly enhance a brand's chances of success. You can do this in a variety of ways including partnerships with local distributors, participation in food trade shows, or direct consumer online platforms. Establishing a strong supply chain is another component; companies need to ensure that their products can be transported efficiently while maintaining quality and freshness. It should be noted that food importation is a specialized business with importers playing a pivotal role in navigating the hurdles of UK food law. It is much harder to supply UK retailers directly without an importer.

You will also need to develop a good marketing strategy that resonates with UK consumers. This could involve localized promotions, collaborations with influencers, or utilizing social media platforms to reach the target audience effectively. Companies must also be prepared to navigate the complexities of post-Brexit trade agreements and tariffs, ensuring that they account for any additional costs that may arise. By thoroughly researching the market, complying with regulatory requirements, and crafting a strategic approach to marketing and distribution, companies can successfully establish a foothold in the competitive UK food and drink market.

Once U.S. companies have acquired this background information, they may consider attending or visiting one of Europe's [USDA-endorsed trade shows](#). They serve as a springboard into the market, helping companies to establish new trade contacts and gauge product interest. The UK's largest food and drink show case is [International Food and Drink Event](#), which will take place in London from April 5-7, 2027. This food trade show is UK focused with buyers primarily from across England, Wales, Scotland and Northern Ireland procuring products. If you would like information about this show, please send an email to aglondon@usda.gov.

U.S. exporters can also contact their respective [U.S. State Regional Trade Groups \(SRTG\)](#), their Commodity Cooperator Group, and their state's Department of Agriculture to obtain additional support. SRTGs are non-profit trade development organizations that help U.S. food producers and processors to enter overseas markets. They are funded by USDA/FAS and private industry to conduct promotional activities that increase exports of U.S. high-value food and agricultural products. The [U.S. Agricultural Export Development Council](#) is composed of U.S. commodity trade associations and other organizations with an interest in promoting U.S. agricultural exports. They regularly organize reverse trade missions, often around trade shows or other events. These are excellent platforms for U.S. suppliers to meet foreign buyers.

Market Structure

According to the latest data from the [Office of National Statistics](#), in 2025, the total consumer spending on food, drink, and eating out was \$403.3 billion (£303.3 billion). Expenditure on household food and drink increased by 1.1 percent while expenditure on food and drink eaten out increased by 2.3 percent to £137.7 billion.

Table 2: Profiles of Different Food Retailers in the United Kingdom (2026)

Retailer Name and Outlet Type	No. of Outlets (2026)	Market Share (May 2025)	Website
Tesco (Mid-range supermarket), Supermarkets & Express stores	3,000	28.2%	www.tesco.com
Sainsbury's (Mid-range supermarket) Supermarkets & convenience stores.	1,506	15.2%	www.sainsburys.co.uk
Asda/Wal-Mart (Mid-range)	1,124	11.5%	www.asda.co.uk
Aldi (Discounter supermarket)	1,086	10.8%	www.aldi.co.uk
Lidl (Discounter supermarket)	1,027	8.6%	www.lidl.co.uk
Morrisons (Mid-range)	2,100	8.3%	www.morrisons.co.uk

supermarket)			
Co-op (Mid-range supermarket, primarily British products)	4,000	5.1%	www.coop.co.uk
Waitrose (Upscale supermarket)	426	4.5%	www.waitrose.co.uk
Marks and Spencer	1,059	4.1%	www.marksandspencer.com
Iceland	976	2.2%	https://about.iceland.co.uk/
Ocado (online)	N/A	2.1%	www.ocado.co.uk
Whole Foods Market (Very upscale supermarket)	12	n/a	https://www.wholefoodsmarket.co.uk/
Costco Wholesale (Warehouse – Membership)	29	n/a	www.costco.co.uk

Source: Supermarket websites & [Kantar Worldpanel](#)

Retail Outlets

[Kantar's](#) latest statistics show that six supermarket chains now dominate the UK market, collectively accounting for 82.6 percent of sales. Discount retailers continue to grow market share in the UK, with Aldi fully cementing itself in the top four supermarket outlets. This shift underscores a growing consumer preference for cost-effective shopping options, reflecting the challenging economic climate and increased living costs that influence where people choose to shop. Furthermore, Lidl, the other major discounter, has now overtaken Morrisons as the fifth largest supermarket. Customers are increasingly choosing these discount retailers for their main grocery shopping, drawn by lower prices and quality products. The major retailers to include Tesco, Sainsburys, and Asda have instituted price match programs for everyday items to lure consumers back from the discounters. This shift in consumer behavior demonstrates the impact that discounter chains have on the overall market dynamics in the UK. Due to their popularity, both Aldi and Lidl plan to open hundreds of new stores over the next two years. This expansion highlights their commitment to capturing a larger share of the market. As these discounters/private label grocers continue to thrive. The top three supermarket chains will need to reassess their strategies to remain relevant amidst changing consumer preferences and heightened competition. Tesco is the market leader, with 28.2 percent market share, followed by Sainsbury's with 15.2 percent, Asda with 11.5 percent, Aldi with 10.8 percent, Lidl with 8.6 percent, and Morrison's with 8.3 percent. Other UK supermarket chains include The Cooperative (Co-op), Waitrose, Costco, Iceland, and Marks and Spencer.

Presence of U.S. Brands and Products in UK Retailers

The availability of U.S. grocery products in the UK varies significantly across different retail channels and geographic locations. While many U.S. products and U.S.-branded products are available in UK supermarket chains, their presence in department store food halls and independent food stores is notably lower. However, online retailers, such as [Ocado](#) and [Amazon](#) have emerged as an important growth area for expanding U.S. products into the UK market, with the most extensive and accessible selection of U.S. food and drink items. This shift towards online distribution underscores the growing role of e-commerce in catering to consumer demand for international products, offering a convenient and comprehensive platform for consumers to access a wide range of U.S. grocery offerings. Please see FAS London's Retailer [Report](#) for more information on where to find U.S. food and drink products in the UK.

Other notable stores stocking U.S. products are [Whole Foods Market](#) which has 12 outlets and [Costco](#) with 29 UK stores. Following a major expansion during the spring of 2026, the Amazon-owned chain doubled its UK footprint. All are in London. These stores are great advocates for U.S. products and sell a wide range of U.S. origin food and drink products. They offer U.S. companies a valuable platform in the UK market.

Private-Label – The UK is one of the world's most developed private-label markets. Private label, also called own label is not considered a low-cost alternative to branded products. UK retailers increasingly use private label products to compete on price, quality, innovation, premiumization and differentiation. Private label now represents roughly half of UK grocery spending. [Kantar](#) reported own label accounted for 52.2% of UK grocery spend by consumers in the 12 weeks to 25 January 2026, the highest level recorded. Buying supermarket private label products is deeply embedded in UK shopping behavior who trust the supermarkets they are shopping in for quality, affordable products. Supermarket private label products range from value to premium, offering a range of choices across varying price points, however, premium private label products is currently one of the UK's strongest food growth areas.

Technology Innovation among Retailers – technology investment is accelerating in: AI demand forecasting, inventory optimization, electronic shelf labels, automated fulfilment, self-checkout, computer vision, predictive pricing, and retail media platforms. Technology is increasingly viewed as essential for protecting margins rather than simply improving customer experience.

Convenience Stores or the “C-Sector” - The UK's convenience store market is highly fragmented, with many retail and independent operators. Store operators may be divided into several types: grocery stores and specialist stores, such as newsagents and greengrocers. Shopping habits continue to evolve, with many people favoring frequent, smaller shopping trips rather than traditional weekly grocery runs. Consumers make several trips a week to buy convenience foods, opting for retailers that provide easy access and quick purchasing experiences. Cities have a wide array of convenience stores located close to train or bus stations, making it easy for consumers to pick up everyday items as well as ready meals on the way home from work. Convenience stores in the UK include such products as fresh fruit and vegetables, prepared foods, and snacks, often providing a wider selection of products than traditional U.S.-based convenience store retailers.

SECTION III. COMPETITION

The European Union (EU) is the main competitor for U.S. consumer-oriented food. According to the [Office of National Statistics](#), the EU supplies 25 percent of food consumed in the UK. EU food exporters have relatively low transportation costs and fast delivery times. Their products do not face import duties, nor do they face major ingredient or labeling changes. Africa is the largest non-EU supplier to the UK, with five percent of all UK food and drink imports, followed by Asia (4%), South America, and Rest of Europe both with (3%), North America (2%), and Australasia with 1%. The three largest imported commodity groups by value were fruit and vegetables, meat, and beverages.

Table 3: Overall Competitive Situation for Consumer-Oriented Products (2025)

Product Category Total UK Import	Main Suppliers in Percentage	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Wine & Beer (HS 2203, 2204, 2205, 2206) USD 5.7 billion	1. France - 32.2% 2. Italy – 22.6% 3. Spain – 8.1% 7. USA – 3.0%	Proximity, reputation, climatic conditions for wine growing.	Limited wine grown in the UK, therefore necessity to import.
Tree Nuts (HS 0801 +0802 +200819) USD 1,042 million	1. USA – 31.7% 2. Vietnam – 18.2% 3. Germany – 6.9%	USA is the leading supplier of almonds, walnuts, pistachios, and hazelnuts.	Growing demand from the snack industry. Nuts benefit from their healthy reputation.
Food Preparations (HS 210690) USD 2.5 billion	1. Germany – 14.6% 2. Denmark – 10.8% 3. Netherlands – 8.5% 7. USA – 4.7%	Proximity and availability.	Strong domestic food industry.
Distilled Spirits (HS 2208) USD 1.34 billion	1. USA – 18.2% 2. France – 16.2% 3. Netherlands – 9.3%	Proximity to the UK.	Scotland is a big producer of whisky and is competition for the United States. France exports brandy and Italy liqueurs.
Fish & Seafood (HS 03 + HS 16) USD 9.4 billion	1. Thailand– 10.4% 2. Norway – 9.8% 3. Poland – 9.7% 20. USA – 1.3%	USA is the second largest supplier of Alaska Pollock fillets, used as an alternative to cod or in fish fingers.	Tradition in seafood trading and processing. Fish is popular.
Condiments and Sauces (HS 2103) USD 1.54 billion	1. Netherlands – 19.8% 2. Italy – 15.4% 3. Germany – 6.6% 11. USA – 2.6%	Proximity and availability. USA is well known as a supplier of BBQ and hot sauces.	Strong domestic food industry.
Sweet potatoes (HS071420) USD 127.1 million	1. Egypt – 38.8% 2. USA – 35.4% 3. China – 9.8%	The U.S. has lost the top spot as the largest exporter of sweet potatoes to the UK; with Egypt taking its place.	Supermarkets sell fresh and processed sweet potatoes
Peanuts (HS 1202) USD 166.2 million	1. Argentina – 46.0% 2. Nicaragua – 16.9% 3. China – 14.0% 4. USA – 10.2%	Until 2022, U.S. had 25 percent import duty giving Argentina the advantage.	Not grown in the UK. Demand from snack food industry.

(Source: TDM) - UK Imports from the World

IV. BEST PRODUCT PROSPECTS

Products in the Market That Have Good Sales Potential:

- **Processed Products:** health food, mainstream grocery, and snack foods
- **Dried and Processed Fruit:** cranberries, dried cherries, prunes, raisins, and wild berries. **Nuts:** almonds, peanuts, pecans, pistachios, and walnuts
- **Fish and Seafood:** cod, pollack, salmon, and other fish products
- **Fresh Fruit and Vegetables:** apples, grapefruit, sweet potatoes, and table grapes
- **Meat:** hormone-free beef and pork products
- **Drinks:** craft beer, spirits, wine, and low-alcohol products
- **Food Ingredients**

Products Not Present Because They Face Significant Barriers:

- **Food additives, Red Meat/Poultry Products, and Genetically Modified Products** not approved by the UK

Table 4: Trends in Imports from the United States of Consumer-Orientated Foods

Product Category	U.S. Exports to UK 2025 (\$ million)	% Change 2024-25
Tree Nuts	256.6*	+26.9
Distilled Spirits	152.7	+12.8
Wine	144.7	-11.8
Food Preparations	98.8	-2.0
Fish Products	66.8	+19.5
Bakery Goods, Cereals, and Pasta	58.2	+1.8
Chocolate & Cocoa Products	51.9*	+43.4
Fresh Vegetables	50.4	-14.7
Confectionery	44.8*	+26.1
Beef & Beef Products	42.4*	+32.2
Processed Fruit	40.2	+19.8
Condiments & Sauces	37.3*	+20.3
Non-Alcoholic Beverages, Exc. Juices	31.3	+17.9
Eggs and Products	30.5*	+89.9
Processed Vegetables	29.1	-8.3

Source: [BICO Report/U.S. Bureau of the Census Trade Data](#)

V. KEY CONTACTS AND FURTHER INFORMATION

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

United States Department of Agriculture (USDA), Embassy of the United States of America 33 Nine Elms Lane, London SW11 7US, Tel: +44 20 7891 3313 Email: AgLondon@usda.gov

Please review and follow FAS London's social media sites:

Twitter: [@USagricultureUK](https://twitter.com/USagricultureUK), Instagram: [@SavortheStates](https://www.instagram.com/SavortheStates), Website: www.savorthestates.org and [LinkedIn](#) account.

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

Further information on the UK retail grocery sector is available from the British Retail Consortium or the Institute of Grocery Distribution.

British Retail Consortium (BRC), Tel: +44 20 7854 8900 Website: www.brc.org.uk

The British Retail Consortium is the lead trade association representing the entire range of retailers from large multiples and department stores through to independents.

Institute of Grocery Distribution (IGD), Tel: +44 1923 857141 E-Mail: igd@igd.com Website: www.igd.com The IGD is the UK trade association for information about the food and grocery chain. One service offered is the Retail Analysis - www.igd.com/analysis .

Attachments:

No Attachments