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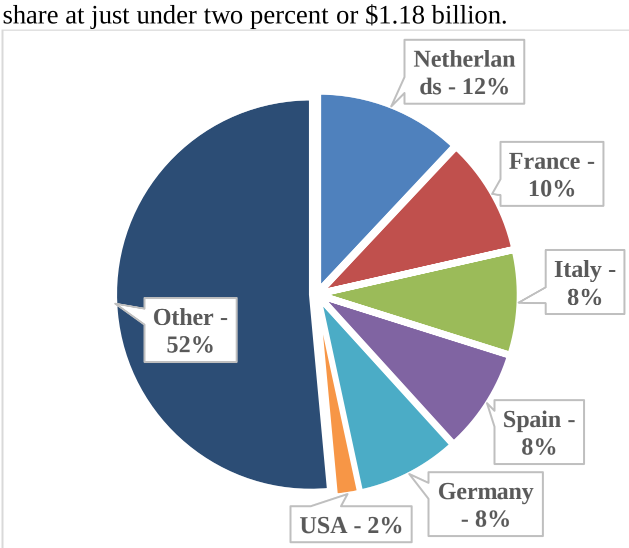
Report Highlights:

In 2024, the food-to-go sector in the United Kingdom has emerged as a significant driver of growth within the broader foodservice industry, responding to changing consumer preferences for convenience and quick meal options. Demand for takeaway and on-the-go meals continues to rise as more individuals manage busier schedules. However, rising operational costs, including labor, energy, rent, and ingredient expenses, pose substantial challenges for the hotel restaurant and institutional (HRI) sector. Health remains a crucial trend with technology playing an increasingly vital role in shaping consumer preferences, including driving purchases from online reviews and social media influencers. In 2024, the European Union continues to be a key competitor to the United States in sourcing the HRI sector, with 24 percent of food consumed in the UK sourced from the EU.

Executive Summary: According to the CIA World Factbook, the United Kingdom (UK) is an upper middle-income country, with an estimated real gross domestic product (GDP) of $3.7 trillion in 2023. The country is a leading trading power and financial center with the third largest economy in Europe. Agriculture is intensive, highly mechanized, and efficient by European standards, but accounts for less than one percent of the GDP. UK agriculture produces about 58 percent of the country's food needs. The UK is also heavily reliant on imports to meet the varied 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 2023, the UK imported consumer-oriented agricultural products totaled $62 billion, with the United States' market share at just under two percent or $1.18 billion.



Food Retail Industry: The food retail sector is saturated, highly consolidated, and competitive. The top six retailers (see chart) together account for 82 percent of the market. The discounters, Aldi and Lidl continue to gain market share and increasingly where consumers conduct their main shop. Independent stores face strong competition from the top grocery stores and online retailers. Online sales account for 13.1 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. See our report on UK Retail Trends for more information.

Food Processing Industry: According to the Food and Drink Federation, the food and drink sector is the single largest employer in the UK manufacturing sector. In 2023, 12,515 UK food and drink manufacturers employed 474,000 people. In 2023, the food and drink manufacturing sector's output was valued at $53.7 billion with an annual turnover of $187 billion.

Food Service Industry: In 2023, total foodservice food and drink sales amounted to $99 billion. The industry has faced many challenges including the cost-of-living crisis and soaring inflation rates. The industry is consumer-oriented with a significant investment in research and development. U.S. foodservice chains are popular.

Quick Facts CY 2023 ($1=£0.79 £1 = 1.26)

Total Imports of Consumer-Oriented Products:
$62.0 billion

UK's Top Consumer-Oriented Growth Products

1) Eggs	6) Chocolate
2) Chewing Gum	7) Fresh Vegetables
3) Processed Vegetables	8) Condiments/Sauces
4) Pork and Pork Products	9) Coffee
5) Bakery Goods	10) Non-alcoholic Bev.

Food Industry by Channels (USD billion) 2023

UK Retail Food Industry	279
UK Food Service - HRI	99
UK Food Processing	168
U.S. Food and Agriculture Exports	3.2

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 (2023) *(millions)*: 68.1 GDP *(trillions)*: $3.1
GDP per capita: $46,800
Sources: CIA World Factbook, TDM, Kantar Worldpanel, UK Government Statistics

Strength	Weakness
UK is one of the largest markets 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 are growing.	Higher cost-of-living caused consumers to spend less on non-essential items and switch to more private-label products.

SECTION I. MARKET SUMMARY

According to the 2024 Eating Out Report, in 2024, the UK eating out market is expected to grow by 2.8 percent to a value of $125 billion (£99.4 billion). A significant driver of this growth is the food-to-go sector, which has gained substantial traction among consumers. Places like sandwich shops, bakeries, coffeehouses, cafés, and supermarket grab-and-go sections are experiencing a rise in popularity as individuals seek convenient dining options that fit their busy lifestyles.

The UK hospitality industry continues to evolve as consumers choose between cafés, fast food chains, pubs, and restaurants. As of October 2024, UK inflation eased to 2.4 percent, but prices remain high for the average consumer. Specifically, fresh vegetables, oils, butter, and non-alcoholic beverages have all seen price inflation. Consequently, in 2025, consumer demand for budget friendly restaurants and dining experiences is expected to remain strong (compared to the COVID period), while the number of times consumers eat out is expected to decline. Many establishments are turning to online ordering, food delivery platforms, and digital reservations to boost profits. Additionally, rising operational costs (labor, energy, rent and ingredient costs) will also weigh on growth in the sector as profit margins slim. Industry has argued these cost pressures will be exacerbated by the increase to National Insurance contributions paid by employers, along with a rise in the National Living Wage, as announced in the UK's Labour government's October 2024 budget.

Even years after the COVID pandemic, the foodservice sector is still facing a recovery. In 2025, the number of dining outlets are expected to continue to decline before stabilizing. In contrast, the Quick Service Restaurant (QSR) sector provide consumers an appealing alternative to established restaurants. Chains such as Popeyes, is expected to double its locations in 2024, along with Karak Chai, Wendy's, and Coco Di Mama leading these transformations, capturing consumer interest and brand loyalty.

Trends:

Health-led menu innovation has become a key trend, reflecting growing consumer demand for nutritious options. As diners become increasingly conscious of their health, restaurants that prioritize healthier offerings, whether through lower-calorie selections, plant-based dishes, or sustainably sourced ingredients are popular in an evolving market. This fusion of convenience, innovation, and health consciousness is proving popular in the UK eating out sector.

Online reviews and the influence of digital feedback has surged in the past year. Establishments that address customer concerns and engage with feedback show a commitment to customer satisfaction, which is increasingly crucial in attracting and retaining customers.

Technology will be pivotal in refining the consumer experience; efficient ordering systems and online presences will be essential in an era where guests research establishments before they visit. The continued demand for takeaway and delivery services will be a defining trend, albeit with growth rates expected to stabilize compared to their pandemic peaks. Drive-through channels are expected to see a rise in popularity, particularly among specialty coffee and tea shops, as convenience remains a decisive factor in the evolving consumer landscape.

Personalization and Diversified Offerings - while many consumers will still indulge on special occasions, many are choosing locations based on memorable experience as well as a meal, especially amongst the younger demographics.

Overview of the foodservice market in the UK in 2023

The following table shows a breakdown of the foodservice market in the UK. According to UK foodservice specialist Peter Backman, in 2023, total UK foodservice food and drink sales amounted to $66.2 billion, an increase from 2022 showing the sector continues to recover from the pandemic. The industry is consumer-oriented with significant investments in research and development. This helps development of new food and beverage products, keeping the sector up to date and exciting.

Table 1. Breakdown of UK Foodservice Market by Sector

	Number of Outlets		Meals in ($ Billons)		Purchases Food ($ Billions)		Purchases Food and Drink ($ Billions)		Sales Food and Drink – ($ Billions)	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Restaurants	29.485	30,235	0.8	0.71	2.8	3.2	3.8	4.6	14.4	17.0
Quick Service Restaurants (QSR)	33,894	32,572	2.6	2.24	3.6	4.2	4.5	5.29	17.2	20.0
Pubs	36,688	34,777	0.65	0.55	1.2	2.2	1.8	1.89	5.7	6.1
Hotels	40,681	40,805	0.7	0.46	1.84	2.2	2.4	3.0	9.8	12.0
Leisure	18,884	18,700	0.53	0.37	0.75	0.8	0.9	1.0	3.4	4.1
Staff Catering	14,603	14,337	0.62	0.50	0.9	1.0	1.1	1.13	2.2	2.5
Health Care	32,499	32,499	1.25	1.04	1.38	1.5	1.4	1.64	1.68	1.89
Education	34,177	32,499	1.38	1.15	1.2	1.1	1.2	1.38	1.8	2.0
Services	3,167	3,167	0.32	0.26	0.32	0.25	0.36	0.37	0.36	0.37
TOTAL	**244,078**	**241,529**	**7.26**	**7.33**	**13.9**	**16.25**	**17.8**	**20.9**	**57.2**	**66.7**

Source: Peter Backman Foodservice Consultancy

Table 2. Major Advantages and Challenges for U.S. Exporters

Advantages	Challenges
UK foodservice sector is historically strong with established distribution channels, specialty importers and wholesalers allowing for efficient product distribution across the UK.	Strong price sensitivity. UK consumers demand quality but at affordable prices.
U.S. companies should highlight sustainably sourced products and ingredients. Market gaps exist for specialty food items that may not be readily available in the UK.	Established UK food producers have strong brand recognition and market share. Private label products are popular and well regarded, making it harder for new entrants to compete.
Country is English-speaking and is therefore a gateway into Europe for U.S. exporters.	Poultry, red meat, and dairy imports are highly regulated by the UK, with U.S. exports facing SPS barriers to entry.
The United States is a popular destination for UK tourists and familiarity with U.S. products and restaurant chains is widespread. U.S chains such as Five Guys, Hard Rock Café, and TGI Fridays are popular	Negative stories and misinformation about the quality of U.S. food products, ingredients and production practices remain common.
The UK generally demand high quality food products, which can be an advantage for companies with premium offerings.	Popularity and acceptance of specialty products from EU countries is high among British consumers, e.g., French cheeses, Spanish citrus, and Italian pasta.
Cultural similarities mean U.S. companies find it easier to adapt their products to UK consumer tastes compared with other markets.	The UK has rigorous food safety standards which can be complex to navigate and require significant compliance measures.

Source: FAS London

SECTION II - ROAD MAP FOR MARKET ENTRY

Market Structure
More than half of all food and beverage products sold to food service operators are through wholesalers. Larger operators buy from wholesalers, while smaller outlets are likely to buy from either smaller wholesalers, known as cash and carries, or retail stores. Specialized importers have in-depth knowledge of import requirements, such as certification, labeling, and packaging regulations. Due to the large number of companies operating within the foodservice market, intermediaries skilled in fulfilling small orders play a pivotal role in the distribution of products. Aramark, Bidfood Foodservice, Brakes, Compass Group, Sysco, Mitchells & Butler, Sodexho, and Whitbread are among the largest operators of this type in the UK.

Distribution
In 2023, pubs, clubs, and bars were the largest foodservice profit sector, with a share of 30.1 percent. Exporters and distributors providing to these venues have ample opportunities, although they may be hindered by the lingering supply chain challenges.

Entry Strategy
Successful market entry to the UK requires in-depth knowledge of the UK market requirements, meaning substantial homework on the part of the U.S. exporting company to ensure that all import regulations and labeling laws are met. The FAS London Food and Agricultural Importer Regulations (FAIRS) Report and is a good source for country specific information.

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 establish new trade contacts and gauge product interests.

The trade shows listed below are UK-centric and U.S. companies focused on expanding exports to the UK market, should consider attending the shows.

Table 3. HRI-Related Trade Shows in the United Kingdom

Trade Show	Description
The Restaurant Show April 7-9, 2025	For those in hospitality industry, caters, restaurants, hotels, pubs, and bars. https://www.foodanddrinkexpo.co.uk/
BrewLDN Apri 10-12, 2025	Trade & consumer show for craft beer. www.brewldn.com
Hotel, Restaurant & Catering March 17-19, 2025	The UK's leading hospitality and foodservice event. www.hrc.co.uk
Bar Covent London June 30- July 1, 2025	Exhibition focused on alcohol served in licensed on trade establishments. https://www.barconventlondon.com/
London Craft Beer Festival July 18-19, 2025	Large consumer beer show with a trade afternoon. www.londoncraftbeerfestival.co.uk/
Great British Beer Festival August 5-9, 2025	Large consumer beer show with a trade afternoon. https://greatbritishbeerfestival.co.uk/
The National Restaurant, Pub and Bar Show and Collated with Lunch September 24-25, 2025	These shows are co-located and dedicated to the restaurant, pub and food to go sectors. https://www.nrpbs.co.uk/ www.lunchshow.co.uk

State Regional Trade Groups (SRTG) 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 the private industry. They conduct promotional activities to increase exports of U.S. high-value food and agricultural products. For more information, contact the state regional trade group responsible for your state: https://www.fas.usda.gov/state-regional-trade-groups

Institutional Foodservice institutions refer to restaurants, quick-service restaurants, hotels, and resorts, pubs, leisure parks, specialist coffee shops, staff catering, education, health care, custodial (police, fire stations, prisons etc.), welfare (meals on wheels, day care centers etc.).

Sub-Sector Profiles

Table 4. Leading Foodservice Brands by Number of Outlets 2023

Rank	Operator	Main Sector	Global Brand Owner	No. of Outlets
1	Enterprise Inns		Stonegate Pub Co. Ltd.	2,940
2	Costa Coffee	Restaurants	The Coca-Cola Co.	2,694
3	Greggs	QSR	Greggs Plc	2,378
4	Star Pubs and Bars		Heineken NV	2,350
5	Subway	QSR	Doctor's Associates Inc.	2,177
6	Admiral Taverns	Pubs	Admiral Taverns Ltd.	1,642
7	Marston's	Pubs	Marston's Plc	1,410
8	McDonald's	QSR	McDonald's Corp	1,405
9	Punch Taverns	Pubs	Heineken NV	1,250
10	Domino's	QSR	Dominus's Pizza Inc.	1,230

Source: Euromonitor

SECTION III. COMPETITION

The EU is the main competitor for U.S. consumer-oriented food. According to the Office of National Statistics, In 2023, the EU supplied 24 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 under the UK-EU Trade and Cooperation Agreement, nor do they face major ingredient or labeling changes. Africa and South America are the largest non-EU suppliers to the UK, with four percent each of all UK food and drink imports, followed by Rest of Europe, North America, and Asia with three percent each. The three largest imported commodity groups by value were fruit and vegetables, meat, and beverages.

Since the departure of the UK from the EU, the foodservice industry has had to compete with other industries as well as other European countries to keep its labor force. Most of the labor force within the UK's foodservice industry comes from other countries. With the changes to labor laws in full affect, many Europeans returned to their home countries or to other European countries to seek employment. This has led to a labor shortage within the foodservice sector. Higher salaries, more sociable hours and restaurant sustainability all have an impact on where people choose to work.

Table 5: Overall Competitive Situation for Consumer-Oriented Products (2023)

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 5.9 billion**	1. France - 32.3% 2. Italy – 21.9% 3. Spain – 8.3% **8. USA – 3.2%**	Proximity, reputation, climatic conditions for wine growing.	Limited wine grown in the UK, therefore necessity to import.
Tree Nuts (HS 0801 +0802 +200819) **USD 680 million**	1. **USA – 32.9%** 2. Vietnam – 20.7% 3. Turkey – 6.2%	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 2.0 billion**	1. Germany – 16.8% 2. Denmark – 10.7% 3. Netherlands – 10.3% **5. USA –5.9%**	Proximity and availability.	Strong domestic food industry.
Distilled Sprits (HS 2208) **USD 1.26 billion**	1. France – 17.2% **2. USA – 15.4%** 3. Italy – 9.6%	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 8.3 billion**	1. Norway – 10.0% 2. Thailand– 9.7% 3. Poland – 9.4% **21. USA – 1.1%**	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 1.35 billion**	1. Netherlands – 21.4% 2. Italy – 15.1% 3. Poland – 7.6% **12. USA –2.5%**	Proximity and availability. USA is well known as a supplier of BBQ and hot sauces.	Strong domestic food industry.
Sweet potatoes (HS071420) **USD 88.1 million**	**1. USA – 40.2%** 2. Egypt – 32.7% 3. China – 13.3%	The United States is the largest exporter of sweet potatoes to the UK, however, Egypt is gaining market share year on year.	Supermarkets sell fresh and processed sweet potatoes
Peanuts (HS 1202) **USD 187.1 million**	1. Argentina – 35.9% **2. USA – 27.2%** 3. Nicaragua – 13.1%	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

SECTION IV. BEST PRODUCT PROSPECT CATEGORIES

Products in the market that have good sales potential:

- **Processed Products**: snack foods, sauces, dips, salsas, etc.
- **Dried and Processed Fruit:** cranberries, dried cherries, prunes, raisins, berries
- **Nuts:** almonds, peanuts, pecans, pistachios, walnuts
- **Fish and Seafood:** cod, pollack, salmon, scallops, and other fish products
- **Fresh Fruit and Vegetables:** apples, grapefruit, pears, sweet potatoes, table grapes
- **Meat:** hormone-free beef and pork products
- **Drinks:** craft beer, spirits, and wine

Products not in the market because they face significant barriers:

- **Food additives**
- **Red meat and meat products produced with growth hormones**
- **Most poultry and poultry products**
- **Genetically modified products that are not approved by the UK**

Table 6: Top 10 Consumer-Oriented Products Imported from United States to United Kingdom

Product Category	UK Imports from United States 2023 ($ million)	Market Share	% Change 2022-23
Tree Nuts	223.9	18.88	+2.49
Distilled Spirits	196.0	16.53	-5.5
Wine	184.4	15.55	-17.51
Food Preparations	124.4	10.49	+4.11
Processed Vegetables	64.8	5.47	-8.02
Bakery Goods, Cereals, and Pasta	60.0	5.06	+3.08
Chocolate & Cocoa Products	45.31	3.82	+4.67
Processed Fruit	43.1	3.64	-6.15
Non-Alcoholic Beverages, Exc. Juices	36.2	3.05	+11.88
Condiments and Sauces	34.4	2.9	-10.48

Source: Trade Data Monitor (TDM)

Top 10 Consumer-Oriented Products Imported from the World to the United Kingdom

Product Category	UK Imports from the World 2023 ($ million)	Market Share	% Change 2022-23
Bakery Goods, Cereals, and Pasta	6,323	10.2	+17.84
Wine	5,370	8.6	+1.21
Dairy Products	5,293	8.54	+6.76
Fresh Fruit	5,013	8.08	+3.66
Processed Vegetables	4,166	6.72	+19.01
Poultry Meat and Products	4.004	6.46	+3.92
Fresh Vegetables	3,910	6.3	+13.54

Chocolate & Cocoa Products	**3,562**	**5.74**	**+17.34**
Pork and Pork Products	**2,757**	**4.45**	**18.4**
Non-Alcoholic Beverages, Exc. Juices	**2,291**	**3.7**	**+8.6**

Source: Trade Data Monitor (TDM)

SECTION 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.

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Attachments:

No Attachments