Growing the success of Irish food & horticulture

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CHIEF EXECUTIVE
BORD BIA
28 JANUARY 2009

Soft Fruit Seminar 2018
Teagasc Ashtown

Presentation to the Irish Soft Fruit Sector
Lorcan Bourke

Growing the success of Irish food & horticulture
The Strawberry Industry in Ireland

Area of strawberry production: 169 hectares | 57 growers

Main production areas:
- Dublin
- Louth
- Meath
- Wexford

The industry employs over 1,000 people

€91 million annual retail value

Production: 6,400 tonnes

Demographics:
- Biggest buyers: Shoppers aged 35-44, & 65+

94% of all adults claim to eat strawberries

49 times per year average annual consumption

Consumers think Irish strawberries are fresher & healthier

Growing the success of Irish food & horticulture
Understand the fruit market....
Kantar Worldpanel

Meet the ‘new’ Irish consumer
Who are you?

Traditionalist?
Born in 1945 or before!

Baby Boomer?
Born between 1946 - 1964

Gen X?
Born between 1965 - 1976

Gen Y Millennial?
Born between 1977 - 1995

Growing the success of Irish food & horticulture
Baby Boomers account for most spend in Grocery. Growth is through Younger Generations.
“I have little time to myself!”

“I look out for Health & Beauty products with Added Benefits”

Late to the Party:
Over a quarter of trips between 5pm – 9pm!

Trolley & Indulge
Missions most important!

Millennials (1977 - 1995)
21.1% +3.8

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Growing the success of Irish food & horticulture

There are two factors that influence our purchasing!

Lifestage

‘I change what I consume over time’

Cohort

‘I carry this behaviour with me’ Combination of Heritage & Learned Behaviour
Consumer sentiment is back at pre-recession levels

Source: ESRI Consumer Sentiment Index
Growth is coming through volume purchasing not inflation

Inflation

HH Spend change

Growing the success of Irish food & horticulture
Brands growing ahead of PL for the first time in 2017

YoY % Value Growth

Growth

Branded

Total ROI Grocery

Private Label

Growing the success of Irish food & horticulture
Dunnes in top spot with all retailers in sales growth

12w Total Grocery – Retailer Shares and YoY contribution

Source: Kantar Worldpanel 12 w/e to 31st December 2017
Fresh & Chilled accounts for 48% of grocery sales, ambient is the second biggest category at 28%.

KANTAR WORLD PANEL: DATA TO 1st January 2017

- Fresh & Chilled: +€130m
- Ambient Grocery: +€88m
- Alcohol: +€5.8m
- Household: +€8.4m
- Frozen: +€29m
- Toiletries: +€208k
- Healthcare: -€2.2m

Growing the success of Irish food & horticulture.
Irish consumers are treating themselves more in 2017 as indulgent categories are driving growth.

KWP Total Grocery Data 52 weeks to Dec31st 2017 – growth +4% within Top Markets
Veg is in decline of -2.1%, and Fruit is in growth of 4.8%
Combined, Fruit & Vegetables account for 15.6% of total grocery spend in Ireland.

52 week Total Grocery

% Value share

- Wine: 3.4%
- Total Bread: 4.2%
- Biscuits: 3.4%
- Take Home Confectionery: 3.5%
- Take Home Soft Drinks: 4.9%
- Total Milk: 3.2%
- Fresh Beef: 3.4%
- Fresh Poultry+Game: 55.8%
- Fruit+Veg+Salads: 15.6%
- Others:

Kantar Worldpanel Data to 10th Sept 2017
Fruit 49.2%
Veg 38%
Potato 12.8%

Total Fruit: €35m (+4.9%)
Total Veg: (Excl Potato) €10m (-1.7%)
Total Potato: €7.3m (-3.6%)

Kantar Worldpanel Data to 10th Sept 2017
Total Fresh Produce sector split – Value

Fruit is the only sector to continue seeing growth this period.

- Total Fresh produce
  - Total Veg Excl Potatoes
  - Potatoes
  - Total Fruit

<table>
<thead>
<tr>
<th>Sector</th>
<th>52 w/e 13 Sep 15</th>
<th>52 w/e 11 Sep 16</th>
<th>52 w/e 10 Sep 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fresh produce</td>
<td>€1.4bn</td>
<td>€1.5bn</td>
<td>€1.51bn</td>
</tr>
<tr>
<td>Total Veg Excl Potatoes</td>
<td>€564m</td>
<td>€585m</td>
<td>€575m</td>
</tr>
<tr>
<td>Potatoes</td>
<td>€16.1m</td>
<td>€20.1m</td>
<td>€18.4m</td>
</tr>
<tr>
<td>Total Fruit</td>
<td>€643m</td>
<td>€709m</td>
<td>€743m</td>
</tr>
</tbody>
</table>

Kantar Worldpanel Data to 10th Sept 2017
**Fruit** – Yearly growth consistently strong over past number of years

**Value sales 000’s**

<table>
<thead>
<tr>
<th>Week Ended</th>
<th>Sales 000's</th>
<th>Yearly Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 W/e 15 Sep 13</td>
<td>579,607</td>
<td></td>
</tr>
<tr>
<td>52 W/e 14 Sep 14</td>
<td>611,180</td>
<td>+5.4%</td>
</tr>
<tr>
<td>52 W/e 13 Sep 15</td>
<td>643,155</td>
<td>+5.2%</td>
</tr>
<tr>
<td>52 W/e 11 Sep 16</td>
<td>709,086</td>
<td>+10%</td>
</tr>
<tr>
<td>52 W/e 10 Sep 17</td>
<td>743,779</td>
<td>+4.9%</td>
</tr>
</tbody>
</table>

*Kantar Worldpanel Data to 10th Sept 2017*
**Fruit Sub-segments – Value Share**

Spend (€000) | Total Market | 52 w/e

<table>
<thead>
<tr>
<th>Product % of Category</th>
<th>Total Tropical Fruits</th>
<th>Total Stone Fruit</th>
<th>Total Citrus</th>
<th>Rhubarb</th>
<th>Banana</th>
<th>Grapes</th>
<th>Pears</th>
<th>Apples</th>
<th>Berries+Curra nts</th>
</tr>
</thead>
<tbody>
<tr>
<td>11'…</td>
<td>9.2</td>
<td>4.6</td>
<td>13.4</td>
<td>0.1</td>
<td>11.1</td>
<td>11.4</td>
<td>4.4</td>
<td>18.7</td>
<td>26.6</td>
</tr>
<tr>
<td>10'…</td>
<td>9.2</td>
<td>4.6</td>
<td>13.2</td>
<td>0.0</td>
<td>11.2</td>
<td>12.4</td>
<td>4.4</td>
<td>18.2</td>
<td>26.4</td>
</tr>
</tbody>
</table>

% Change

<table>
<thead>
<tr>
<th>Spend (€000)</th>
<th>Total Market</th>
<th>10th Sept 2017</th>
</tr>
</thead>
</table>

Kantar Worldpanel Data to 10th Sept 2017
Berries
Berries - Strong yearly growth over a number of years

Value sales 000's

<table>
<thead>
<tr>
<th>Week to</th>
<th>Value Sales 000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Sep 13</td>
<td>118,364</td>
</tr>
<tr>
<td>14 Sep 14</td>
<td>139,325 +17%</td>
</tr>
<tr>
<td>13 Sep 15</td>
<td>155,761 +11.2%</td>
</tr>
<tr>
<td>11 Sep 16</td>
<td>188,413 +21%</td>
</tr>
<tr>
<td>10 Sep 17</td>
<td>196,249 +4.2%</td>
</tr>
</tbody>
</table>

Kantar Worldpanel Data to 10th Sept 2017

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board
### Key Measures Data Table

#### IE - Fruit

**Actual | Total Outlets | 52 w/e**

<table>
<thead>
<tr>
<th></th>
<th>Berries+Currants</th>
<th>Strawberry</th>
<th>Blueberry</th>
<th>Raspberry</th>
<th>Blackberry</th>
<th>Other Berries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>27-Mar-16</strong></td>
<td>172,983</td>
<td>80,110</td>
<td>48,545</td>
<td>30,890</td>
<td>4,709</td>
<td>8,730</td>
</tr>
<tr>
<td>Spend (€000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume (000 Kgs)</td>
<td>14,048</td>
<td>8,501</td>
<td>3,045</td>
<td>1,621</td>
<td>271</td>
<td>610</td>
</tr>
<tr>
<td><strong>26-Mar-17</strong></td>
<td>193,641</td>
<td>90,830</td>
<td>52,843</td>
<td>34,889</td>
<td>5,943</td>
<td>9,136</td>
</tr>
<tr>
<td>Spend (€000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume (000 Kgs)</td>
<td>15,694</td>
<td>9,650</td>
<td>3,252</td>
<td>1,811</td>
<td>349</td>
<td>632</td>
</tr>
<tr>
<td><strong>25-Mar-18</strong></td>
<td>207,576</td>
<td>95,714</td>
<td>59,380</td>
<td>36,171</td>
<td>6,636</td>
<td>9,676</td>
</tr>
<tr>
<td>Spend (€000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume (000 Kgs)</td>
<td>17,757</td>
<td>10,441</td>
<td>4,133</td>
<td>2,014</td>
<td>440</td>
<td>730</td>
</tr>
</tbody>
</table>

Kantar Worldpanel: Most recent data on Berries & Currants market

© Kantar Worldpanel

Growing the success of Irish food & horticulture
**TOTAL PREPARED FRUIT & VEG—SECTOR SHARE**

Leafy salads lose value share, but remain number one, similarly Chilled salads lose volume share but maintain the volume leaders.

<table>
<thead>
<tr>
<th></th>
<th>Value 52 w/e 13 Sep 15</th>
<th>Volume 52 w/e 13 Sep 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>29.1</td>
<td>37.2</td>
</tr>
<tr>
<td>Leafy</td>
<td>12.2</td>
<td>8.9</td>
</tr>
<tr>
<td>Mixed</td>
<td>34.3</td>
<td>23.6</td>
</tr>
<tr>
<td>Trays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetables</td>
<td>19.3</td>
<td>26.3</td>
</tr>
</tbody>
</table>

Prepared F&V Market worth €119m - Fruit salads €16m

Kantar Worldpanel Data to 10th Sept 2017
The top 3 retailers perform well in strawberries. Lidl over indexes in Raspberries when we look at Volume.
‘The’ Industry Opportunity – Increase Consumption Levels Given the Positive ‘Health & Wellbeing’ Trends

3.5 portions

5-a-day

7-a-day

An effective doubling of consumption

Overview of fresh produce consumption behaviour – Past 3 days
Base: All respondents

<table>
<thead>
<tr>
<th>Fresh...</th>
<th>BREAKFAST</th>
<th>SNACKING</th>
<th>LUNCH</th>
<th>DINNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>45</td>
<td>68</td>
<td>39</td>
<td>23</td>
</tr>
<tr>
<td>Vegetables</td>
<td>7</td>
<td>12</td>
<td>47</td>
<td>78</td>
</tr>
<tr>
<td>Potatoes</td>
<td>3</td>
<td>2</td>
<td>19</td>
<td>65</td>
</tr>
<tr>
<td>Salad</td>
<td>3</td>
<td>7</td>
<td>47</td>
<td>27</td>
</tr>
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OPPORTUNITIES FOR GROWTH IN THE IRISH FRESH PRODUCE CATEGORY

1. **Health and Wellness** in relation to Nutrition /Diet ~ functionality of food re; body image
2. **Meal Occasions** – across the day breakfast, ‘snacking culture’, lunch, dinner, supper/evening
3. **Convenience**
4. **Value Added** & ‘Ready-to-Eat’ concepts
5. **Taste**
6. **Caring Demographics** “Social Conscience”: Safe Food, Clean Environment & Sustainable production. Millennials/Centennials seek truth around authenticity around origin, naturalness and traceability in the fresh produce supply chain
7. **Direct selling** locally produced/fresh harvested [+/- Organic status]
8. **Marketing** Irish Provenance [Irish brands & labels, packaging formats, product USP, colour]
9. **Foodservice** – strong growth rates
10. (Generic) **Promotion** of Health Benefits and Usage (recipes) – EU funded campaigns
1. Health & Wellness Trend: Increased Consumer Interest in Eating Healthier
1. Combined, Fruit & Vegetables account for 15.6% of total grocery spend in Ireland. There exists a positive public view of fruit & vegetables in the diet with predicted strong growth rates for the category.
## 2. Broaden the Usage of Fruit ‘n’ Veg across all Meal Occasions

Overview of fresh produce consumption behaviour – Past 3 days

Base: All respondents

<table>
<thead>
<tr>
<th>Fresh...</th>
<th>Breakfast</th>
<th>Snacking</th>
<th>Lunch</th>
<th>Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>45%</td>
<td>68%</td>
<td>39%</td>
<td>23%</td>
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</tr>
<tr>
<td>Salad</td>
<td>3%</td>
<td>7%</td>
<td>47%</td>
<td>27%</td>
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</table>

Huge gaps in fresh produce consumption across all meal occasions..... Points to habitual consumption and knowledge gaps
Example: Usage of Fruit ‘n’ Veg Across as for Healthy Snacking…
3. CONVENIENCE: PREPARED FRUIT & VEG SALADS – IS IN STRONG SECTOR GROWTH (+7% volume yoy)

- Mixed tray Salads are seeing the strongest growth in both Value and Volume terms

Kantar Worldpanel Data to 10th Sept 2017
MASH! DIRECT
Cooked fresh on our Farm
4. Value Added ‘Ready to Eat’ veg – e.g. carrots in the USA
5. Taste & Combinations of Flavours – identify what’s uniquely Irish and promote it as such
Example: Success of the Rooster potato – consumers buying a ‘bag of Roosters’ (Irish grown) not potatoes
6. Millennials/Centennials (Generation Z) seek truth around origin, naturalness re; the fresh produce supply chain
7. Direct selling locally produced/freshly harvested: In retail & foodservice facilitated by on-line channels/technology & ‘Destination’ Shopping
8. Marketing Irish Provenance – tell your own story!

2017 Value & Purchase

Operators are estimated to spend €396 million on fruit and vegetables.

Total produce purchases in the island of Ireland amount to €396 million, with fruit accounting for 24% of purchases, vegetables (excluding potatoes) accounting for 42% and potatoes 34% of operator purchases.

2017 Produce in Foodservice
€396 Million

Operator Purchases
- €166
- €135
- €95

Fruit
Vegetables (excl. potatoes)
Potatoes
Healthy, Seasonal & Local (Irish) – a USP in foodservice
10. Generic Promotion
EU Supported Produce Campaigns

Making Potatoes More Than A Bit On The Side

Mushrooms. So many B vitamins, they could make a tomato blush.

Mushrooms aren't just tasty, you know. They're also really good for you. They're a natural source of minerals and vitamins B1, B2, B3, and B6, which help you build a stronger immune system. And as they're low in fat, low in calories, and...ahem...quick to turn red, they're the ideal root vegetable! Over 250 tasty recipe ideas at moretomushrooms.com
Quality & Sustainability
SECTOR ACTIVITIES: ‘National Strawberry Week’ evolves to ‘Celebrate Strawberry Week’
Strawberries For Health

80g of strawberries (1 of your 7 a day) contain 77% of your daily Vitamin C requirement. THAT'S MORE THAN AN ORANGE!

Video & Social Media Development / Posting
Growing the success of Irish food & horticulture

Visitors 115,000

Visitor satisfaction 91%

Exhibitor satisfaction 96%

Public Awareness 60%

On site sales €6m

Gardening activity inspired €34m

17% of attendees new visitors
Bloom Strawberry Garden – the show was visited by 115,000 people
Eat 7-a-day Promotion in the Food Village at Bloom

Growing the success of Irish food & horticulture
Food Dudes programme

- Aim to increase sustained fruit & veg consumption
- Target primary school children
- Provision of F&V portions with support measures (rewards/role models)
- Over 826 Schools and 125,000 school children participating in the current school year
- Complete in June 2018
- New Programme model will follow
- Supported by DAFM & EU Funding
Incredible Edibles: 1300 Schools & 65,000 Pupils