



The changing marketplace for Irish food and drink products

Padraig Brennan, Sectors Director, Bord Bia

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Outline

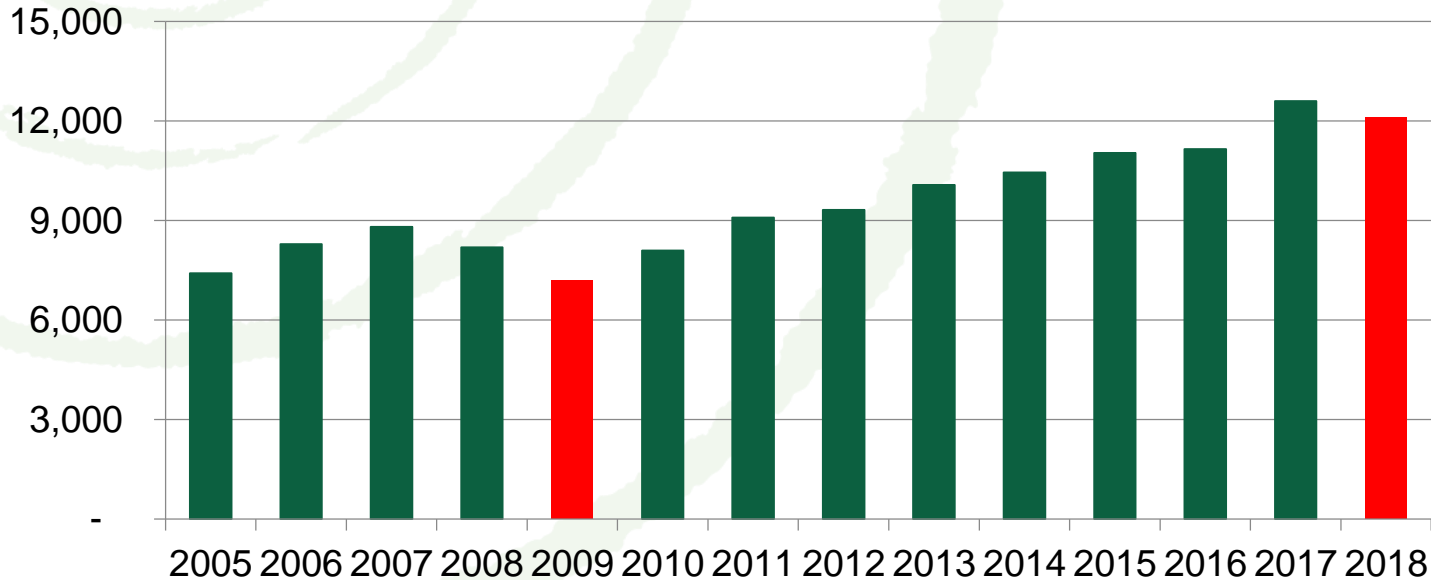
- Irish food and drink in a global context
- Key trends in the global marketplace
- What does it all mean for Ireland?



Irish Food and Drink in a Global Context

70% growth in food and drink exports since 2009

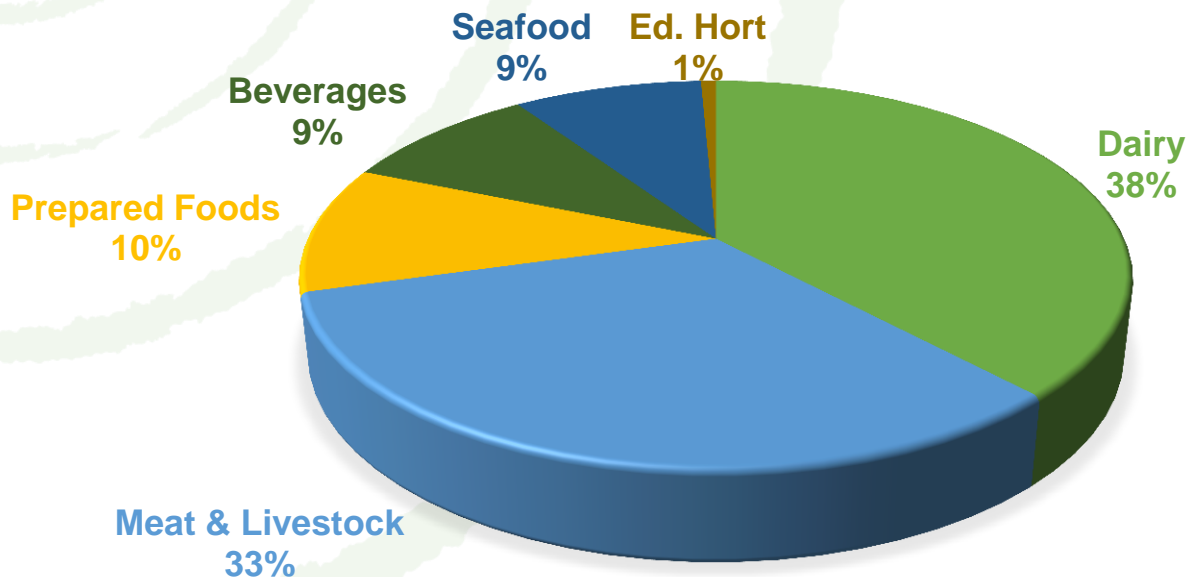
Irish food and drink exports, 2000 to date (€m)



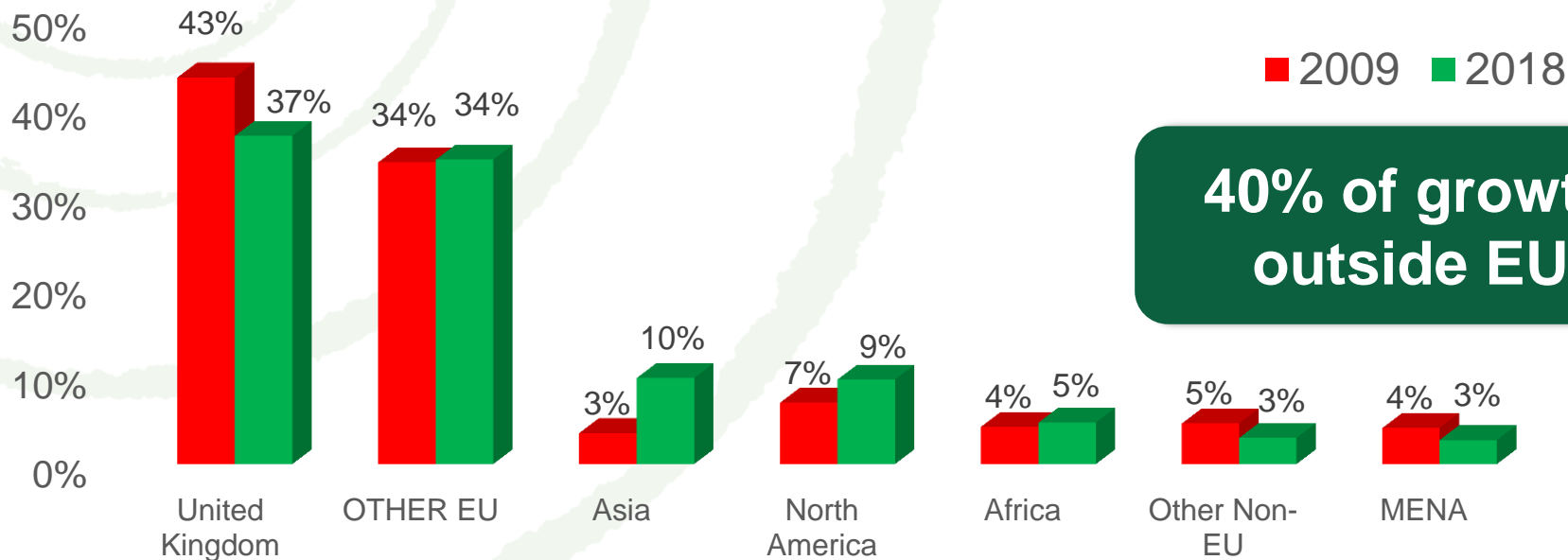
**Growth
of
€5bn**

Dairy & Meat driving export value growth

Share of export value growth, 2009 - 2018

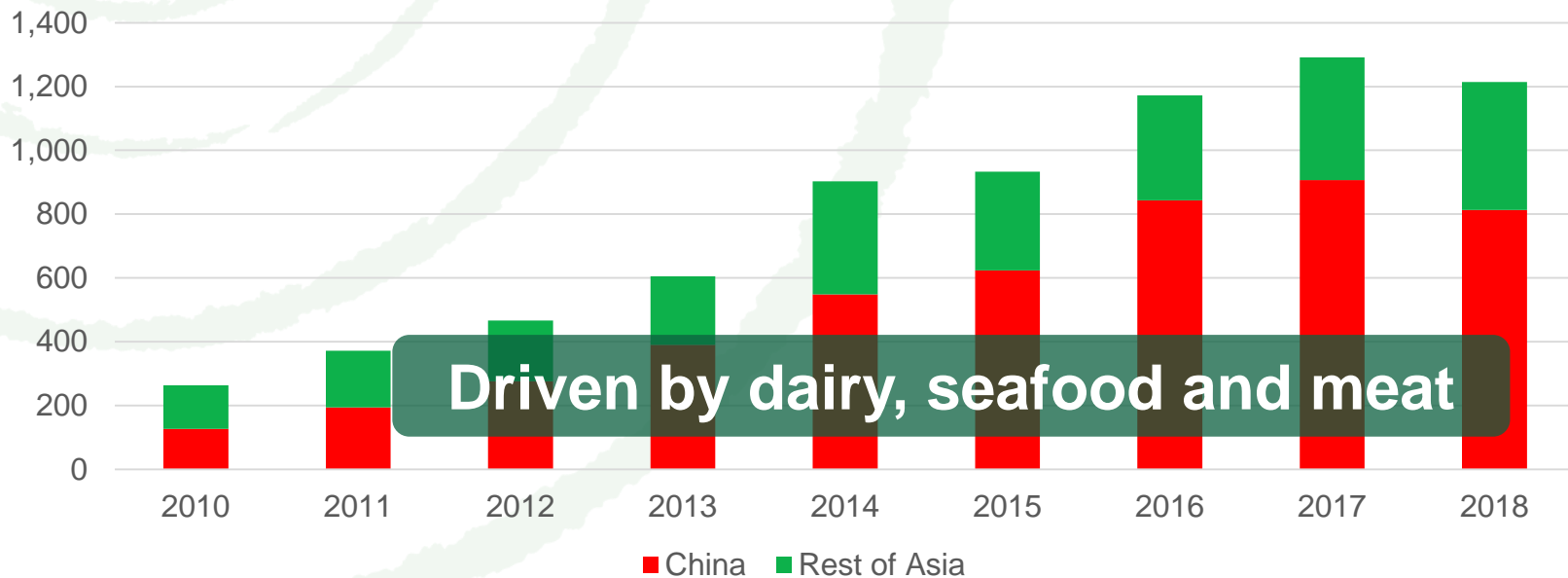


Exports becoming increasingly diversified



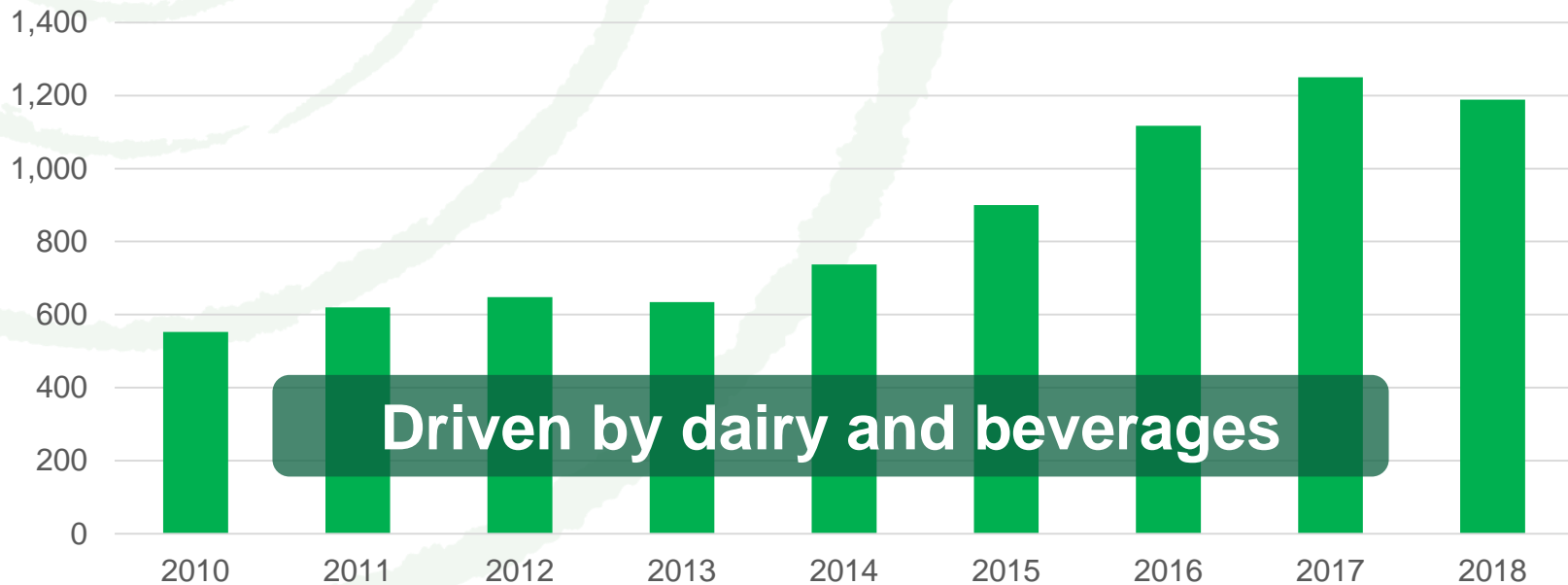
Asia - Growth of €1bn since 2010, doubling of trade since 2013

Food and drink exports to Asia (€m)

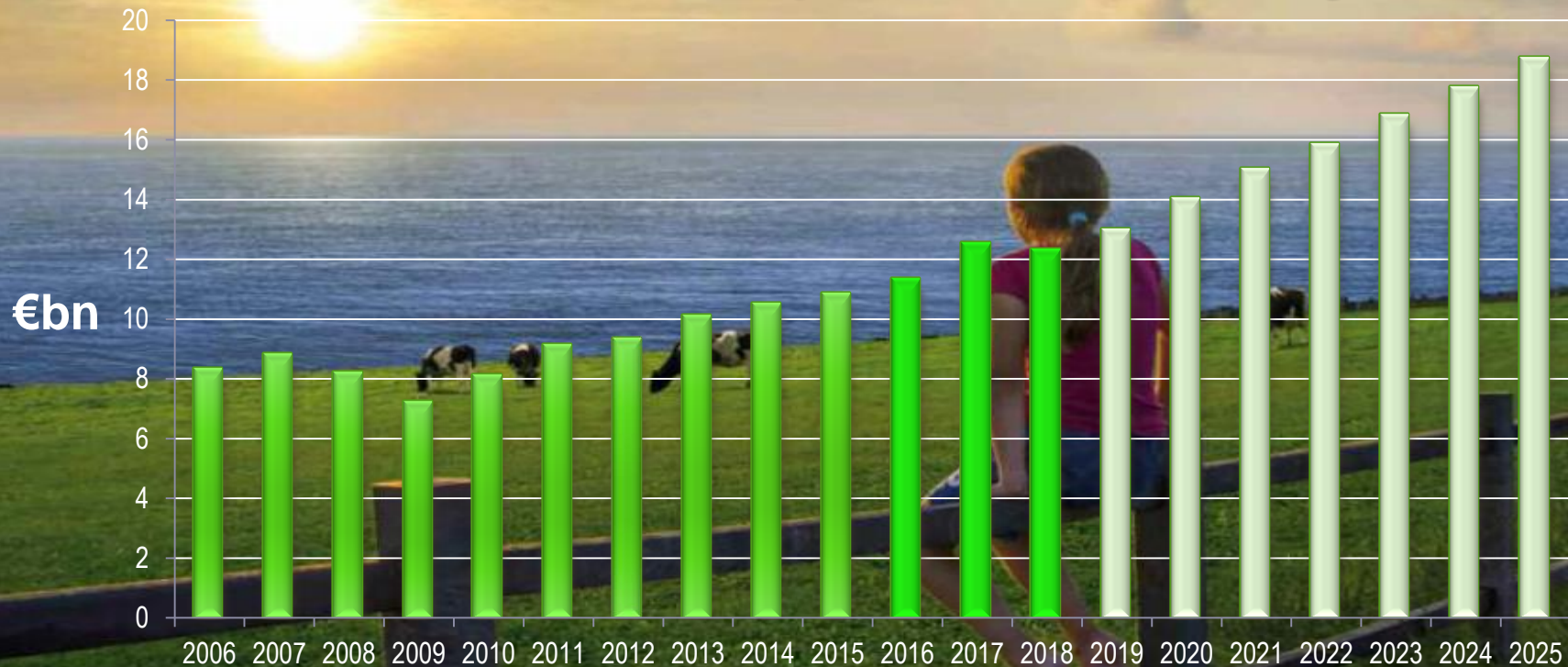


North America – Doubling since 2010 to almost €1.2bn

Food and drink exports to North America (€m)



Exports of €19bn by 2025.....



An aerial photograph of a lush green landscape. A stream flows through the center, bordered by trees and bushes. Several cows are grazing in a field to the right. The image is overlaid with several concentric, semi-transparent green circles of varying sizes, centered on the left side. The text 'Key Trends in the Global Marketplace' is written in a bold, white, sans-serif font across the middle of the image.

Key Trends in the Global Marketplace

Global meat demand growth slowing



Rising income to influence meat growth

Over half of growth to come from Asia

One fifth in Latin America

Africa & North America to show good growth

Source: FAO/OECD Agricultural Outlook 2019 - 2028

Similar trends in Global Dairy demand growth

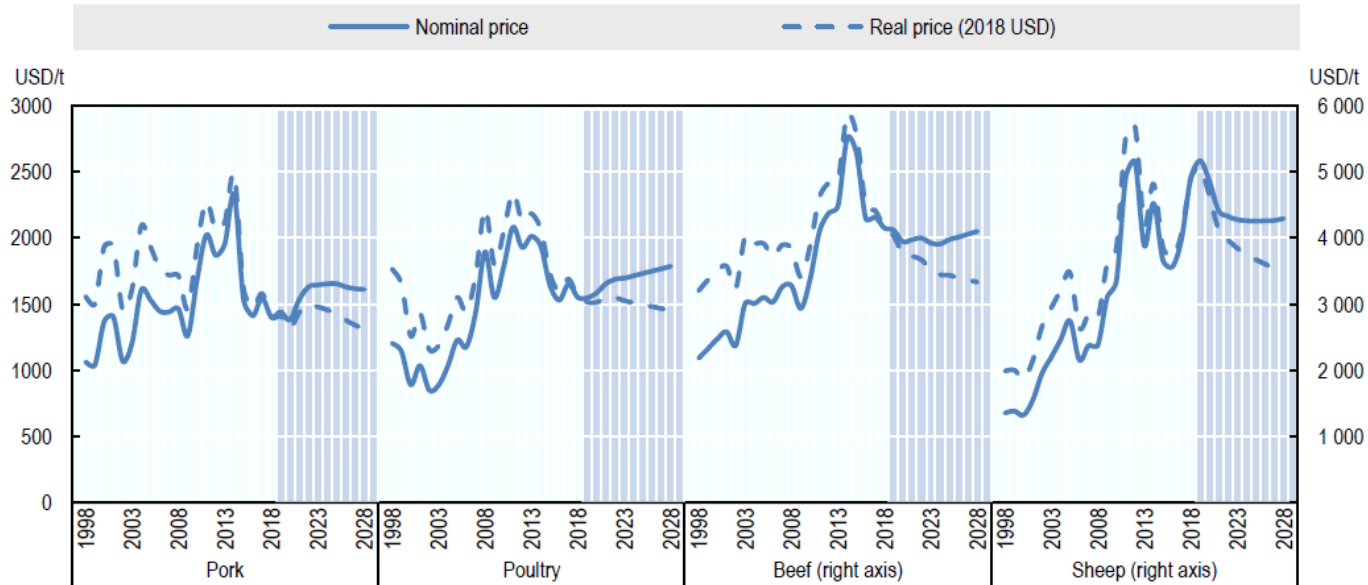
Annual Global Consumption Growth (%)



Source: FAO/OECD Agricultural Outlook, 2019 - 2028

Further growth in Nominal MEAT prices but Real prices to remain under pressure

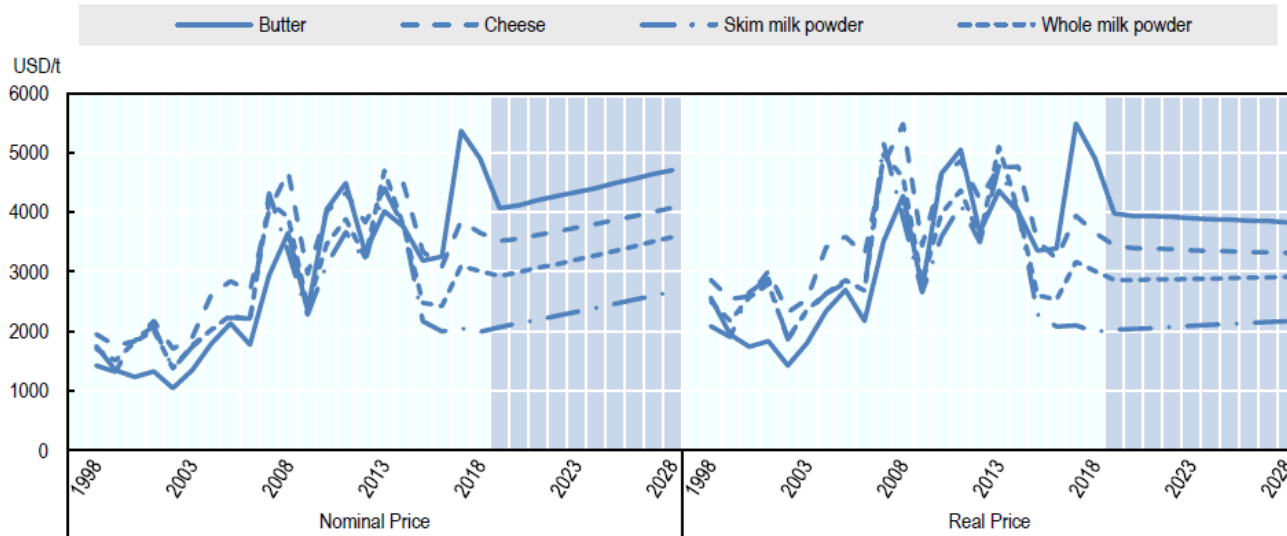
Meat Price Projections



Source: FAO/OECD Agricultural Outlook, 2019 - 2028

Nominal DAIRY prices to improve and remain stable in REAL terms

Dairy Price Projections



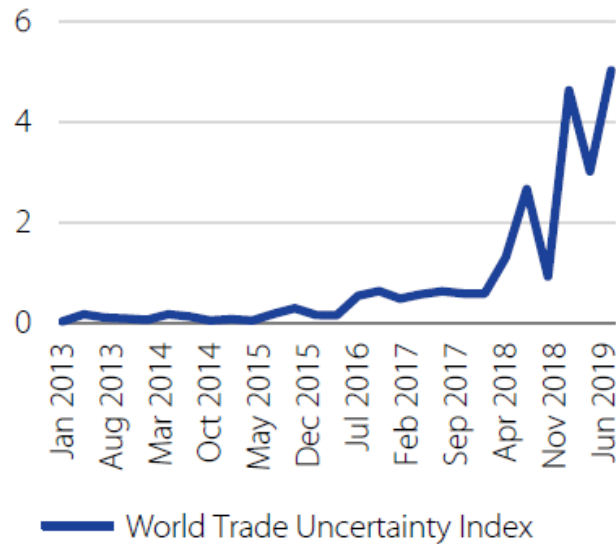
Source: FAO/OECD Agricultural Outlook, 2019 - 2028

Global Trade Uncertainty

US-China Trade War

US-EU Trade Dispute

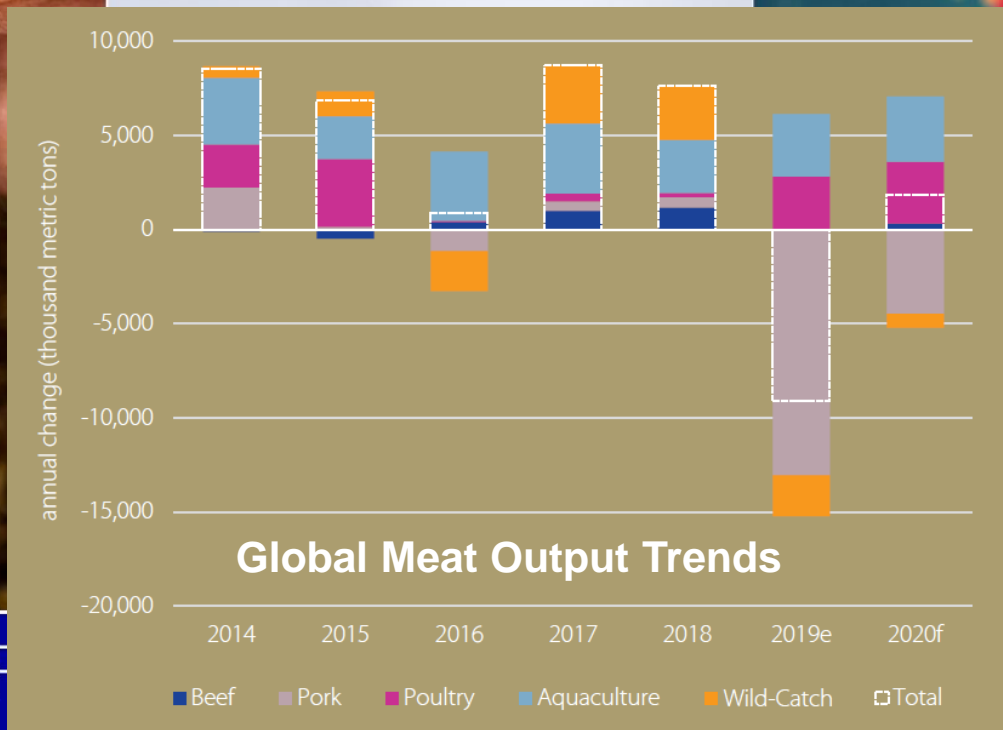
Brexit



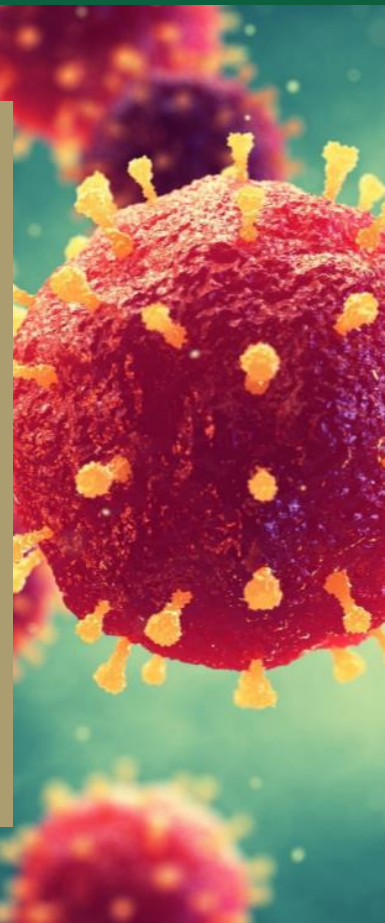
Global Meat Market trends are, and will be, driven by ASF Developments



African Swine Fever
Update



Source: Rabobank



All happening in a world with increasingly complex challenges



Urbanisation



Uncertainty



Agricultural Innovation



Intensive Agriculture



Environmental Concern



Caring Consumer

Rapid urbanisation

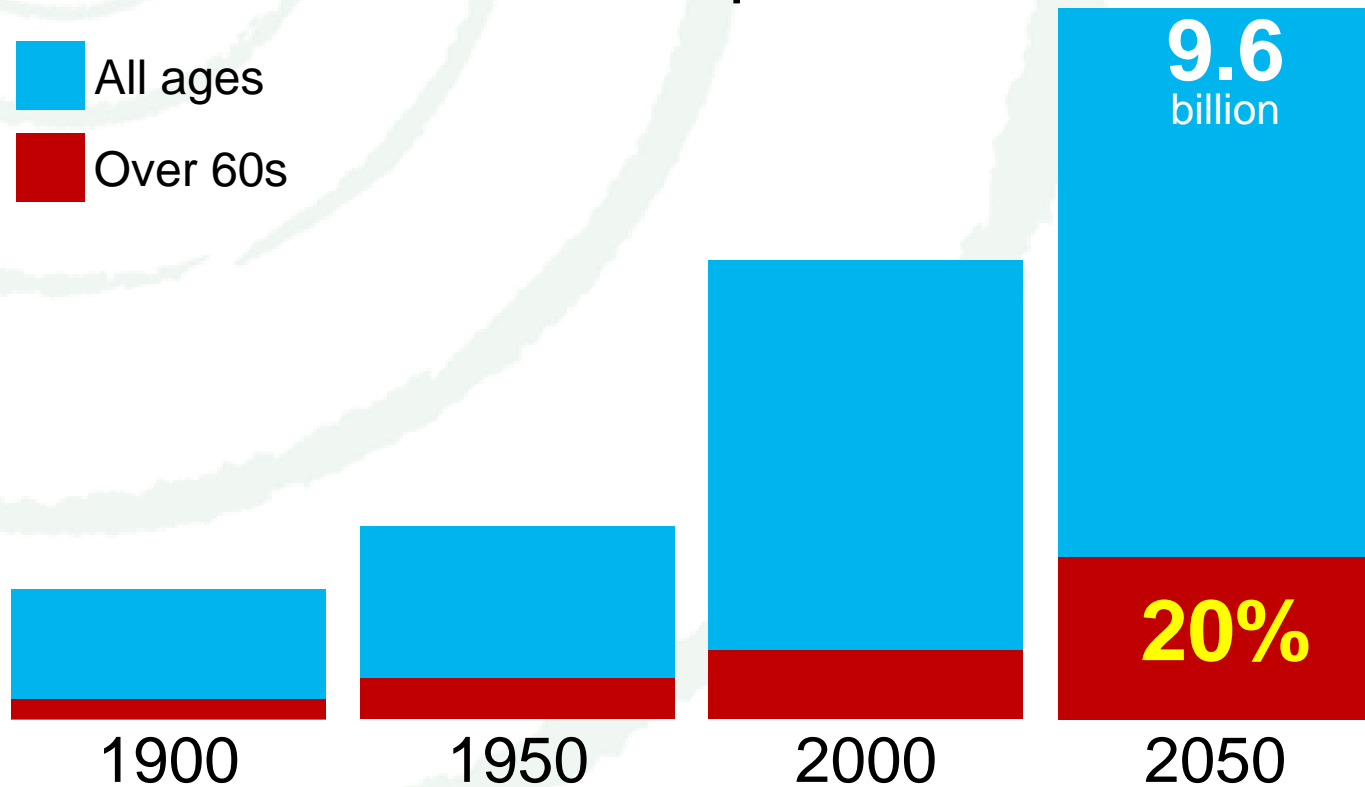


Redefining “Old age”

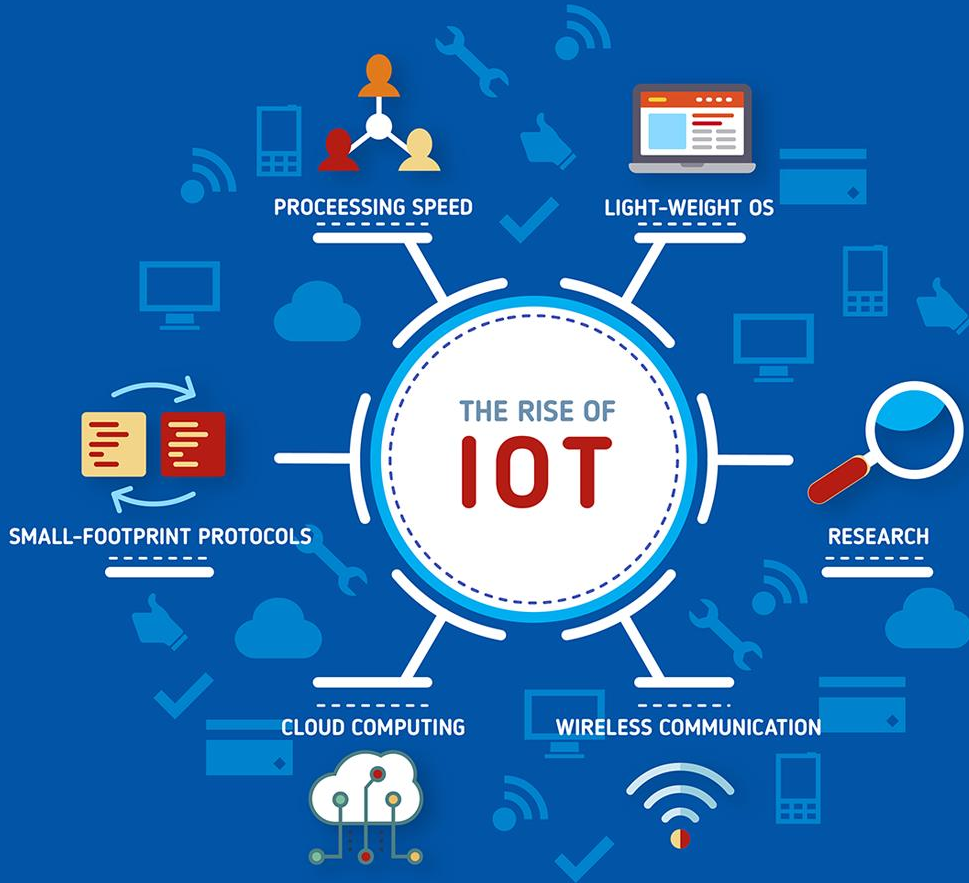
Global Population

All ages

Over 60s



Growing digital connectivity



75
billion

Internet-connected
devices by 2025

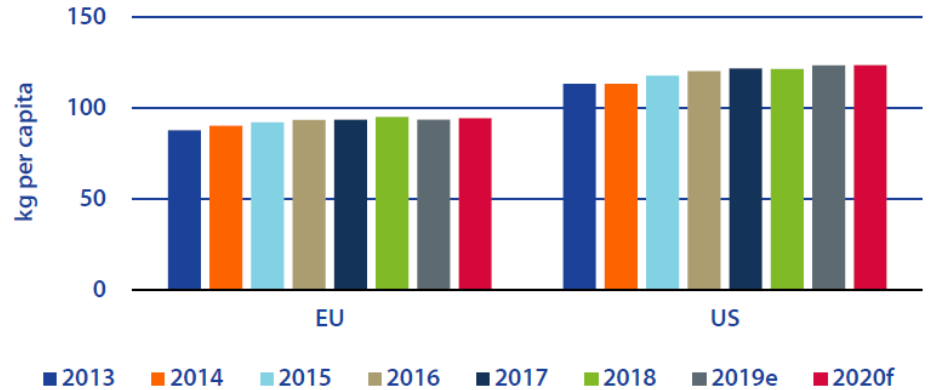
Shifting perceptions of Animal Protein



60%

Rise in global food and beverage new product launches bearing a vegetarian claim in the last five years.

Meat and seafood consumption in the EU and the US is not declining



In the western world, meat alternatives are not yet stealing growth from animal protein – they are adding to total protein consumption volumes

Growing food demand, growing environmental pressure

+70%

Food requirements by
2050 due to population
growth and expanding
middle class

The Business Issue of Sustainability



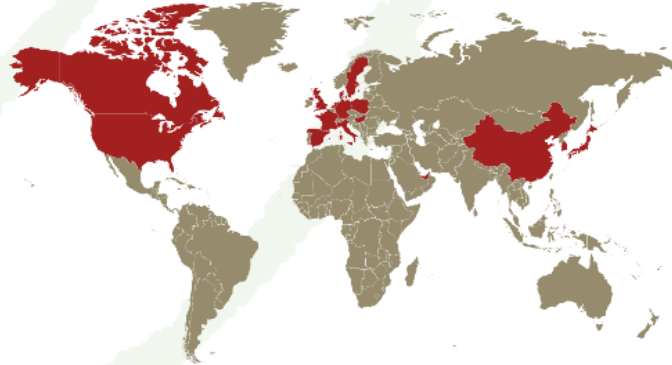
Bord Bia's Global Sustainability Survey

Objective: To understand customer and consumer awareness, attitudes and purchasing behaviour around sustainability.

Customer insights

- Interviews with senior procurement and sustainability professionals
- Representative of key retailers, manufacturers and food service providers in each market

13 markets in scope



Canada
China
France
Germany
Italy
Japan
Republic of Korea

Netherlands
Poland
Saudi Arabia
Sweden
United Kingdom
United States

Consumer insights

- Online survey completed by over 8,500 consumers
- Surveys translated into local languages, as required
- Demographic representation of each market

There are 6 Food Sustainability Priorities for Leaders



1 ANIMAL
FEED



2 ANIMAL
WELFARE



3 CONTINUOUS
IMPROVEMENT



4 INNOVATION AND
TECHNOLOGY



5 WORKING IN
PARTNERSHIP



6 OPERATIONAL
EFFECTIVENESS



Leading German retailers are making commitments to continuously improve the sustainability of their businesses and supply chains

These include:

- Completing **supplier audits** to ensure minimum standards such as **quality**, **safety**, **labour** & **animal welfare** are achieved
- Delivering energy saving programmes, and increasing use of **renewable energy**
- Driving **operational efficiency** to reduce resource consumption
- Implementing **product traceability** programmes
- Using **digital technology** such as mobile apps to provide consumers with **product traceability** information
- Reduce the volume of product packaging, and increase the percentage of **recyclable packaging**



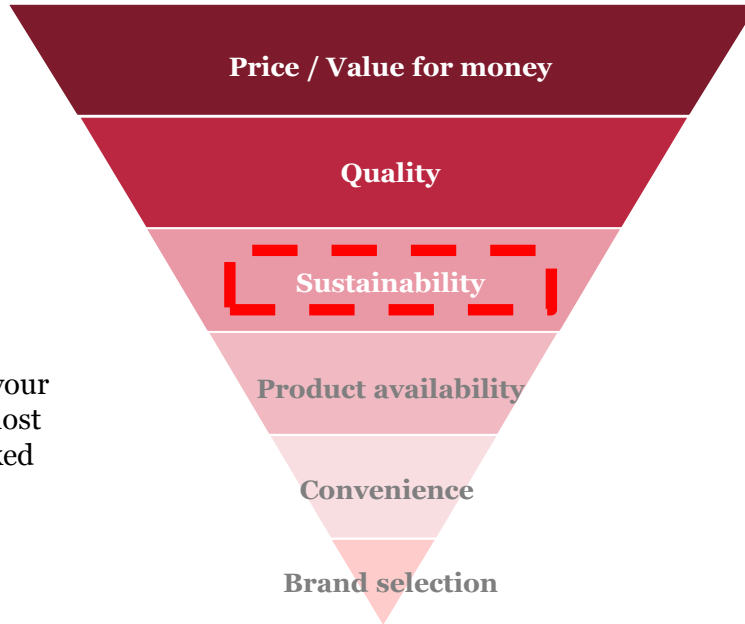
Germany – beef & dairy findings

Animal welfare is the most important concern for beef buyers

Commitments to animal welfare include:

- Achieving ***certification*** to demonstrate welfare credentials of their beef
- Work in partnership with ***animal welfare NGOs***
- ***Pain relief*** to be administered to the animal before dehorning, castration
- ***Reducing the use of antibiotics*** for animals, unless prescribed by a vet
- Tracking level of ***antibiotic usage***
- Reducing the ***carbon footprint*** of their supply base

Sustainability more influential in Consumer purchasing decisions



What factors influence your purchasing decisions most when shopping? (Ranked most influential)

Nearly half (48%)
of consumers are price conscious when shopping (*combined 'price'/'value for money'*)

Consumer understanding of the term 'food sustainability'

What immediately comes to mind?

When you hear the term **food sustainability**, what words or phrases come to mind? (Note: definitions were not provided for the consumer)



44% of all participants globally said that they associate **food sustainability** with the phrase **'Good for the planet'**

Factors that influence purchase decisions and willingness to pay a premium

Meat

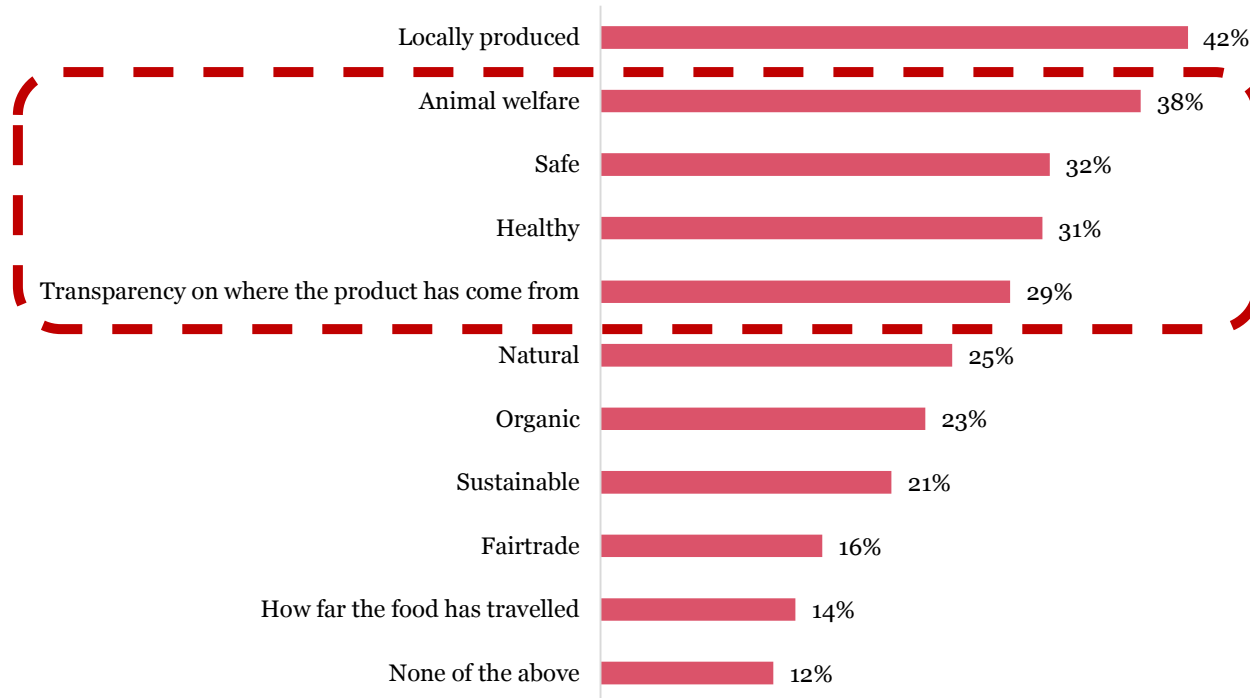
1	Locally produced	42
2	Animal welfare	35
3	Transparency on where the product has come from	30
3	Safe	30
	Healthy	28
	Natural	21
	Organic	18
	Sustainable	15
	Fairtrade	12
	How far the food has travelled	11

Dairy

1	Locally produced	32
4	Animal welfare	24
3	Transparency on where the product has come from	26
2	Safe	30
2	Healthy	30
	Natural	25
	Organic	23
	Sustainable	17
	Fairtrade	14
	How far the food has travelled	11



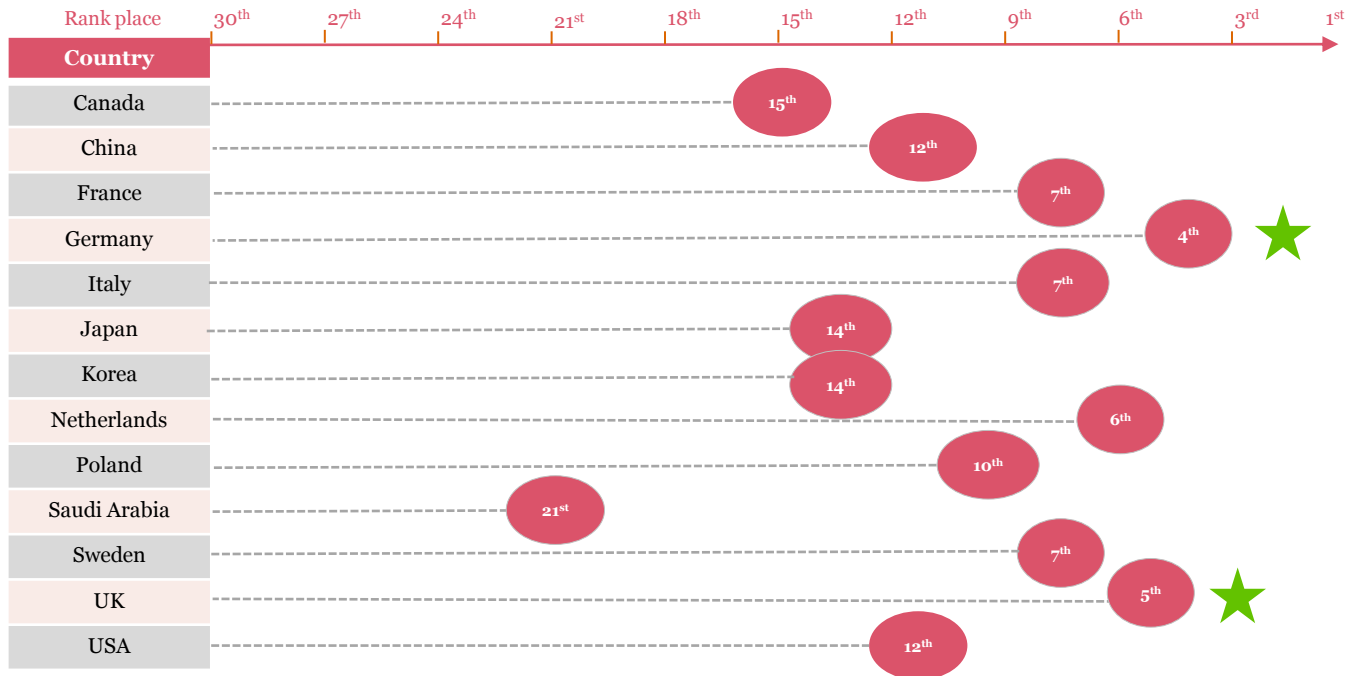
Paying a premium when purchasing meat



Which of the following factors are you **willing to pay a premium for** when purchasing the following **food products**?

Sustainability – Reputation

Consumers in Germany, closely followed by those in the UK are the most likely to rank Ireland in their top 5 as a country who they associate most with sustainable food production

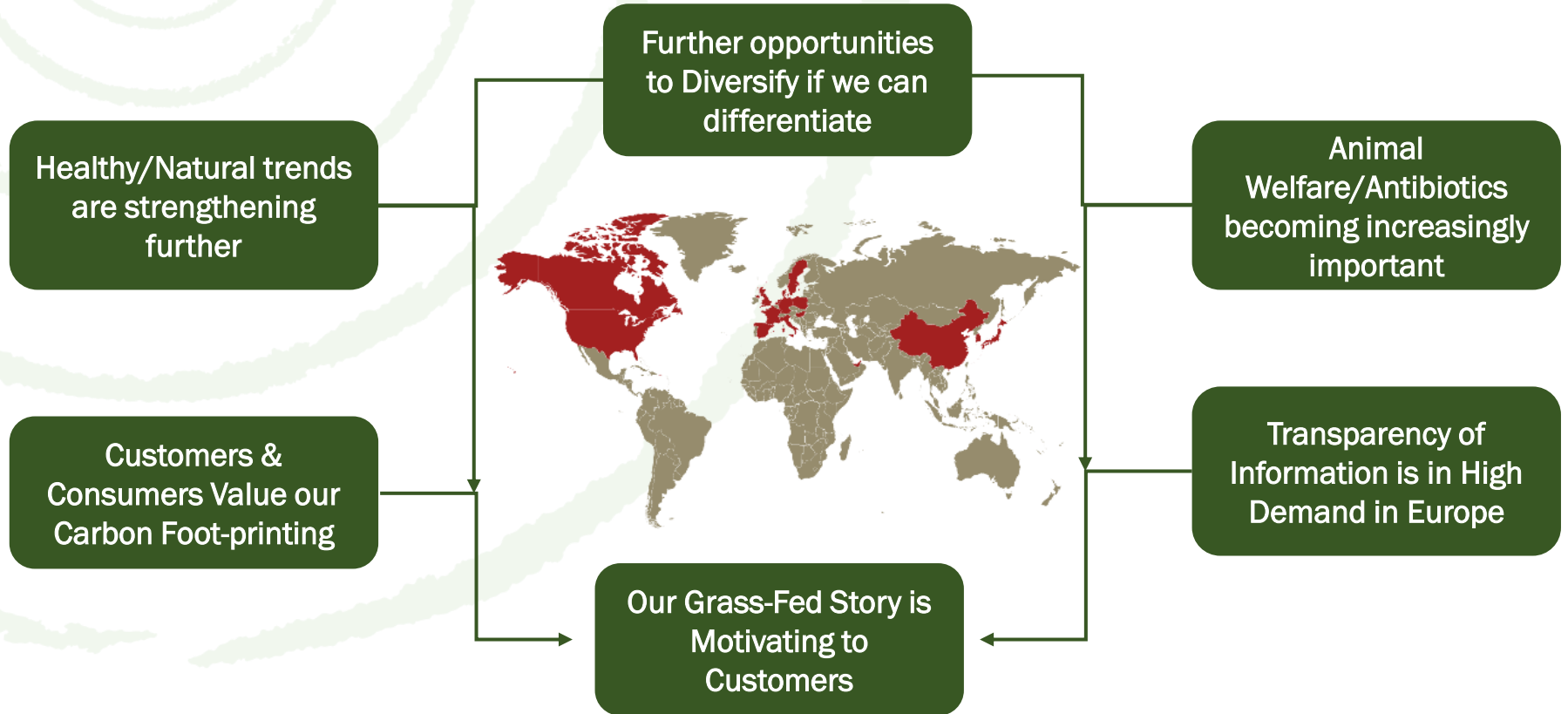


Which of the following countries do you associate most with sustainable food production? (Ranked in top 5)



What does it all mean for Ireland?

Key Take Aways



The need to differentiate has never been greater.....



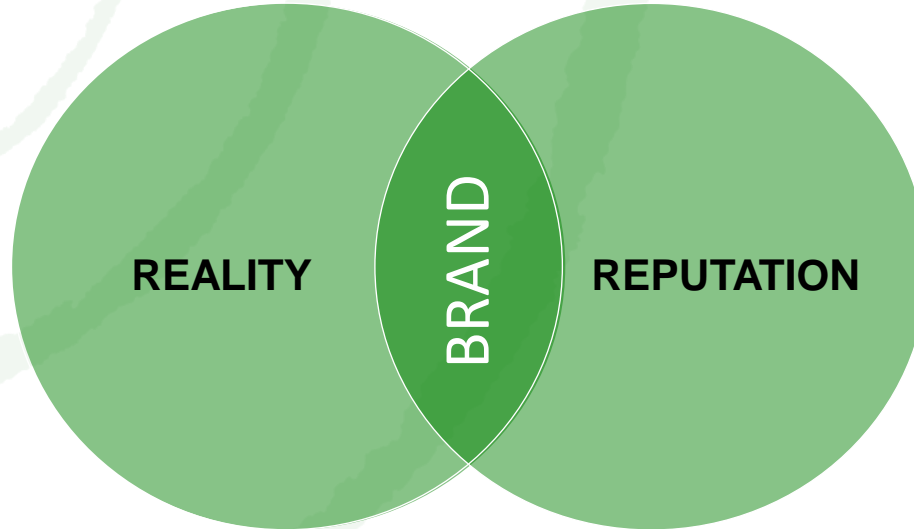
Growing the success of Irish food & horticulture



Need to prioritise where we focus



Reputation Must be Built on Reality



Brand – the **value** consumers and customers put on your products as a result of actual experiences of those products and associations, thoughts and feelings they have about those products - **reality and reputation need to reinforce each other** – otherwise there is effectively no ‘brand’ in place

Co-ordinated approach to demonstrate commitment of sector



Forestry Programme 2014 – 2020:
IRELAND

Submitted in accordance with European Union Guidelines on State aid for agriculture and forestry and in rural areas 2014 to 2020

Forestry Service, Department of Agriculture, Food and the Marine
17/1/2015
Tel: 01-60426 75-022

Farmland:
actions to help pollinators

All-Ireland Pollinator Plan 2015-2020

pollinators.ie

Teagasc Discussion Groups

Top 10 benefits of discussion group membership

Dairy Sustainability initiative launched

Operating under the Dairy Industry Ireland umbrella, 'Dairy Sustainability Ireland' is a collaborative project with Bord Bia, the Department of Agriculture and a number of Ireland's dairy processors.

This new initiative has been established to help farmers meet environmental targets, improve profitability and to support Ireland's reputation as a world leader in grass-fed dairy production.

This represents the global 'whole of sector/whole of government' approach to addressing the challenges of our industry. Fundamental to that work is the principle that environmental protection and economic competitiveness are equal and complementary; one will not be achieved at the expense of the other.

Dairy Sustainability Ireland

The Beef Carbon Navigator

Improving carbon efficiency on Irish beef farms

The Dairy Carbon Navigator

Improving Carbon Efficiency on Irish Dairy Farms

GLAS

Green, Low-Carbon, Agri-Environment Scheme

Rural Development Programme 2014-2020

Priority Actions

Irish Cattle Breeding Federation

Beef Data & Genomics Programme

Scheme participants will receive a payment of €142.00 for the first 6.00ha and €120 for each hectare thereafter, which is the equivalent of approximately 490 cows.

New TAMS energy grants worth €10 million announced

A series of new grants available for Irish farms under the Targeted Agricultural Modernisation Scheme (TAMS) on-farm investment scheme has been announced by Minister for Agriculture, Food and the Marine Michael Creed.



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