

ANNUAL REPORT  
& ACCOUNTS

2016



Growing the success of Irish food & horticulture

*Bord Bia*  
Irish Food Board

# OUR MISSION

To drive, through market insight and, in partnership with industry, the commercial success of a world-class Irish food, drink and horticulture industry.

# STRATEGIC OBJECTIVES

Our mission is further articulated through the following six strategic objectives:

- 1** To actively contribute to the success and development of the Irish food, drink and horticulture industry.  
.....
- 2** To enhance the reputation, based on the principles of sustainable development, of Irish food, drink and horticulture, among consumer and trade buyers in the marketplace.  
.....
- 3** To be the authoritative source of strategic insight linking market opportunities to industry.  
.....
- 4** To lead a collaborative approach with the key agencies involved in serving Irish food, drink and horticulture.  
.....
- 5** To pursue emerging opportunities and actively respond to significant market issues that affect industry.  
.....
- 6** To deliver value-for-money with expenditures.

# STATEMENT OF STRATEGY

The Bord Bia Statement of Strategy 2016-2018 has the following vision for the Irish food and drink industry:

Customers around the globe recognise that Irish food and drink is world-class: that it is high-quality, distinctive, and made by a diverse range of creative producers from a unique and fortuitous island location.

And our producers set the global standard in sustainable production – meeting the responsibility we all have to the planet, to society, and to future generations.

We have everything we need for a better, more sustainable food system. There has never been a better time to act, and to set an example for the world.

Both the vision and the action plan outlined in the Statement of Strategy have been developed after an extensive and wide-ranging stakeholder-engagement process. The Strategic Plan fully supports the implementation of *Food Wise 2025*, the report of the Agri-Food Strategy Committee, coordinated by the Department of Agriculture, Food and the Marine, which sets out the strategic plan for the development of the agri-food sector to 2025. The Vision depends on five strategic pillars, each of which supports the growth of the industry:

- 1 Informed by consumer insight .....
- 2 Enabled by valued people, talent and infrastructure .....
- 3 Underpinned by Origin Green .....
- 4 Realised by effective routes to market and business conversion .....
- 5 Supported by strong brand communications in the digital age

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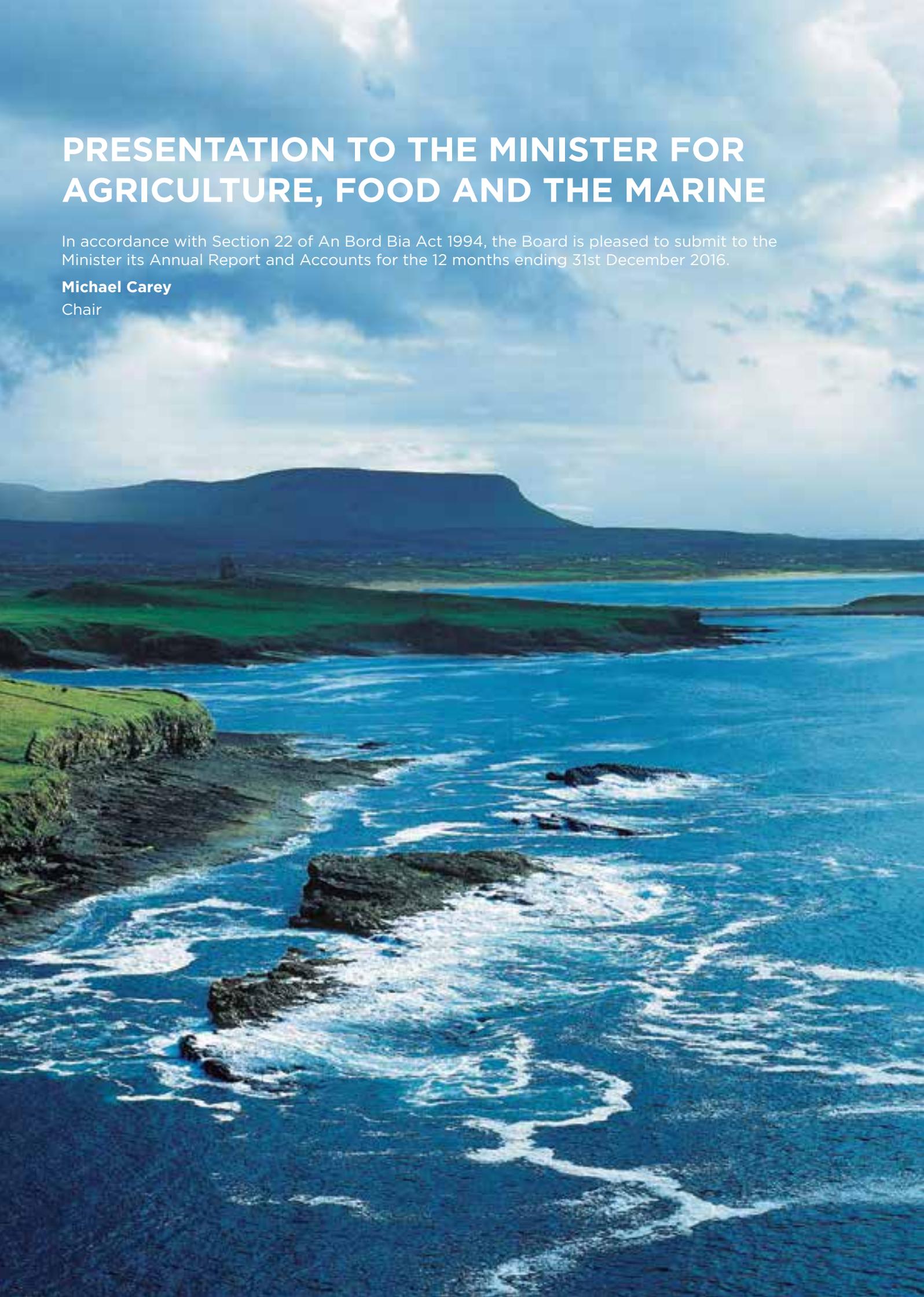
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# PRESENTATION TO THE MINISTER FOR AGRICULTURE, FOOD AND THE MARINE

In accordance with Section 22 of An Bord Bia Act 1994, the Board is pleased to submit to the Minister its Annual Report and Accounts for the 12 months ending 31st December 2016.

**Michael Carey**  
Chair

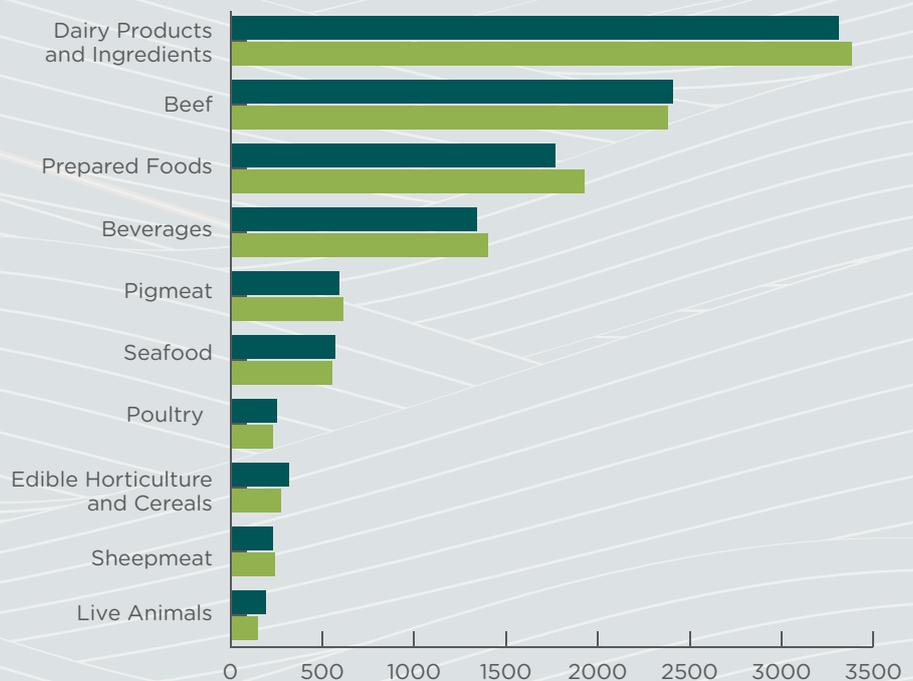


## EXPORTS OF IRISH FOOD AND DRINK (€M)

The Irish food and drink sector recorded the seventh consecutive year of export growth in 2016 as increased output in key sectors and an improvement in market demand boosted the value of trade. Key growth sectors included premium beverages, prepared foods, and as the year progressed dairy.

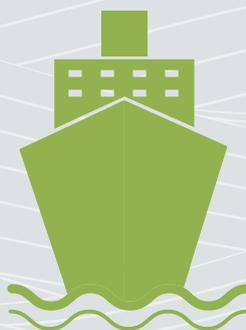
Uncertainty arising from the Brexit referendum in June 2016 resulted in fluctuating exchange rates for much of the year, which negatively impacted Irish food and drink exports in our main export market.

For the year it is estimated that the value of Irish food and drink exports increased by 2% to **€11.15 billion**, representing growth of over 41% or €3.3 billion since 2010. The strongest performers in terms of export growth in 2016 were prepared foods, sheepmeat, beverages, pigmeat and dairy. Slower market demand and weaker prices negatively affected the value of edible horticulture exports while weaker prices affected beef and seafood exports.



Irish food & drink is sold in  
**180**  
markets worldwide

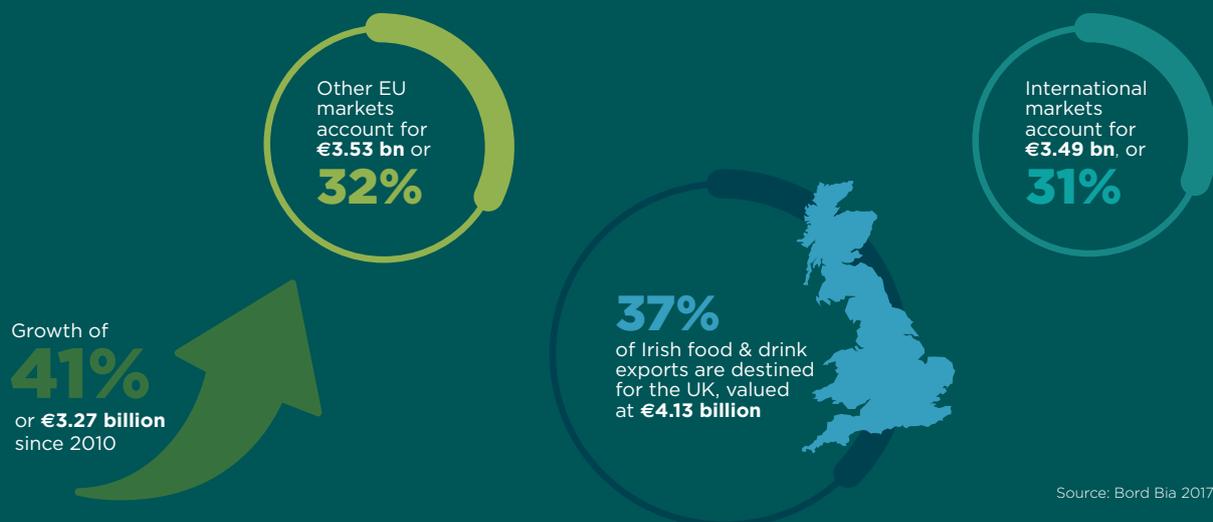
The sector recorded the  
**7th**  
consecutive year of growth in exports during 2016



**€11.15 billion**  
the value of Irish food & drink exports, an increase of **2%**

	2015 €m	2016 (p) €m	2016/2015 % +/-
Dairy Products and Ingredients*	3,310	3,380	+2
Beef*	2,410	2,380	-1
Prepared Foods	1,770	1,925	+9
Beverages	1,340	1,400	+4
Pigmeat	590	615	+4
Seafood	570	555	-3
Edible Horticulture and Cereals	250	230	-8
Poultry	320	275	-14
Sheepmeat	230	240	+4
Live Animals	195	150	-23
<b>TOTAL FOOD AND DRINK</b>	<b>10,985</b>	<b>11,150</b>	<b>+2</b>

\*includes edible offals (p) = 2016 figures are provisional Source: Bord Bia estimates

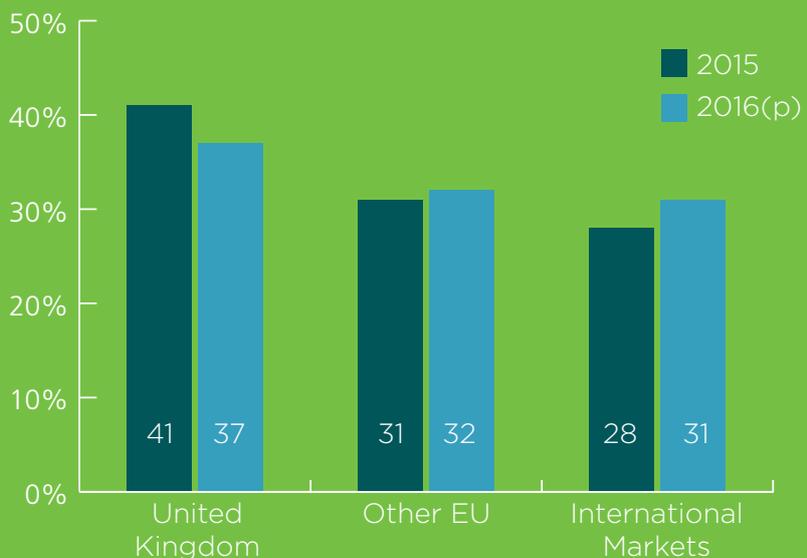
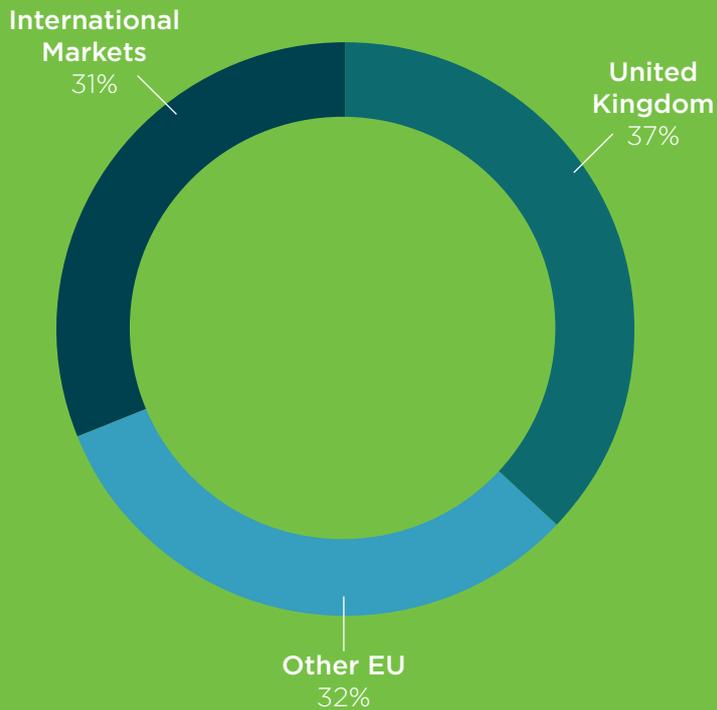


# MARKET DISTRIBUTION OF IRISH FOOD AND DRINK EXPORTS (%)

Exports to the **United Kingdom** fell by an estimated 8% in 2016 to €4.1 billion as weaker sterling and better returns elsewhere impacted trade. The share of exports destined for the UK fell by four percentage points to 37%.

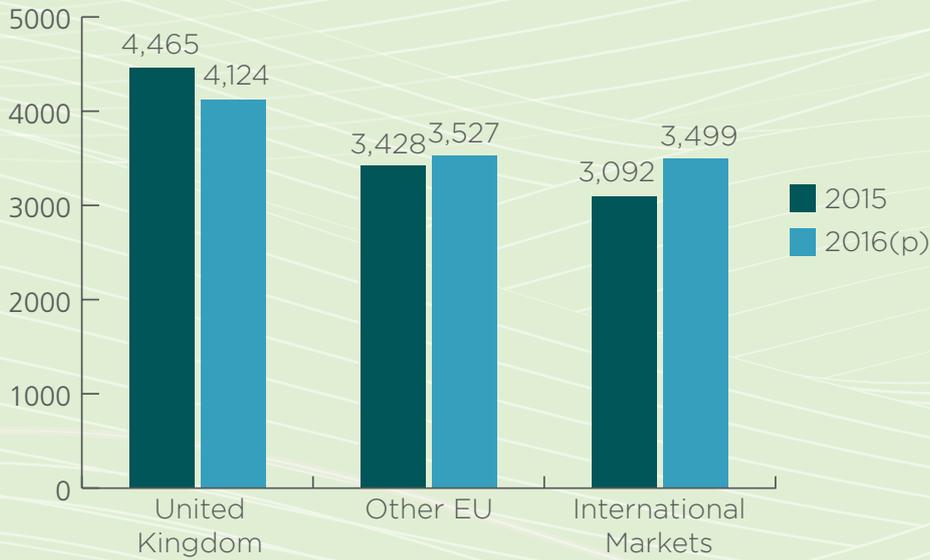
Exports to **other European markets** increased by 3% to €3.53 billion largely driven by a recovery in exports of beverages, seafood, prepared foods and meat.

Shipments of Irish food and drink products to **International markets** grew by 13% in 2016 to €3.5 billion. This represents 31% of all food and drink exports. Significant growth in exports to North America and China were recorded, offsetting declines to the Middle East and Africa.



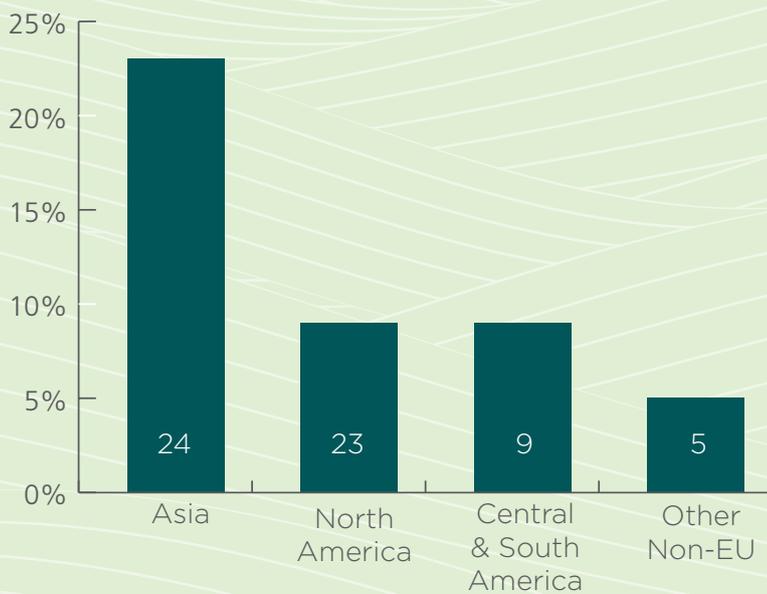
(p) = 2016 figures are provisional  
Source: Bord Bia estimates

**DISTRIBUTION OF FOOD AND DRINK EXPORTS  
- 2016 VS. 2015 (€M)**



(p) = 2016 figures are provisional  
Source: Bord Bia estimates

**GROWTH IN FOOD AND DRINK EXPORTS TO  
INTERNATIONAL MARKETS 2016 VS. 2015 (%)**



(p) = 2016 figures are provisional  
Source: Bord Bia estimates

## CHAIR'S STATEMENT

Consistent and impressive expansion, delivered across both new markets and established ones, has been the story of the Irish food, drink and horticulture industry for seven consecutive years.

Export figures from 2016 showed that what began at the start of the decade continues strongly to this point: Irish food and drink exports grew by 2% to reach €11.15 billion for the first time in 2016. This growth was built largely on the dynamics of increased output and strengthening demand, and may be judged all the more impressive given the volatility introduced into trading relationships with our largest and oldest trading partner, the UK, in the fallout from the Brexit referendum in June.

It was a year of striking performances in the international marketplace, where an impressive 13% increase in value saw Irish food and drink exports reach almost €3.5 billion for the first time.

Within this, two particularly strong market performances, those of North America and China, must be seen as especially noteworthy, particularly as sign posts for future opportunity. Collectively, markets outside Europe now account for 31% of Ireland's food and drink exports.

A strong performance was recorded in continental Europe too, with exports to the region increasing by 3% in 2016 to account for €3.5 billion or 32% of Irish food and drink exports. A strengthening of consumer confidence in a number of key EU markets underpinned this positive picture, with exports to Netherlands, Germany and France leading the way, and strong performances, albeit off a lower base, also recorded in Spain, Poland and Scandinavia.

The result of the UK's Brexit referendum in June will be the subject of intense political scrutiny and general debate for many years to come, with the chief concern for Ireland, and the Irish food and drink industry, being the likely recalibration of trade relationships between our two countries. Of more immediate concern to the industry was the significant fall in the value of sterling in the wake of the decision, with fluctuating exchange rates a feature of the remainder of the year. This volatile environment was unwelcome but not entirely unfamiliar territory for Irish exporters and Bord Bia worked closely with industry in pursuit of a number of mitigation strategies. The year-end figures showed an 8% fall in the value of exports to the UK – disappointing, of course, but to be viewed very much in the context of this seismic event. Overall, the UK maintained its position as Ireland's single most important market, absorbing 37% of Irish food and drink exports in 2016, worth a total of €4.1 billion.

## INTERNATIONAL CONTEXT

The uncertainty created by Brexit was undoubtedly the headline issue for the Irish food and drink industry in 2016. While the political consequences will evolve in years to come, the industry grappled with an immediate currency challenge that reduced the value of food exports to the UK by as much as €570 million.

A Bord Bia survey in the aftermath of the Brexit result confirmed that uncertainty was the prevailing mood among exporters, with the implications of exchange rate volatility cited by almost six out of 10 firms as their over-riding concern. The prospect of tariffs and border controls was the most pressing concern for 20% of businesses. The research also found that one in three companies expressed determination to search out new markets, with the remaining two thirds focusing on alternative solutions, such as cost reduction and price rises, within the UK market. In early July, Bord Bia hosted the first of a number of Brexit briefing and information events for the industry and committed to working closely with Irish businesses in developing a strategic response to evolving issues.

At an EU level, preliminary discussions on reform of the Common Agricultural Policy and the Common Fisheries Policy commenced during 2016. Commission proposals are likely to centre on simplification and modernisation with clearer alignment to the EU's Sustainable Development Goals. Following the presidential election in the US in late 2016, the incoming administration made clear its determination to withdraw from or reposition the US within a number of free trade agreements. Of most significance to Ireland in this context is the Transatlantic Trade and Investment Partnership, with bilateral trade deals looking set to be increasingly favoured by the new administration.

While weakened commodity prices were a feature of the beginning of the year, the FAO Food Price Index showed November 2016 to be 10% ahead of the year earlier figure, a situation that sets a positive context for global markets in the year ahead.

In contrast to the situation with sterling, the euro/dollar trading relationship was largely

stable in 2016, and stability across the eurozone was the story of 2016 with modest inflation in countries such as Germany and France countered by some price deflation in countries like Ireland and Spain.

The competitiveness of Irish industry was largely confirmed with positive findings from a number of sources in 2016. Among OECD countries, Ireland held an impressive 4th position in the Forbes Best Countries for Business Index, while the IMD's World Competitiveness Yearbook ranked Ireland's position as 7th in 2016, up from 24th in 2011. Ireland ranked 6th for the UN Human Development Index and 13th in the World Bank Doing Business Index.

## STRATEGY

Since its publication in 2015 by the Department of Agriculture, Food and the Marine, *Food Wise 2025* has provided the strategic framework for growth in Ireland's agri-food sector and, the uncertainty of Brexit notwithstanding, the 2016 export figures can be seen as confirming that the industry is on target to deliver on the



ambitious targets set for it, in particular the growth in exports to €19 billion by 2025, and the creation of an additional 23,000 new jobs.

With the launch in early 2016 of *Making a World of Difference, Statement of Strategy 2016-2018*, Bord Bia renewed its strategic framework, setting out five strategic pillars that will support the organisation's many programmes and services going forward. The five pillars are:

1. Informed by consumer insight.
2. Enabled by valued people, talent and infrastructure.
3. Underpinned by Origin Green.
4. Realised by effective routes to market and business conversion.
5. Supported by strong brand communications in the digital age.

The Chief Executive will outline how Bord Bia activities can be measured against these objectives in 2016. As Chair, I am pleased to acknowledge the renewed commitment to the industry that the new strategy represents. This proved an opportune year for a renewal of our commitment to programmes and services that provide the greatest possible value to industry and enhance the reputation of the industry as a whole.

### ORIGIN GREEN

In the four years since its launch in 2012, the Origin Green programme has evolved at an exceptional pace, to the point where virtually every level of the Irish food industry is now either preparing for, or actively engaged in, the journey of sustainability. Origin Green has, in effect, put measurable improvements in environmental performance at the heart of every tier of the food and drink industry

By the end of 2016, some 527 food and drink exporters, representing 90% of exports had signed up for Origin Green of which 220 are fully verified members, as are the vast majority of beef and dairy farmers.

The introduction of the retail and foodservice sustainability charter during the year marked a

further step forward in expanding stakeholder participation, while Bord Bia also took steps to increase resources that allow processors develop, progress and articulate their sustainability actions.

Collaboration with other state agencies and advisory bodies has been central to boosting knowledge and data transfer at farm level, and areas such as soil health, nutrient management and animal welfare are now coming within the scope of the programme. Meanwhile, work in categories such as poultry and eggs, pigmeat, lamb and horticulture throughout 2016 will form the basis of a series of fresh sustainability initiatives to be rolled out in 2017.

### CONCLUSION

While it was undoubtedly a year of some uncertainty, 2016 was also a time of continued progress and success for the Irish food and drink industry. Exporters grew their footprint in the European and international marketplaces and their achievements in an increasingly diverse roll call of markets, underpinned by largely positive market conditions, provides a basis for confidence in the prospects for further growth in the years ahead.

In the UK, the industry's performance in 2017 will depend, to a large extent, on exchange rate fluctuations, and the options available to and exercised by exporters in the context of a strengthened euro.

What will be evident throughout the year, however, is Ireland's commitment to world-class food standards and sustainability, qualities that are not only enduring benchmarks of the industry but further strengthening. Amidst uncertainty, Ireland will also retain its longstanding position as an adept and trusted business partner, and Bord Bia will continue to work with industry as it responds to change.

Bord Bia's commitment to the food and drink industry was acknowledged during the year by being named as the most reputable organisation in Ireland according to the annual Ireland RepTrak® 2016 study.

As Chair of Bord Bia, it has been my particular pleasure to work with the Board and management of Bord Bia as it provided a determined and constructive response to

the events of 2016. In all my actions as Chair, I am indebted to the guidance provided by my fellow board members and the members of the five subsidiary boards. The determination and passion with which they work collectively for the betterment of Ireland's largest indigenous industry is a constant source of inspiration. To those who departed the boards in 2016 I would like to express my deep gratitude for your service and to those who have joined us, I look forward to working with you.

In serving as Chair, I have also had the great honour of working closely with the former Chief Executive Aidan Cotter who announced his retirement in late 2016. Aidan was a source of strong leadership, good counsel and indeed good humour in the years we worked together. His contribution to the evolution of Bord Bia into a world-class organisation will, I believe, long stand as testament to him, and his personal qualities will be remembered warmly by all those who have worked with him. I wish him well in his retirement.

I would also like to take the opportunity to wholeheartedly welcome Tara McCarthy to the position of Chief Executive. Tara joins the organisation, having served as Chief Executive in Bord Iascaigh Mhara, and worked previously in Bord Bia at a senior level. Tara possesses an unrivalled understanding of the global food industry and a passion for developing Ireland's opportunity within it. Throughout her career, she has been a champion of all that is best in our industry and fearless in her determination to drive its progress. Under her tenure, a new chapter opens for Bord Bia and on behalf of the Board, I wish her every success and undertake to give her every support in the role.

Let me also sincerely thank Minister for Agriculture, Food and the Marine, Michael Creed TD and Minister of State at the Department of Agriculture, Food and the Marine, Andrew Doyle, TD, both of whom took up their ministerial roles in 2016 and who have shown deep commitment to and understanding of the needs of Irish food and drink exporters. To Secretary General Aidan O'Driscoll and all the staff at the Department of Agriculture, Food and the Marine I also extend sincere thanks for the support and cooperation they provide to Bord Bia on an ongoing basis.

In a world where Irish food and drink exporters are increasingly global in outlook, Bord Bia is grateful for the unstinting support and close cooperation of the Department of Foreign Affairs and Trade and is also honoured to have the support of our first citizen, His Excellency, the President of Ireland, Michael D. Higgins, as an enthusiastic patron of Bloom and an eloquent advocate for the values of sustainability espoused in Origin Green.

Throughout the year, Bord Bia works closely with other state organisations in a variety of initiatives and programmes, including Enterprise Ireland, Teagasc, Bord Iascaigh Mhara and the OPW. I would like to thank them for their support and partnership. Thanks in no small amount must also go to Bord Bia personnel, whether at home or in an increasingly global network abroad. You are instrumental not only to the year-on-year successes of the organisation but in building its enduring reputational strengths.

In a year that reported Irish food and drink exports at an all-time export high, the industry found itself comfortably on track to deliver on the ambitious growth targets that have been set by *Food Wise 2025*. It has also, of course, found itself in a new period of uncertainty with regard to the future trading relationship with our nearest neighbour.

While there will undoubtedly be challenges ahead, the capacity of the Irish food and drink industry to respond to change, and to continue on the path of growth, has been well evidenced over the last seven years. In 2017, it is to be expected that at least some answers to the questions, that we as an industry have, will be provided by political events. Bord Bia offers the strongest assurance to industry that it will continue to work side by side with it as the future pathway becomes clear, and light the way with insight, knowledge and support.

**Michael Carey**  
Chair

Additional information and updates on Bord Bia activities can be obtained from [www.bordbia.ie](http://www.bordbia.ie) or by following us online at [www.facebook.com/bordbia](https://www.facebook.com/bordbia) or on [Twitter@bordbia](https://twitter.com/bordbia)

## CHIEF EXECUTIVE'S REVIEW

The Irish food and drink industry once again proved its commitment, agility and determination in 2016, delivering strong performances in markets across the globe. It was a year when the story of industry was very much of distinct performances in different markets, and one when the world of politics cast an unexpected shadow over one of our oldest and firmest trading relationships.

Having surpassed the €10 billion value mark in 2015, Irish food and drink exports comfortably grew by 2% in 2016, with exports reaching €11.15 billion in value for the first time. While there

### 7th year of growth in exports

depreciation of sterling. This was estimated to have impacted on Irish food and drink exports by as much as €570 million over the remainder of the year.

was largely good news in the marketplaces, the outcome of the Brexit referendum produced uncertainty closer to home, and had the immediate and quantifiable consequence of a

### SECTORAL ANALYSIS

A closer look at the 2016 export figures in sectoral terms confirms a picture of growth largely driven by increased output and strengthening demand, as well as an agile industry responsive to changing circumstances.

Of course, there will always be performances that run counter to prevailing trends and, in the meat and livestock sector, while higher volumes were a feature, they were accompanied by an easing of prices in some categories that resulted in a fall-back in overall export value. In all, exports in the sector were down 2% on the year earlier figure, valued at €3.66 billion and equating to an impressive 33% of total Irish food and drink exports.

The performance of Irish beef exports was central to this moderation, with a value of €2.38 billion fractionally down on the 2015 figure. This masked a challenging environment in which exports increased by 5% as average prices fell back by 6%.

In contrast, pigmeat exports and prices rose by 2% each, bringing the value of exports 4% higher to €615 million; while a 3% rise in sheepmeat volumes in parallel to a slight improvement in prices lifted exports by 4% to €240 million. Hit by the challenges of the UK marketplace, Irish poultry exports fell 14% to €275 million while a competitive environment internationally also saw Irish livestock exports decline by 23% to €150 million.

Dairy and ingredient producers began 2016 in an environment of weak global prices. However, uplift in the latter half of the year turned a 5% increase in export volumes into a value rise of 2%, with dairy exports tipping €3.38 billion in value and accounting for some 30% of total Irish food and drink exports.

It was a market performance driven by strengthening demand for the nutritional dairy powders, with the Chinese market in particular continuing the strong performance of recent years. Lesser value categories such as whey, whole milk powder and yoghurt also performed well. In contrast, a weak sterling impacted directly on cheese exports, which fell by 4% to €675 million.

Ireland's beverage industry boasts heritage brands of global standing and in recent years has leveraged its reputational strengths, and increased investment, to perform with renewed vigour on the global stage. This story continued in 2016 as exports rose by 4% to reach €1.4 billion, with the performance of premium whiskey brands central to this. The growing craft brewing sector, as well as strong beer and cider exports also contributed to expansion, with the cream liqueur category remaining relatively stable.

Prepared consumer foods is a diverse category that includes everything from infant formula, to chocolate confectionary, to pizza, and enjoyed robust growth in 2016, with an increase of 9% to an estimated €1.9 billion. This was driven largely by demand for dairy-based enriched powders, with sectors such as bakery and chocolate confectionery also performing well. In fact, Bord Bia figures show that this category accounted for no less than 48% of all the export growth experienced by the industry in 2016.

Against this, a fall of 4% in exports to the UK, traditionally the principal market for this category, impacted on exports for categories such as pizzas, sauces and ice-cream.

A decline in seafood exports, by an estimated 3% in 2016 to €555 million, can be viewed against a decline in volume output of 20%. Key EU markets absorbed some 63% of total exports by value, with France, the largest of these, growing by 13% to an estimated €140 million.

Mushrooms are the key export category in the edible horticulture and cereals sector, and a strong volume performance in 2016 was undercut by the weakening of sterling, creating a challenging environment for the sector. Overall, exports were down 8% to an estimated €230 million.

Bord Bia has sought to take a leadership role as the strategic response by industry to Brexit takes shape. Since the referendum result,

Bord Bia has engaged with stakeholders at multiple levels, and committed new resources to highlighting the position and strengths of the Irish food and drink industry in the UK marketplace.

## STATEMENT OF STRATEGY

With the official launch in 2016 of Bord Bia's strategy document: *Making a World of Difference, Statement of Strategy 2016-2018*, the framework was set for how the organisation will assist Irish food, drink and

### Making a World of Difference

horticulture companies in the coming years. The strategy document is designed to ensure Bord Bia programmes and services match and deliver according to the needs of industry. Implicit in this is the view that the industry's performance is not simply a matter of the transactional dynamics of supply and demand, but linked to Ireland's unique strengths in food production, and, increasingly, to its commitments to sustainability.

The strategy also recognises the three distinct and interconnected forces that are now shaping the future of our industry: macro dynamics, in particular the forces of political and environmental change that are transforming the world we operate in; consumer trends, in particular those shifts in sentiment and behaviour that create fresh opportunity and challenge for industry; and food contours, the changing ways in which food is sourced, produced and consumed.

*Making a World of Difference* can be also seen as a fresh iteration of Bord Bia's enduring passion for excellence, and determination to be ahead of the curve internationally in its actions and programmes.

The strategy document sets out five strategic pillars against which activities by the organisation during 2016 can be framed:

1. Informed by consumer insight.
2. Enabled by valued people, talent and infrastructure.
3. Underpinned by Origin Green.
4. Realised by effective routes to market and business conversion.
5. Supported by strong brand communications in the digital age.



## STRATEGIC PILLAR 1: INFORMED BY CONSUMER INSIGHT

### CONSUMER INSIGHT AND INNOVATION

There can be no marketplace without consumers and no success in the market without an understanding of consumers. Bord Bia has long committed to research and consumer insight activities that connect Irish food and drink companies to this reality, and to programmes that actively support businesses in the complex process of new product development (NPD).

Bord Bia's Consumer Insight and Innovation team has grown considerably in recent years and is now a multidisciplinary group of professionals with backgrounds in areas as diverse as psychology and librarianship. The Consumer Insight and Innovation team works with companies ranging from small start-ups to large multinationals through longstanding initiatives such as foresight4food, which encourages a consumer-focus in the NPD process and PERIScope, the biennial study of Irish and UK consumer behaviour.

In 2016, the Consumer Insight and Innovation team worked with 100 companies across individual innovation, strategy and branding projects providing support for the development of Irish brands across all sectors and all stages of development.

### THE THINKING HOUSE

In 2016 Bord Bia launched The Thinking House, a state-of-the-art consumer research and market insight centre adjacent to Bord Bia's offices in Dublin. Offering client companies a centralised innovation hub and an environment to foster new thinking, The Thinking House

#### Launch of 'The Thinking House'

includes elements such as: the Trends Zone, a packaging and branding gallery; the Living Room, which facilitates qualitative focus and discussion groups; the Library which allows SMEs to access databases and reports without incurring prohibitive costs; and a flexible working space, designed for workshops, meetings and presentations. Recognised as a major step forward in how Bord Bia's supports innovation and NPD strategies, the Thinking House offers an array of resources that will prove transformative for Irish companies on the innovation and NPD journey in the coming years.

### CONSUMER LIFESTYLE TRENDS

The Consumer Lifestyle Trends Programme represents perhaps the most visible expression of Bord Bia's commitment to identifying and understanding consumer behaviour.

A new iteration of consumer insights was released in 2016 and among the highlights was the identification of 'momentum' as a key lifestyle trend: as consumers around the world deal with insecurity and uncertainty, they have an increased desire to feel their lives are progressing in the right direction. The momentum trend provides opportunities for smart, simple, solutions that satisfy this consumer desire for direction and certainty. The 2016 lifestyle research also found that the quality and health credentials of food and drink products are more important to consumers than ever, meaning a second important trend is 'transparency'. As consumers come to demand integrity from their food and drink, sustainable actions will speak louder than words.

### ORIGINAL RESEARCH

The Consumer Insight and Innovation team undertakes significant original research designed to feed into a deeper understanding of the trends and developments likely to

#### Ethnographic study in China and Inspiration Expeditions to Iran and Vietnam

impact on the industry. Notable in 2016 were The Psychology of Sugar study, which set out to track the changing consumer relationship with sugar, and Ageing Well, a semiotic and qualitative look at how older people engage with food and drink as part of their health strategies. The research team also engages in innovative and award-winning ethnographic work. In 2016, original research was undertaken in China to investigate opportunities for Irish beef and pork.

### INDUSTRY INSIGHT

Bord Bia channels market insight and trend information to client companies through a range of publications including FoodAlert and The Ireland Foodservice Newsletter. These provide up-to-date insight and analysis on market developments garnered through Bord Bia's specialist networks. Developments with regard to Brexit were in particular demand in 2016 and Bord Bia established a news portal at [www.bordbia.ie/brexit](http://www.bordbia.ie/brexit) as well as creating a specific Brexit Food Alert accessible from there.

## THE BRAND FORUM

The Brand Forum is a membership programme that provides opportunities for Irish food and

Bord Bia worked with 100 companies across individual innovation, branding and strategy projects during 2016

drink companies operating in this space to learn from leading experts and to network with peers. Highlights of its 2016 schedule included workshops on brand re-positioning and packaging designs as well as presentations that focused on the growing role of

big data in helping companies improve their understanding of consumers.

## POULTRY AND EGG CONFERENCE

Over 200 representatives from the Irish poultry and egg sector participated in Bord Bia's biennial Poultry and Egg Conference. Themed around innovation and sustainability, delegates heard from industry experts on a wide range of topics, including consumer behaviour and market trends.

## STRATEGIC PILLAR 2: ENABLED BY VALUED PEOPLE, TALENT AND INFRASTRUCTURE

### FOOD WORKS

Food Works is an entrepreneurship programme centred on start-up businesses with the

32% of Food Works alumni exporting

potential to scale up quickly and make a strong impact in the international marketplace. The fourth Food Works programme commenced in 2016

and concluded with eight pre-and early stage companies entering the investor-ready stage. For participants, Food Works is part intensive bootcamp and part hot-house environment where, with the support of mentors, key decisions are fast tracked and progressed.

Recognising the growing pool of participants who have successfully concluded Food Works, an alumni group has now been formed that meets regularly for networking. A survey in 2016 found that 60% of Food Works alumni are trading, with 32% involved in exports.

## EDUCATION

Bord Bia's multi-tiered education programme is designed to bring a new generation of executive talent to the food and drink industry. The centerpiece is the Bord Bia Marketing Fellowship, run in conjunction with UCD. The

80% of Fellowship Graduates retained in the Irish Food & Drink Industry

seventh Fellowship programme concluded in mid-2016 with recruitment for the 2016/17 programme commencing

later in the year. Through the Fellowship, 20 experienced professionals work on behalf of Irish companies in markets across the globe.

Also delivering value to the industry, and focused on learning opportunities at different ends of the career path, are the Food Industry Strategic Growth (Alumni) programme and the Food Export Graduate Programme, the latter run in conjunction with IBEC, and offering opportunities at graduate level.

## SUPPORTS FOR SMALLER COMPANIES

Bord Bia's dedicated website, Vantage, is an important portal for smaller food businesses to avail of Bord Bia marketing expertise and learn about the role different agencies can play in assisting SMEs. Bord Bia also runs two important grant-aid programmes: The Marketing Assistance Programme (MAP), which is open to Irish food, drink and horticulture producers with a turnover in the range €100,000 to €3.5m, and the Step Change Programme (SCP), which provides grants of up to €50,000 for significant new activities or projects. In 2016, 208 companies were approved for €826,500 under MAP, with a further 11 companies approved for a total of €400,000 under SCP.

## DIGITAL FOOD HUB

Upskilling Irish companies in the fast-moving digital marketing world is the goal of the Digital Food Hub, which provides a range of learning opportunities in social media marketing, mobile marketing, strategy and analytics. Themed seminars are presented by leading experts, often drawn from Dublin's 'Silicon Docks', and are delivered with networking and peer learning in mind.

**PILOT LEAN PROJECT**

Mushroom producers were heavily impacted by a weakening sterling in the latter half of 2016 and are aiming to improve productivity in 2017. Recognising that the application of lean principles is key to their response, Bord Bia has initiated and funded a pilot project with six producers. The approach follows the Enterprise Ireland lean start model.

**TASTE**

The TASTE Council of Ireland and Bord Bia coordinated the sixth annual Food Summer School in Wicklow. Over 130 people attended the event which focused on the rural food community.

**STRATEGIC PILLAR 3:  
UNDERPINNED BY ORIGIN GREEN**

**ORIGIN GREEN**

Origin Green allows the Irish food and drink industry to demonstrate a verified and ongoing commitment to sustainability. Since its launch in 2012, more than 527 Irish companies, representing 90% of Irish exports, have signed

527 Irish companies registered 220 verified members 137,000 on farm carbon assessments

up to the Origin Green Charter. Of these, 220 companies, representing over 85% of Ireland's food and drink exports, are fully verified members,

actively, and measurably making a difference across a range of environmental measures. In addition, some 154 companies are at the assessment stage.

At farm level, Bord Bia has conducted 137,000 carbon assessments to measure and help improve the environmental performance of Irish farms.

**QUALITY ASSURANCE**

Bord Bia's quality assurance schemes (QAS) provide ISO-accredited assurances to consumers across a range of food categories and have helped the industry's primary

There were 47,332 audits conducted during 2016

production sectors forge an enduring relationship of trust with stakeholders at home and

abroad. Now closely linked with the work of Origin Green in the beef and dairy sectors, an important development undertaken in 2016 was to commence the process of extending and revising the pig, egg, poultry and horticulture schemes to include sustainability under the auspices of Origin Green.

**ORIGIN GREEN FOODSERVICE**

The Musgrave Group became the first retailer/foodservice group to become a verified member of Origin Green in early 2016, followed soon after by McDonalds Ireland. Work was undertaken by Bord Bia to explore how best to leverage the foodservice dimension of Origin Green with the Irish public at the community level, with a particular focus on the role foodservice organisations can play in a forthcoming civic engagement campaign for Origin Green in Ireland.

**ORIGIN GREEN SUSTAINABLE PRODUCER AWARDS**

Origin Green is a ground-up programme, built on the foundation of sustainable, efficient and environmentally-friendly primary producers. In recognition of this, the very best performing Irish family farms were honoured at Bord Bia's Origin Green Sustainable Producer Awards in 2016. Over 230 farmers and senior representatives from farming organisations and the agri-food industry gathered in Portlaoise where 28 farms competed as finalists. Eight producers were named winners of their particular category.

**ORIGIN GREEN SUSTAINABILITY REPORT**

Having published the first Origin Green Sustainability Report in 2015, work on a follow-up report commenced in 2016 and was published in early 2017. The report showed continued, verified evidence of the impact and value of Origin Green to date, providing clarity on where progress has been made and indications of where the Origin Green journey will further progress in the Irish food and drink industry.

**ALL-IRELAND POLLINATOR PLAN**

In 2016, The National Biodiversity Data Centre and Bord Bia launched a framework for businesses as part of the All-Ireland Pollinator Plan, which identifies actions that companies can take to help protect pollinators and the livelihoods of farmers who rely on them.

The guidelines offered 18 practical actions that any business can take in both indoor and outdoor spaces.

## STRATEGIC PILLAR 4: REALISED BY EFFECTIVE ROUTES TO MARKET AND BUSINESS CONVERSION

### POST-BREXIT ENGAGEMENT

In the wake of the Brexit referendum result, Bord Bia built upon contingency plans to quickly refocus activities around this unfolding new reality. A briefing for client companies in July offered an in-depth look at the strategic implications for Irish food and drink businesses and attracted some 200 delegates. A number of currency and buyer negotiation workshops were hosted by Bord Bia in both London and Dublin.

A further Bord Bia hosted Brexit seminar took place in December in London while Bord Bia also initiated the development, with PwC, of a toolkit that will allow client companies to undertake strategic marketing assessments of Brexit.

A number of Bord Bia programmes for companies entering the UK are also being reassessed, with a view to having their financial, competitive, contractual and regulatory elements strengthened. A one-to-one mentoring programme with UK foodservice and retail experts, designed to assist companies with negotiations and future planning, has also been introduced.

### MARKET INTENSIFICATION PROGRAMME

The Marketing Intensification Programme (MIP) was launched in October and is aimed at companies with a turnover between €1m and €30m and with a high dependency on the UK market. MIP will help companies both strengthen positions and explore market diversification. In all, 32 companies were approved with grants totalling €655,000.

### ASCENT PROGRAMME

Ascent is a joint initiative between Bord Bia and PwC designed to give selected companies a range of focused and intensive supports as they shift into a more aggressive growth phase. Ascent offers a mix of mentoring, strategic business advice and category reviews, ultimately giving each participant a service bespoke to their business issues and helping them develop a pathway for growth.

### FOODSERVICE ACADEMY

Ten Irish food and drink companies joined the first Foodservice Academy, a new programme run by Bord Bia and Musgrave Marketplace. The Foodservice Academy helps small Irish food and drink companies develop their offering and achieve growth within Musgrave Marketplace's foodservice business, which works with over 6,000 customers each.

### OVERSEAS OFFICES

Bord Bia's international network of offices now numbers 13 following the most recent opening of offices in Singapore and Warsaw. The work of the offices in promoting the industry in both mature and developing markets is ongoing, and involves engagement at B2B and B2C level. Initiatives such as FoodAlert, the weekly newsletter that channels insights and information to Irish suppliers, provide a regular and direct link between the work of the overseas offices and Bord Bia client companies.

#### Singapore & Warsaw offices opened

### TRADE EVENTS AND EXHIBITIONS

An intensive calendar of events ensured a comprehensive Irish presence at a range of international trade fairs and exhibitions, with Origin Green messaging promoting the sustainability message throughout.

Bord Bia and a record 15 Irish seafood companies participated at the biggest seafood fair in Asia, the China Seafood and Fisheries Expo in Qingdao, China; a record 27 Irish food companies also travelled with Bord Bia to Paris to attend SIAL; 10 Irish organic food companies participated in Biofach, Nuremberg; and 13 Irish companies exhibited with Bord Bia at ISM in

#### 22 International Trade Fairs & Exhibitions with Origin Green messaging

Cologne, Germany. The Speciality & Fine Food Fair, London saw 16 companies participate on the Ireland stand while the China Fisheries & Seafood Exhibition, the most visited seafood show in the world, had 12 seafood companies under the Origin Green Ireland banner. Five Irish seafood companies participated at Conxemar 2016 in Vigo, Spain; Seafood Expo Global (SEG) Brussels attracted 19 seafood Irish companies and SIAL China, Asia's largest trade food and beverage show drew seven Irish meat companies. PLMA, Amsterdam, Netherlands, meanwhile attracted 13 Irish companies and

15 Irish companies exhibited at Gulfood, the World's biggest annual food and hospitality show.

### NATIONAL ORGANIC AWARDS

The National Organic Awards are held every two years and this year saw a record 278 entries. The awards ceremony took place in Bord Bia's food centre in October with Minister of State, Andrew Doyle TD presenting the awards to the seven category winners on the day.

### TRADE MISSIONS

Bord Bia and the Department of Agriculture, Food and the Marine were joined by 17 Irish food companies on a three-day trade mission to Iran in April while, later in the year, Bord Bia worked closely with the Department on successful Ministerial-led missions to Vietnam and China in September and to Morocco and Algeria in November.

### CHEESE INSTITUTE PROGRAMME

The Cheese Institute is a three-tier initiative designed by Bord Bia in collaboration with Teagasc aimed at both start-ups and current industry operators. The programme operates at different levels, according to expertise and needs. Cheese Institute Starter is a QQI accredited introduction to farmhouse cheese production; Cheese Institute Fundamentals covers marketing and technical topics for established farmhouse cheese companies; and Cheese Institute Advanced is designed to support companies scale their businesses.

## STRATEGIC PILLAR 5: SUPPORTED BY STRONG BRAND COMMUNICATIONS IN THE DIGITAL AGE

### CORPORATE COMMUNICATIONS

Bord Bia's Corporate Communications team supports the organisation's activities by securing international, national, regional and online media coverage for key events. Advertising value equivalent (AVE) is a standard measure of the success of communications and PR initiatives, and is utilised in highlighting the success of Bord Bia initiatives over the year. Media coverage achieved by the team for the industry annually runs to tens of millions of euros. Bloom, for example, generated an AVE of over €3.5 million, with almost 800 print, online and broadcast features focused on the event.

### HOME MARKET ACTIVITIES

A range of home market promotional activities took place in 2016, often reflecting seasonal opportunities and building on the reputational strengths of the Quality Assurance brand. Highlights include an eggs campaign targeting the younger, pre-family audience and incorporating the O'Donovan brothers, who were 2016 Olympic silver medallists, and a mussels marketing campaign, which targeted 30-50-year-old female shoppers. The latter saw key multiple retailers experience volume increases of between 14% and 35% as a result of the campaign.

Research on PR and media activity focused on Quality Mark found it typically produced high levels of consumer awareness and response.

72% of shoppers are more likely to buy a product with the Quality Mark

An evaluation of sponsorship of the RTE programme Neven Maguire: Home Chef, for example, indicated that 22% of all

adults tuned into the series regularly, with 280,000 people claiming it had a positive impact on their inclination to buy Quality Assured produce. Further validation of Bord Bia's work in the Quality Assurance sphere came when it was named the most reputable organisation in Ireland, according to an annual study by The Reputations Agency.

### EU PROMOTIONS/CO-FUNDING

Bord Bia is the lead agency for a number of EU promotional campaigns that secured 50% co-funding, including 'Lamb - Tasty, Easy, Fun' (2015 - 2017), 'Just Add Mushrooms' (2013 - 2016), 'Discover Farmhouse Cheeses' (2013 - 2016) and 'Potatoes - More Than a Bit on the Side' (2015 - 2017). With the completion of 'Just Add Mushrooms' in 2016, a generic promotional campaign of mushrooms in the UK and Ireland market was announced, to be funded both by the industry and Bord Bia, and utilising the existing high quality promotional assets.

### BEEF AND LAMB ASIA

The Bord Bia application for a three-year EU programme to promote beef and lamb in Asia was successful and a budget of €3.7m (80% EU funding) has been earmarked, to commence in 2017. Bord Bia has appointed Sopexa China to be the implementing body for 'European Beef and Lamb - Excellence in food safety & Sustainability' campaign in Asia.

## ORIGIN GREEN PR ACTIVITY

The Origin Green International Media Strategy for 2016 was designed to drive continuous awareness in markets and deepen engagement. Target markets included the UK, France, Germany, Netherlands, Belgium, Switzerland, and the Nordics. Following a trade mission to Asia, the Origin Green China consumer facing dairy campaign was launched in September. Meanwhile, the Origin Green partnership with the Guardian Sustainable Business had an overall reach of 7.1 million unique browsers in 2016 with 600,000 unique monthly users per month.

## ORIGIN GREEN AMBASSADORS

The Origin Green Ambassador Programme is, in some respects, a sister programme to the Marketing Fellowship, spread over two years. It focuses on creating a pool of world-class sustainability experts, versed in the latest thinking and promoting Origin Green and the sustainability credentials of the Irish food industry. The third Origin Green Ambassadorship launched in April, with ambassador placements including organisations such as the Coca Cola HQ in Atlanta, US; Nestle in Switzerland; Danone in Amsterdam, Netherlands; Mars in Slough, UK and the FAO in Rome, Italy.

## BLOOM

Bloom 2016 was the 10th hosting of Ireland's largest gardening event and ran from the second to the sixth of June. In its anniversary year, it drew the highest attendance in its history with almost 115,000 visitors. The show gardens, which form the centrepiece of the event, also enjoyed their best year with all gardens receiving awards and 10 gold medals presented in total. Bloom featured all the crowd-pleasing elements of recent years with notable new features that received a positive response including the new BBQ bliss area and the Origin Green feature.

Media coverage was extensive with 25 national television packages and an unprecedented three Bloom-related programmes airing on the Thursday of the show on RTE1. The show also garnered over 250 national and regional print articles including the front page of the Irish Times and the Irish Independent on three consecutive days. #Bloom2016 trended on multiple occasions over the weekend. International coverage stretched across the US, Europe and Asia.

## NATIONAL POTATO DAY

Held in October, National Potato Day saw an amplified online, print and broadcast campaign, with #nationalpotatoday trending all day. For the day, Bord Bia coordinated a 12-page potato themed supplement that featured in the Irish Independent, with TV3's Ireland AM on board as national TV media partner.

## CHEFS' IRISH BEEF CLUB

The Chefs' Irish Beef Club is an exclusive international forum that brings together some of Europe's leading Michelin Star chefs in Belgium, Britain, France, Germany, Italy, Netherlands, Sweden and Switzerland. In 2016, Bord Bia, hosted an Irish Beef Masterclass in Zurich for members of the Chefs' Irish Beef Club, journalists and food bloggers. Members of the Chefs' Irish Beef Club across Europe were involved in a range of activities that involved endorsing Irish beef through media and retail promotions.

## NATIONAL PLOUGHING CHAMPIONSHIPS

Bord Bia's information marquee at the 2016 National Ploughing Championships proved a hit for those visiting the show in Offaly in September. Bord Bia's marquee focused on its promotional programmes around the world for Irish meat, livestock and dairy products. A touch-screen carbon navigator tool provided users with an experience of setting targets for the improvement of on-farm efficiency.

## SEAFEST 2016

As part of the Seafest programme, Bord Bia collaborated with BIM on a two-day day event in July. The objective was to bring all aspects of the marine/seafood industry alive to consumers.

## BEEF 2016

This one-day event took place at the Teagasc Research and Innovation Centre in Co Meath. Bord Bia participated alongside a group of Irish meat processors.

## SHEEP 2016, ATHENRY

The national sheep event drew an attendance of over 12,000 visitors. Bord Bia displayed details of promotional campaigns for both the home and export markets, together with a meat display that reflected ideal market specifications.

## CONCLUSION

A year of strong performances in the international and European marketplaces, and questions over the future of Ireland's trading relationships with the UK has given the Irish food and drink industry much to reflect on.

As an economy, it is clear that Ireland has moved on significantly from the uncertainty that prevailed just a few years ago and, while 2016 has set us fresh challenges, this remains a year where there is much to be positive about.

The global reach of the Irish food, drink and horticulture industry has never been greater and, built on strengthening demographics and demand, year-on-year growth in our global markets has never been stronger.

Such achievements, and the wealth creation that comes with them, are not merely a story of trade and figures. In its success, the food and drink industry, as part of the broader agri-food economy, plays a vital role in ensuring that employment, recovery and renewal are part of the story of Ireland's rural economy, and allow communities to grow and prosper across the country.

In changing circumstances, Bord Bia's role remains that of an organisation that will anticipate, facilitate and respond. In the range of services provided throughout the year, and in particular in the response to the Brexit decision, the purposefulness and value of Bord Bia activities has, I believe, been many times confirmed.

Let me echo the words of the Chair in thanking the Minister for Agriculture, Food and the Marine, Michael Creed TD; Minister of State at the Department of Agriculture, Food and the Marine, Andrew Doyle, TD; and Secretary General Aidan O'Driscoll and his team.

I would like to express my gratitude, and that of Bord Bia and the industry in general, to the Chair of Bord Bia, Michael Carey, and the members of the Board and the five subsidiary Boards for the support and insight they have provided Bord Bia throughout the year. We are fortunate to have a Chair and Board members of such calibre informing and supporting our actions at this time.

In assuming the role of Chief Executive, I am both humbled and honoured to lead an organisation that I know from direct experience is populated with a body of world-class professionals who bring excellence and

expertise to the table in every role they play. I look forward to working with colleagues old and new in the year ahead. I would also like to acknowledge the work of my predecessor Aidan Cotter, who as Chief Executive was motivated by a profound enthusiasm for and optimism in the Irish food and drink industry, and whose legacy is, I believe, an organisation that, governed by an adept strategic focus, routinely delivers far above expectations. I wish Aidan all the best in his retirement.

A commitment to quality, sustainability and innovation took the Irish food, drink and horticulture industry to an historic highpoint in 2016. It was also a year when the industry was confronted with a new and largely unexpected challenge.

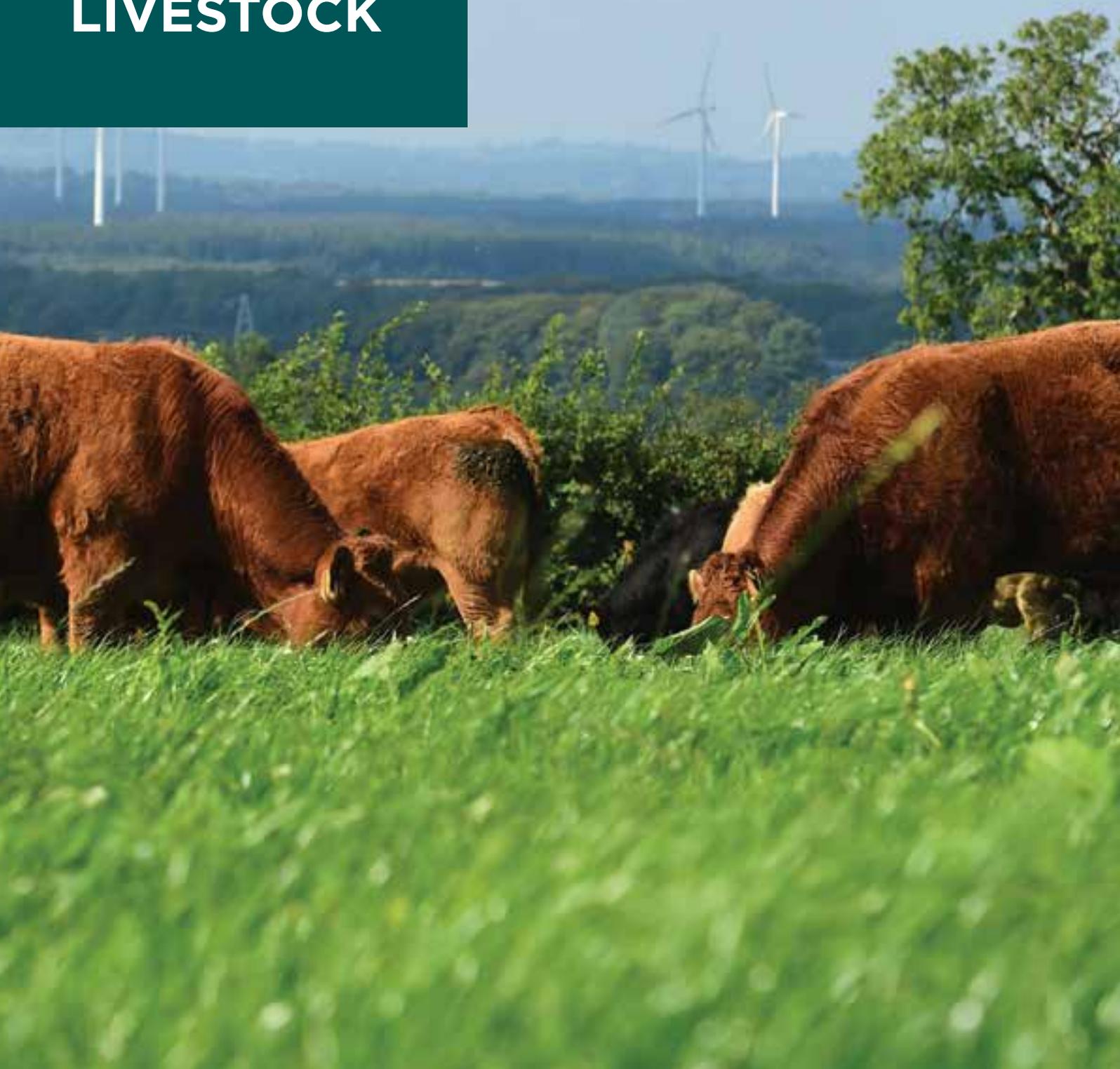
In 2017, we will gain a clearer picture of the nature of the challenges that events in 2016 have posed us, and, whatever obstacles or opportunities are encountered, Bord Bia's message will remain a consistent one: that Ireland is a source of sustainably produced food and drink of unrivalled quality and will continue to assertively pursue growth in markets both around the globe and close to home.

**Tara McCarthy**  
Chief Executive



SECTOR REVIEW

# MEAT AND LIVESTOCK



## BEEF

Export meat plant cattle supplies in Ireland are estimated to have increased by 5% in 2016 to around 1.64 million head. The recovery in finished cattle supplies largely offset lower average prices, to leave the value of beef exports marginally lower in 2016. Increases in supplies were highest among young bulls and cull cows with heifer throughput up by around 3% and steers on a par with 2015 levels. A recovery in throughput numbers was partially offset by lower carcass weights to leave net production at some 590,000 tonnes including local abattoir output, a rise of 5%. With domestic consumption up marginally, the volume of beef available for export was just over 535,000 tonnes, some 5% ahead of 2015 levels. The rise in export volumes was offset by a decline of more than 6% in average cattle prices. The net result was a slight decline in the value of Irish beef exports to €2.38 billion.

### MARKETS FOR IRISH BEEF

The retail market across Europe continues to be driven by a search for value among consumers with beef facing strong competition from cheaper protein sources such as pork and poultry. Similar trends are evident at foodservice level. Origin of meat remains an important priority for many consumers and meat manufacturers with this becoming more apparent in France and the UK. In the premium segment the demand for better eating quality products often based around traditional breeds or maturation continues to grow across most of our European markets.

Volumes of Irish beef destined for the UK declined by around 2% in 2016 to an estimated 270,000 tonnes, which equates to 50% of total exports. UK beef consumption increased slightly in 2016. In value terms, Irish exports were less competitive due to a 12% weakening of sterling against the euro. Total exports were worth around €1.1 billion some 3% down on 2015 levels.

Exports to continental European markets increased by 9% in 2016 to an estimated 240,000 tonnes. With Irish prices more competitive in 2016, increases were recorded in exports to the Netherlands, Germany, Italy, Spain and Scandinavia. Increased promotional activity in Germany and the Netherlands throughout the year helped improve market presence. Overall, higher volumes to the continent were partly offset by lower unit prices

and left trade for the year valued at almost €1 billion.

Exports of Irish beef to International markets grew sharply in 2016 to over 25,000 tonnes and were valued at €60 million. Growth markets for Irish beef included the Philippines, with volumes more than double 2015 levels, the US which exceeded 3,000 tonnes following the reopening of trade in 2015 and Switzerland which also exceeded 3,000 tonnes.

### RECOVERY IN IRISH CATTLE SUPPLIES

A decrease of almost 58,000 head in live cattle exports in 2015 combined with a rise of over 133,000 head in calf registrations during 2016 is pointing to a significant increase in finished cattle supplies in 2017. Looking ahead to 2017 it is anticipated that higher Irish cattle supplies particularly and currency volatility will create challenges for prices. However it is hoped that further growth in exports to international markets will provide additional options for exporters.

### CATTLE PRICE DEVELOPMENTS

During 2016 Irish male cattle prices remained slightly ahead of the EU average at €3.77/kg. The average male cattle prices across the EU in 2016 showed a decline of over 4% and stood at €3.76/kg. In contrast the average male cattle price in the UK showed a decline of over 10% at €4.15/kg leaving Irish prices at 92% of the UK average. According to the CSO, feed costs in general were back by around 2% while fertilizer and energy prices have each reduced by over 10% which eased some pressure on producers.

### LIVESTOCK

For 2016, live cattle exports totalled just 145,500 head. This represented an 18% decline on the previous year's levels, and the lowest number of cattle shipped since 2004. The number of calves exported fell by 15% compared to 2015. The number of adult or finished cattle exported also declined by 53%. However, shipments of weanlings and store cattle collectively recorded a 14% recovery.

The Netherlands and Spain are the principal markets for Irish calves. In the Dutch market, the introduction of stricter transport regulations, combined with an abundance of domestic and German calves, resulted in Irish exports declining by 38%. This was partly offset by a 26% increase in exports to Spain. The Spanish trade consists mainly of dairy bull

calves: though demand focuses on slightly heavier and more valuable animals than those sent to Holland.

The 55% reduction in cattle movements to Northern Ireland was the main contributor to the decline in exports of adult cattle. The finished cattle trade was impacted by exchange rate movements and a continued preference for beef from UK-born animals among Northern Irish meat plants and their customers. Exports of in-calf heifers were also impacted by the weak dairy market. The same factors also contributed to a 28% decline in exports to Britain.

With regard to exports of weanlings and store cattle; the Italian market imported 24% fewer Irish animals last year where France supplied over 75% of the annual supply needs. French weanling exporters were even more reliant on Italy because their market access to Turkey was suspended as a result of Bluetongue disease. The Turkish market was opened for Irish exports, and almost 20,000 weanling bulls were exported there over the final quarter of the year.

With regard to exports of live sheep, these achieved a 50% recovery, and stood at 48,000 head for the year. Over 85% of Irish live exports occurred during the months of August and September, coinciding with demand ahead of the Muslim Eid al-Adha festival. Key export destinations for live sheep exports were France (45%), followed by Belgium (17%), Netherlands (16%) and Germany (10%).

Meanwhile, exports of live pigs to Northern Ireland were 18% lower at approximately 422,000 head on the back of stronger domestic demand coupled with the shift in exchange rates.

## SHEEPMEAT

Despite a challenging global environment where currency movement, oil prices and poor fifth quarter returns had an impact on trade, Irish sheep meat exports delivered a solid performance in 2016 with a 4% increase in exports to €240 million. Sheep disposals increased marginally in 2016 to 2.65 million head. This reflected a 7% rise in supplies of hoggets in the early part of the season coupled with a significant rise in adult sheep disposals and stronger imports of lamb from Northern Ireland. Carcase weights were reported as lower in 2016 which offset the rise in throughput.

During 2016, Irish sheep meat production increased by over 2% to approximately 60,000 tonnes. Irish sheep prices performed consistently well throughout 2016 despite a 13% appreciation in the euro/sterling exchange rate and the average sheep prices for the year at €4.82/kg was some 1c/kg behind the previous year.

Domestic consumption declined in 2016 following a reduction in prices of key competing proteins. For the year, total sheepmeat consumption at retail and food service level is estimated to have decreased to just below 15,000 tonnes which represents a drop of over 5%.

## EXPORTS

The UK and France continue to be the core markets for Irish sheepmeat accounting for just under 60% of total export volumes. Exports to France eased by around 2% to 16,000 tonnes and were valued at €90 million. Shipments to the UK were affected by a challenging currency environment and showed a decline of 4% to almost 13,000 tonnes.

Key growth markets across Europe were Germany, Belgium, Sweden and Denmark. Shipments to Germany showed a rise of 9% to 4,000 tonnes valued at an estimated €24 million, on the back of higher prices per tonne. Germany is our fourth largest market for lamb and has a growing appreciation of lamb among consumers particularly in ethnic channels. Premium retailers and foodservice providers have recognised this growing appreciation and responded with increased promotional activity outside the traditional lamb consumption periods of Easter and Christmas.

Irish exports to Sweden performed strongly with volumes estimated at 5,000 tonnes in 2016, making Sweden our third largest market. Ireland supplies almost one third of Sweden's sheepmeat imports and is second to the main supplier, New Zealand. Irish lamb has secured a strong presence across a number of Nordic retailers in both private label and branded offerings. There was also a strong increase in shipments to Switzerland making it one of the top five growth markets for Irish lamb.

## PROMOTIONS

The EU co-funded campaign "Lamb - Tasty, Easy, Fun" is a joint initiative between Bord Bia, Interbev (France) and AHDB (UK). This pan European lamb campaign (2015 - 2017)

commands an annual investment of €1.6 million across Ireland, Belgium, Denmark, England, France and Germany. Targeting consumers within the 25-45 year group across six European markets the promotion has focused on highlighting the importance of European lamb production and its versatility as an everyday meat. Other highlights of the 2016 campaign featured in-store promotion activity in hypermarkets and supermarkets across France, an outdoor advertising campaign in Belgium and a two week national radio campaign in Ireland.

In 2016 Bord Bia secured EU funding towards a €3.75 million promotional campaign for European beef and lamb across Asia. Over the course of the three-year campaign (from 2017 to 2019), Bord Bia will undertake a major promotional drive in the key target markets of China, Hong Kong and Japan. The underlying objective will be to build awareness of the high standards of food safety, quality assurance and traceability associated with beef and lamb from the European Union.



## PIGMEAT

Strong international demand largely absorbed an increase of 3% in domestic production and led to a slight improvement in the market environment for Irish pigmeat during 2016.

This is reflected in higher pig producer prices, with Irish and EU prices around 2% and 3% higher, respectively for the year compared to 2015 levels. Export meat plant pig supplies in Ireland were around 3% higher in 2016 at 3.25 million head. This increase reflects a rise of around 4% in finished pig supplies on the back of an increase in the breeding herd during 2015 coupled with increased productivity per sow. Supplies were further boosted by a 19% decline in live exports. Production volumes were offset by a reduction in carcass weights. This left production for 2016 over 2% higher at 283,000 tonnes compared to year earlier levels. Retail sales of pigmeat on the Irish market performed strongly with the exception of the pork subcategory. Pork sales for 2016 were around 3% lower in volume terms. However, the bacon, and sausages subcategories performed strongly with high single digit growth evident. Demand for sliced cooked meats was also robust with 2% growth recorded. Overall, pigmeat consumption increased slightly to 148,000 tonnes for 2016.

### IRISH PIGMEAT TRADE

Irish pigmeat imports fell by 3% in 2016 to around 97,000 tonnes largely due to reduced imports from continental EU markets. Net production increased by almost 3% for the year and with consumption recovering this resulted in the volume of pigmeat available to export rising by 2% to around 233,000 tonnes. An increase in pig prices particularly in the second half of the year left the value of Irish pigmeat exports 4% higher during 2016 at €615 million. Irish pigmeat shipments to the UK showed some decline due to unfavourable exchange rate movements post Brexit which led to a 4% drop in shipments to 88,000 tonnes. This trade is valued at €345 million, some 5% lower than year earlier levels. Exports to Continental EU markets showed little change with some increase in shipments to Denmark and the Netherlands offset by lower volumes to Germany and France. For the year, exports to the Continent stood at 50,000 tonnes with the value of trade increasing marginally to almost €100 million. Exports of Irish pigmeat to International markets grew strongly, reflecting brisk demand from Asia and, China in particular. The continued evolution of Chinese consumer behaviour towards a more westernised diet has led to a significant increase in demand for higher value products such as bone in leg and shoulder meat resulting in higher unit prices

for pigmeat exports. China remains the second most important market for Irish pigmeat, with exports exceeding 65,000 tonnes. Slower demand from South East Asia has been offset by increased exports to Japan following a decline in 2015. For the full year exports of Irish pigmeat to international markets are estimated to have grown by over 20% to 95,000 tonnes. This trade was valued at €170 million.

## POULTRY

Stronger supplies across the EU and lower prices meant a challenging market environment for the poultry sector in 2016. EU Poultry production rose by around 3% with most of this increase evident in broiler and turkey output. Irish poultry supplies reached record levels at 91 million head for 2016. Imports into the EU were higher throughout 2016 reflecting a 2% rise in shipments from Brazil and a 6% rise in imports from Thailand. EU exports were around 10% higher as a result of increased trade to South Africa and Asian markets such as Hong Kong and the Philippines. Broiler prices across Europe decreased by around 4% to €1.78/kg. Irish retail sales of fresh and chilled poultry rose by 8% during 2016 compared to previous year levels. Most of this increase was attributed to chicken, with volumes purchased per shopping trip up 8%, and frequency of purchase increasing by 2% though at a lower average price per kilo.

### IRISH POULTRY TRADE

Irish imports of poultry declined by over 7% to 120,000 tonnes for 2016. This was largely due to reduced fresh and frozen imports from the UK and other EU markets. Irish export volumes decreased by some 10% to 95,000 tonnes in 2016. For the year, it is estimated that the value of Irish poultry exports decreased by 14% to around €275 million, reflecting lower export prices coupled with unfavourable exchange rates in our key export markets. The value of trade to the UK decreased by over 10% in 2016, this was driven by lower volumes of processed, frozen and offals exported coupled with a significant reduction in unit prices. Trade for the year was valued at some €235 million or 85% of total exports. A high proportion of these exports are offal type products which are redirected to International markets once they reach the UK. Despite stronger export volumes, the value of exports to other European markets decreased to around €20 million in 2016 due

to lower unit prices. This represents a decline of around 30% in value terms compared to 2015. The main export markets were France and the Netherlands, particularly for frozen and processed product, while some growth was recorded in trade to Spain albeit from a low base. Similarly shipments to international markets showed some decline and were back around 6% in 2016 at €20 million. International exports were mainly destined for Africa principally South Africa, with some volumes also exported to the Middle East and South East Asia.

SECTOR REVIEW

# FOOD AND BEVERAGES



## DAIRY PRODUCTS & INGREDIENTS

Dairy was among the strongest performers in terms of export growth during 2016. Global dairy market conditions in the early part of the year mirrored the market environment evident during 2015. Strong production in key exporting regions outpaced demand leading to downward pressure on dairy markets. A continuation of lower milk prices led to production falling in many regions while European intervention took significant volumes out of the market contributing to a gradual rebalancing of markets in the second half of 2016. Global prices rallied somewhat in the latter half of 2016. The uplift in the latter half of the year turned a 5% increase in export volumes into a value rise of 2%, with dairy exports tipping €3.38 billion in value and accounting for some 30% of total Irish food and drink exports. It was a market performance driven by strengthening demand for the nutritional dairy powders, with the Chinese market in particular continuing the strong performance of recent years. Lesser value categories such as whey, whole milk powder and yogurt also performed well. In contrast, a weak sterling impacted directly on cheese exports, which fell by 4% to €675 million. The growth in prepared consumer foods was largely driven by demand for dairy-based enriched powders, with sectors such as bakery and chocolate confectionery also performing well.

The United Kingdom remains a key market accounting for around a quarter of Irish dairy exports. Exports to other EU markets

were almost 6% lower at some €880 million, accounting for 26% of total trade. The value of exports to International Markets grew by an estimated 19% to €1.66 billion, accounting for 49% of exports and up from just 41% in 2015. Asia led the way with a 31% growth in exports to account for over 23% of total dairy exports. Higher trade was also recorded to Africa and North America. The strongest performing categories were specialised nutritional dairy powders, whey, whole milk powder and yoghurt.

Irish dairy companies participated along with Bord Bia at a number of international trade fairs including SIAL, Paris and Gulfood, Dubai, among others. A number of agri-food related events and conferences provided Bord Bia with opportunities to showcase the best of Irish food and drink products and to highlight the Origin Green Sustainability Programme to international audiences. These included the IUFOST Global Food Summit in Dublin, the Food on the Edge Symposium in Galway, the International Dairy Federation Symposia in Dublin, Ballymaloe Literary Festival of Food, the Cork/Kerry Food Forum and National Science Week. Trade advertising for Origin Green dairy commenced across the UK, France, Germany, Netherlands, Spain, Italy and the US. A number of inward buyer and media visits from Germany, France, Netherlands, South Korea and the UAE were organised by Bord Bia.

The Origin Green International Media Strategy for 2016 was designed to drive continuous awareness in markets and deepen customer engagement. Target markets included the UK, France, Germany, Netherlands, Belgium,



Switzerland, and the Nordics. The Origin Green partnership with the Guardian Sustainable Business had an overall reach of 7.1 million unique browsers in 2016 with 600,000 unique monthly users per month.

Bord Bia established a second office in the South-East Asia region to help build business for Irish exporting companies, particularly dairy, meat and seafood.

Following a trade mission to Asia, the Origin Green China consumer facing dairy campaign was launched in September. This major new digital campaign was launched to directly promote Irish dairy products to China's online shoppers and influencers. This is the first consumer-facing campaign undertaken by Bord Bia in China and is expected, in its initial phase, to reach in excess of 33 million Chinese consumers through a series of online ads, co-partnership promotions with Irish suppliers and targeted blogger engagement. The campaign which ran from September to December 2016 resulted in over 900,000 visitors to our Chinese origin green website and 1.7m page views. The main drivers of web traffic to the site are Chinese Social Media apps, namely Weibo, BBS and Wechat.

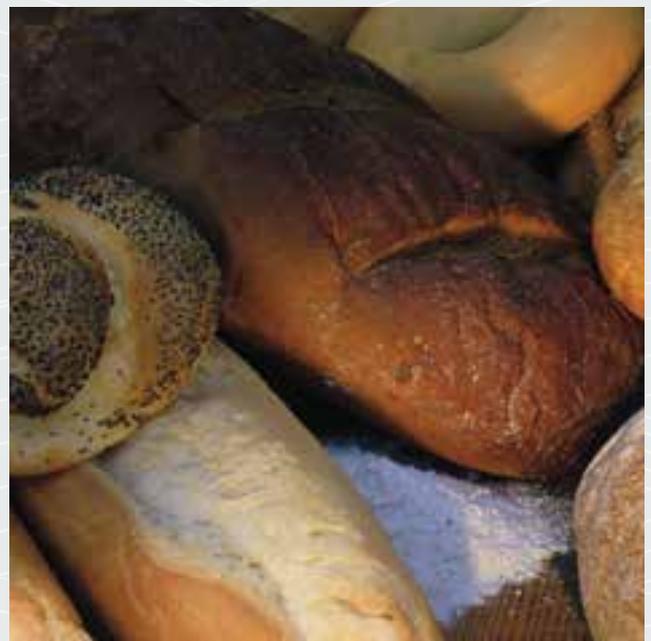
Two members of the Bord Bia insight team visited India to conduct an Ethnographic study regarding the dairy category and identify opportunities for Irish dairy companies. Two members of the insight team also visited a number of cities in Iran to spend time with local consumers in their homes. The study explored local consumer behaviour within the dairy category but also on a cultural level so as to identify opportunities for Irish dairy companies. Bord Bia also visited the Ivory Coast to undertake an assessment of the market for dairy and any potential opportunities for exports and primary dairy market research has also been undertaken in Senegal, West Africa.

Membership of the Sustainable Dairy Assurance Scheme at the end of 2016 stood at 13,623 and since the carbon audits began across dairy farms in Ireland, there has been a sustained reduction in the average carbon footprint from 1.21kg CO<sub>2</sub>e/kg of fat & protein corrected milk in 2014 to 1.14kg CO<sub>2</sub>e/kg in 2016. Some 9,943 Sustainable Dairy Assurance Scheme audits were conducted during 2016. Bord Bia honoured Ireland's most sustainable dairy farmers, during the year, through its Origin Green Sustainable Beef and Dairy Producer Awards. The Awards highlight the link between environmental sustainability and

efficient production at farm level. A touch-screen carbon navigator tool, at the National Ploughing Championships, provided users with an experience of setting targets for the improvement of on-farm efficiency.

## PREPARED CONSUMER FOODS

Prepared Consumer Foods encompass a range of value added food and beverage products including bakery, chocolate confectionery, biscuits, processed dairy products and value added seafood. Total exports declined by almost 2% in 2016 to an estimated €2.5 billion. Declining exports of value added meat, dairy products and poultry were partially offset by growth in bakery, chocolate confectionery, value added beverages and seafood. The UK is the main export market for prepared consumer foods. It accounted for some 65% of exports by value although trade was 9% lower in 2016 at an estimated €1.6 billion. Trade to other EU markets was around 15% higher at €615 million, with the key growth markets being France, Germany, Italy and Poland.



### BAKERY

Baked goods delivered a strong export performance in 2016, with a small increase in bread exports and a stronger performance in sweet baked confectionery, with an overall increase of 4% year on year to reach an estimated €270 million.

The baked goods sector covers a very broad range of products including bread, cakes and morning goods. The main products exported include breads for in store bakery and ambient cakes. The ranges supplied to international markets by manufacturers have also recently expanded to now include products such as wraps, shortbread and gluten free products.

Key trends in the category include “clean labelling” and dialing up or adding nutritional values and the market is also seeing an increase in gluten free and vegan options available. The gluten free market continues to grow strongly with the UK showing particularly strong growth of 30% year on year. Manufacturers and brands are introducing new and healthier varieties, positioning products as a “managed” indulgence and focusing on unique marketing and product attributes such as fortifications, provenance, sustainability, waste reduction, portion sizes and history.

While export growth has slowed throughout 2016, the category fundamentals are strong and indications suggest that the overall market demand will remain positive.

### FROZEN

Notwithstanding the pressure exporters are experiencing from the Brexit fall-out, markets for Irish frozen food producers have held steady for 2016, with some growth areas also noted. The UK frozen retail category grew 0.5% in volume and 0.1% in value over the 12 month period (*Kantar Worldpanel*), and the Irish frozen retail market has grown by 4% in volume and 3% in value. Business listings in frozen retail and foodservice, on Continental European and third country markets, point to growing opportunities for innovative frozen propositions within the Premium and Health spaces. There have also been some frozen private label listings in European retail accounts. The UK will remain the primary market for Irish exporters during 2017, but there is strong interest in developing new business in Continental European markets.

### GROCERY

The grocery sector is comprised of some 90 companies producing a diverse mix of products including jams, preserves, sauces, condiments, oils, cereals and baking ingredients. Exports performed well in 2016 growing by 7% despite the challenges of volatile ingredient and input costs; uncertainty regarding Brexit and a strong presence of imported products combined with increased operating expenses.



The sector relies heavily on the domestic market, accounting for approximately 65% of outputs. Exports in 2016 were primarily to the key UK and European markets with emerging markets such as the Middle East and Asia presenting new opportunities for the sector. Quality and provenance are key requirements for success on international markets as is a strong base in the domestic market.

### CONFECTIONERY

Exports of chocolate, mainly mainstream chocolate bars, and, premium boxed chocolates for *gifting*, grew by 5%. While the UK, our largest market, demonstrated a modest growth rate, international markets such as Australia and the UAE increased. Sugar confectionery exports to the key markets of the UK, Italy, Germany and France grew by 20%, with stronger demand from the latter two.

### BEVERAGES

Strong demand in premium alcohol drove growth once again in beverage exports in 2016. Increased demand indicates a recovery in disposable incomes in many developed markets, the desire for luxury, the use of alcohol as a status-symbol and the association of the “premium” label with beverage quality and taste.

These developments have helped offset slower demand from some developing markets. The main growth markets included North America, Asia and Continental Europe.

Irish whiskey and the growth of 'craft' beverages boosted exports in 2016. Beer and cider both recorded growth while liqueurs remained relatively steady. Exports of non-alcoholic beverages were boosted by stronger sales of water, offsetting reduced exports of juices and carbonated soft drinks.

Grain prices were more competitive during 2016, alleviating some cost pressure, although many other input costs remained high by historic standards. The strengthening of the euro against both the US dollar and sterling affected competitiveness as the year progressed.

Overall, exports are estimated to have increased by 4% in 2016 to €1.4 billion.

Whiskey exports continued to drive Irish beverage trade in 2016, growing by an estimated 8% to some €505 million. Growth was driven by stronger exports to the United States and Eastern Europe and to a lesser

extent Germany and the UK.

The global market environment for cream liqueurs was relatively slow for much of the year but recovered towards year-end. Growth was recorded to Continental EU markets such as Germany while trade to North America held steady. Trade for the year was worth an estimated €305 million.

Beer exports grew by an estimated 2% in value on the back of volume growth in 2016. Despite challenging exchange rates, shipments were higher to the UK while other EU markets such as France, Spain and Italy helped boost trade. Exports were boosted by the growth of craft beer exports to a number of key markets. Beer exports for the year are estimated at some €290 million.

Exports of Irish cider saw some recovery in 2016 following declines over recent years. This was largely driven by increased volumes to the UK, which offset currency fluctuations.

In terms of non-alcoholic beverages, a mixed trade was reported in the UK while across Europe non-alcoholic beverages particularly waters and juices performed strongly reflecting pressure on the carbonated drinks market.



## SEAFOOD

The value of seafood exports decreased by 3% in 2016, to an estimated €555 million with unit price increases compensating for a 25% reduction in export volumes demonstrating the strength of demand in most key markets.

The main EU markets, namely France, Spain, UK, Italy and Germany continue to dominate seafood exports, accounting for around 63% of total exports by value. In 2016, France remained the largest export market growing by almost 8% despite a 5% drop in export volumes. Unit price increases of almost 14% drove the value of exports to this market. The Spanish market showed signs of continued recovery with exports almost 12% ahead in value coupled with a 7% volume increase. Increased unit prices drove growth reflecting the demand for Irish seafood in this market. Similarly, higher demand drove exports to Italy and the UK with increases of 29% and 11% respectively in value terms. Trade to Germany was largely static with a 1% decrease in value terms, increases in unit prices were substantial, increasing by almost 40%.

Seafood exports to international markets



During 2016, some 145 exhibitors participated at 14 trade shows internationally, representing prepared foods, dairy, fish/seafood and drinks. Some of the key trade show events included ISM Cologne, Biofach, Speciality and Fine Food Fair, Salon du Fromage (et des produits laitiers), Seafood Expo Global, Seafood Expo North America, Prowein, Sial Paris, Gulfood, Conxemar, PLMA and China Seafood Expo. A number of successful trade shows were also attended for the first time in 2016, including Free From Expo Amsterdam and Lunch! in London. Key buyers were contacted in advance of all fairs, allowing participants maximise relevant business and trade opportunities.

decreased significantly to €145 million in 2016 representing some 26% of total seafood exports. Ireland's four main African markets - Nigeria, Cameroon, Egypt and Ghana accounted for just 10% of total seafood export value which was down on 2015. Exports to Nigeria were 55% lower in value terms due mainly to lower volumes. Cameroon also recorded a significant decline while seafood exports to Egypt and Ghana showed strong growth. Exports to the main Asian markets - China, South Korea and Japan - together increased by an estimated 12% in value terms in 2016. Strong export growth to Japan and China offset a 10% decrease in the value of trade to South Korea.

## TRADE FAIRS

For the purposes of enhancing the export reach of Irish food and drink manufacturers, trade fairs continue to assist companies in both the consolidation and development of new business across a wide variety of markets and sectors.

SECTOR REVIEW

# SMALL BUSINESS & ORGANIC



The last 5 years has seen a significant increase in the number of small businesses across all sectors in response to a greater appetite from consumers for products associated with small scale production. The sector attracts producers from a wide diversity of professional and ethnic backgrounds, who recognise the growing business opportunities in the food industry. Bord Bia provides services at various levels to 700 small food and drink companies.

### SMALL BUSINESS OPEN DAY

On the 19th of January 2016 over 220 representatives from the small food producer community attended the annual Small Business Open Day in Johnstown House, Enfield, County Meath. The theme of the event was *Global Trends-Local Relevance*.

Bord Bia shared the newly launched Statement of Strategy, *Making a World of Difference*, outlined relevant Bord Bia supports for small businesses, as well as providing research and insights into the Irish consumer. Wayne Anderson, Food Safety Authority of Ireland, outlined the necessary food safety obligations for small businesses along with an overview of the FSAI guidelines on the use of certain marketing terms. David Berry from Kantar Worldpanel provide an overview of both the UK and Irish retail scenes, while two highly informative panel discussions took place, encompassing the themes of 'Developing Your Brand in a Digital Age' and 'Global Trends Local Success'.

The delegates also had the opportunity to meet with Bord Bia representatives and various other support agencies including Teagasc, Enterprise Ireland and LEOs, so as to get a better understanding of services available.

### BORD BIA VANTAGE

Bord Bia addresses the needs of small businesses with a turnover of less than €3.5 million through the Bord Bia Vantage programme which provides owner/managers access to best-practice resources, expertise and processes to help build their respective markets. The key service platforms of Bord Bia Vantage in 2016 were:

**Bord Bia Vantage Point:** Vantage Point is Bord Bia's online resource guide for small businesses. This is a focused online space for small food

and drink businesses at [www.bordbiavantage.ie](http://www.bordbiavantage.ie). Profiled on the website are key Bord Bia services for the small food and drink community along with market data, trade and consumer events. Visits to the site exceeded 26,000 in 2016 with the most visited sections being market information, sector overviews, marketing finance and business development.

**Bord Bia Vantage Plus:** Vantage Plus is a programme designed to develop small business companies' capabilities and competencies in the key areas of business and market development.

*Food Academy Start* is a training programme that supports and nurtures start-up food businesses, whereby Bord Bia, SuperValu and Local Enterprise Offices work together to provide food marketing knowledge to new and early-stage food business owners. Running across the entire Local Enterprise Office (LEO) network, the programme to date has supported approximately 600 participants. Programme partner, SuperValu, provides additional training and support, and access to the Food Academy Fixture, where there are currently over 320 companies selling products in store. In 2016, some 20 graduates from the Start programme progressed to *Food Academy Advance*, a supplier development journey with SuperValu, coordinated closely with Bord Bia, helping companies with strong potential to grow from local, to regional and national supplier status.

Also aligned to Vantage Plus is the newly developed *Preparing to Export Programme* for those companies wishing to explore possible market options, and to access support and guidance to develop and integrate a coordinated plan into their respective business models. This programme is delivered through a series of interactive training workshops, follow up in-company support and a UK market visit. Twelve companies participated on the programme with outputs as follows: 1. Research and identification of target markets; 2. Specific markets' focus; 3. Market segmentation; 4. Route to market options; and, 5. Development of an export plan

**Bord Bia Vantage Promote:** Vantage Promote provides for business development and public relations activities; sponsorship of awards and the development of itineraries for the promotion of the small business and speciality sector.

## TASTE COUNCIL SUMMER SCHOOL

Together with the TASTE Council of Ireland, Bord Bia coordinated the sixth annual Food Summer School, on 22nd August which took place in The BrookLodge, Macreddin, Co. Wicklow. Over 130 delegates attended the event which focused on the rural food community and featured a number of interactive panel discussions. The conference concluded by capturing the findings from each of the group discussions held, with a key focus of devising realistic actions to ensure that small scale food production is put at the heart of the rural community.

## BLOOM 2016

The Food Market is an established feature at Bloom, showcasing the quality and range of smaller food producers in Ireland. The market stalls are run by the producers themselves and provide a unique opportunity for visitors to learn first-hand about the products on offer, and how best to prepare and use them. There were 64 producers in the market in 2016, of which 25 were new to Bloom and 5 celebrated 10 years at the show. In addition, a wider number of product categories were featured with wholefoods and organic producers having an ever growing presence.



The Bloom Inn was located next to the Food Market and featured 13 craft whiskey, beer and cider producers who showcased their products over the course of the Bloom festival. Alongside them, the Irish farmhouse cheese producers demonstrated the strength and breadth of this industry in Ireland.

## ORGANIC FOOD

The Irish organic grocery market, similar to other organic markets across Europe, is showing strong growth in recent years. Building on the momentum of 2015 growth (over 6%), new figures in late 2016 indicate a further year on year increase of 23.7% to bring the total value of organic grocery sales to €142 million in 2016. Comparative growth of conventional retail sales for the same period was just 3%, highlighting the exceptional performance of organic products. Growth in retail sales is evident across all organic product categories without exception, with the most important category continuing to be vegetables, which grew by €5.6m in 2016 to exceed €34 million.

The National Organic Awards were held in October 2016 with a record 278 entries reflecting the surge in interest in the organic sector. Held every 2 years, Bord Bia coordinated the awards as agreed with, and funded by, the Department of Agriculture, Food and the Marine as part of the 2016 Organic Marketing Plan.

The seven winners announced by Minister of State Andrew Doyle TD, together with the then Bord Bia CEO Aidan Cotter, were as follows:

### **Best Fresh Product Award:**

The Organic Centre's Organic Salad Bag;

### **Best New Product:**

Ummerra Smoked Products' Smoked Organic Picanha beef;

**Chefs' Choice Award** (new category for 2016): Highbank Orchards' Orchard Syrup;

### **Export Award:**

Flahavan's Irish Organic Porridge;

### **Direct Selling Award:**

Green Earth Organics;

### **Best Prepared Product Award:**

Blake's Always Organic's Culture Blend Coffee;

### **Innovation Award:**

Mulberry Meadow Organic Farm's My Organics Living Salad - Salad Bowl Mix.

Targeted projects with regard to the long-standing objective of developing export opportunities for the Irish organic sector continued in 2016 with a comprehensive UK

organic market report and debrief; individual client mentoring and a focused market study visit to London. A similar study visit was coordinated to Scandinavia in November exploring the penetration of organic into mainstream retail in Denmark and Sweden, incorporating the Nordic Organic Fair in Malmo.

Sector-specific initiatives within the organic category included a vegetable growers' supply chain trip in September to the Dutch market with 10 Irish growers, to meet with various operators with a view to learning about scaling operations and best practice in packaging, marketing and logistics.

Another key initiative in 2016 was a meat based export project, phase one of which included a major organic sheep census carried out nationwide in order to quantify the amount of organic lamb available for export and understand the seasonality of supply before identifying and targeting markets for export opportunities.

Bord Bia continues to coordinate the Ireland stand annually at Biofach in Nuremberg . Taking place in February, the goal is to increase awareness and knowledge of Ireland's organic sector among trade buyers in relevant target markets, all of whom are canvassed and briefed in advance of the event. Featuring Origin Green as the over-arching theme of the stand, Bord Bia positions Ireland as a clean, green, sustainable supplier. Ten organic companies exhibited at Biofach in 2016 representing meat, seafood, dairy, beverages and prepared foods producers.



SECTOR REVIEW

# HORTICULTURE



## **THE RETAIL FRESH PRODUCE MARKET**

The fresh produce market was valued at €1.496 billion in 2016 with fruit accounting for €709 million, vegetables €585 million and potatoes €201 million. Increases in the average price and frequency of purchase in all three categories contributed to the increase in the value of the retail market in 2016. Volume growth was also recorded across the three fresh produce categories.

### **MUSHROOMS**

In 2016 the farmgate value of the mushroom industry was valued over €125 million producing 70,000 tonnes of product.

The mushroom Industry exports 80% of its production to the UK market and consequently the horticulture sector most affected by the currency volatility that followed the vote for Brexit during 2016 which contributed to the closure of six production units. A number of measures taken by industry and supporting agencies to address the challenges created by Brexit covered a number of areas including reducing input costs, currency management, seeking price increases, market research and promotion activities.



The UK is the largest export market for Irish mushrooms with smaller exports to France and the Netherlands. The volume of mushroom exports increased during 2016 while the value was reduced by currency volatility and price pressures. At retail level in the UK, volume per buyer, frequency of purchase and volume per trip grew in 2016. However the average price declined resulting in lower overall values.

On the domestic market retail mushroom sales have been strong, with a 7% increase in both value and volume.

### **POTATOES**

With a slight increase over 2015, potato production in 2016 was estimated at 346,000 tonnes. The area grown was 8,700 hectares which was 5% up on the previous year. The volume from the main variety Rooster (55% of the planted area) was back by 4.6% while increased volumes went for crisp and chip production. Other key varieties grown include Kerrs Pink (9%), Queens (8%) and varieties for crisp production (11%). The domestic market is the key market for the potato industry which was valued at €200m in 2016 which experienced increases in both the frequency of purchase and the average retail price.



### **FIELD VEGETABLES**

Despite a cool start to spring, 2016 overall, was a good growing year for field vegetables. A milder autumn created a challenge with crops coming in earlier than planned. The recent census for the field vegetable sector shows that we now have 166 commercial vegetable producers growing 4,297 hectares of crops. This indicates a decrease in the number of growers by 20% and a reduction in the overall growing area of 7% since the last census was carried out in 2009. The key crops grown include root and brassica crops. The domestic retail market for vegetables (including protected vegetables) is valued at €585m with both an increase in the frequency of purchase and the average retail price recorded in 2016.

### **PROTECTED VEGETABLE CROPS**

The recent census of the protected salad/vegetable sector indicated a cropping area of 190 hectares with an output value estimated at €21 million. Tomatoes, peppers and lettuce are the main crops with most destined for the

Irish retail market. Historically Irish tomato production has been consolidating, but recently there have been some increases in greenhouse growing area. There were good growing conditions during 2016 and consistent demand for salad ingredients throughout the summer.

There were value increases of between 8-10% in the retail sales of cucumbers, peppers, tomatoes and lettuce. The rate of volume increases in peppers and cucumbers were closely matched to value, while tomatoes and lettuces increased by 2-4%, showing some price increases.

### FRUIT CROPS

Fruit, the largest fresh produce category, grew in value terms by 9% in 2016 to a total retail value of €709 million. Apples and strawberries are the two main fruit crops produced in Ireland.

The recent census of the soft fruit sector shows that there are over 330 hectares grown with output valued in excess of €30 million. The majority of soft fruit is now produced under protection either glass or polythene. In the soft fruit market, strawberries are the most important crop and investment in the sector has extended the strawberry growing season from early April to December. Strawberries had a good year with an increase of 18% in retail sales by both volume and value. Supply and demand were evenly matched for Irish growers. Raspberries, blueberries, and blackcurrants grew in value by between 10 and 15% for the first time in many years.



The output value of home grown apples is estimated to be €5 million. Over the last couple of years we have seen some new orchard planting which is a positive development. Demand for Irish eating apples remains strong, and retail sales of eating apple increased by 7% in both value and volume. Cooking Apples increased by nearly 5% in retail value and volume grew by 24%. Dessert apples, after a drop in volume growth in 2015, returned to growth in 2016 with an increase in both value and volume of 7%.

### AMENITY CROPS

The value of output from the amenity sector was estimated at over €45 million in 2016. The most recent measure of the gardening market carried out in 2016 show that the amenity market – as measured by consumer spend – is valued at €729 million. This is an increase of 16% since it was last measured in 2014 when it was valued at €631 million. There have been robust performances across all sectors, with the number of purchasing occasions and value both showing healthy growth.

The strongest increases have been recorded in the soft landscaping areas – outdoor and flowering plants, and indoor potted plants. Fresh Cut Flowers and Garden Products have also reported significant, if relatively more modest, uplifts since 2014.

Currently, outdoor and flowering plants are valued at €168 million, and account for 37% of all amenity purchasing occasions. Garden products have the largest share of value, at €340 million, though account for a quarter of purchases made. Within the outdoor and flowering plants sector, hanging baskets and pre-planted containers, bulbs/flower seeds for planting and herbaceous plants have all seen particularly strong increases in value and purchasing activity since 2014.

Landscape construction, an important channel for plant sales, also saw increased activity, with a number of new residential developments, along with public spaces and commercial builds.

Exports of amenity horticulture crops were valued at around €16.3 million in 2016 which is an increase of some 2% over 2015. This increase was largely due to stronger exports of daffodils and cut foliage used in floristry.

In 2016, the export sales value of nursery stock was relatively steady at €6.1 million with the majority of exports to the UK. Despite

challenging exchange rate fluctuations, exports benefited from consolidation of the nursery sector and a recovery in the UK landscape market.



Cut foliage exports increased by some 15% to €4.2 million in 2016 due mainly to higher demand at peak periods. Over 75% of exports go to the UK and Brexit is having a short term effect on pricing. However it is anticipated that the lack of competition will help minimise pricing declines. Furthermore, Irish foliage is well positioned for growth due to recent investments in marketing and production.

In 2016 it was estimated that Irish Christmas tree growers harvested 550,000 trees of which one third were exported to European markets such as the UK, Germany and France, while the remainder were sold domestically. The export market has eased in value totalling almost €4.8 million on the back of less favourable exchange rates. However it is hoped to maintain and increase market share in the export market despite tighter margins.

## HORTICULTURE PROMOTIONS

### JUST ADD MUSHROOMS

The EU and Industry funded “Just Add Mushrooms” campaign commenced in 2013 and was completed in 2016. It was valued at €2.7 million over the three years and covered both the Ireland and UK markets. The Just Add Mushrooms campaign has seen an increase in the cumulative volume of sales in the combined markets of 30,000 tonnes since the campaign

began (22,500 tonnes in the UK and 7,700 tonnes in Ireland compared to the baseline figures in 2013). The campaign achieved penetration levels respectively of 81.4% and 89.5% after three years of the campaign with increased purchasing frequency. Purchase frequency level achieved was 18.7 for the UK and 33.8 for Ireland by 2016.

### POTATO PROMOTION

The EU and industry funded promotional campaign titled “Potatoes – More Than A Bit On The Side” is being rolled out from 2015 to 2018. Key activities include print and on line advertising as well as significant social media communication across a number of digital platforms. Outdoor advertising was also added to the promotional mix in 2016.

Key outcomes from year 1 of the campaign included:

- Print advertising reach – 257,000 people
- 40 press advertising insertions
- Digital advertising & mobile impressions – 8m
- PR coverage pieces – 75
- Website visits 125,000
- Social media 94,000 Facebook likes (3.7 million people reached)
- Twitter followers (GB/Ireland) – 14,000
- Instagram Followers (GB/Ireland) – 4,000

Consumer research tracking the campaign is showing that the campaign awareness and messaging is cutting through. *Kantar Worldpanel* data for 2016 reports both value and volume growth in the market and an increase in the frequency of purchase by the target audience.

### GARDENING PROMOTION

The GróMor consumer gardening campaign, with the objective of encouraging the 35 to 45 age group to start gardening, continued in 2016. Supported by Bord Bia and the nursery stock sector this is an initiative by garden centres under the Retail Excellence Ireland umbrella. With a relatively moderate spend on PR the campaign achieved an advertising equivalent value of just over half a million euro. Social media was the main channel utilised for the campaign, and the fanbase on Facebook grew to over 11,000 followers, from a base of 4,000 at the launch in March. The revamped website attracted over 16,000 unique visitors, and more than 40,000 page views. Sixty five REI garden

group garden centres and eighteen nursery growers, members of the Irish Hardy Nursery Stock Association, supported and participated in the campaign last year.



### NATIONAL STRAWBERRY WEEK

National Strawberry Week took place in June. The focus of the 2016 campaign, now in its 9th year, was on in-store activity, with a redesigned on pack label providing further engagement with consumers. Posters and shelf talkers also featured details of the competition, which resulted in increased participation by both consumers and retailers. A set of other activities took place, which included a schools competition, radio show sponsorship, advertising in the IFJ, and online advertising. Kantar sales figures reported that for the year from June 2015 to June 2016 there was a 26% increase in the volume strawberry sales, compared to the year before.

### SALADS PROMOTION

A promotional initiative supported by the salad sector commenced in 2016. A summary of the results for the salads week promotion in 2016 reported the following outcomes: 183,000 listeners reached through sponsorship of national radio show; 405,043 people reached through the Mykidstime website and Facebook page; 148 000 people reached through the Bord Bia Facebook page and main website; and, 259,000 readers reached through press advertising

### FOOD DUDES PROGRAMME

The EU School Fruit and Vegetables Scheme is implemented in Ireland through the Food Dudes Programme. The Food Dudes Programme is an evidence-based incentivised behaviour changing initiative developed by the Food and Activity Research Unit, Bangor University,

Wales. It is managed by Bord Bia and funded by the Department of Agriculture Food and the Marine and the European Union. The Food Dudes Programme aims to increase sustained fruit and vegetable consumption amongst primary school children through the provision and repeated tasting of fruit and vegetables over a 16 day intervention period with the support of accompanying measures in the form of role models (Food Dudes Heroes) and small rewards (followed by a home phase where fruit and vegetables are supplied from home). The Food Dudes Boost Programme was introduced at the beginning of 2015. A total of 719 schools and over 94,000 school children participated in the boost programme in 2016.

### INCREDIBLE EDIBLES

The Incredible Edibles is a school based programme with the aim of engaging children in growing fruit and vegetables and increasing awareness of their role in a healthy and balanced diet. Jointly funded by the horticulture industry with support from the Departments of Health and Education and Bord Bia the programme is managed at school level by the farming promotion body Agri Aware. A total of 1,300 national schools took part in the programme during 2016.

## HORTICULTURE PROGRAMMES

### BLOOM

The 2016 Bloom show was held for five days over the June bank holiday weekend with 115,000 visitors attending the event. On site sales at Bloom were estimated at €6.1 million in 2016 while expenditure on gardening and gardening related activity inspired by Bloom was estimated to be €34 million. Exhibitor and Visitor survey satisfaction ratings were 96% and 91% respectively. The visitor survey showed that 17% of attendees were new visitors to the show with 95% rating their experience at the show as good value for money. The PR generated by the show was very significant with 6,262 articles generated across all the various media platforms.

### MARKETING, INNOVATION

Under the Bord Bia Marketing Assistance Programme a total of 42 horticulture businesses applied and 18 Amenity and 22 Edible, received

assistance totalling €146,000 to undertake a range of activities including trade shows, market research, point of sale, labelling generation and website development. Four horticulture companies were awarded grants under the Market Intensification Programme.

Addressing the market challenges arising from the Brexit result, a canvass of amenity sector client companies was carried out and a series of one to one mentoring sessions took place with sixteen nursery businesses.

The Thinking House and its facilities were launched to Amenity sector clients with an attendance of 62 clients from 57 companies. The wide range of services available was outlined.

### LANDSCAPE QUALITY PROGRAMMES

Audit visits and assessments were carried out for those companies working towards maintaining their certification under the scheme.



### SALAD POTATO INITIATIVE

Bord Bia continued to sponsor a potato sector specialist consultant from SRUC Scotland to tie-in with an extension programme around the agronomy and growing of baby/salad potatoes in Ireland. These potatoes are estimated to be between 10-12% of the retail market by volume served by 15-20 Irish growers. The three year project, run in co-operation with Teagasc and the IFA, has one more year to run, and sets out to provide better agronomy and knowledge to Irish growers in this sector.

### FIELD VEGETABLE CENSUS

A full census of all Commercial Field Vegetable Producers, commenced by Bord Bia and the Department of Agriculture, Food and the Marine during 2015, was completed during 2016 and provides up to date statistical information on the sector. Results from the census indicate the field vegetable area in 2014 was 4,297 hectares which was 7% lower than that in the 2008 census but a slight increase on the 2005 area of 4,267 hectares. The full results of the census are available on the Bord Bia website.

### GARDENING MARKET MEASURE

Every two years Bord Bia carries out a comprehensive measurement of the gardening market in Ireland. The most recent measure of the market was carried out by Ipsos MRBI during 2016 on behalf of Bord Bia. The amenity market – as measured by consumer spend – is currently valued at €729 million, an increase of 16% since it was last measured in 2014 when it was valued at €631 million.

### GLAS

The 6th GLAS trade show, held in July 2016, was the largest to date. There were over 130 exhibitors (including 31 nurseries) and over 1,000 trade visitors. Promoting the best of Irish horticulture in an environment geared for business and networking, GLAS is supported by Bord Bia and is promoted to senior buyers and decision makers in the retail, government and professional sectors.

### NATIONAL PLANT FAIRS

There were two plant fairs held during the year organised by the Irish Hardy Nursery Stock Association and supported by Bord Bia. The aim of the fairs is to bring plant buyers and growers together in one venue to facilitate and promote plant sales of local product at the start of the gardening season.

### AMENITY EXPORT DEVELOPMENT PROGRAMME

The development and expansion of exports for amenity products, especially nursery stock, cut foliage and bulbs, has been identified as an opportunity for expansion. The Amenity Export Programme (AEP) is targeted at amenity horticulture business owners, who wish to build on existing export sales or enter export markets for the first time. These companies are engaged in amenity horticulture; cut foliage, bulbs/flowers, Christmas Trees and garden plants. Typically 20 companies participate in the AEP

each year and success has been achieved in new product listings, acquisition of new export customers and successful market entry for first time exporters. In 2016 two days of one to one mentoring was held with a UK consultant for participating companies.

### TOP FRUIT GROWERS SEMINAR

The annual top fruit seminar included an update on the retail market for apples, a presentation on new research on the apple market which provided insight on how to increase the sale of local apples and a visit to an orchard being developed for cider production

Bord Bia continues to support the young Horticulturalist of the Year competition and the organisation of the David Robinson Memorial Lecture to promote and support student interest in horticultural education.

### GIY SPUDOFF

Bord Bia sponsored GIY Ireland (Grow it yourself) for the second year to put in place a potato growing competition amongst GIY members. The aim of the competition was to communicate key messages that potatoes are naturally both fat free and gluten free as well as being versatile and healthy. The competition ran throughout the summer and prizes were awarded during autumn.

### LABOUR REVIEW

Bord Bia carried out a review of labour in the horticulture industry, considered important for planning purposes, to provide up to date estimates of the level of employment within horticulture, as well as the factors affecting employment. The survey also looked at some of the upstream and downstream industries that support horticulture and provide further employment. The review found that the industry employs over 6,600 staff at farmgate level and a further 11,000 in value added and downstream activities. Farm-gate horticultural employment is estimated to be worth €165 million annually to the Irish economy, in the context of farmgate output valued at €424 million.

### BREXIT AND THE MUSHROOM SECTOR

The impact of Brexit on the horticulture industry has been most noticeable in the mushroom sector which has considerable exports to the UK. Bord Bia organised currency workshops for exporters and carried out market research with UK consumers on their behaviour and attitude to purchasing mushrooms

and on their origin to assist marketers in their discussions with buyers. Bord Bia also supported additional promotional activity in the UK market at the end of 2016 as well as promotional activity on the home market. In addition, the key marketing activities of exporters was also supported by the Bord Bia Market Intensification Grant Programme.

One additional key initiative that evolved during 2016 was the implementation of a pilot programme in lean manufacturing processes for mushroom growing units as a tool to help raise productivity and reduce costs on Irish farms. The pilot included putting six mushroom producers through a three month Lean start programme of consultancy to improve production processes. Once the pilot is completed in early 2017, it will be reviewed to assess its suitability for roll out to the rest of the mushroom producers, and potentially for the wider horticultural industry.

### SPONSORSHIPS

Bord Bia supports the needs of the horticultural industry through the provision of sponsorship to relevant conferences, seminars and workshops, as well as events organised by other organisations which Bord Bia are associated with. In 2016 over ten such events/associations were supported.

OUR BUSINESS

SECTOR REVIEW

# SERVICES



## QUALITY AND ENVIRONMENTAL ASSURANCE

Work on revision of the Beef & Lamb Quality Assurance Scheme (BLQAS) continued in 2016 and the revised scheme – the Sustainable Beef and Lamb Assurance Scheme was submitted to the Irish National Accreditation Board for accreditation by year end. Formal accreditation is expected early in 2017 followed by roll out nationally. A total of 35,279 audits to the Beef & Lamb Quality Assurance Scheme were conducted in 2016. In addition 9,943 audits were conducted on dairy farms to the Sustainable Dairy Assurance Scheme. A total of 2,110 audits were conducted in the poultry, egg, pig, feed, horticulture and meat processor schemes, bringing the total number of audits in 2016 to 47,332.

The Horticulture Quality Assurance Scheme was revised to incorporate sustainability criteria and the first modules of the Sustainable Horticulture Assurance Scheme (SHAS), namely M1- Grower and M2-Produce handling and Packing were submitted to INAB for accreditation. Substantial progress was made on revision of the Distributor module and the Ornamental Growers module, both of which will be submitted for accreditation early in 2017. In addition a new online risk assessment tool was developed for growers. This will become operational with the implementation of the revised scheme. During 2016 INAB granted an extension to Bord Bia's scope of accreditation to include GlobalGap Version 5 for fruit and vegetables.

In order to facilitate exports to the US and to verify claims regarding the qualities of Irish beef, Bord Bia developed a bespoke Process Verified Programme (PVP). This involved the development of a new QMS system specifically designed to support the programme and meet with the requirements of the USDA Standard, QAD 1001. In December of 2016 Bord Bia submitted the application to the USDA for approval to use 8 different Process Verified Points (PV points) on Irish beef sold on the US market. The USDA commenced the review of the application and will visit farms and meat factories in 2017 as part of the approval process.

The pig and poultry schemes are being revised to incorporate sustainability criteria and will be submitted for accreditation when agreed by the

Technical Advisory Committees.

The total number of certified members in all the Quality Assurance Schemes stood at 65,242 on 31st December. Membership of the BLQAS, the Sustainable Dairy Assurance Scheme and the Pig Producer Scheme stood at 49,672, 13,623 and 416 respectively. The total number of poultry and egg producers was 707 and 175 respectively. There were 441 members in the Horticulture Scheme while 93 were members of the Feed Quality Assurance Scheme. A total of 96 meat factories and 19 egg packers were certified members of the processor and packers schemes.

A new Quality Assurance Scheme for the Livestock Marts will be developed in 2017, in response to a request from the mart managers.

## INVESTING IN A SUSTAINABLE FUTURE THROUGH ORIGIN GREEN

Origin Green is a unique sustainability development programme developed by Bord Bia to internationally demonstrate the commitment of the entire Irish food and drink industry to operating sustainably – in terms of greenhouse gas emission, energy conservation, water management, biodiversity, community initiatives and health & nutrition. Origin Green seeks to involve both manufacturers and farmers in working to a path of sustainable production. Many of Ireland's major exporters have demonstrated their commitment to doing so, by subjecting their sustainability plans to independent verification.



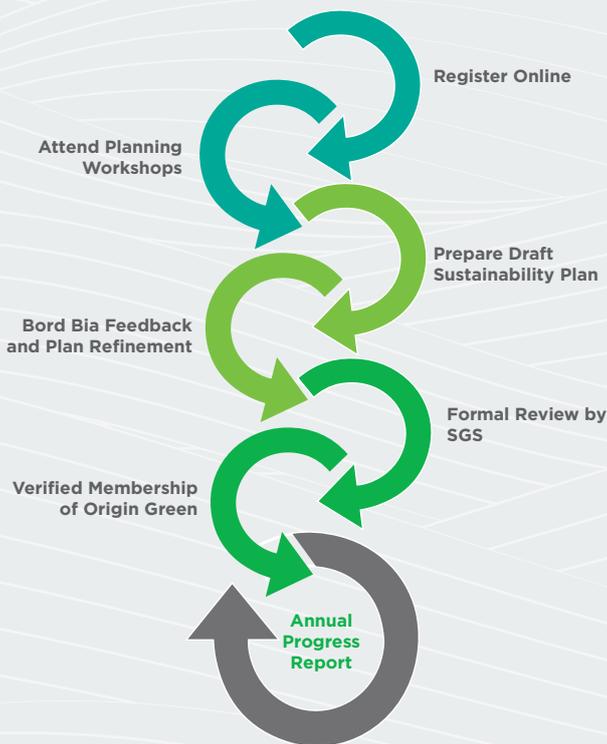
**Working with nature**

Since 2012, more than 527 Irish companies, representing 90 per cent of Irish exports have signed up to Origin Green. At farm level, Bord Bia has conducted 137,000 carbon assessments to measure and help improve the environmental performance of Irish farms.

Of the 527 participating companies, 220 have achieved fully verified membership of the programme, signalling that their sustainability

plan has been independently verified by the SGS Group. A further 154 companies have submitted draft sustainability plans as they work to refine their submissions and progress towards fully verified membership. The remaining companies are attending Origin Green planning workshops and actively developing their sustainability plans.

## Origin Green Process at Manufacturing Level



Through the Bord Bia Quality Assurance Schemes farmers recognise that by sharing their sustainability performance data they will benefit in two ways:

- they receive clear feedback on how they compare with their peers along with guidance on how to improve their own production efficiency, and,
- they further build the reputation of Irish farming for producing not only high quality food but also sustainable food.

The average carbon footprint across participating farms now stands at 11.58 kilograms of carbon dioxide equivalent (CO<sub>2</sub>e) per kilogram (kg) of beef liveweight versus an average of 11.59kg CO<sub>2</sub>e/kg beef in 2015.

Since carbon audits began across dairy farms in

Ireland, there has been a sustained reduction in the average carbon footprint from 1.21kg CO<sub>2</sub>e/kg of fat & protein corrected milk in 2014 to 1.14kg CO<sub>2</sub>e/kg in 2016.

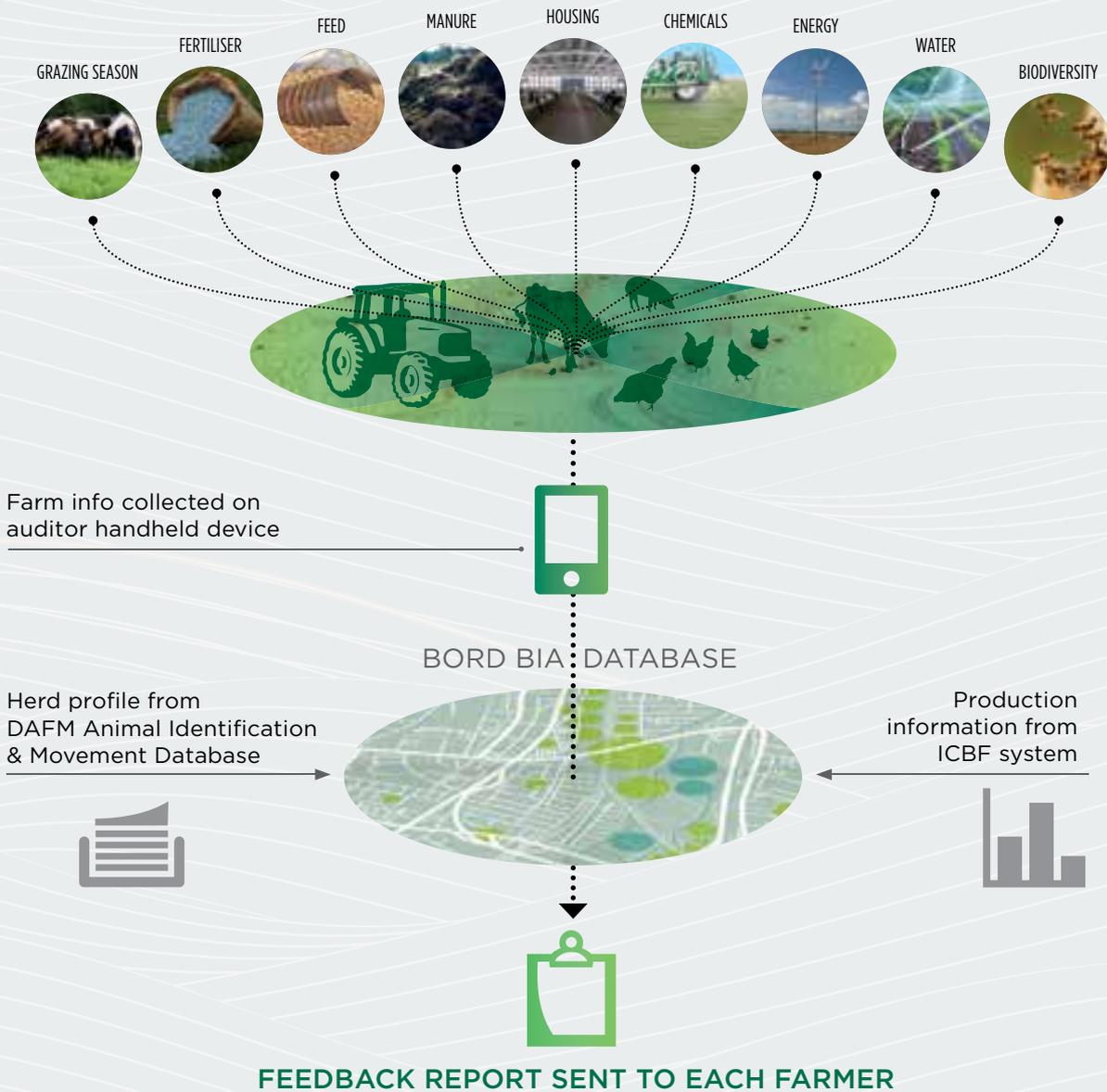
Bord Bia is undertaking a major international trade marketing communications campaign for Origin Green which includes trade advertising, international trade fairs, placing 10 Origin Green Ambassadors in key emerging export markets, hosting media and journalist visits to Ireland, etc.



## ORIGIN GREEN SUSTAINABLE PRODUCER AWARDS

Bord Bia honoured Ireland's most sustainable farmers through its Origin Green Sustainable Beef and Dairy Producer Awards. The Awards aim to highlight the link between environmental sustainability and efficient beef and dairy production at farm level. The Award winners are among the top performers in a pool of nearly 60,000 farms surveyed in the Bord Bia Quality Assurance Scheme for beef and dairy particularly with regard to their carbon footprint, biodiversity and water management.

How do Farm Assessments Work?



**BEEF AWARDS - OVERALL CATEGORY WINNERS**

**Suckler to Beef Category:** Alfie Kirwan’s suckler herd near Killimor, Co. Galway has one of the highest calving rates in the country and is now converting to organic production, encouraged by demand for this premium niche market.

**Suckler to Weanling/Store Category:** Neville Myles, from Ballyshannon in Co. Donegal, who runs a 70-cow suckler herd, was recognised for his quality breeding and grassland management that produces high-performing weanlings.

**Weanling/Store to Beef Category:** Tullamore based, Kieran Dooley, along with his brother Brian and son Joe, specialise in the intensive finishing of well-bred continental young bulls and heifers, and have a keen focus on market demand.

**Dairy Calf to Beef Category:** Brothers Pat and Tom Redmond operate a significant calf to beef enterprise in Gorey, Co. Wexford. Production is coordinated so as to finish 10 high-quality Angus-cross heifers per week, to supply beef to the family’s two hotels in Gorey.

### DAIRY AWARDS – OVERALL CATEGORY WINNERS

**Small/Medium Herd Category:** According to the judges John Joe and Theresa O’Sullivan’s dairy farm in Rosscarbery Co. Cork, supplying Lisavaird Co-op, is a hive of productivity. They milk 70 cows on 45 hectares, with cows grazing over 300 days a year every year. Biodiversity was noted to be a key feature on this excellent dairy farm with a habitat, some woodland, an ancient fort and an orchard where John Joe practices his hobby of beekeeping.

**Liquid/Winter Milk Category:** Dermot Sherry, Drumhillock, Co. Monaghan is using grass measurement and management to improve productivity on his farm. Supplying LacPatrick Co-Op, cow numbers this year reached a peak of 118, up from 70 just a few years ago.

**Carbon Footprint Reduction Category:** Patrick Brennan, a farmer outside Ballingarry, Co. Tipperary, who milks over 170 cows and supplies Arrabawn Co-Op, has made small changes resulting in large efficiency gains. Patrick’s attention to detail and tweaks to his system have resulted in a reduction of the carbon footprint of this farm.

**Large Herd Category:** The judges were particularly impressed by John Hannigan from Dromcollogher Co. Limerick who supplies Kerry Co-Op, who has focused on breeding to build a solid foundation for his farm of over 110 Friesian cows.

## CONSUMER & MARKET INSIGHT

### BORD BIA CONSUMER & MARKET INSIGHT TEAM

Whether prompted by changes in the marketplace, competitive pressures or simply the desire to create something bigger and better, food and drink businesses are now constantly refining and redefining how they operate and what they produce. Bord Bia’s Consumer and Market Insight Team undertake to ensure the consumer is at the heart of marketing and innovation strategies for Irish food and drink businesses. The team works with Irish food and drink companies providing access to *global intelligence, specialist category knowledge and experience, and professional research and facilitating skills* from clear and imaginative marketing thinkers.

### THE THINKING HOUSE

During 2016, we established the Bord Bia Centre of Consumer Insight as a centre of insight excellence. Branded to the industry as the Bord Bia Thinking House, the fitting out and building of the centre was completed in June 2016. The vision & purpose of this centre of excellence is to elevate Ireland, as a 21st century contemporary food-producing nation that commercialises food production in line with genuine consumer needs.

The Thinking House aims to ensure that the branding and innovation chains across the food and drink industry in Ireland will start with the consumer and end with the consumer. It is a space for collaboration, integration and interaction - a campus that breaks down silos and connects stakeholders - a forum for translating what industry wants to the research community and vice versa - sustainable, scalable products built on consumer need.

The Thinking House was officially launched to each sector of the industry. Dedicated launches involved the attendance of industry representatives to a tailored launch day. These included tours of the centre, networking and the dissemination of the most recent and relevant insight studies as conducted by the Consumer & Market Insight team. The Centre was launched to industry leaders by Minister Michael Creed TD. There were also specific launches to the food industry sectors of meat, prepared foods, artisan producers, dairy and seafood as well as to the media.

### COMPANY SPECIFIC WORK

The Bord Bia **Branding and Innovation Workbooks** continue to provide a consumer focused structured approach for successful innovation and branding for food and drink companies. Bord Bia continues to support medium to large Irish companies and during 2016 worked with 100 companies across individual innovation, branding and strategy projects. This number surpassed the intermediate target of 75 companies by September 2017 and the target output of 60 individual brand positioning and NPD projects for 2016. Of these 100 projects, 15 insight projects took place within the domestic market, 17 were completed in overseas markets, 22 SuperBrands projects took place across Ireland & the UK, and, a further 26 branding projects were completed all helping to create and strengthen Irish brands.

Small food and drink companies operate in an exciting and fast changing environment and Ireland's small business sector is growing steadily. Branding and Innovation is central to successful and sustainable growth for many small businesses. To successfully compete with larger more established brands Irish food and drink producers need to create their own SuperBrands. **SuperBrands for Smaller Businesses** is the Bord Bia Consumer & Market Insight Team's programme designed to take small brands to the next level. Through bespoke marketing research and marketing consultancy, the SuperBrands programme helps small brand owners develop their branding strategy and packaging design. This brand development programme is grounded in consumer insight and during 2016 we worked with 17 companies as part of this initiative.

### TRENDS & FORESIGHT

In June 2015, the new edition of the **Consumer Lifestyle Trends (CLT)** was launched. The programme identifies the biggest trends shaping people's lives over the next three to five years. By keeping up with trends and understanding what's coming next, the programme helps companies within the food and drink industry in Ireland to better prepare for the future needs and wants of their consumers both in Ireland and abroad. The six Trends are Busy Lives, Shared Experiences, Personal Value Seekers, Responsible Living, Health & Wellbeing and Keeping it Real.

To ensure that the CLT programme remains relevant and top of mind for companies we continually refresh the programme with new trend examples as part of spotlights on each trend. We also take a deeper look at global trends and opportunities by continuing our bi-monthly hot topics. Our key hot topics for 2016 included; *Africa's New Consumers* - which identifies the African continent as a growing opportunity for export. *The Uber All Economy* - one which understands changing business models leveraged by advances in technology. *Centennials* - how to tailor your activities to the behaviours and mindset of a global consumer cohort sized at 2.46 billion. *Women*: a deep dive into the future of women, both as consumers and culture-shapers.

To stimulate ideas and creativity and assist companies and entrepreneurs with first stage innovation generation, the Insights team organises **Inspirations Expeditions**. This initiative involves provocative market immersion

visits that look into the local food culture and visible consumer trends, based around our own six Consumer Lifestyle Trends. This year we visited Vietnam covering the cities of Ho Chi Minh and Hanoi bringing with us representatives from a wide range of food and drink companies. A mini expedition to Iran also took place in conjunction with a trade mission. Some 25 companies participated in the 2016 programme.



### CONSUMER AND CATEGORY STUDIES

During 2016 we commissioned and disseminated 10 insight studies. These Bord Bia insight studies are disseminated at a sectoral level via our Insight Sessions whereby company representatives attend the debriefs within the Thinking House. Attendance can vary by study however our annual attendance exceeded 250 attendees.

#### Homebaking

Home baking in Ireland is enjoying year on year growth. Despite the growth, there are still a number of challenges facing baking and ingredients companies: firstly, to drive growth by sustaining interest in the category and encouraging more usage occasions; secondly, to compete against the high number of private label and imported products and thirdly, to foster innovation and encourage more usage occasions.

## UK Yoghurt Study

Five emerging opportunities were identified for the UK market: *Simpler Stuff* reflects a desire for a short list of ingredients and no additives. *Empathy with source* focuses on the sense of human scale and the confidence in production. Consumers are looking for *unique formats* (non-conformity in shape / colour / materials) and *synchrony* (on-trend ingredient / descriptor). There is also a desire for *full on indulgence*, which can create a strong emotional connection for brands.

## Ageing Well

Those aged 50 plus represent 25% of the population in the UK and a similar figure in Ireland. By 2032, the number of people aged 65+ in the UK will increase by 61%. Given the large projected increases in the population of those aged 50+, we are not talking about an “extended middleagedness” rather than “elderly”. The dietary needs of this increasingly active age group will change as they are working and living for longer. Greater priority will be placed on healthy sources of energy and food with functional benefits as people are economically, physically and mentally active to a later stage in their life, and desire fuller retirement years.

## Consumer attitudes to Seafood in Ireland

The popularity of seafood has grown in recent years, with many consumers pointing out that they simply have a greater choice of seafood available nowadays. However, the legacy of ‘fish on Fridays’ remains for many Irish consumers, making fish/seafood products a ‘weekly meal’ for 43% of Irish seafood consumers. A key finding in respect of the needstates and motivation to purchase is that frozen fish products are much more strongly associated with Outer Directed needs such as cooking for the family, enjoying taste and time efficient cooking. This places frozen seafood in a good position to access frequent family meal occasions in the home. By contrast, fresh fish and seafood produce is more readily associated with Inner Directed needstates and therefore less frequent meal time occasions.

## Understanding the Breakfast Occasion

“The Breakfast Club” study analysed consumer attitudes towards breakfast and will assist in providing direction to the Irish food and drink industry on breakfast innovation, branding and marketing opportunities in the future. Toast, cereal, porridge and eggs are the key menu

items eaten at home. Tea and juice feature ahead of coffee in terms of drinks of choice. The total breakfast market out of home is estimated at more than €12m per week, with sandwich bars and cafes accounting for almost half of the market. Average spend is highest in specialist coffee shops.

## Sugar, what does it mean today?

Consumers are looking to rebalance the scales. This does not mean completely excluding sugar but rather empowering consumers to eating it in a more controlled and enjoyable fashion. There has been a move from confusion around sugar to an empowerment by checking labelling, looking for clear cues and educating oneself. Consumer understanding of naturally occurring sugar versus added or refined sugar, continues to improve and is reflected in product choices.

## Understanding Consumer Awareness of Irish apples & strawberries

This study sought to understand the awareness levels of Irish grown apples and strawberries. Analysing the Kantar fresh produce data, there has been a recent uplift in consumer spend towards the premium end of the apple category, namely the Pink Lady brand. It was found that consumer awareness of Irish eating apples is very low however once aware, understood & trialed, Irish eating apples could be positioned as a premium eating apple. However the limited visibility and distribution in retail outlets limits the access to Irish eating apples.

## Understanding consumer attitudes & motivations towards Local Food

In 2007 & 2010 we conducted two studies, which explored consumer attitudes to Local Food. These studies sought to understand how consumers define local and the motivations to purchase. The latest study found that the consumer definition of Local Food hasn’t changed significantly; it continues to be about the proximity or provenance of a local producer. What was interesting to note is the evolution of Local Food as a category, it has evolved into the mainstream and become more engrained in our routine or regular purchase behaviour. Local food is deemed to be much more accessible today and the consumer appetite for continued availability is significant.

## DAFM Competitive Research Committee

As part of 2016 plans to provide market and production information to the industry in

conjunction with the Department of Agriculture, Food and the Marine, Bord Bia has been involved in the Department's Competitive Research Committee. Market & Cultural insight has been delivered for the Chinese & Vietnamese markets ahead of a trade mission led by Minister Michael Creed TD during September 2016.

The team also works closely with the Department of Agriculture, Food and the Marine in the completion and dissemination of research to industry including horticulture production census, potato yield digs, retail market audits, etc.

The research team also facilitates consumer research in the areas of fresh produce and gardening, UK retail market, fresh produce retail market, tracking trends in the amenity sector, etc. The fresh produce market is the key market for fresh produce sales and Bord Bia measure this market annually and the trends through the service provider Kantar Worldpanel. This monitoring will continue in 2017. The UK Retail Mushroom Market is the most important market for the Irish mushroom exports and Bord Bia purchases jointly with the exporting companies the retail data on the UK market. In 2016 research measuring the gardening market in Ireland was carried out. The final report will be available in January 2017 when the results will be communicated to the amenity sector. In 2016 a census of the field vegetable sector was carried out.



## ETHNOGRAPHIC STUDIES

### Irish meat in China

The objective of the study was to gain an understanding of the market for beef and pigmeat in China and identify the opportunity for Irish beef & pork. Fieldwork took place in August in China by two internal members of the Insight team. This was ethnographic in nature involving visitations to consumers' homes.

### Dairy opportunities in India

Two members of the insight team visited India during the month of November to conduct an ethnographic study regarding the dairy category so as to identify opportunities for Irish dairy companies. The trip spanned three cities and our researchers visited the homes of different segments of consumers. These visits also included a number of overnight stays with the consumers so as to really experience life in their shoes.

### Dairy opportunities in Iran

Two members of the insight team visited a number of cities in Iran to spend time with local consumers in their homes. The study explored local consumer behaviour within the dairy category but also on a cultural level so as to identify opportunities for Irish dairy companies.

## BRAND FORUM 2016

Bord Bia's Brand Forum has been in operation for 16 years. It works with Irish food and drink companies to develop and grow their brands and their business. It provides its members with a range of branding tools that are consumer centric and commercially pragmatic. With 200 member companies actively participating in the Brand Forum in 2016, the Brand Forum provides a unique networking opportunity. It is open and friendly and provides a unique source of advice, as well as a hub for both learning and inspiration.

On a quarterly basis the Brand Forum host's events, which present its members with an opportunity to step back from daily challenges to be inspired, informed and to connect with industry colleagues. With expert brand speakers from the food & drink industry worldwide, the Forum provides thought leadership and best practice in branding. Speakers included: Graze, Heineken, Dominos, Keelings, Propercorn and Glanbia.

A range of bespoke brand building workshops offered to members in 2016 included - Brand

Positioning, Packaging Design, Experiential Marketing, Video search optimisation, Food Photography & Styling and Improving your Online Proposition. All of these workshops are customised to food and drink brand owners.

The Brand Forum partnered with 15 Brand Forum members to make recipe videos to the highest production standards. In addition, participating brand owners were provided with assistance on optimising search for the recipe videos.

The Brand Forum also offers Director's briefing, which affords industry leaders the opportunity to partake at insightful Q&A sessions with leading industry experts. A highlight in 2016 was a briefing with Sean O'Driscoll, President of Glen Dimplex.

For the fifth consecutive year the Brand Forum activated a Health Check with 54 brands. This is a large-scale on-line survey of grocery shoppers, across 45 categories. It is designed to collect and analyse important information to help brand owners such as Brand Awareness, Brand Consideration, Brand Experience, Brand Equity, Brand Commitment, Future Brand Potential and an overall metric of Brand Health.

### **LIBRARY & INFORMATION SERVICES**

Bord Bia maintains a world class library & information service in order to help Irish food and drink companies make better, more informed strategic decisions. The agri-food industry can request professional groundwork searches from a team of qualified librarians, who provide access to consumer and market insights needed to successfully compete in the domestic and global markets. During the year, Bord Bia's team of librarians managed in excess of 2,800 groundwork searches, on behalf of the industry, the insight team and sector & market staff within Bord Bia.

Food Alert continues to be published on the Bord Bia website with over 2,000 subscribers emailed each week highlighting the key issues/changes taking place in the industry. This readership figure has increased by 500 subscribers over the past year. The Food Alert offers a Bord Bia perspective on the latest developments in the food and drink industry across the world, while providing up to date market information. This work is regularly captured in national and international media.

The library team have set up a new Webinar programme which takes place in the Consumer Research room within the Thinking House.

Each week a different webinar is presented for internal staff covering different topics and categories. These are delivered via our library service providers such as Mintel and Kantar.

## **FOOD WORKS - CREATING GLOBAL FOOD ENTREPRENEURS**

**Foods Works** is an accelerator programme for food entrepreneurs who have ambitions to build scalable exporting businesses. Following a competitive pitching selection process the programme provides intensive customised supports for a select number of entrepreneurs. The 4th cycle of the programme was completed in 2016 with 68 graduates to date, Food Works is recognised and regarded as a highly specialised programme that is delivering a pipeline of successful food and drink businesses. Programme partners Bord Bia, Enterprise Ireland and Teagasc continue to work with past participants through the alumni, Food Works Plus. In 2016 two alumni events were held along with a study visit to Paris, combined with meetings to review business plans.

## **ASCENT**

Bord Bia offers tailored assistance to small companies through the Ascent programme, which is a bespoke service designed to give intensive support to a small group of companies as they shift into a more aggressive growth phase. It is recognised that a review of company strategy, skills and resources to implement the necessary developmental changes is required at this stage. Ascent is delivered across a mix of one to one coaching, peer networking, strategic business and category reviews, and consumer insight leading to brand and product innovation. The clear objective of the programme is to identify any stumbling blocks impeding the next stage of growth and to assist in the implementation of the required changes. In 2016, some 11 companies completed the programme.

## MARKETING SERVICES

### TRADE FAIRS/EXHIBITIONS/EVENTS

Marketing Events Department managed a total of 52 events across all industry sectors and promotional platforms.

Origin Green Ireland stands were organised at 22 international trade fairs and exhibitions in 2016, the combined audience of which was over 792,000 buyers/visitors. In line with Bord Bia's strategy of developing and maintaining routes to market, Bord Bia participated at major flagship shows *ESE* and *SIAL* as well as sector specific trade fairs such as *ISM* (confectionery), *Biofach* (organic), *PLMA* (private label), *Prowein* (alcoholic beverages), *Speciality & Fine Food Fair* (artisan products), *Conxemar* (seafood), *Chinese Fisheries*, *Seafood Expo*, *CIMIE* (meat). Exhibitions focusing on a particular region included *Gulfood* in Dubai, *SIAL China* in Shanghai, *Golden October Fair Moscow* and *Food & Hospitality South Africa*.

Supporting Irish companies in their search for new business the prepared food sector participated for the first time at *Free From Food* in Amsterdam and *Lunch* in London. The meat and livestock sector participated at *Fieragricola* in Italy and the *US Meat Conference & Exhibition* in Nashville USA. Seafood companies participated at *Boston Seafood*. A Meet the Buyer Event was organised in Warsaw Poland.

The significance of the Middle East region was highlighted by the participation at two shows in the United Arab Emirates *Gulfood* in Dubai and *GIFA Exhibition & Conference*. The latter provided the then Chief Executive Aidan Cotter with the opportunity to open the conference with a presentation and discussion on Origin Green.

Three Ministerial led Trade Missions were organised in 2016 commencing with Iran in April. This was followed in September with a mission to Vietnam, China and Singapore. The Trade Mission to Algeria and Morocco took place in November.

Key events organised in Ireland included the Brexit Industry Briefing, participation at the IFJ Agri Careers Exhibition, Beef 2016. The installation of the Food Village, the Origin Green Experiential Activity and the overall catering at Bloom was managed by the Marketing Events Department as was Bord Bia's presence at the National Ploughing Championships. Bord Bia

sponsorship activation included Mojocon 2016.

Bord Bia collaborated with BIM at Seafest in July which took place as part of an overall 2 day programme. Bord Bia organised and ran a demonstration of seafood cookery and fish mongering and up to 10 local seafood companies participated in a food market on the day.

Other activities included Origin Green Farmer Awards, National Organic Awards, the Brand Forum programme of events, the Poultry & Egg Conference, Foodservice Seminar and the Meat Markets Seminar.

### SPONSORSHIPS

During 2016, Bord Bia sponsored the seventh series of Neven Maguire's Home Chef on RTE 1 aimed at increasing consumer understanding of the Quality Mark and increasing loyalty to it. This series of 7 episodes featured Neven Maguire showing viewers how to create everyday healthy meals using locally sourced, Quality Assured ingredients. The series also featured a number of celebrity/guests who chatted to Neven on the importance of health, wellness and the need for a balanced diet. The 2016 series attracted 258,000 viewers on average per episode. The impact of the series continues to grow with 280,000 people claiming it has had a positive impact on their inclination to buy Quality Assured produce.

Award sponsorships in 2016 included the food and drink categories of the Small Firms Association and the Irish Exporters Association, as well as the Supreme Champion category and the Best Artisan Producer category at the Blás na hEireann awards.

A number of agri-food related events and conferences provided Bord Bia with opportunities to showcase the best of Irish food and drink products and to highlight the Origin Green Sustainability Programme to international audiences. These included the IUFOST Global Food Summit in Dublin, the Food on the Edge Symposium in Galway, the International Dairy Federation Symposia in Dublin, Ballymaloe Literary Festival of Food, the Cork/Kerry Food Forum and National Science Week.

### MARKETING FINANCE

In 2016 Bord Bia operated three marketing grants programmes, with the introduction of the Marketing Intensification Programme (MIP) alongside the Marketing Assistance Programme (MAP) and the Step Change Programme

(SCP). The MIP was aimed at Irish food and drink producers that operate with a turnover between €1m and €30m and that export at least 20% of their turnover to the UK. The objective of the MIP was to provide targeted marketing supports to companies with high dependency on UK markets. The assistance enabled companies to strengthen their position in that market and in their efforts at market diversification.

The MAP was open to Irish food, drink and horticulture producers with a turnover in the range €100k and €3.5 million. The SCP, under which up to €50,000 was available towards significant “new activity/project” involving a major step change or departure for the company, was open to Irish food, drink and horticulture producers which have a turnover in the range €100k to €5 million. These marketing grants provide food enterprises with assistance towards improving their marketing techniques and capabilities.

During 2016, 32 companies were approved a total of €655,000 under the MIP; 208 companies in the farmhouse cheese, beverages, chilled dairy, confectionery, bakery, prepared meals, charcuterie, seafood and horticulture sectors were approved a total of €826,500 under the MAP, with a further 11 companies approved a total of €400,000 under the SCP. Grants totalling €1,299,060 were paid to 212 companies during the year across the three programmes.

### HOME MARKET

The Quality Mark marketing programme is part of the strategic pillar ‘Brand Communications in the Digital Age’. The overall aim is to increase Irish shopper loyalty to and purchasing of food with the Quality Mark. This is achieved by outlining the quality standards, auditing processes and traceability behind the Mark and the relevance of these benefits to shoppers. These messages were integrated throughout all generic activities on the Quality Mark and across the marketing programmes for lamb, pork & bacon and eggs.

Targeting the 30-60 year old female grocery shopper, generic activities included sponsorship of the RTE TV programme, ‘Healthy Home Chef’ with Neven Maguire, promotion of meat with the Quality Mark at Bloom and monitoring of the proportion of meat products with the Mark across retailers.

Increasing frequency of consumption of the range of quality assured meats and eggs was achieved primarily through TV advertising, PR activities and the development and circulation of new digital content. Nine campaigns took place in 2016 including eighteen weeks of TV advertising. In addition, the ‘Just Ask’ campaign also continued to encourage restaurants to highlight the origin and suppliers of meat on their menus for customers.

The Bord Bia Quality Mark continues to be regarded by shoppers as the dominant source of assurance on food quality, safety and origin in the domestic market. 91% of Irish grocery shoppers are aware of the Mark and of these, 72% say that they would be more likely to buy a food product displaying the Quality Mark. In addition, they would also be willing to pay 10% more for quality assured food, indicating the strength of their commitment to the Mark.

The increased consumer demand for meat with the Quality Mark has in turn resulted in retailers increasing the proportion of shelf space with quality assured meat. The proportion of facings of meat carrying the Bord Bia Quality Mark across retailers has increased by 3% to 70%.

Bord Bia was named the most reputable organisation in Ireland, according to the annual Ireland RepTrak® 2016 study. Over 5,000 members of the general public were interviewed as part of the study and the main reason given for this vote of confidence is Bord Bia’s Quality Mark communications.

2016 was the first year of a three year shellfish strategy in the domestic market with the focus on mussels. The main objective was to grow the volume of Irish mussels purchased in retail outlets. This was achieved by targeting 30 – 50 year old higher income female shoppers through outdoor, radio and press advertising, PR and digital activities. As a result, the main retail supplier of mussels cited a 120% increase in the volume of mussels sold during the Bord Bia campaign, thereby demonstrating the opportunity to further drive retail sales of mussels in the domestic market.

### TASTE COUNCIL

The TASTE Council is an independent voluntary body representing the artisan and speciality sector for which Bord Bia provides a secretariat role. Over 100 artisan producers, chefs and support agencies attended the sixth Annual Taste Council Summer School at Brooklodge

Hotel in Co. Wicklow. Topics covered the development and protection of small food producers, family farms, small day fishing vessels along with town and village based food retailers all of which are intertwined with the protection and development of Irish rural communities.

Nationwide, 174 schools registered to take part in the 'The Future is Food' Transition Year Unit developed by the Taste Council in association with Bord Bia. It will help students broaden their knowledge and understanding of the food industry and particularly the artisanal and speciality food sectors. Participating schools will each partner with a local artisan producer, chef or food champion who will help the budding student entrepreneurs and innovators to develop their own unique food product or to work with them on an existing product. The programme includes twenty one lesson plans focusing on topics such as entrepreneurship, food origin and Bord Bia's Origin Green sustainability programme as well as research, new product development and marketing.

Bord Bia is also working with the Taste Council to compile a database of artisan, speciality and small food producers. The aim is to contact each of these producers to see if they would like their views to be represented by the Taste Council. The database will also be used in future as a basis for the Taste Council to give and receive information on this sector. To date there has been 290 responses mainly from artisan and farmhouse producers.

## MARKETS

In 2016 Bord Bia extended its physical footprint to 13 overseas locations. Bord Bia now has 8 offices operating in Europe, with the number operating internationally growing to 5. The new offices strengthen Bord Bia's capabilities in Europe and South-East Asia. The Singapore office will manage operations in 8 markets in the region including Thailand, Vietnam and Korea. The Warsaw office is responsible for 11 markets in Central and Eastern Europe including Poland, Latvia and the Ukraine. Bord Bia's strategy for Africa 2016-2019 was launched in 2016. A key recommendation of this strategy was the identification and recruitment of local representation in 3 African regions.

The allocation of resources and the structure of our markets activities are continuously reviewed

to meet the evolving needs of Irish food, drink and horticulture companies through a market prioritisation process.

In order to meet the needs of Irish companies, promote Irish products and showcase Ireland's supply capability, these offices and personnel are resourced to:

- Undertake increased buyer contact activity
- Supply marketplace services to equip companies to secure new business
- Acquire, assimilate and convey relevant market information to client companies.
- Represent the Irish food industry in developing relationships with opinion formers, key trade and consumer media.

In addition to the implementation of programmes and projects, Bord Bia's markets personnel undertook the following during 2016:

- 973 buyer meetings and presentations
- Led 3 Agri-Food Trade Missions to 6 countries
- 925 responses to individual buyer requests
- 1177 business planning meetings with Irish client companies
- 970 market information requests from Irish clients companies
- Represented the industry in 59 market-access meetings with veterinary and regulatory authorities in the Middle East, Russia and Asia.

## A COLLABORATIVE APPROACH

Bord Bia continues to work in partnership with key government departments, agencies and associations in the development and implementation of support for the food and drink industry. These include the Department of Agriculture, Food and the Marine, Teagasc, BIM, Department of Foreign Affairs and Trade, Enterprise Ireland, Failte Ireland (and Tourism Ireland), Food Safety Authority of Ireland and the Environmental Protection Agency, among others.

# OUR GOVERNANCE



## CORPORATE STATEMENT

### Corporate Governance

Bord Bia was established under the Bord Bia Act 1994 and operates in accordance with the provisions of the Bord Bia Acts 1994 to 2004 and under the aegis of the Minister for Agriculture, Food and the Marine.

### BOARD STRUCTURES

Bord Bia comprises the Board, five Subsidiary Boards, the Chief Executive and the Executive, which provide a range of services to implement Board policy and programmes. The Board provides the appropriate balance of skills and experience to support the strategy of Bord Bia. The Board comprises a Chair and fourteen ordinary members appointed by the Minister for Agriculture, Food and the Marine. All new Board members receive financial and other information about Bord Bia, and the role of the Board and the Board committees. The roles of the Chair and Chief Executive are separate.

There are five Subsidiary Boards (Consumer Foods, Dairy, Horticulture, Meat and Livestock and Quality Assurance) comprising a Chair and twelve ordinary members, who are appointed by the Board with the consent of the Minister for Agriculture, Food and the Marine. The Chair of each Subsidiary Board is a member of the Board.

The Board meets regularly, normally seven times a year, and is responsible for the proper management of Bord Bia. It takes the major strategic decisions and retains full and effective control while allowing executive management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

### GOVERNANCE

The Board is committed to maintaining the highest standards of Corporate Governance and Best Practice and has adopted the Code of Practice for the Governance of State Bodies and the provisions of the Code are being implemented. The Board has adopted Terms of Reference which sets out the legislative framework; general and particular functions; membership; fiduciary duties; authority; role of the secretary; reporting responsibilities; scheduling of meetings; procedures for decisions between Board meetings and for dealing with conflicts of interest; and, a formal schedule of matters specifically reserved to the Board for decision. The Board reviews the Terms of Reference of the Board, Subsidiary Boards and Committees on an annual basis. During 2016, the Board held two meetings without the executive present. For the purposes of applying the Code of Practice for the Governance of State Bodies, Bord Bia is regarded as a non-commercial State Body.

### The Chair:

- Leads the Board and ensures its effectiveness and high standards of integrity and probity regarding culture, values, and behaviours for Bord Bia and for the tone of discussions at Board level.
- Together with the CEO ensures the effective management of the Board's agenda providing adequate time for discussion and deliberation. A culture of openness facilitates effective dialogue and contributions from both the executive, who attend all or part of Board meetings, and Board members.
- Ensures relevant reports and papers, finance, CEO report, reports from Subsidiary Boards and Committees and detailed updates on the progress and implementation of the annual budget and strategic plan, where appropriate, are circulated in a timely manner to Board members.
- In consultation with the Secretary ensures all relevant governance information is made available to the Board and its Committees and that there are good information flows between the Board, Subsidiary Boards and Committees in addition to facilitating induction, mentoring and assisting with ongoing professional development.
- Ensures there is a clear division of responsibilities between leading and managing the Board and the executive responsible for running Bord Bia.
- The Board undertook a self-assessment evaluation of its own performance during the year and that of its Audit & Risk Committee and any weaknesses identified were addressed. Each Board member was asked to individually score the assessment, answers were considered by the Chair and presented to Board where a number of actions were identified to improve the performance of the Board.
- Keeps the Minister for Agriculture, Food and the Marine advised of matters arising in respect of Bord Bia.
- Submits a Comprehensive report to the Minister in accordance with the Code of Practice for the Governance of State Bodies.

The Board provides strategic guidance, monitors the activities and effectiveness of management and monitors compliance on an ongoing basis ensuring relevant legislation, regulations and guidelines are complied with.

The requirements of the new Code of Practice for the Governance of State Bodies, issued during August 2016, have been largely implemented and include additional disclosures in the Financial Statements in anticipation of the full implementation of the new Code during 2017.

### ETHICS IN PUBLIC OFFICE

The provisions of the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001 have been implemented. Board members and staff members holding designated positions furnish statements of interests on appointment and each year to the Secretary.

### FREEDOM OF INFORMATION

Bord Bia is a prescribed organisation under the Freedom Of Information Act 2014. The Freedom of Information Act establishes three statutory rights:

- A legal right for each person to access information held by public bodies;
- A legal right for each person to have official information held by a public body, relating to him/herself, amended where it is incomplete, incorrect, or misleading;
- A legal right to obtain reasons for decisions affecting oneself taken by a public body

In addition to the requirements of the Freedom of Information Acts, the Data Protection Acts 1988 and 2003 also apply to Bord Bia. The Data Protection Acts protect the privacy of individuals whose personal data is being processed. Personal data is information relating to a living individual who can be identified from the data itself or in conjunction with other information held.

### EQUALITY

Bord Bia is committed to ensuring equality of opportunity and that no staff member or applicant for employment receives less favourable treatment than any other on grounds of gender, marital status, family status, sexual orientation, religious beliefs, age, disability, race and membership of the Traveller community. Personnel and staff development programmes are structured accordingly.

Bord Bia endeavours to assist staff in relation to career and personal needs and operates appropriate policies covering such areas as professional development, study leave, flexible working and career breaks. Bord Bia is also



committed to implementing government policy in relation to the employment of disabled people in the public sector. Specific additional provisions were made for disabled visitors in the construction of Bord Bia's Food Centre. There is a policy on sexual harassment in operation to support and protect the dignity of each person.

**PROTECTED DISCLOSURES ACT, 2014**

There were no protected disclosures made to Bord Bia during 2016.

**SAFETY, HEALTH AND WELFARE AT WORK**

Bord Bia is implementing the provisions of Safety, Health & Welfare at Work legislation, including the preparation and operation of a Safety Statement embracing all matters affecting safety, health and welfare of staff and visitors to Bord Bia's premises.

**SERVICE CHARTER**

Bord Bia's Service Charter sets out its commitment to the Principles of Quality Customer Service for Customers and Clients of the Public Sector. The Charter is supported by an Action Plan and appropriate internal procedures to give practical effect to this commitment.

**ENERGY EFFICIENCY AND CONSERVATION**

Bord Bia is committed to making every effort possible to be energy efficient and to operating appropriate conservation and recycling measures. Light and heat, supplied by electricity, are the main areas of energy use in Bord Bia. Annual energy usage has been reduced significantly since commencing a review of energy usage. Usage within Bord Bia's main office is as follows:

	<b>2016</b>
mWh of electricity	203
<i>(Base year 2009: 379 mWh)</i>	

The Thinking House was opened during the year and its usage of electricity was 10 mWh of electricity. As this occurred during the past year 2017 will be the base year for future monitoring

purposes.

Electrical usage is monitored along with the identification of wastage, inefficiencies and cost effective initiatives to further improve our energy performance.

**PROMPT PAYMENTS**

In accordance with the provisions of the Prompt Payment of Accounts Act 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002, Bord Bia is committed to ensuring that all suppliers are paid promptly. During 2016, 99% of payments were made within 15 days.

**EUROPEAN UNION FUNDING**

Bord Bia administers a number of marketing and promotion campaigns eligible for co-funding by the European Union including those for Beef & Lamb, Mushrooms, Potatoes, Lamb, Farmhouse Cheese and Seafood.

**OFFICIAL LANGUAGES ACT 2003**

Bord Bia comes under the remit of the Official Languages Act 2003 to provide a statutory framework for the delivery of services through the Irish language. In accordance with Section 10 of the Act, this Annual Report is published in Irish and English.

**BOARD MEMBERS AND INDEPENDENCE**

All Board members have access to advice and services of the Secretary/Director Corporate Services who is responsible to the Board for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. Bord Bia's professional advisors are available for consultation by Board members as required. Individual Board members may take independent professional advice if necessary.

**COMPOSITION OF THE BOARD**

Details of members of the Board of Bord Bia are set out on page 66.

## BOARD MEMBERS AND MEETING ATTENDANCE

There were seven Board meetings held during 2016 and the details of each member's attendance, is set out below.

Board Member	Board Meetings Attended
M. Byrne	7 out of 7
M. Carey	7 out of 7
J. Comer	5 out of 6
E. Downey	1 out of 2
R. Doyle	7 out of 7
F. Hayes	6 out of 7
J. Healy	3 out of 5
R. Holland	4 out of 7
J. Horgan	7 out of 7
C. Keeling	4 out of 7
T. Keohane	7 out of 7
T. Moran	7 out of 7
F. O'Gara	4 out of 7
R. O'Rourke	3 out of 4
B. Sweeney	7 out of 7
P. Whelan	3 out of 7

## THE ROLES OF THE CHAIR AND THE CHIEF EXECUTIVE

The Chair leads the Board in the determination of its strategy and in the achievement of its objectives. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chair facilitates the effective contribution of all Board members and constructive relations between the executive and Board members, ensures that Board members receive relevant, accurate and timely information.

The Chief Executive has direct charge of Bord Bia on a day to day basis and is accountable to the Board for Bord Bia's financial and operational performance.

## BOARD COMMITTEES

The Audit & Risk Committee, which comprises four members of the Board (F. Hayes, J. Horgan, T. Keohane and R. O'Rourke) and one external member (R. Nolan) with a financial background, met on four occasions during 2016. The Audit & Risk Committee is responsible for maintaining

an appropriate relationship with the external auditors and for reviewing Bord Bia's internal audit resources, internal controls and the audit process. It aids the Board in seeking to ensure that the financial and non-financial information presents a balanced assessment of our position. The Internal Auditor and the External Auditor have full and unrestricted access to the Audit & Risk Committee. Briefing sessions are held to apprise members of the Audit & Risk Committee and the Board of relevant and recent developments in Corporate Governance issues.

The Remuneration and Pensions Committee, which comprises four members of the Board (M. Carey, M. Byrne, F. Hayes and T. Moran) met on four occasions during 2016. The Remuneration and Pensions Committee determines on behalf of the Board the appointment, remuneration and assessment of the performance of, and succession planning for, the Chief Executive; and significant amendments to the pension benefits of the Chief Executive and staff.

The Strategy Committee currently comprises five members (M. Carey, M. Byrne, R. Holland, T. Moran and B. Sweeney) of the Board. The Strategy Committee plays an important role in providing observations and recommendations concerning strategic issues facing Bord Bia and contributes to our strategic planning process and the development of strategy. During 2016, the Board assumed direct responsibility for the finalisation of the *Statement of Strategy 2016 to 2018 - Making a World of Difference*, which was published in January 2016.

## BOARD RESPONSIBILITIES

Board responsibilities regarding the preparation of the Financial Statements are set out on page 70.

The Board carries out an ongoing assessment of principle risks and has established a context for identifying, analysing, evaluating, treating and monitoring risk. Principal risks identified include the risk of not appropriately prioritising work plans for the achievement of objectives; not achieving industry commitments to the development and implementation of Origin Green; reputational risks associated with the misuse of Bord Bia's main brands and marks; reputational risks associated with food quality and safety; risks to quality assurance schemes funding and various industry sources of funding; etc.

The Board complies with the relevant aspects of the Public Spending Code and matters reserved for the Board for decision include approval of, inter alia, significant acquisitions, major investments, major disposals, major contracts, annual budgets and strategic plans, annual reports and financial statements, staffing, delegated authority levels, treasury and risk policy. Approval of the Minister for Agriculture, Food and the Marine is required for material acquisitions or disposal of land, buildings or other material assets. Approval of the Minister for Agriculture, Food and the Marine, together with the consent of the Minister for Public Expenditure and Reform is required for any intended action which would extend or change significantly the nature, scope or scale of the activities of Bord Bia.

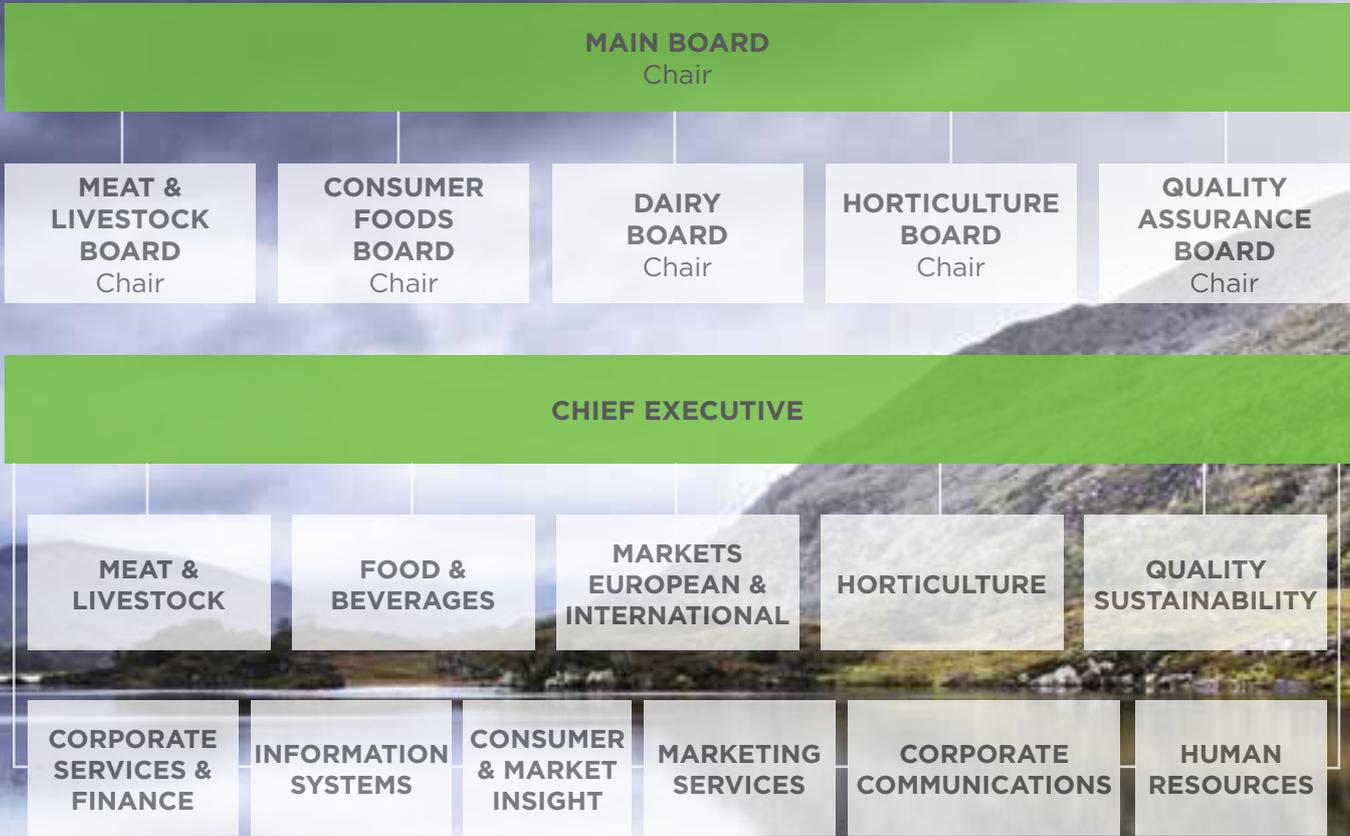
The Strategic Plan 'Making a World of Difference' sets out the actions proposed during the period of the strategy, 2016 - 2018 and annual budgets are aligned to the strategy. The Board approves annual budgets and the evaluations of actual performance against budget. This Annual Report provides a comprehensive review of the activities of Bord Bia during the year.

The Board considers that the financial statements present a true and fair view of Bord Bia's financial performance and its financial position at the end of the year.

**Michael Carey**  
Chair

**Tara McCarthy**  
Chief Executive

# ORGANISATION STRUCTURE



**BORD BIA IS COMPRISED OF THE BOARD, FIVE SUBSIDIARY BOARDS, THE CHIEF EXECUTIVE AND THE EXECUTIVE, WHICH PROVIDE A RANGE OF SERVICES REQUIRED TO IMPLEMENT BOARD POLICY AND PROGRAMMES.**

The Board is comprised of a Chair and 14 ordinary members appointed by the Minister for Agriculture, Food and the Marine. There are five Subsidiary Boards (Meat and Livestock, Consumer Foods, Dairy, Quality Assurance and Horticulture) comprised of a Chair and 12 ordinary members, who are appointed by the Board with the consent of the Minister. The Chair of each Subsidiary Board is a member of the Board.

The following Board Committees are in place: Audit Committee, Remuneration and Pensions Committee and Strategy Committee.

The Executive is comprised of staff based in the Board's head office and overseas.

## GENERAL INFORMATION

### HEAD OFFICE:

Clanwilliam Court,  
Lower Mount Street,  
Dublin 2.

### AUDITORS:

Comptroller and Auditor General

### BANKERS:

Allied Irish Banks

### SOLICITORS:

Philip Lee Solicitors

## STAFF STRUCTURE

<b>Chief Executive</b>	Tara McCarthy
<b>Markets</b>	Padraig Brennan
<b>Quality and Environmental Assurance</b>	Michael Maloney
<b>Marketing Services</b>	Una Fitzgibbon
<b>Meat &amp; Livestock and Sustainability Development</b>	Vacant
<b>Food and Beverages</b>	Eileen Bentley/Karen Tyner
<b>Horticulture/Food Dudes</b>	Mike Neary
<b>Consumer &amp; Market Insight</b>	Helen King
<b>Information Systems</b>	Julian Smith
<b>Corporate Communications</b>	Rosaleen O'Shaughnessy
<b>Human Resources</b>	Susan Doyle
<b>Corporate Services</b>	Frank Lynch
<b>Finance</b>	John O'Grady
<b>OVERSEAS OFFICES</b>	
Amsterdam	Laura Crowley
Dubai	Michael Hussey
Dusseldorf	Donal Denvir
London	Henry Horkan
Madrid	Cecilia Ruiz
Milan	Nicolas Ranninger
Moscow	Alla Barinova
New York	Karen Coyle
Paris	Noreen Lanigan
Shanghai	James O'Donnell
Singapore	Ciaran Gallagher
Stockholm	Linda Madigan
Warsaw	Judith Clinton

Human Resource activities within Bord Bia support management and staff to meet the challenges of the marketplace through:

- Establishing appropriate management structures and performance management systems to deliver the strategic aims of the organisation
- Delivery of leadership, high performance team and competency development programmes
- Regular communication, motivational and engagement initiatives

The organisational culture is driven by continual prioritisation and innovation, ensuring relevance to the marketplace, clients and the consumer, maximisation of outputs, and the delivery of efficiencies through the optimal use of resources and systems. There is a large focus on continually ensuring clarity around the linkage between strategy and role contribution. Being an open, authentic and agile organisation ensures our people can adapt to change and are responsive to the fast changing environment in which we live today.

## BORD BIA BOARD

### CHAIR

**Mr Michael Carey**  
The Company of Food

### MEMBERS

**Ms Marian Byrne**  
Principal Officer, Department of Agriculture, Food and the Marine

**Mr John Comer**  
President, Irish Creamery Milk Suppliers' Association

**Ms Rachel Doyle**  
Director, Arboretum Garden Centre

**Mr Frank Hayes**  
Director Corporate Services, Kerry Group Plc.

**Mr Joe Healy**  
President Irish Farmers' Association

**Ms Rhona Holland**  
Marketing Director Global Intelligence, Pepsi Co.

**Mr John Horgan**  
Managing Director, Kepak Group

**Ms Caroline Keeling**  
Chief Executive, Keeling Fruit Growers/Importers

**Mr Tony Keohane**  
Former Chairman, Tesco Ireland

**Mr Tom Moran**  
Former Secretary General, Department of Agriculture, Food & the Marine

**Mr Raymond O'Rourke**  
Food & Consumer Lawyer

**Mr Brody Sweeney**  
Food Entrepreneur

**Mr Patrick Whelan**  
Whelan's Butchers

### CHIEF EXECUTIVE

**Tara McCarthy\***

### SECRETARY/DIRECTOR

**Frank Lynch**

### CHANGES DURING 2016

**Terms of Office Expired 11th April:**  
Mr John Comer  
(re-appointed 13th May)

Mr Frank Hayes  
(re-appointed 12th April)

**Resigned 11th May:**  
Mr Eddie Downey, Former President, Irish Farmers' Association

**Appointed 12th May:**  
Mr Joe Healy

**Term of Office Expired 10th December:**  
Ms Caroline Keeling  
(re-appointed 11th December)

### CHANGES DURING 2017

\*Aidan Cotter retired as Chief Executive on 25th January

**Term of Office Expired 29th January:**  
Prof Fergal O'Gara,  
University College Cork

## BORD BIA – CONSUMER FOODS BOARD

### CHAIR

**Ms Rhona Holland**  
Marketing Director Global Intelligence, Pepsi Co

### MEMBERS

**Ms Triona Byrne**  
Finance Director, Aran Candy Ltd.

**Mr Vincent Carton**  
Chief Executive, Carton Group

**Mr Pat Connors**  
Sales & Processing Director, Marine Harvest

**Mr Bernard Coyle**  
Chairman, Mr Crumb

**Mr Mike Doyle**  
Managing Director – Kerry Global & Innovation Centre

**Mr Colin Gordon**  
Chief Executive, Glanbia Consumer Foods

**Mr Larry Murrin**  
Managing Director, Dawn Farm Foods

**Mr John Noonan**  
Sales & Marketing Director, E. Flahavan & Sons

**Mr Joe O'Flynn**  
Senior Partner, Agrifood Business Partners

**Mr Eddie Power**  
Managing Director, Green Isle Foods

**Mr Pat Rigney**  
Managing Director, Fastnet Brands Co. Ltd.

### CHANGES DURING 2016

**Terms of Office Expired 2nd October:**  
(re-appointed 3rd October)  
Mr Pat Connors  
Mr Bernard Coyle  
Mr Colin Gordon

### CHANGES DURING 2017

**Term of Office Expired 9th May:**  
Mr Pat Rigney  
(re-appointed 31st May)

## BORD BIA – MEAT AND LIVESTOCK BOARD

### CHAIR

**Mr Tony Keohane**  
Former Chairman, Tesco Ireland

### MEMBERS

**Mr Vincent Carton**  
Chief Executive, Carton Group

**Mr Michael Guinan**  
Irish Creamery Milk Suppliers' Association

**Mr Jim Hanley**  
Chief Executive, Rosderra Irish Meats

**Mr Tom Hogan**  
Chairman, National Pigs & Pigmear Committee, Irish Farmers' Association

**Mr John Lynskey**  
Chairman, National Sheep Committee, Irish Farmers' Association

**Mr Brendan Mallon**  
Associated Craft Butchers of Ireland

**Mr Finbarr McDonnell**  
Managing Director, ABP

**Mr Nigel Renaghan**  
Chairman, National Poultry Committee, Irish Farmers' Association

**Mr Kevin Quinn**  
Livestock Exporter  
Quinn International Livestock Limited

**Mr Paddy Walsh**  
Dawn Meats

**Mr Angus Woods**  
Chairman, National Livestock Committee, Irish Farmers' Association

### CHANGES DURING 2016

**Term Expired 13th March (re-appointed 16th June):**  
Mr Jim Hanley

**Term Expired 25th April:**  
Mr Paddy Gernon  
Livestock Exporter

**Appointed 16th June:**  
Mr Angus Woods

### CHANGES DURING 2017

**Resigned 8th February:**  
Mr Pat O'Flaherty, Former Chairman, National Pigs & Pigmear Committee, IFA.

**Appointed 28th February:**  
Mr Tom Hogan

**Appointed 22nd March:**  
Mr Kevin Quinn

## BORD BIA – DAIRY BOARD

### CHAIR

**Mr Tom Moran**  
Former Secretary General, Department of Agriculture, Food & the Marine

### MEMBERS

**Mr Noel Corcoran**  
Sales & Marketing Director, Carbery Food Ingredients

**Mr John Jordan**  
CEO EMEA Ornuá Foods

**Ms Catherine Lascurettes**  
National Dairy & Liquid Milk Executive Secretary, Irish Farmers' Association

**Mr James Lynch**  
Vice Chairman, Dairygold Co-operative Society

**Mr Pat McCormack**  
Deputy President, Irish Creamery Milk Suppliers Association

**Mr Sean Molloy**  
Director of Strategy & Supplier Relations, Glanbia

**Mr Pádraig Sayers**  
Vice President, Ingredients & Flavours, Kerry Group plc

**Dr Pat Shiels**  
General Manager, Agri Division, Lakeland Dairies

### CHANGES DURING 2016

**Terms Expired 9th June (re-appointed 16th June):**  
Mr Pat McCormack  
Mr Pádraig Sayers  
Dr Pat Shiels

### CHANGES DURING 2017

**Resigned 9th May:**  
Mr Fergal McGarry  
Global Director Consumer Foods, Ornuá

**Appointed 9th May:**  
Mr John Jordan

**Term Expired 9th June**  
Ms Catherine Lascurettes (re-appointed 10th June)

Mr Pádraig Young  
Lakeland Dairies

## BORD BIA – QUALITY ASSURANCE BOARD

### CHAIR

**Mr Raymond O'Rourke**  
Food & Consumer Lawyer

### MEMBERS

**Mr Ray Bowe**  
Food Safety & Quality Manager,  
Musgrave Retail Partners

**Mr Denis Carroll**  
Irish Creamery Milk Suppliers'  
Association

**Mr John Cunningham**  
Ex-Dairygold Food Products

**Mr Dermott Jewell**  
Policy & Council Adviser,  
Consumers' Association of  
Ireland

**Mr John Mohan**  
Chairman, The Egg Association

**Mr Paul Nolan**  
Group Development Manager,  
Dawn Group

**Mr Liam O'Flaherty**  
Dairygold Co-operative Society

**Ms Joyce Roche**  
Director & Technical Manager,  
Codd Mushrooms

**Dr Declan Troy**  
Head of Centre, National Food  
Centre, Teagasc

**Mr Angus Woods**  
Chairman, National Livestock  
Committee, Irish Farmers'  
Association

### CHANGES DURING 2016:

**Term Expired 25th March  
(re-appointed 16th June):**  
Mr Liam O'Flaherty

**Term Expired 15th May  
(re-appointed 16th June):**  
Mr Denis Carroll

**Terms Expired 26th November:**  
Mr Henry Burns, Irish Farmers'  
Association  
Mr John Cunningham

### CHANGES DURING 2017:

**Appointed 2nd February:**  
Mr John Cunningham  
Mr Angus Woods

**Term Expired 12th May  
(re-appointed 31st May):**  
Ms Joyce Roche

**Resigned 20th June:**  
Mr Colm Hayes  
Department of Agriculture,  
Food & the Marine

## BORD BIA – HORTICULTURE BOARD

### CHAIR

**Ms Caroline Keeling**  
Chief Executive, Keelings Fruit  
Growers / Importers

### MEMBERS

**Mr Paul Brophy**  
Paul Brophy Produce

**Mr Eddie Doyle**  
Doyle Produce

**Mr Matt Foley**  
Kilbush Nurseries

**Ms Karen Kerrigan**  
Kerrigan's Mushrooms

**Ms Jane McCorkell**  
Landscape Architect &  
Horticultural Consultant

**Ms Celine Murrin**  
University College Dublin

**Ms Áine O'Neill**  
Sillis Green Veg

**Mr Brian O'Reilly**  
Mushroom Grower

**Mr Eoin Reid**  
Fernhill Garden Centre

**Ms Margot Slattery**  
Country President,  
Sodexo Ireland

**Mr Pdraig Tully**  
Tully Nurseries

### CHANGES DURING 2016

**Appointed 26th January:**  
Mr Brian O'Reilly  
Mr Eoin Reid

**Terms of Office  
Expired 27th February:**

Mr Thomas Carpenter,  
T & J Carpenter

Mr John Hogan,  
Dunsany Landscapes

Ms Karen Kerrigan  
(re-appointed 16th June)

Ms Jane McCorkell  
(re-appointed 16th June)

Mr Philip Moreau,  
Glenbrook Nurseries

**Appointed 16th June:**  
Mr Paul Brophy

**Appointed 27th September:**  
Mr Eddie Doyle

**Terms of Office  
Expired 26th November:**

Mr Henry Burns,  
Irish Farmers' Association

Mr Paddy Callaghan,  
Nature's Best

Mr Matt Foley

Mr Ciaran O'Brien,  
Peter O'Brien Landscaping

### CHANGES DURING 2017

**Re-appointed 2nd February:**  
Mr Matt Foley

**Appointed 31st May:**  
Ms Celine Murrin  
Ms Áine O'Neill  
Ms Margot Slattery  
Mr Pdraig Tully

# OUR ACCOUNTS



## BOARD RESPONSIBILITIES

Section 21 of An Bord Bia Act 1994 requires the Board to “keep in such form and in respect of such accounting periods as may be approved by the Minister, with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of monies received or expended by it, including a Statement of Income and Expenditure and Retained Revenue Reserves, a Statement of Comprehensive Income, a Statement of Cash Flow and a Statement of Financial Position and, in particular, shall keep in such form as aforesaid all such special accounts as the Minister may, or at the request of the Minister for Public Expenditure and Reform shall, from time to time direct and the Board shall ensure that separate accounts shall be kept and presented to the Board by any Subsidiary Board that may be established by the Board under this Act and these accounts shall be incorporated in the general statement of account of the Board.”

In preparing these financial statements the Board is required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. prepare the financial statements on a going concern basis unless it is inappropriate to presume that Bord Bia will continue in existence for the foreseeable future; and,
4. state whether applicable accounting standards have been complied with, subject to any material departures disclosed and explained in the financial statements;

The board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of Bord Bia. The Board is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Michael Carey**  
Chair  
5 July 2017

**Tara McCarthy**  
Chief Executive  
5 July 2017

# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



**Comptroller and Auditor General**

**Report for presentation to the Houses of the Oireachtas**

## An Bord Bia

I have audited the financial statements of An Bord Bia for the year ended 31 December 2016 under the An Bord Bia Act 1994. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 21 of the Act, and in accordance with generally accepted accounting practice.

### Responsibilities of the Members of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to An Bord Bia's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read An Bord Bia's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of An Bord Bia as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of An Bord Bia were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

### Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in An Bord Bia's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect An Bord Bia's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

**Seamus McCarthy**  
Comptroller and Auditor General  
7 July 2017

## STATEMENT ON INTERNAL FINANCIAL CONTROLS

On behalf of the Board of Bord Bia, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can provide reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

The Board has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities and powers.
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation.
- Developing a culture of accountability across all levels of the organisation.

The Board has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body, including the extent and categories which it regards as acceptable.
- Assessing the likelihood of identified risks occurring.
- Working closely with Government, engaging with stakeholders in the food and drink industry and with various Agencies to ensure that there is a clear understanding of Bord Bia goals and support for the Board's strategies to achieve those goals.

The system of internal financial control is based on a framework of regular management information, administration procedures including segregation of duties, authorisation

limits and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board.
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Adherence to the relevant aspects of the Public Spending Code.

Bord Bia has an outsourced internal audit function, which operates in accordance with the Code of Practice for the Governance of State Bodies and, which reports directly to the Audit & Risk Committee. The work of internal audit is informed by analysis of the risk to which the body is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the Internal Audit plan are endorsed by the Audit & Risk Committee and reported to the Board. The risk register is reviewed at each Audit & Risk Committee meeting and at each Board meeting. The Audit & Risk Committee meets on a regular basis throughout the year to review and confirm the ongoing adequacy and effectiveness of the system of internal financial control.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit & Risk Committee which oversees the work of the internal auditor, the executive managers within Bord Bia who have responsibility for the development and maintenance of the financial control framework and informed by the work of the Comptroller and Auditor General in his annual audit. There

were no material breaches in control, material losses or frauds reported during the year.

The Financial Statements have been prepared in accordance with the 2009 Code of Practice for the Governance of State Bodies with additional disclosures, in preparation for the full adoption of the 2016 Code of Practice, issued in August 2016, in the 2017 Financial Statements.

I confirm that in the year ended 31st December, 2016 the Board conducted a review of the effectiveness of the system of internal financial control. The review was conducted during October.

On behalf of the Board

**Michael Carey**

Chair

5 July 2017

# STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

for the financial year ended 31 December

	Notes	2016 €'000	2015 €'000
<b>Income</b>			
Oireachtas Grants	2 (a)	32,569	30,836
Oireachtas - Other Funding:			
Food Dude National Roll Out	2 (b)	2,867	2,775
Quality Assurance Schemes Special Funding	2 (c)	5,801	5,742
Food Promotions Special Funding	2 (d)	2,004	700
Statutory Levy	2 (e)	5,655	5,456
Project and Other Income	2 (f)	8,300	8,256
Net deferred funding for Retirement Benefits	12 (a) i	3,142	3,073
		<b>60,338</b>	56,838
Transfer (to) the Capital Account	3	(415)	(62)
<b>Total Income</b>		<b>59,923</b>	56,776
<b>Expenditure</b>			
Marketing and Promotional Expenditure	5 (a)	33,670	32,809
Food Dude National Roll Out		2,867	2,775
Quality Assurance Schemes		5,876	5,741
Marketing Finance	5 (b)	1,299	933
Pay	6	11,873	11,450
Operating Expenditure	4	3,068	2,596
<b>Total Expenditure</b>		<b>58,653</b>	56,304
Operating surplus		1,270	472
Interest receivable		1	2
Interest payable		-	(14)
<b>Net surplus for the financial year before Retirement Benefit Contribution to the Exchequer</b>		<b>1,271</b>	460
Retirement Benefit Contribution to the Exchequer		(640)	(699)
<b>Net Surplus / (deficit) for the financial year after Retirement Benefit Contribution to the Exchequer</b>		<b>631</b>	(239)
Retained Revenue Reserves at 1 January		325	564
Retained Revenue Reserves at 31 December		<b>956</b>	325

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and Notes 1 - 19 form part of these financial statements.

**Michael Carey**  
Chair  
5 July 2017

**Tara McCarthy**  
Chief Executive  
5 July 2017

# STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December

	Notes	2016 €'000	2015 €'000
Net Surplus / (deficit) for the year		631	(239)
Actuarial (Loss) / Gain on Retirement Benefit Scheme Liabilities	12	(6,784)	2,043
Adjustment to Deferred Retirement Benefit Funding	12	6,784	(2,043)
<b>Total Comprehensive Income for the year</b>		<b>631</b>	<b>(239)</b>

The Statement of Cash Flows and Notes 1 to 19 form part of these financial statements.

**Michael Carey**  
Chair  
5 July 2017

**Tara McCarthy**  
Chief Executive  
5 July 2017

# STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2016 €'000	2015 €'000
<b>ASSETS EMPLOYED</b>			
<b>Fixed Assets</b>			
Property, Plant and Equipment	8	625	210
<b>Current Assets</b>			
Inventories		4	2
Trade and Other Receivables	9	4,227	3,398
Cash and Other Equivalents		6,009	4,638
		<b>10,240</b>	<b>8,038</b>
<b>Current Liabilities : Amounts falling due within one year</b>			
Trade and Other Payables	10	8,620	7,085
Net Current Assets		<b>1,620</b>	<b>953</b>
Total Assets less current liabilities		<b>2,245</b>	<b>1,163</b>
<b>Long Term Liabilities: amounts falling due after more than one year</b>			
Provision for Liabilities and Charges	13	664	628
Retirement Benefit Liabilities	12	(62,082)	(52,583)
Deferred Retirement Benefit Funding	12	62,082	52,583
		-	-
<b>Total Assets less Liabilities</b>		<b>1,581</b>	<b>535</b>
<b>FINANCED BY</b>			
<b>Capital and reserves</b>			
Capital account	3	625	210
Statement of Income and Expenditure and Retained Revenue Reserves		956	325
		<b>1,581</b>	<b>535</b>

The Statement of Cash Flows and Notes 1 to 19 form part of these financial statements.

**Michael Carey**  
Chair  
5 July 2017

**Tara McCarthy**  
Chief Executive  
5 July 2017

# STATEMENT OF CASH FLOWS

for the financial year ended 31 December

	2016 €'000	2015 €'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus / (Deficit) for the financial year	631	(239)
Adjustments for:		
Depreciation of Tangible Assets	179	126
Capital Account Transfer	415	62
Interest Received	(1)	(2)
(Increase) / Decrease in Inventories	(2)	1
(Increase) in trade and other receivables	(829)	(836)
Increase/(Decrease) in trade and other payables	1,535	(616)
Increase in other provisions	36	14
Net Cash Inflow / (Outflow) from Operating Activities	<b>1,964</b>	<b>(1,490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property plant and equipment	(595)	(188)
Interest Received	1	2
Loss on disposal of fixed asset	1	-
Net Cash from investing activities	<b>(593)</b>	<b>(186)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	<b>1,371</b>	<b>(1,676)</b>
Cash and Cash Equivalents at 1 January	<b>4,638</b>	<b>6,314</b>
Cash and Cash Equivalents at 31 December	<b>6,009</b>	<b>4,638</b>

**Michael Carey**  
Chair  
5 July 2017

**Tara McCarthy**  
Chief Executive  
5 July 2017

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 1. ACCOUNTING POLICIES

#### (a) Basis of preparation:

The financial statements for year ended 31 December 2016 have been prepared in accordance with Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland (“FRS 102”), and with the An Bord Bia Act, 1994. The financial statements have been prepared on the historical cost convention. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to An Bord Bia’s financial statements.

The financial statements are presented in Euro (€), the functional currency.

#### (b) Critical accounting judgments and estimates

Preparation of the financial statements requires management to make critical accounting judgements, assumptions and estimates. The items in the financial statements where these judgments and estimates have been made include:

- Income from domestic levies is based on the estimated number of slaughtered livestock;
- Provisions for doubtful trade receivables;
- Provisions for retirement benefit liabilities, which are based on actuarial calculations ;
- Provisions for depreciation;
- Provisions for impairment of Property, Plant and Equipment; and
- Provisions for building dilapidations.

#### (c) Income

Income shown in the financial statements under Oireachtas Grants represents the actual receipts from this source in the period.

Income from the Quality Assurance Schemes Special Funding, the Food Dede National Roll-Out and Food Promotions Special Funding is released to revenue in line with expenditure and any balances due to or from Bord Bia are included in Trade and Other Receivables and Trade and Other Payables as appropriate.

Income arising from the Statutory Levy is accounted for on the accruals basis.

#### (d) Principal accounting policies

##### (1) Property, plant and equipment

Property, plant and equipment are funded from Oireachtas grants and are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to

write down the cost less estimated residual value of all tangible fixed assets, over their expected useful lives, using the straight-line method. The normal rates applicable are:

Leasehold improvement	10%
Furniture and fittings	12.5%
Computer equipment	33.3%
Office equipment	20%

##### (2) Impairment of Property, Plant and Equipment

At each reporting date Property, Plant and Equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income and Expenditure and Retained Revenue Reserves.

##### (3) Inventory

Inventory is measured using the First In, First Out (FIFO) method.

##### (4) Trade and Other Receivables

Short term receivables are measured at transaction price, less any provisions for doubtful debts. Known bad debts are written off.

##### (5) Trade and Other Payables

Short term payables are measured at the transaction price.

##### (6) Provisions for Liabilities and Charges

Provisions are recognised when Bord Bia has a present obligation (legal or constructive) as a result of a past event, which it is probable that the organisation will be required to settle, and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision for such obligations is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate where appropriate.

The unwinding of the discount is recognised as a finance cost in the Statement of Income and Expenditure and Retained Revenue Reserves in the period it arises.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### (e) Employee benefits

#### *Retirement Benefits*

There are three Superannuation Schemes in operation within Bord Bia.

The Bord Bia main scheme is an unfunded scheme since 31st December 2009. Prior to 1st January 2010 employer and employee contributions were paid into a fund. Under the terms of the Financial Measures (Miscellaneous Provisions) Act, 2009, the assets of the scheme were transferred to the National Pension Reserve Fund with effect from 31st December 2009. The scheme continues in being for existing members. From 1st January 2010, Bord Bia became responsible for the administration of the retirement benefit payments to pensioners on behalf of the Exchequer. Under the new arrangement the funding contribution will continue in being and is payable to the Department of Agriculture, Food and the Marine after taking account of retirement benefits paid. The Department will provide funding where the retirement benefits paid exceed the funding and employer contributions.

With regard to employees of the former Bord Glas, a non-contributory defined benefit retirement benefit scheme and a contributory spouses and children's scheme are operated on an administrative basis pending the authorisation of the schemes by the

Minister for Public Expenditure and Reform. Under the provisions of An Bord Bia (Amendment) Act, 2004, all staff of the former Bord Glas were transferred to Bord Bia with effect from 1st July 2004.

The new Single Public Service Pension Scheme ("Single Scheme") commenced with effect from 1 January 2013. All new entrants to pensionable public service employment on or after 1 January 2013 are, in general, members of the Single Scheme. The rules of the Single Scheme are set down in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

Retirement benefit costs reflect retirement benefits earned by employees in the year. An amount corresponding to the retirement benefit charge is recognised as income to the extent that it is recoverable, and offset by Grants received in the year to discharge retirement benefit payments for the Bord Glas scheme and any deficit in funding arising on the Bord Bia main scheme.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Agriculture, Food and the Marine.

Retirement Benefit Liabilities represent the present value of future retirement benefit payments earned by staff to date. Deferred Retirement Benefit Funding represents the corresponding asset to be recovered in future periods from the Department of Agriculture, Food and the Marine.

#### *Short-term benefits*

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the 'Trade and Other Payables' figure in the Statement of Financial Position.

### (f) Foreign currency translation

In preparing the financial statements, transactions in currencies other than the functional currency ("foreign currencies") are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the period in which they arise.

### (g) Leased Assets

Rentals in respect of operating leases are charged to the Statement of Income and Expenditure and Retained Revenue Reserves as incurred.

### (h) Capital Account

The capital grant element of Oireachtas grants received by Bord Bia is credited to the Capital Account as set out in note 3, and is transferred to the Statement of Income and Expenditure and Retained Revenue Reserves over the expected useful lives of the assets to which it relates, in line with depreciation.

### (i) Taxation

Provision has been made in respect of all VAT, withholding tax and payroll liabilities.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 2. OPERATING INCOME

- (a) Oireachtas grants of €32,569,000 were drawn down from the Department of Agriculture, Food and the Marine under Vote Agriculture (Sub-head A6)
- (b) Amounts included under the heading of Food Dude - National Roll-Out totalling €2,867,000 arise in respect of funding made available by the Department of Agriculture, Food and the Marine (Sub-head A10) to cover the costs of the roll-out of the Food Dude healthy eating programme on a national basis.
- (c) Amounts included under the heading of the Quality Assurance Scheme Special Fund totalling €5,801,000 arise in respect of funding made available by the Department of Agriculture, Food and the Marine (Sub-head A10) to cover the costs of independent on-farm inspections and associated certification processes under the Bord Bia Quality Assurance Scheme.
- (d) Amounts included under Food Promotions Special Funding arise in respect of funding made available by the Department of Agriculture, Food and the Marine (Sub-head A10) in respect of the following programmes:

	2016	2015
	€'000	€'000
<b>Promotions</b>		
Mushroom	512	266
Lamb	199	207
Potato	116	59
Organics	120	69
Pigmeat Consumer	82	-
Biofach Organic Meat & Consumer Foods Fair	56	-
Farmhouse Cheese	42	83
Biofach Organic Seafood Fair	34	-
Bloom (Organic) Garden Festival	10	16
<b>Trade Fairs</b>		
Seafood Expo Global (SEG)	428	-
Boston Seafood	216	-
China Fisheries	78	-
Conxemar	73	-
Speciality & Fine Food Fair	24	-
Private Label Manufacturers Association (PLMA)	14	-
	<b>2,004</b>	<b>700</b>

- (e) An Bord Bia Act, 1994, provides for payment to the Board of a levy per head on slaughtered or exported livestock. Under section 37 of the Act, the rates were set at €1.90 per head for cattle, 25c per head for sheep and 35c per head for pigs. In 2016, all levies were accounted for on an accruals basis. In previous years, live exports of sheep and pigs were accounted for on a cash received basis. The 2015 figure has not been restated as the amount of the adjustment, €42,000, would not be material in the context of total levy income.
- (f) Project and other income includes industry contributions to joint promotions, trade fairs, information services and seminar and conference fees.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 3. CAPITAL ACCOUNT

The Capital account represents the cumulative grants received that have been transferred from the Statement of Income and Expenditure and Retained Revenue Reserves.

The Reserves represent the cumulative surplus of income over expenditure.

	2016 €'000	2015 €'000
Capital Account Balance at 1 January	210	148
Amount capitalised in respect of purchased fixed assets	595	188
Amounts released on disposal of fixed assets	(1)	-
Amortisation in line with asset depreciation	(179)	(126)
Net transfer from/(to) the Statement of Income and Expenditure and Retained Revenue Reserves.	415	62
Balance at 31 December	<b>625</b>	210

### 4. OPERATING EXPENDITURE

	2016 €'000	2015 €'000
The net surplus is stated after charging:		
Depreciation of property plant and equipment	179	126
Rent and Rates	1,225	1,192
Auditors Remuneration	25	25
General Business Expenses	1,639	1,253
Total	<b>3,068</b>	2,596

- (a) Operating expenditure includes external consultancy/advisory services for legal €35,000, taxation and financial advisory €55,000, public relations and corporate marketing €0, pensions and human resources €81,000.
- (b) In 2016, travel and subsistence costs included in the above was €13,000 for domestic and €25,000 for international.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 5. MARKETING AND PROMOTIONAL EXPENDITURE

(a) Analysis by the Statement of Strategy Strategic Pillars.

	2016	2015
	€'000	€'000
Consumer Insight	4,561	4,033
People Talent Infrastructure	2,667	2,563
Origin Green	2,346	3,098
Routes to Market	7,028	9,221
Brand Communications	15,886	12,270
Support Services	1,182	1,624
Total	<b>33,670</b>	<b>32,809</b>

Analysis by Expenditure type

Promotions	5,402	5,080
Marketing Development	5,654	5,832
Trade Fairs and Exhibitions	6,196	8,131
Information Services - Research	1,724	569
Information - Other Services	4,118	4,044
Quality Assurance	3,223	2,684
Trade Development	4,601	4,139
Technical Support - Pigmear Sector	378	368
Other Client Services	190	172
Talent Development Programmes	2,184	1,790
	<b>33,670</b>	<b>32,809</b>

#### (b) *Marketing Finance*

In 2016 grants totalling €925,000 (€808,000 in 2015) were made under the Marketing Assistance Programme. Grants totalling €283,000 (€125,000 in 2015) were made under the Step Change Programme. A further €91,000 was made available under a new Market Intensification Programme in 2016.

(c) In 2016, travel and subsistence costs included in the above marketing and promotional expenditure was €180,00 for domestic and €601,000 for international.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 6. PAY

	2016 €'000	2015 €'000
Staff costs during the financial year were as follows:		
Wages and Salaries	7,785	7,367
Social Welfare costs	946	1,010
Retirement benefit costs	3,142	3,073
	<b>11,873</b>	<b>11,450</b>
<b>Split of Employee Costs</b>		
Marketing and promotion	10,383	10,102
Administration	1,490	1,348
	<b>11,873</b>	<b>11,450</b>
<b>Split of Employee Costs</b>	<b>Number</b>	<b>Number</b>
Marketing and promotion	94	78
Administration	18	17
	<b>112</b>	<b>95</b>
<b>Split of Wages and Salaries</b>	<b>€'000</b>	<b>€'000</b>
Salary	7,748	7,347
Overtime	9	8
Allowances	28	12
	<b>7,785</b>	<b>7,367</b>

In accordance with Department of Public Expenditure and Reform circular 13/2014 the following outlines the employee benefits greater than €60,000 in 2016. Note the following are before any deduction related to the public sector pension levy.

Employee benefits	Number of Employees	
	2016	2015
€60,000 to €69,999	20	21
€70,000 to €79,999	21	20
€80,000 to €89,999	10	8
€90,000 to €99,999	5	4
€100,000 to €109,999	4	5
€110,000 to €119,999	-	-
€120,000 to €129,999	1	1
€130,000 to €139,999	-	-
€140,000 to €150,000	1	1

### The remuneration of the Chief Executive included in the above pay costs is as follows:

	€	€
Salary	149,175	149,175

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

In addition, the Chief Executive is a member of the Bord Bia Superannuation Scheme and has retirement benefit entitlements which do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

The total number of employees (including part-time persons) at 31 December 2016 was 112 (2015: 95). The cost of certain part-time employees amounting to €14,285 (2015: €38,824) is included in Marketing and Promotional expenditure.

A total pension levy amount of €367,542 (2015: €387,715) was paid over to the Department of Agriculture, Food and the Marine during 2016.

### 7. REMUNERATION IN RESPECT OF BOARD MEMBERS WAS AS FOLLOWS:

	2016	2015
	€	€
Average number of Employees		
Ms. M. Byrne**	-	-
Mr. M. Carey*	-	-
Mr. J. Comer	<b>10,937</b>	11,970
Mr. E. Downey	<b>4,362</b>	11,937
Ms. R. Doyle	<b>11,970</b>	6,726
Mr. F. Hayes*	-	-
Mr J Healy	<b>7,625</b>	-
Ms. R. Holland*	-	-
Mr. J. Horgan*	-	-
Ms. C. Keeling*	-	-
Mr. T. Keohane	<b>11,970</b>	6,726
Mr. T. Moran	<b>11,970</b>	6,726
Prof. F. O'Gara	<b>11,970</b>	11,970
Mr. R. O'Rourke*	<b>5,985</b>	-
Mr. B. Sweeney	<b>11,970</b>	6,727
Mr. P. Whelan	<b>11,970</b>	6,726
Total	<b>100,729</b>	69,508
Amounts paid to Board Members for travel and subsistence expenses	8,200	7,164
Amounts paid to Sub-Board Members for travel and subsistence expenses	19,123	19,831

\* Indicates those Board Members who have waived part or all of the fee payable, as a Board Member, in 2016.

\*\* No fees are payable to Ms. M. Byrne, Principal Officer, Department of Agriculture, Food and the Marine.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

## 8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
Cost	€'000	€'000	€'000	€'000	€'000
At 1 January 2016	1,615	614	818	190	3,237
Additions	462	125	6	2	595
Disposals	(53)	(122)	(63)	(27)	(265)
At 31 December 2016	<b>2,024</b>	<b>617</b>	<b>761</b>	<b>165</b>	<b>3,567</b>
<b>Depreciation</b>					
At 1 January 2016	1,600	565	688	174	3,027
Charged for the financial year	56	27	88	8	179
Disposals	(53)	(121)	(63)	(27)	(264)
At 31 December 2016	<b>1,603</b>	<b>471</b>	<b>713</b>	<b>155</b>	<b>2,942</b>
<b>Net book amount at 31 December 2016</b>	<b>421</b>	<b>146</b>	<b>48</b>	<b>10</b>	<b>625</b>
Net book amount at 31 December 2015	15	49	130	16	210

## 9. TRADE AND OTHER RECEIVABLES

	2016 €'000	2015 €'000
Trade Receivables	3,154	2,773
Less Provision for bad debts	(403)	(373)
	<b>2,751</b>	2,400
Prepayments and Accrued Income	1,476	998
	<b>4,227</b>	3,398

## 10. TRADE AND OTHER PAYABLES

	2016 €'000	2015 €'000
<i>Amounts falling due within one year</i>		
Trade Payables	3,023	2,286
Exchequer retirement benefit contribution	383	477
Taxation and Social welfare (note 11)	1,507	1,346
Accruals*	3,475	2,734
Deferred income	233	242
	<b>8,620</b>	7,085

Trade payables are to be settled at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

\* Includes Holiday pay accrual of €180,000 (€154,000 in 2015). Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year end are included in the Trade and Other Payables figure in the Statement of Financial Position.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

## 11. TAXATION AND SOCIAL WELFARE

	2016	2015
	€ '000	€ '000
<i>Amounts falling due within one year</i>		
VAT	297	461
Withholding Tax	609	454
Payroll taxes	442	273
PRSI	159	158
	<b>1,507</b>	<b>1,346</b>

An Bord Bia is not liable to corporate taxes in Ireland or in the countries in which it operates because it is a non-commercial State-sponsored body.

An Bord Bia is liable to employer taxes in Ireland and complies with related withholding, reporting and payment obligations in all countries in which it operates.

## 12. RETIREMENT BENEFIT COSTS

	2016	2015
	€ '000	€ '000
<b>a i) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves.</b>		
Service cost	2,230	2,270
Employee contributions	(315)	(297)
Current service cost	1,915	1,973
Interest cost	1,227	1,162
Total	<b>3,142</b>	<b>3,135</b>

### a ii) Contribution to the Exchequer

In accordance with the Financial Measures (Miscellaneous Provisions) Act 2009 and the arrangements set out in the accounting policies, contributions payable to the Exchequer amounted to €640,248 in the year (2015: €699,565)

An amount of €383,574 was due at 31 December 2016 (2015: €477,380) in respect of employer contributions payable to the Exchequer after offsetting retirement benefits payable under the Bord Bia scheme. The 2015 comparative included an amount related to the single pension scheme which had a nil liability at year end 2016.

### a iii) Analysis of amount recognised in Statement of Comprehensive Income

Total remeasurement effects recognised	<b>(6,784)</b>	2,043
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### b i) Present value of scheme obligations

Present value of scheme obligations at beginning of year	52,583	52,053
Service Cost	2,230	2,270
Interest Cost	1,227	1,162
Actuarial loss / (gain)	6,784	(2,043)
Benefits paid	(742)	(859)
Present value of scheme obligations at end of year	<b>62,082</b>	<b>52,583</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### b ii) Deferred Funding Asset

Under the terms of the Financial Measures (Miscellaneous Provisions) Act 2009, the assets of the Bord Bia Superannuation Schemes were transferred to the National Pension Reserve Fund with effect from 31 December 2009. The retirement benefit schemes associated with these funds continue in force for existing members with no impact on their benefits or associated provision for members. The Department of Agriculture, Food and the Marine will provide funding where the retirement benefits paid exceed contributions. An Bord Bia has adapted the treatment and disclosures required by the accounting standard, Financial Reporting Standard 102 (Section 28) to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the Department, An Bord Bia is satisfied that the nature of the arrangement is akin to a full reimbursement of the retirement benefit liability when those liabilities fall due for payment and therefore recognises its right to the reimbursement as a separate asset in the amount equal to the liability at the year end.

An Bord Bia also recognises an asset corresponding to the unfunded liability for retirement benefits on the Bord Glas scheme on the basis of a number of assumptions and past events, including the statutory basis for the establishment of the superannuation schemes and the policy and practice currently in place in relation to funding public services retirement benefits, including the annual estimates process.

A deferred funding asset of €62.082 million equal to the retirement benefit liability is recognised at 31 December 2016 (2015: €52.583 million). The deferred funding asset at the year end was determined after taking into account net deferred funding for retirement benefits in the year of €3.142 million and adjustments arising from the actuarial loss of €6.784 million and from retirement benefits payable under the Bord Bia scheme of €742,111 which were offset against the contribution payable to the Exchequer

	2016	2015
	€ '000	€ '000

### b iii) Net Deferred Funding for Retirement Benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

Funding recoverable in respect of current year retirement benefit costs	3,142	3,135
Oireachtas Grants applied to retirement benefit payments (An Bord Glas Scheme)		(62)
	<b>3,142</b>	<b>3,073</b>

### c) Description of schemes and actuarial assumptions

The Board operates three defined benefit superannuation schemes for certain eligible employees.

- 1) The Bord Bia main scheme, for which the approval of the Minister for Agriculture, Food and the Marine and the Minister for Public Expenditure and Reform has been received. Until 31 December 2009, the contributions of employees and Bord Bia were paid into a fund managed by the trustees. As detailed under note 12b ii) above, the assets of the scheme were transferred to the National Pension Reserve Fund with effect from 31 December 2009.
- 2) The former Bord Glas scheme. This consists of a non-contributory defined benefit retirement benefit scheme and a contributory spouses and children's scheme which is operated on an administrative basis pending the authorisation of the schemes by the Minister for Public Expenditure and Reform.
- 3) The Single Public Service Pension Scheme. The rules of the Single Scheme are set down in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

An Bord Bia meets the cost of current retirements. These are paid out of current income. Contributions received by An Bord Bia from members of the contributory unfunded schemes outlined above are used to part fund ongoing retirement benefit liabilities.

An actuarial valuation of the Bord Bia Superannuation Schemes was carried out as at 31 December 2016 for the purpose of preparing this FRS102 disclosure. The liabilities and costs have been assessed using the projected unit method.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### Financial assumptions

The principal actuarial assumptions used to calculate the retirement benefit obligations under FRS102 were as follows:

	31/12/2016	31/12/2015
Discount Rate	1.90%	2.35%
Inflation Rate	1.85%	1.70%
Salary increases	4.10%	3.95%
Retirement benefit increases for in payment benefits	3.6% / 1.85%	3.45% / 1.7%
Retirement benefit increases for deferred benefits	3.6% / 1.85%	3.45% / 1.7%
Plan membership census date	31/12/2016	31/12/2015

The following amounts were measured in accordance with the requirements of FRS102.

### Demographic assumptions

The mortality table is 88% of ILT15 (Males) for males and 91% of ILT15 (Females) for females, with the 2013 CSO mortality improvements applying from 2010. Representative rates are shown below.

The expected lifetime of a participant who is age 65 and the expected lifetime (from age 65) of a participant who will be age 65 in 25 years are shown in years below based on the above mortality tables.

Age	Males	Females
65	21.1	23.6
65 in 25 years	24.1	26.2

### d) History of defined benefit obligations, assets and experience gains and losses

	2016	2015	2014	2013	2012
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligations	62,082	52,583	52,053	40,846	42,143
Fair value of scheme assets	-	-	-	-	-
Deficit on Superannuation Schemes	(62,082)	(52,583)	(52,053)	(40,846)	(42,143)
Experience adjustments on scheme obligations	(6,784)	2,043	(8,854)	4,261	(14,092)
Experience adjustments on scheme assets	-	-	-	-	-

### 13. PROVISION FOR LIABILITIES AND CHARGES

	Dilapidations	VAT	Total
	€'000	€'000	€'000
At 1 January 2016	615	13	628
Additions	49	(13)	36
At 31 December 2016	664	-	664

The provision for dilapidations comprises the estimated cost of reinstatement of leasehold properties in accordance with obligations under operating leases.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

### 14. COMMITMENTS

#### Funding

In terms of the Marketing Finance Programmes operated by Bord Bia management have committed to €1,514,000 (2015: €932,000) payments within the next 12 months. There are no specific performance-related conditions attached to these commitments other than that the intended beneficiaries had to have incurred the expenditure before submitting their claims. These commitments are in turn funded through the Oireachtas grant income.

	2016	2015
	€'000	€'000
At 1 January	932	923
Additions	582	9
At 31 December	<u>1,514</u>	<u>932</u>

#### Operating leases

The future minimum operating lease payments are as follows:

Within one year	1,214	733
Between one and five years	3,594	2,932
Beyond five years	282	-

An Bord Bia occupies premises at Clanwilliam Court, Lower Mount Street, Dublin 2 under a rental agreement. This agreement which commenced in 2010 will expire in 2021. The total charges including rent, rates and other accommodation costs for these premises in 2016 was €812,370. In addition, Bord Bia occupies thirteen other properties in various locations internationally. The rent paid on these premises in 2016 was €412,316.

### 15. TRANSACTIONS WITH RELATED PARTIES

	2016	2015
	€'000	€'000
Key management personnel compensation	<u>523</u>	<u>530</u>

Key management personnel compensation includes employee benefits paid to the senior members of the management team at a Grade 1 level.

### 16. BOARD MEMBERS - DISCLOSURE OF TRANSACTIONS

In the normal course of business the Board may approve grants and may also enter into other contractual arrangements with undertakings in which Bord Bia Board Members are employed or otherwise interested. The Board adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the Board during the year.

No grants were approved or paid during the year to companies with which Board Members are associated.

### 17. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform to the current financial year information.

### 18. OBJECTIVES OF AN BORD BIA

The objectives of Bord Bia are summarised in our Mission statement - "To drive, through market insight, and, in partnership with industry, the commercial success of a world-class food, drink and horticulture industry." This is fully articulated in our corporate strategy as outlined in the annual report.

### 19. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 5 July 2017.

## MARKETING ASSISTANCE GRANT PAYMENTS

Company	Amount €				
Abbey Nurseries Ltd	90	Goatsbridge Trout Farm Ltd	10,000	O'Donohues Bakery Ltd	855
Absolutely Fabulous Foods Ltd	3,000	Gold Circle Mushrooms	9,676	O'Dowd Nurseries	2,114
Adare Farm	3,000	Goodness Grains Gluten Free Bakery	5,000	Oishii Foods Ltd	1,650
Aine's Handmade Chocolates	6,000	Green Earth Organics Ltd	3,000	On the Pigs Back	2,120
Alan Kelly-Golf Road Nurseries	9,150	Green Saffron Spices Ltd	7,000	O'Neills Dry Cure Bacon Co.	14,000
Algaran Teo	7,482	Green Valley Farms Ltd-Killowen Farm	20,000	Origin Spirits	7,500
Allihies Seafood Ltd	3,000	Greenbean Coffee Roasters	2,656	Orpens	4,835
Amour Nurseries	124	Greenhill Fruit Farm Ltd	8,000	Pandora Bell	2,000
An-Sean Teach Ltd t/a DV8 Beverages	2,000	G's Gourmet Jams Ltd	7,000	Paul Brophy Produce	5,000
AranBia Ltd t/a Crusts	2,000	Harvest Moon Foods	3,000	Piranha Beverages Ltd	6,000
Atlantic Marine Seafoods	2,527	Healy Fine Foods- Chocolate Garden of Ireland	6,000	Ponaire Ltd	3,867
Ballykelly Farms Ltd	3,882	Healy's Honey Ltd	11,314	Ponticelli Coffee	4,000
Beechill Bulbs Ltd	2,553	Heatherfield Ltd-Seerys	2,237	Quality Irish Food-Mr. Crumb	30,000
Beechlaw Organic Farm	3,000	HF Foods Ltd	2,990	Redbank Food Co.	1,661
Beeline Healthcare	6,000	Hickeys Bakery Waterford	2,240	Régale Biscuit Co.Ltd	625
Beniel Ltd t/a Benoits Chocolate Factory	4,000	Hickeys Bakery Ltd Clonmel	2,327	Rentes Plants Ltd	6,000
Bia Gambresie-Freefrom Foods	7,000	Highbank Orchards	2,178	Riceshill Farm	6,000
Big Hand Brewing Co.	2,000	Honest Bread & Cakes Ltd	3,000	Rosie's Bakehouse	456
Big Red Kitchen	5,500	Howth Cuisine	2,500	Ryan's Farm	1,000
Boutique Bake Ltd	6,535	Hughes Roses Ltd	6,000	Salad Ways Ltd	7,767
Boylan Fruits Ltd	3,486	Hyde Ltd t/a Ballymaloe Country Relish	10,000	Sam's Cookies Ltd	9,483
Brookridge Farm	3,000	Hyde Whiskey	4,000	Sea of Vitality	1,393
Brú Brewery	52,409	IASC-Irish Atlantic Seafood Co.	12,206	Secret Recipe	8,176
Burren Smokehouse Ltd	9,000	Improper Butter	3,619	Seymours Fine Foods	2,528
Caherbeg Free Range Pork Ltd	5,944	Inagh Farmhouse Cheese Ltd	8,000	Shannon Estuary Oysters Ltd	4,000
Cahills Farm Cheese	24,000	Inch House Black Pudding	4,000	Sisú Juice Co.Ltd	3,000
Carol Kinsella Chocolates	2,936	Irish Fish Cannery	2,224	Skelligs Chocolate	12,000
Carrigaline Farmhouse Cheese Ltd	18,830	Irish Premium Oysters	8,000	Slaney Farms Produce Ltd	9,927
Carrigbyrne Farmhouse Cheese	8,000	Island Seafoods Ltd	11,281	Solaris Botanicals Ltd	5,000
Cashel Fine Foods	3,000	Jack Cody's	3,000	Soupcafé	1,000
Cathy's Spelt for Health	3,500	Jane Russell's Original Irish	4,000	Speciale Donegal Bay Ltd	8,000
Celtic Chocolates Ltd	40,000	Janet's Country Fayre Ltd	5,085	Springfield Nurseries	3,000
Celtic Salads	760	JFS Produce	2,825	St.Patrick's Distillery Ltd	3,000
Chia Bia	8,178	Jinny's Bakery	2,837	Stams Bamboo Nursery	2,428
Chris Brownlow Potatoes	4,500	JOD Food Products t/a Old Irish Creamery Cheese	15,000	Stonewell Cider	5,000
Clanwood Farm	2,000	Joe's Farm Crisps	4,000	Summerhill Lawns Ltd	2,851
Con Traas Ltd	4,983	Kearneys Homebaking Ltd	4,373	Sunnyside Fruit Ltd	2,100
Connemara Seafoods Frozen	3,772	Keelings F.Juices Ltd	17,000	The Cloudberry Bakery	1,911
Connemara Seafoods Ltd	9,000	Kelly's Mountain Brew	1,556	The Cool Bean Company	1,837
Cooleeney Cheese	10,000	Kelly's Nursery Ltd	8,350	The Delicious Food Company	2,000
Corleggy Cheeses	3,000	Kelly's of Newport	4,000	The Dublin Cookie Co.Ltd	2,000
Couverture Ltd	13,867	Keogh's Crisps Ltd	37,556	The Food Store	1,500
Croagh Patrick Seafoods	3,000	Key Ingredients Europe Ltd	6,776	The Happy Pear Living Foods	4,500
Crossogue Preserves Ltd	3,000	Kilfera Food Manufacturers	8,954	The Just Food Company	3,602
Cuinneog Ltd	6,417	Killeen Farmhouse Cheese	2,297	The Lismore Food Co	2,738
Cybercolors Ltd	17,665	Kilmoon Cross Nurseries Ltd	1,839	The Little Milk Company	17,353
D&S Gourmet Food-Gran Clarkes' Bakery	3,000	Kinvara Smoked Salmon Ltd	5,000	The Scullery Ltd	9,000
Delicious Gluten Free Bakery	8,000	Kitty O'Byrnes Ltd	728	The Tipperary Kitchen	1,119
Derrycamma Farm	2,797	Knockanore Farmhouse Cheese Co.	7,000	The White Hag Brewing Company	3,865
Doran Nurseries Ltd	3,624	Knockdrinna Farmhouse Cheese	5,495	The Wicklow Brewery Ltd	3,000
Dungarvan Brewing Co.	5,000	Laurence Whelan Potatoes	3,000	Tipperary Kitchen	829
Dungarvan Shellfish Ltd	5,000	Lily's Tea Shop	2,000	Toonsbridge Dairy Ltd	3,500
Durrus Cheese	2,432	Lovin Catering Ltd	1,000	Treefields Nursery Ltd	2,000
Eight Degrees Brewing Co.Ltd	8,939	M&J Nutrition ProJ	2,000	Trouble Brewing	4,603
Elivar Ltd	2,500	M&M Products Ltd	3,000	Trudies Catering Kitchen	6,000
Emaan Meal Solutions-Kohinoor	19,846	Mags' Homebaking	6,000	Tully Nurseries	3,574
Farm Fresh Homemade Foods	3,854	Malone Food Products	2,568	Virginia Health Food Ltd	9,195
Finnegans Farm	2,500	Mannings Bakery	3,360	Waldron Meats	1,508
Fitzally Foods Ltd	4,000	Michael Kelly Shellfish Ltd	8,000	Walsh's Bakehouse-Sunshine Bread & Confectionery	7,000
Fitzgerald Nurseries Ltd	18,786	Mileeven Fine Foods	7,000	Wexford Fruit Producers Ltd	3,958
Flannerys Nurseries Ltd	1,824	Milleens Cheese	5,635	Wexford Home Preserves	3,749
Food 360	6,824	MMM Family Bakery Ltd	5,358	Wicklow Farmhouse Cheese	7,000
Foods of Athenry	10,000	Moran's Homestore	2,000	Wild About Food Ltd	3,000
Galway Hooker Brewery	9,000	Mossfield Organic Farm	4,681	Wild Atlantic Shellfish Ltd	6,000
Galway Natural Health-Revive Active	2,500	Mr. Middleton Garden Shop	4,000	Wild Irish Sea Veg	4,950
Gannet Fishmongers Ltd	1,098	Murphys Ice Cream	2,500	Wild Orchard Natural Beverages	2,000
Garden of Eden Herbs	12,847	Naturally Cordial Ltd	2,000	Wylsdson Ltd	21,395
George Harrington Home Bakery Ltd	3,500	Newgrange Gold Ltd	5,000	Yawl Bay Seafood Ltd	2,890
Glendalough Irish Whiskey Ltd	12,338	Nightpark Nursery	4,716	Zanna Cookhouse	3,000
Glenilen Farm Ltd	50,000	Nobó Ltd	4,000	<b>Total</b>	<b>1,299,060</b>
Glydefarm Produce	1,932	Normandy Ireland Fish Exporters Ltd	4,000		
		Nua Naturals	4,000		



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