

Marketing Ireland's Food industry – 2018 and beyond

Bord Bia Small Business
Open Day

Tara McCarthy, Chief Executive

23rd January 2018

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Outline

- ✓ Macro Environment
- ✓ Export Performance Irish Food & Drink
- ✓ Bord Bia programmes & activities

BORD BIA'S INTERNATIONAL REACH...



... to drive the success of a world class Irish food, drink and horticulture industry
through
**strategic market development,
promotion & information services**



Department of
**Agriculture,
Food and the Marine**
An Boinn
**Talmhaíochta,
Bia agus Mara**

LOCAL ROOTS GLOBAL REACH
Food Wise 2025

A 10-year vision for the Irish agri-food industry

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Macro Environment

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Critical global forces of change...



Mass scale
urbanisation



Surge of younger
population in
emerging markets



More working women



Greater global
connectivity and
mobile penetration



Rise of lifestyle
diseases



Growing middle
classes

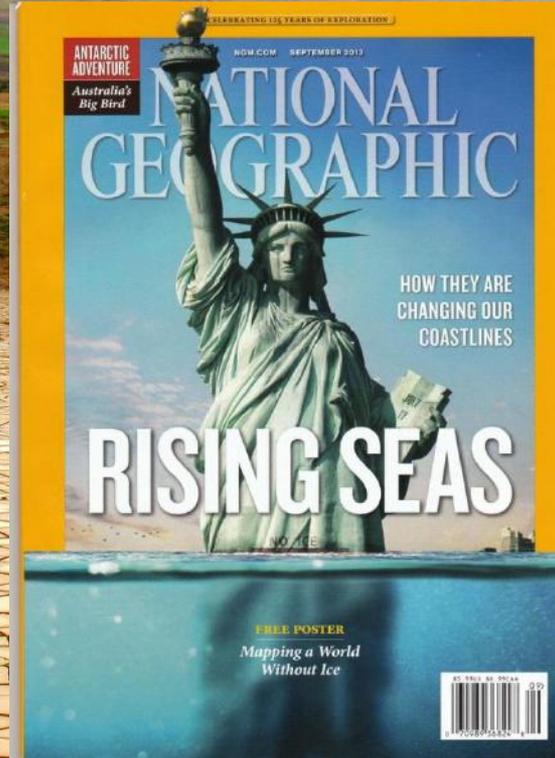


Smaller
household sizes
and changing
family structures

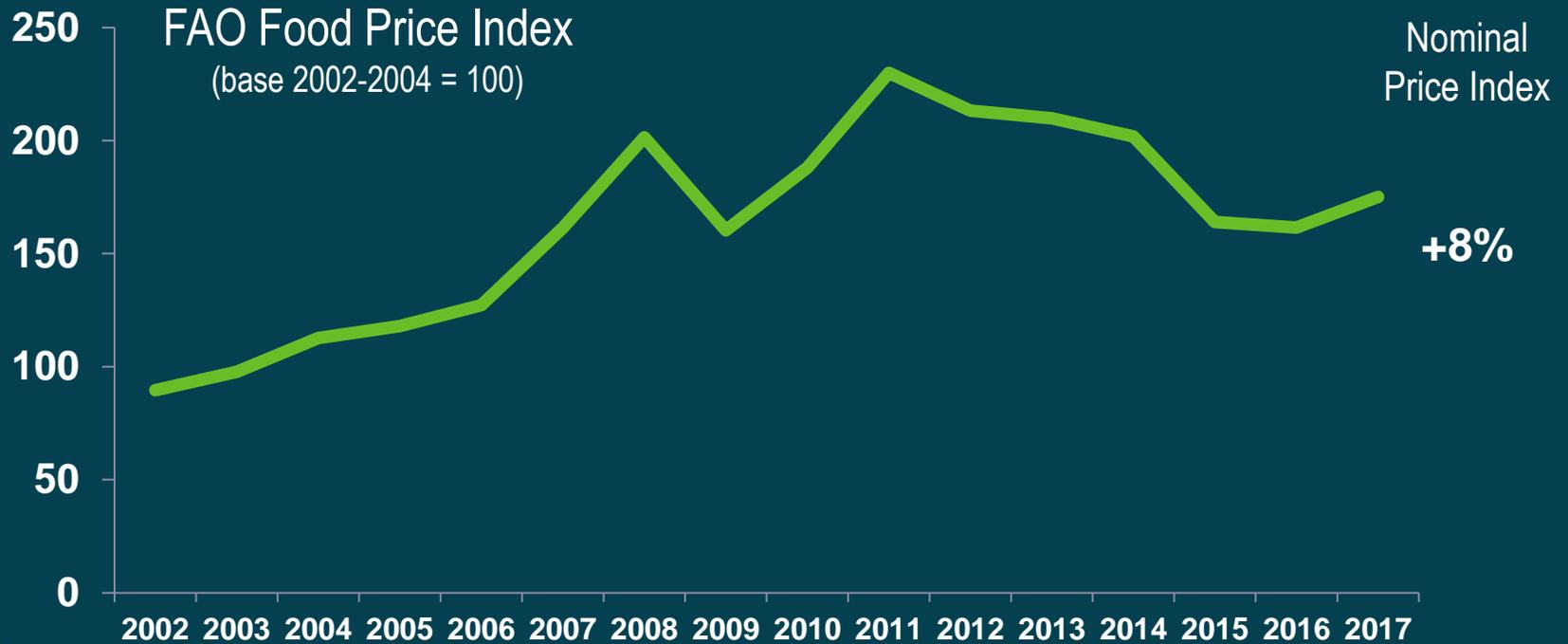


Growth of older
population in
developed
markets

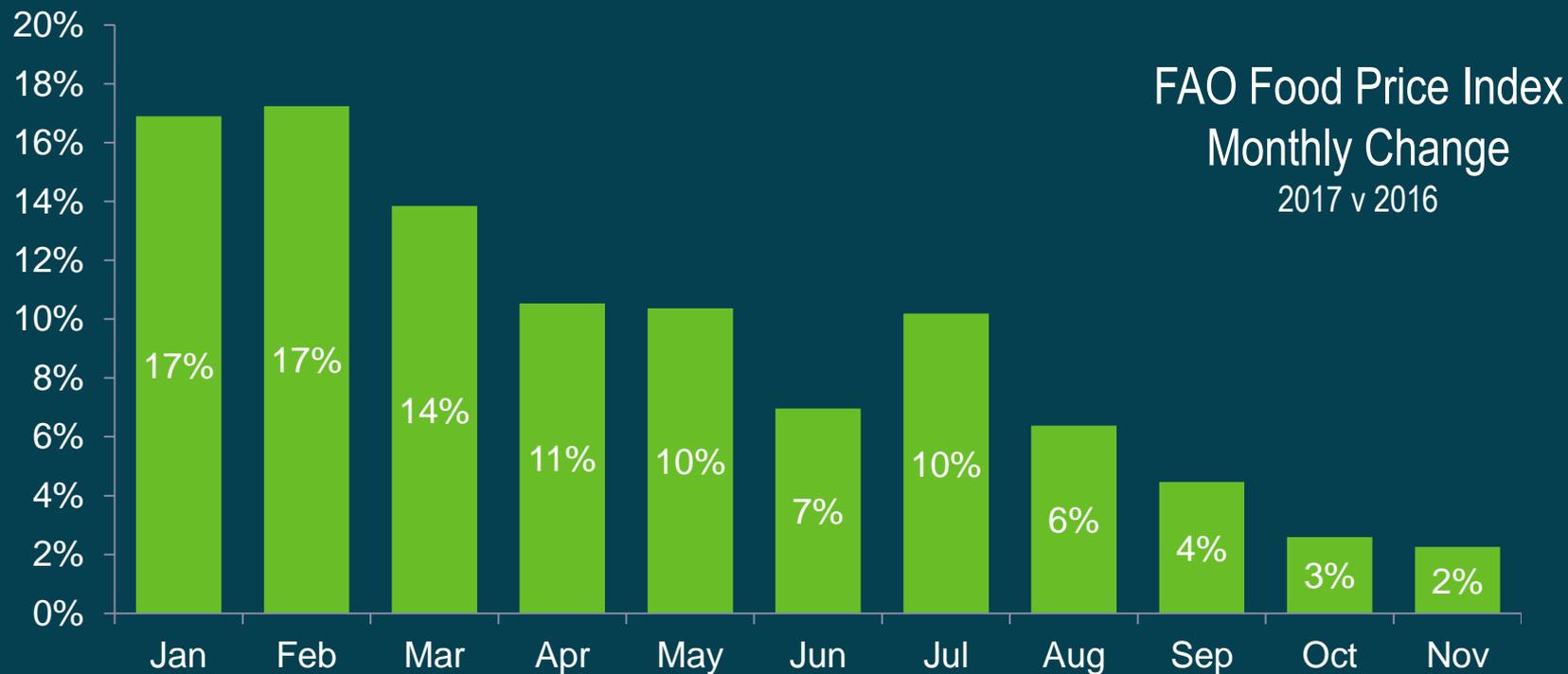
Global Challenges



Global food commodity prices rebounded in 2017, led by dairy, but dairy has seen a sharp dip in October & November



Year on year monthly food price gains have slowed in recent months



Limited consumer price inflation in Eurozone...

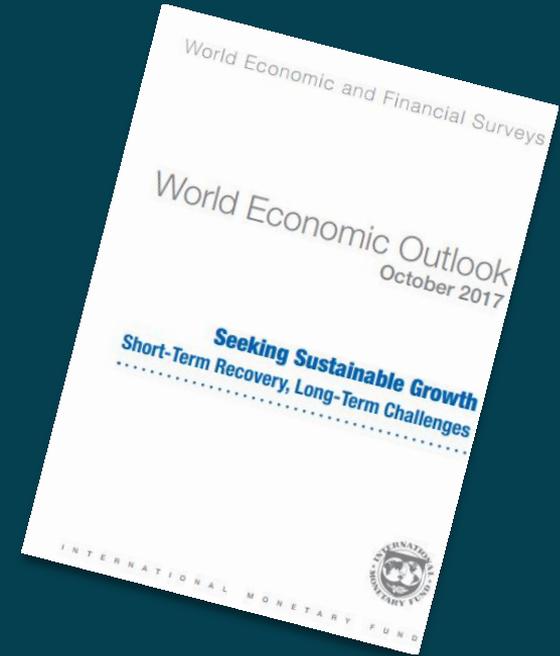
Consumer food price index developments (% change vs previous year)



Source: Eurostat

Global economy to grow by 3.6% in 2017

| GDP Growth | 2017 | 2018 | Diff |
|--------------------|------|------|------|
| World | 3.6 | 3.7 | 0.1 |
| USA | 2.2 | 2.3 | 0.1 |
| China | 6.8 | 6.5 | -0.3 |
| Sub Saharan Africa | 2.6 | 3.4 | 0.8 |
| Euro Area | 2.1 | 1.9 | -0.2 |
| Ireland | 4.1 | 3.4 | -0.7 |
| UK | 1.7 | 1.5 | -0.2 |



Source: IMF, October 2017

Currency movements impacting competitiveness

Sterling exchange rate versus euro 2017

Source: World Bank



Euro versus US dollar 2017

Source: World Bank



Export Performance

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Irish Food & Drink Exports

€12.6bn

Irish food and drink exports are valued at €12.6bn, an increase of 13%

↑ 13%

Growth of c.60% since 2010 or €4.7bn

↑ 60% growth



8th

The 8th consecutive year of export growth in 2017

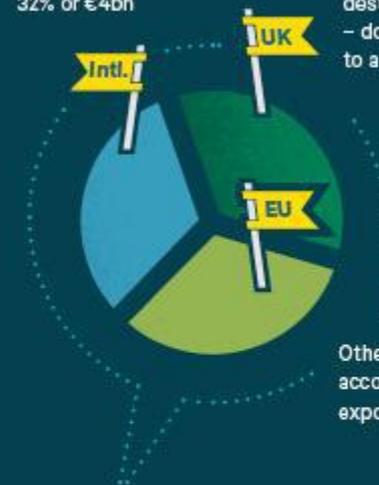


180

Irish food and drink is sold in 180 markets worldwide

32%

International markets account for 32% or €4bn



35%

35% of Irish food and drink exports are destined for the UK – down from 37% – to a value of €4.5bn

33%

Other EU markets account for 33% of exports or €4.1bn



↑ €4bn

Shipments of Irish food and drink to International markets grew by some 17 percent to €4bn.



↑ €4bn

Export performance driven by a surge in dairy sales to over €4bn – comprising one third of all food and drink exports

Performance by Sector

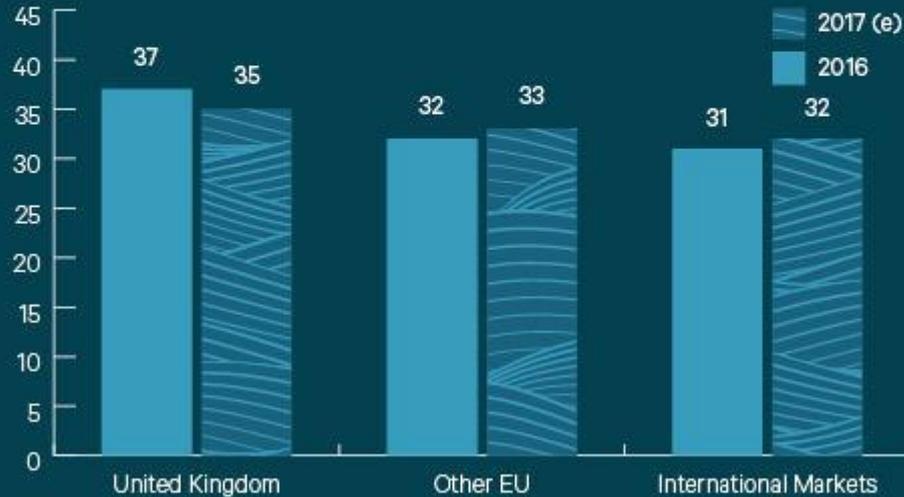
Overall sector performance 2016 v 2017 (€m)

| | 2016 | 2017(e) | % Change 17/16 |
|-------------------------------|---------------|---------------|----------------|
| Dairy | 3,368 | 4,023 | 19% |
| Meat & Livestock | 3,660 | 3,953 | 8% |
| Prepared Foods | 1,913 | 2,243 | 17% |
| Beverages | 1,391 | 1,497 | 8% |
| Seafood | 556 | 645 | 16% |
| Edible Horticulture & Cereals | 230 | 230 | 0% |
| | 11,129 | 12,591 | |

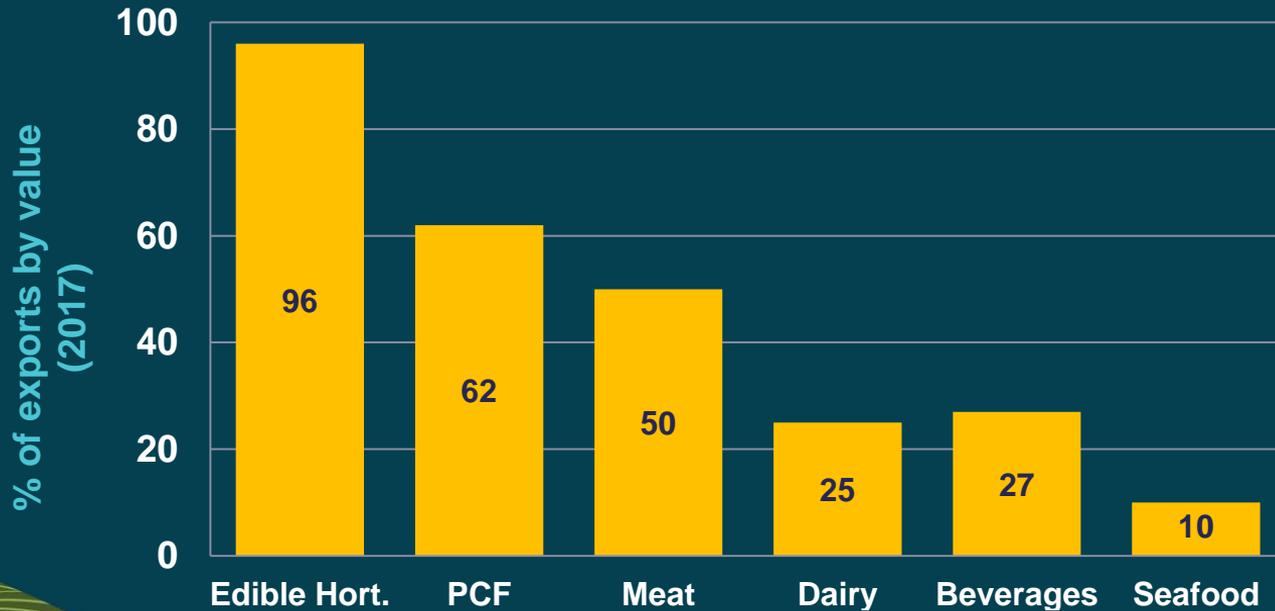
Food and Drink Exports by region

Market distribution of Irish food and drink exports
(%)

Source: Bord Bia estimates



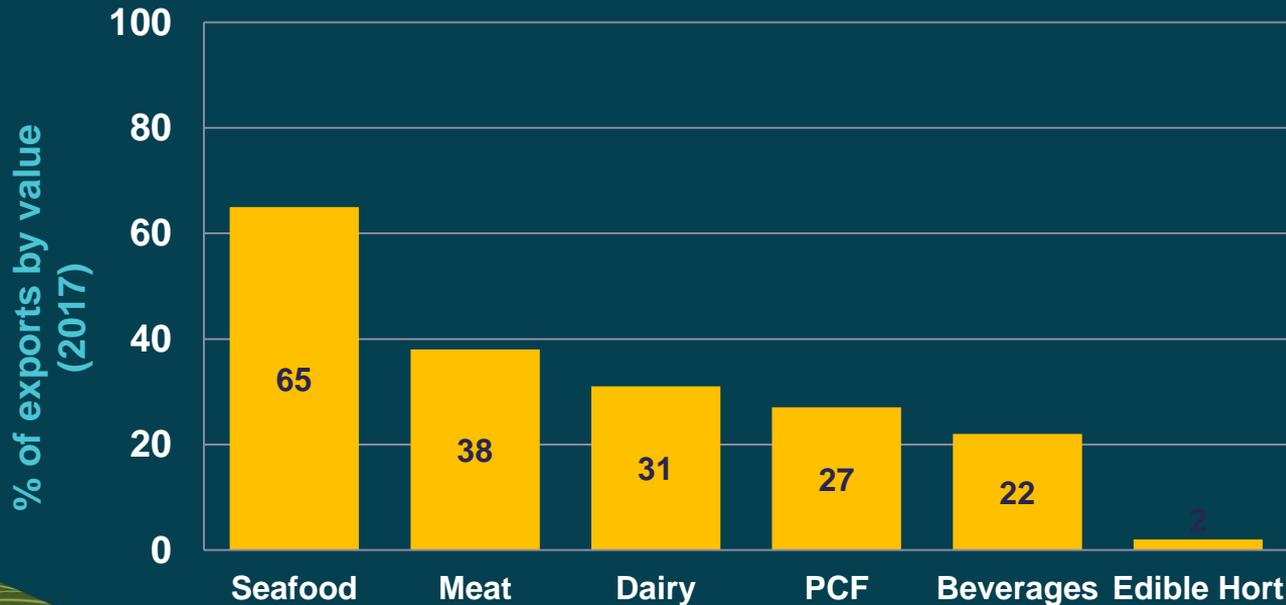
Ireland's exports to the UK by sector



**35% of total
food and
drinks
exports**

Source: CSO, 2017 [winning the success of Irish food & horticulture](#)

Ireland's exports to the EU by sector



33% of total food and drinks exports

Source: CSO, 2017 [winning the success of Irish food & horticulture](#)

Growth in exports to International Markets



Prospects for 2018

- Another year of growth ahead, in spite of a number challenges – lower levels expected
Key categories outlook stable: Dairy & Beef volume growth
- Brexit remains the great unknown
- Beverages, in particular have positive expectations
- Seafood will be mixed with demand outstripping supply in certain shellfish varieties and salmon, but quota restrictions will limit growth in pelagic and other areas
- Prepared Foods and Horticulture's exposure to currency fluctuations and the UK market mean that their outlook is more uncertain.
- Market diversification will continue to underpin growth

Bord Bia: 2018

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Mission Statement



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

Making a World of Difference

Statement of Strategy 2016 - 2018

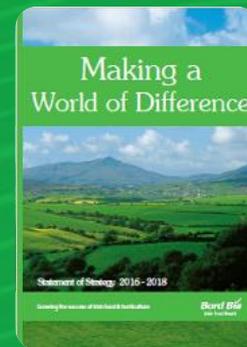
Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Making a World of Difference

Statement of Strategy

2016 - 2018



Statement of Strategy

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

5

Supported by
strong brand
communications
in the digital age

Consumer Insight

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

The Thinking House



- Industry-wide collaboration
- Bespoke Projects
- Original Research:



Cheese in China, Origin Green Insight, Centennials, Market Insight, Cultural Insight, Culinary Trends, Consumer Lifestyle Trends, Future of Health

- Data: Market Insight, Consumer Panels, Tracking

Talent & Infrastructure

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Programme Objectives

- Attract, develop and retain new talent in the Irish food industry
- Enhance market insight of Irish food and drink companies to fast track market entry or business development
- Deliver business leads and new sales of Irish food and drink
- Grow the reputation of Irish food and drink

Global
Graduate

Marketing
Fellowship

Origin Green
Ambassador

Market
Placement
Programme

MSc Design
Innovation

Origin Green

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board



The World's First National Food Sustainability Programme

- Launched in 2012
- A unique national food sustainability programme uniting government, private sector & food producers and food businesses
- A structure to collate facts and figures operating across the entire supply chain
 - Independently verified & accredited at all stages
 - To help our customers achieve their targets & build relationships

Ireland's Sustainability Credentials



Growing the success of Irish food & horticulture

Origin Green: Our Progress

FARM

49,000 Beef Farms

90% of Beef Exports, Audited & Carbon Footprinted

18,000 Dairy Farms

100% Milk production, participants entering audit cycle

Pigmeat, Poultry, Lamb, Eggs, Horticulture

Sustainability measures being implemented

MANUFACTURING

556 Companies Registered
95% of exports

279 companies at workshop/plan development phase

277 plans accepted and third party verified
Over 90% of exports

RETAIL/FOODSERVICE

6 Retail / Foodservice Companies verified

New Chapter

- Vision & Strategy for next 5 years
- Informed by market & industry insight
- Continued improvement
- Basis on credibility & integrity
- Staying ahead of competition
- Delivering value to members



Ireland's food and drink
sustainability programme

Routes to Market

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Market Diversification

- Market Prioritisation for all sectors
- Four Ministerial-led Trade Missions
- 22 Trade Shows
- 50 Inward buyer visits & 1,200 buyer meetings
- New Market Advisors Africa, Korea, Philippines & Saudi
- Marketplace 2018: 500 buyers, 50% International (April 12th)



Brand Communications

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Food Promotion Ireland and Bloom

11

Quality Mark
campaigns in
2018



On target

300,000

school children to
avail of Food Dudes
by 2018



Bord Bia
Irish Food Board

Growing the success of Irish food & horticulture

Marketing & Communications in a Digital Age

- This pillar includes: Food Promotion in Ireland, Bloom, Food Dudes, Meat Export Promotion, EU Promotions and Origin Green Communications
- 11 Quality Mark campaigns
- 13 Origin Green campaigns across 10 markets
- Bloom, 12th year
- Export Meat Promotional Programme: 20 campaigns
- 5 EU-funded promotional campaigns – €5 million spend





Looking

Ahead

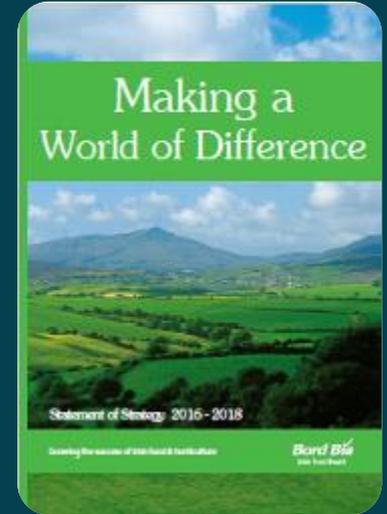


Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

NEW

Statement of Strategy 2019 - 2021



2018: Development of Strategy for Small Business

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Phase 1: Your Input



Thank You

Bord Bia
Irish Food Board

