



# The changing marketplace for Irish food and drink products

Padraig Brennan, Sectors Director, Bord Bia

# Outline

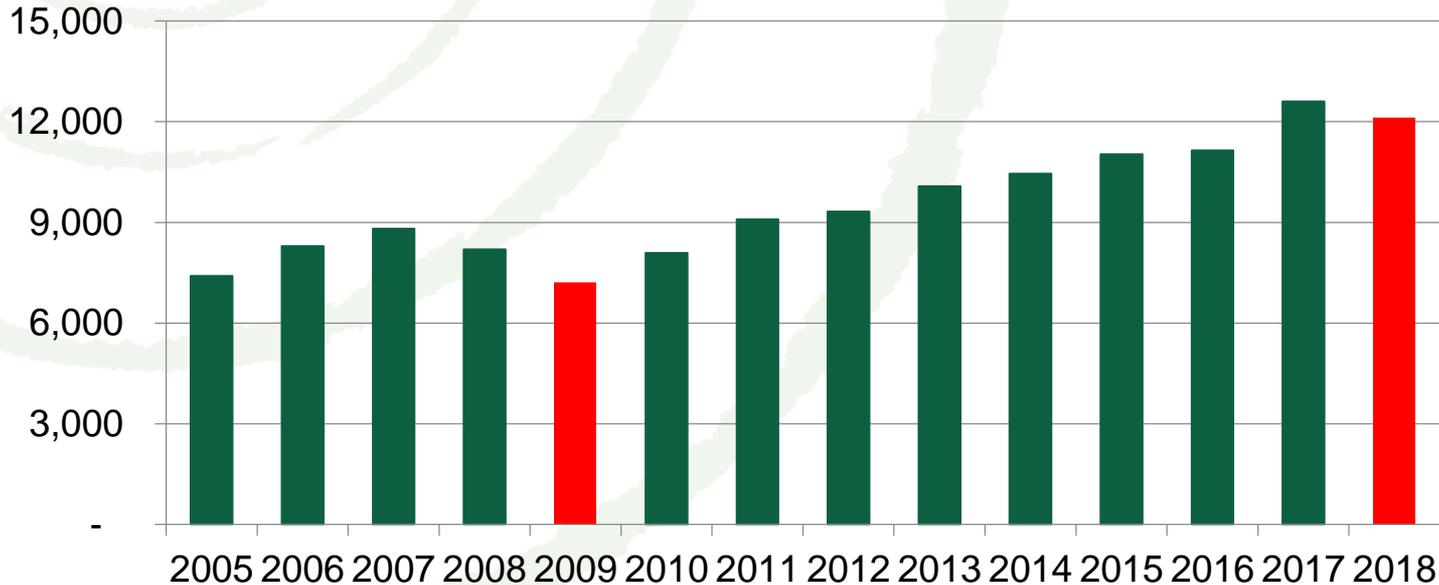
- Irish food and drink in a global context
- Key trends in the global marketplace
- What does it all mean for Ireland?



# Irish Food and Drink in a Global Context

# 70% growth in food and drink exports since 2009

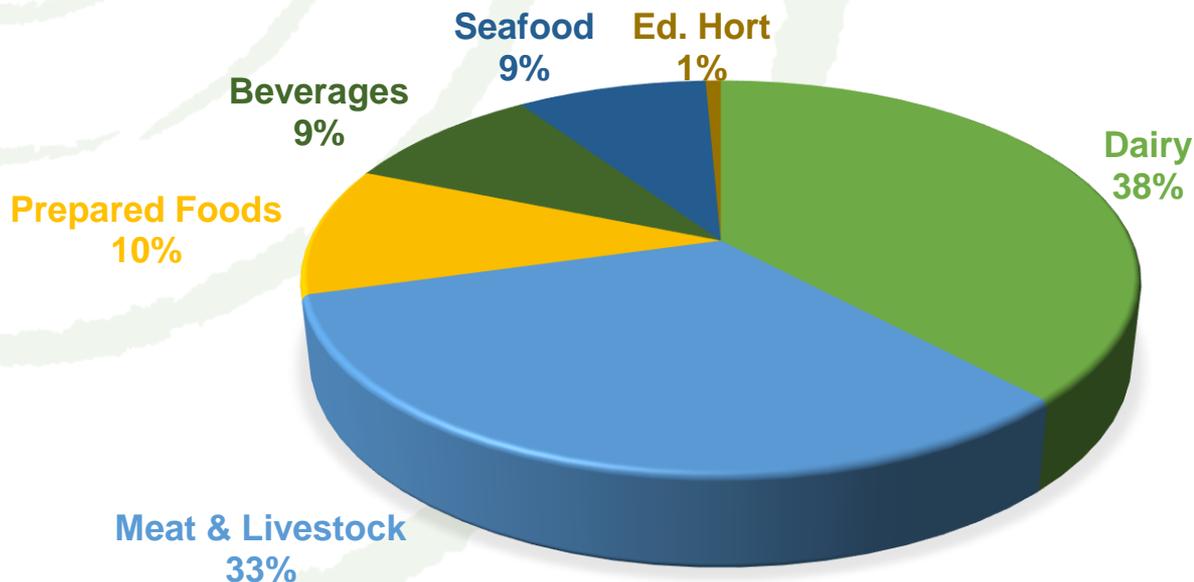
Irish food and drink exports, 2000 to date (€m)



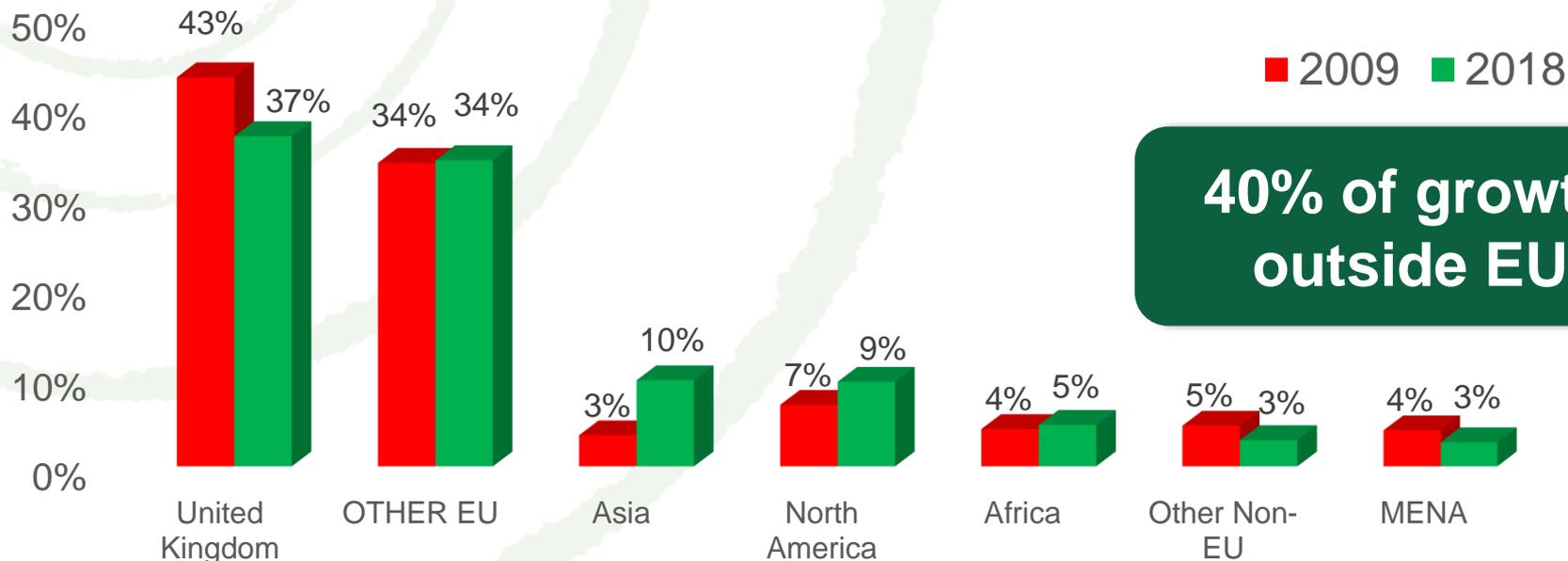
**Growth  
of  
€5bn**

# Dairy & Meat driving export value growth

Share of export value growth, 2009 - 2018



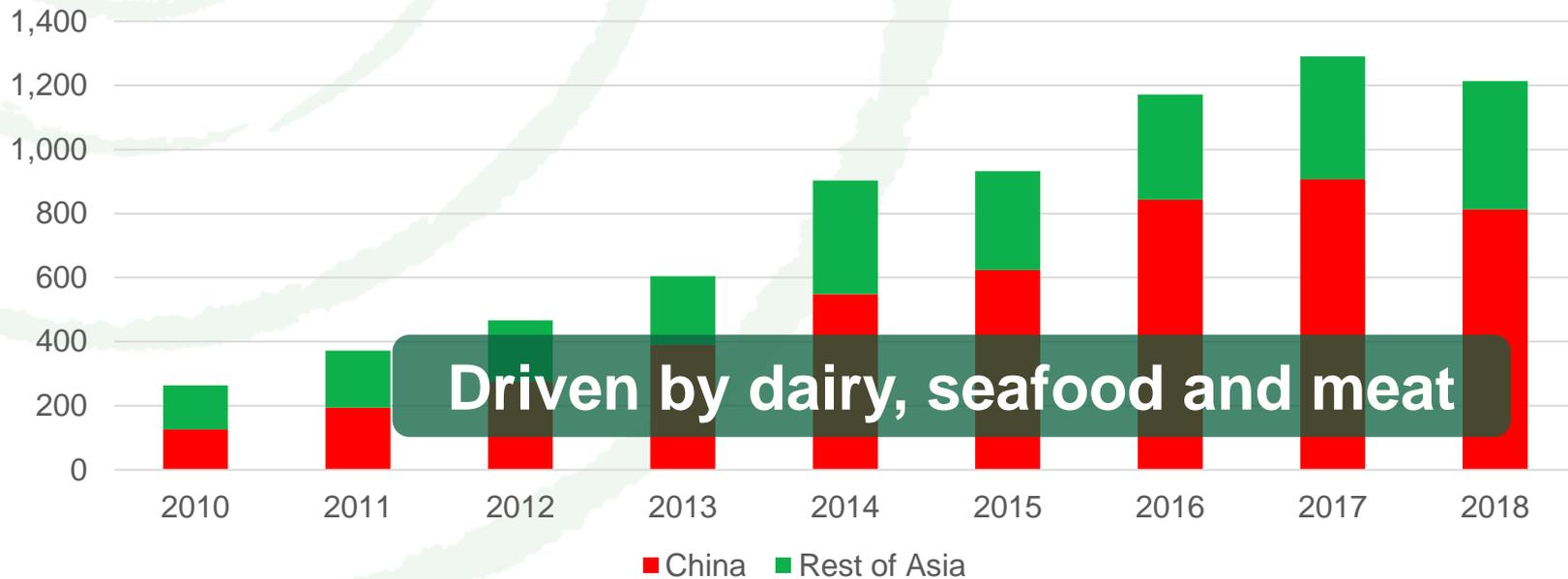
# Exports becoming increasingly diversified



**40% of growth outside EU**

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

Food and drink exports to Asia (€m)

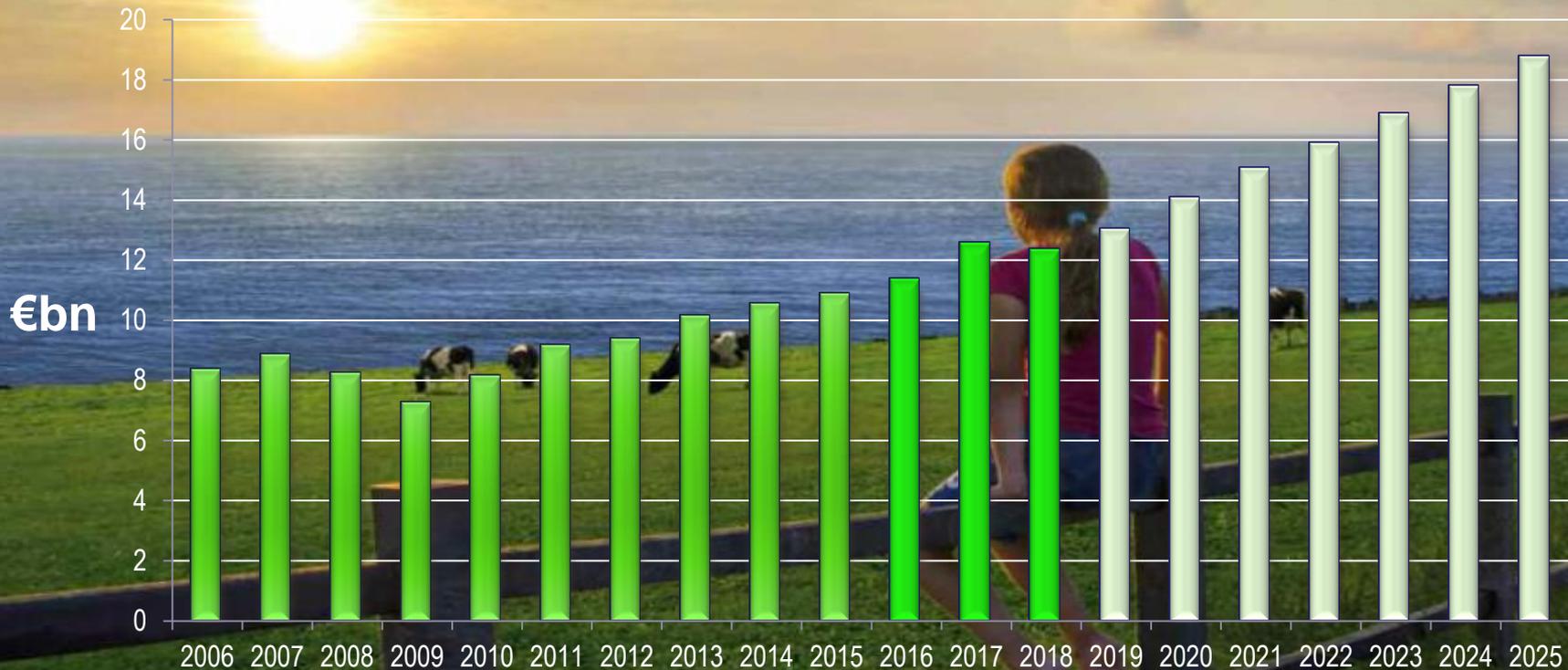


# North America – Doubling since 2010 to almost €1.2bn

Food and drink exports to North America (€m)



# Exports of €19bn by 2025.....





# Key Trends in the Global Marketplace

# Global meat demand growth slowing



Rising income to influence meat growth

Over half of growth to come from Asia

One fifth in Latin America

Africa & North America to show good growth

Source: FAO/OECD Agricultural Outlook 2019 - 2028

# Similar trends in Global Dairy demand growth

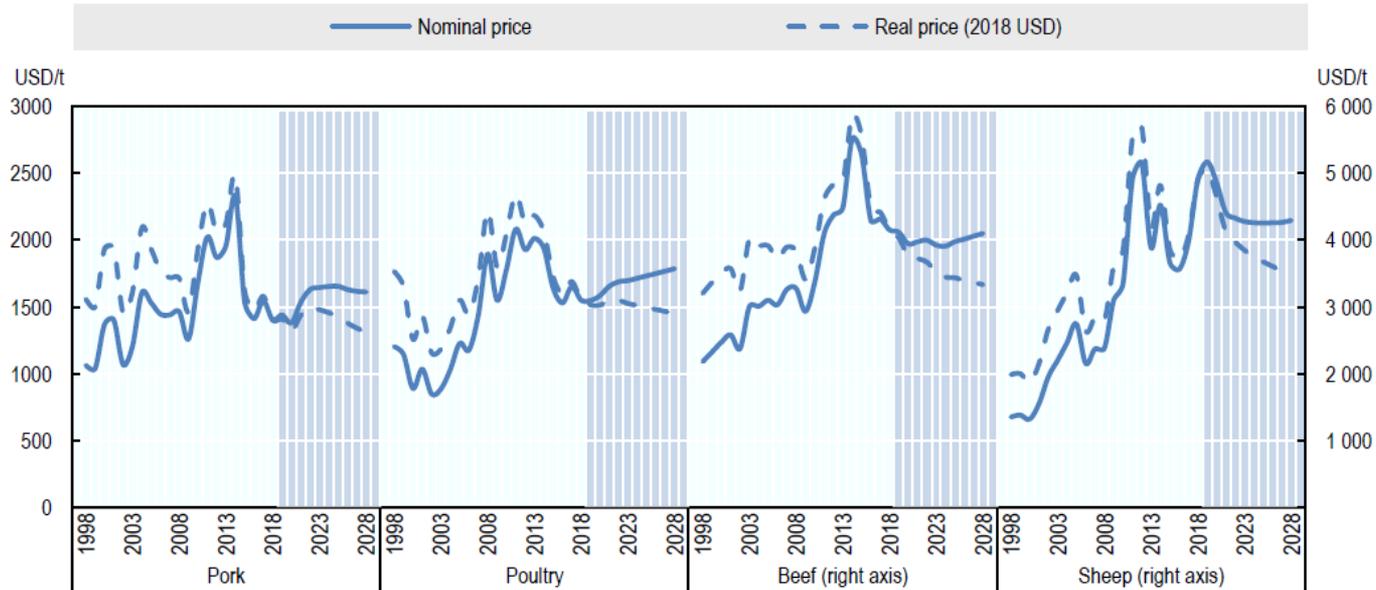
Annual Global Consumption Growth (%)



Source: FAO/OECD Agricultural Outlook, 2019 - 2028

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

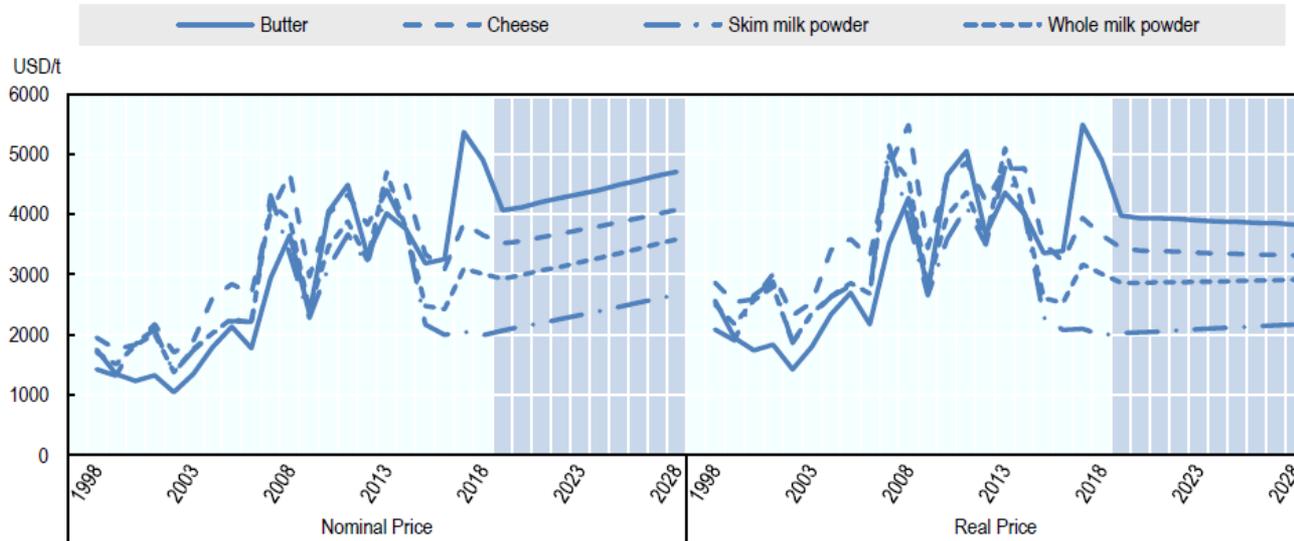
## Meat Price Projections



Source: FAO/OECD Agricultural Outlook, 2019 - 2028

# Nominal DAIRY prices to improve and remain stable in REAL terms

## Dairy Price Projections



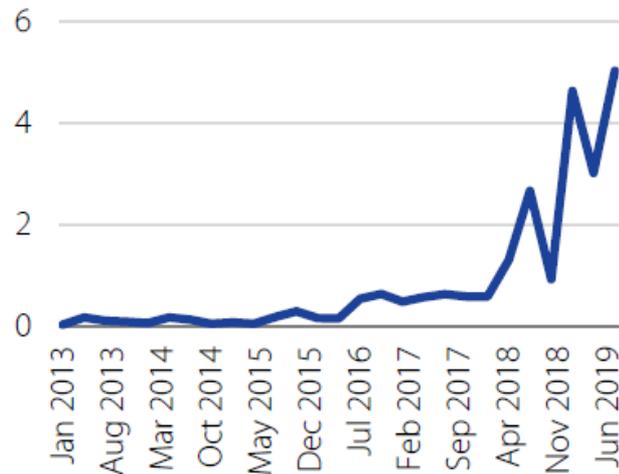
Source: FAO/OECD Agricultural Outlook, 2019 - 2028

# Global Trade Uncertainty

**US-China Trade War**

**US-EU Trade Dispute**

**Brexit**

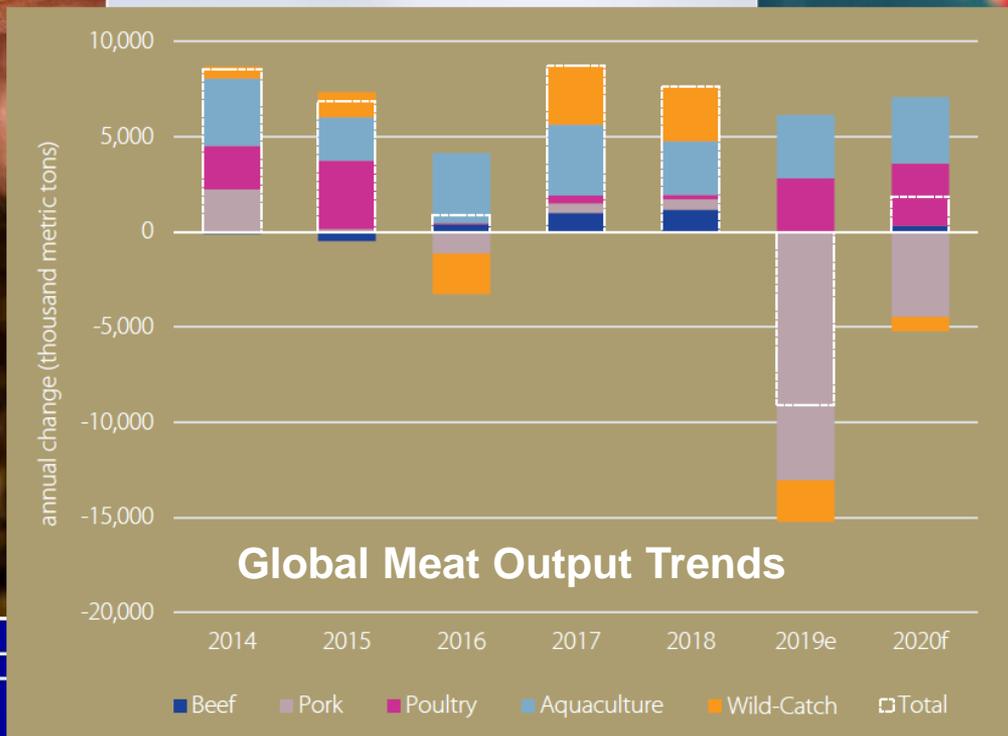


— World Trade Uncertainty Index

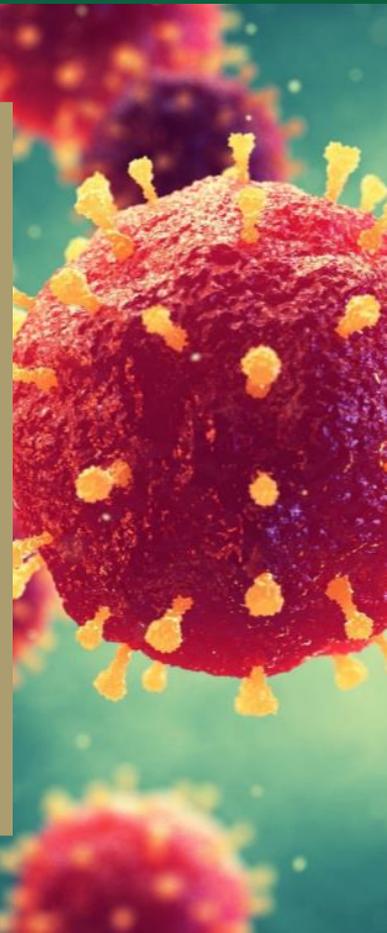
# Global Meat Market trends are, and will be, driven by ASF Developments



African Swine Fever  
Update



Source: Rabobank



# All happening in a world with increasingly complex challenges



Urbanisation



Uncertainty



Agricultural Innovation



Intensive Agriculture



Environmental Concern



Caring Consumer

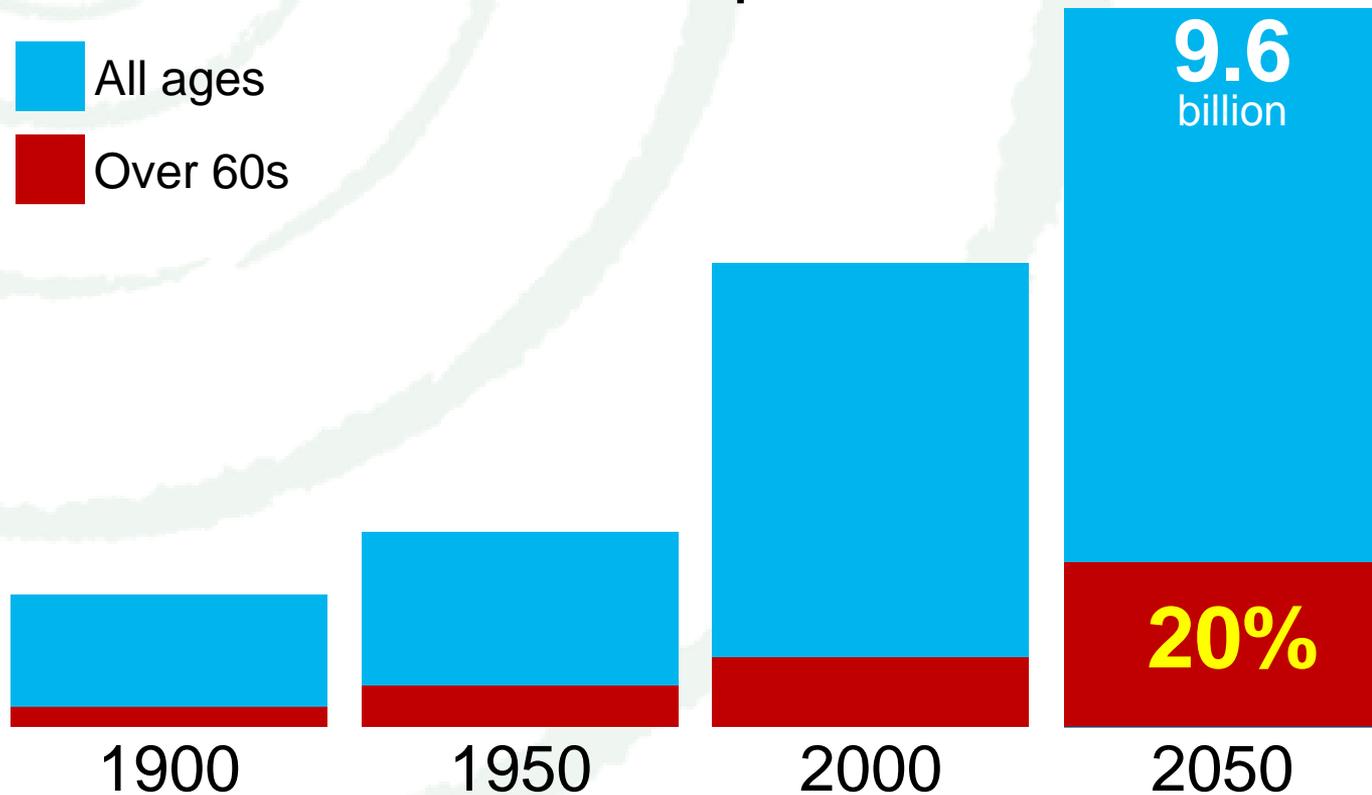


# Redefining “Old age”

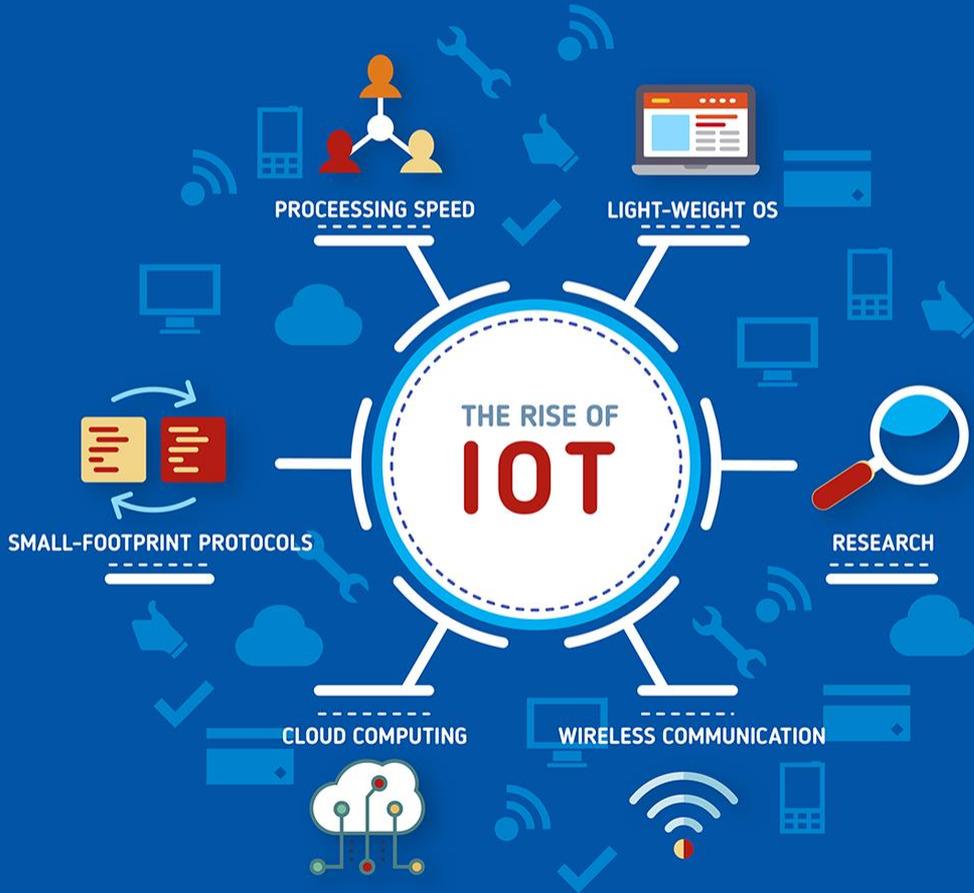
## Global Population

All ages

Over 60s



# Growing digital connectivity



**75**  
billion

Internet-connected  
devices by 2025

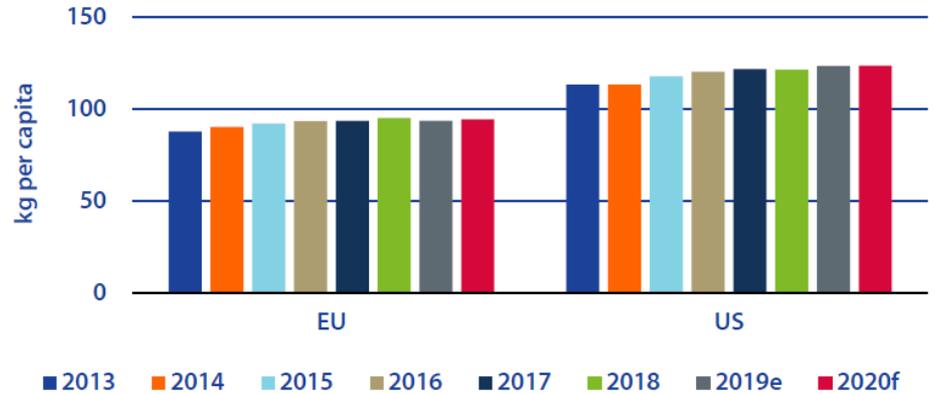
# Shifting perceptions of Animal Protein



# 60%

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

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



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

Growing food demand, growing environmental pressure

**+70%**

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

# The Business Issue of Sustainability



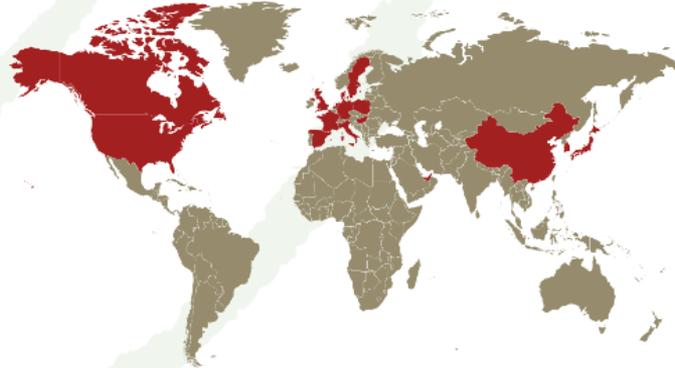
# Bord Bia's Global Sustainability Survey

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

## Customer insights

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

## 13 markets in scope



Canada  
China  
France  
Germany  
Italy  
Japan  
Republic of Korea

Netherlands  
Poland  
Saudi Arabia  
Sweden  
United Kingdom  
United States

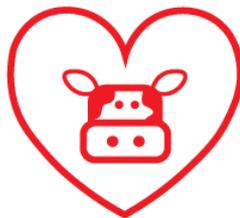
## Consumer insights

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

# There are 6 Food Sustainability Priorities for Leaders



1 ANIMAL  
FEED



2 ANIMAL  
WELFARE



3 CONTINUOUS  
IMPROVEMENT



4 INNOVATION AND  
TECHNOLOGY



5 WORKING IN  
PARTNERSHIP



6 OPERATIONAL  
EFFECTIVENESS



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

These include:

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



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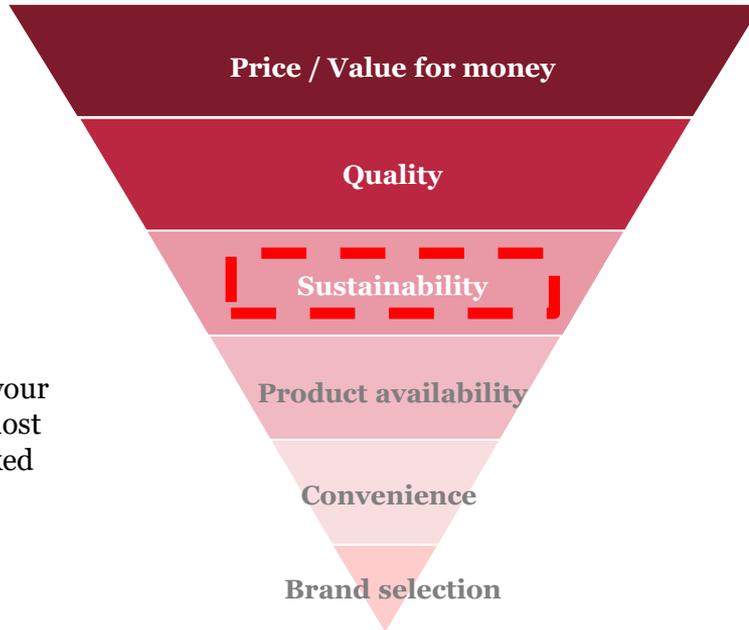
## **Germany – beef & dairy findings**

*Animal welfare is the most important concern for beef buyers*

### ***Commitments to animal welfare include:***

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

# ***Sustainability more influential in Consumer purchasing decisions***



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

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



# Factors that influence purchase decisions and willingness to pay a premium

## Meat

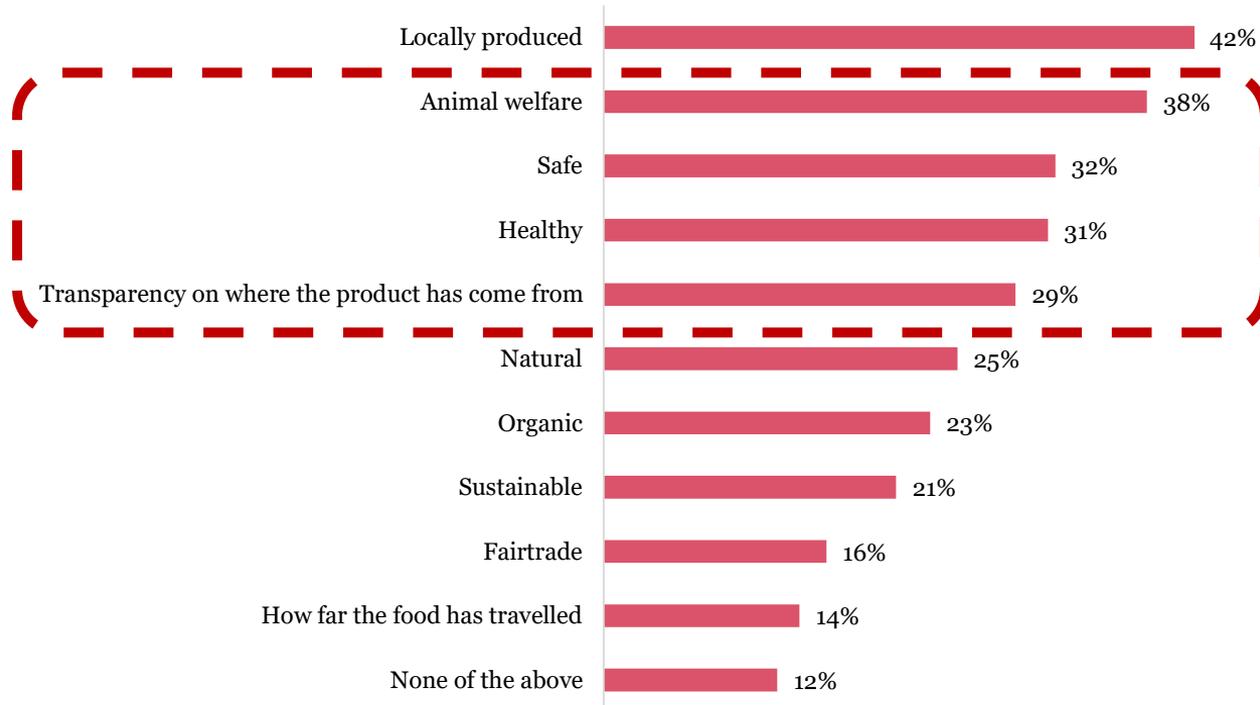
1	Locally produced	42
2	Animal welfare	35
3	Transparency on where the product has come from	30
3	Safe	30
	Healthy	28
	Natural	21
	Organic	18
	Sustainable	15
	Fairtrade	12
	How far the food has travelled	11

## Dairy

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



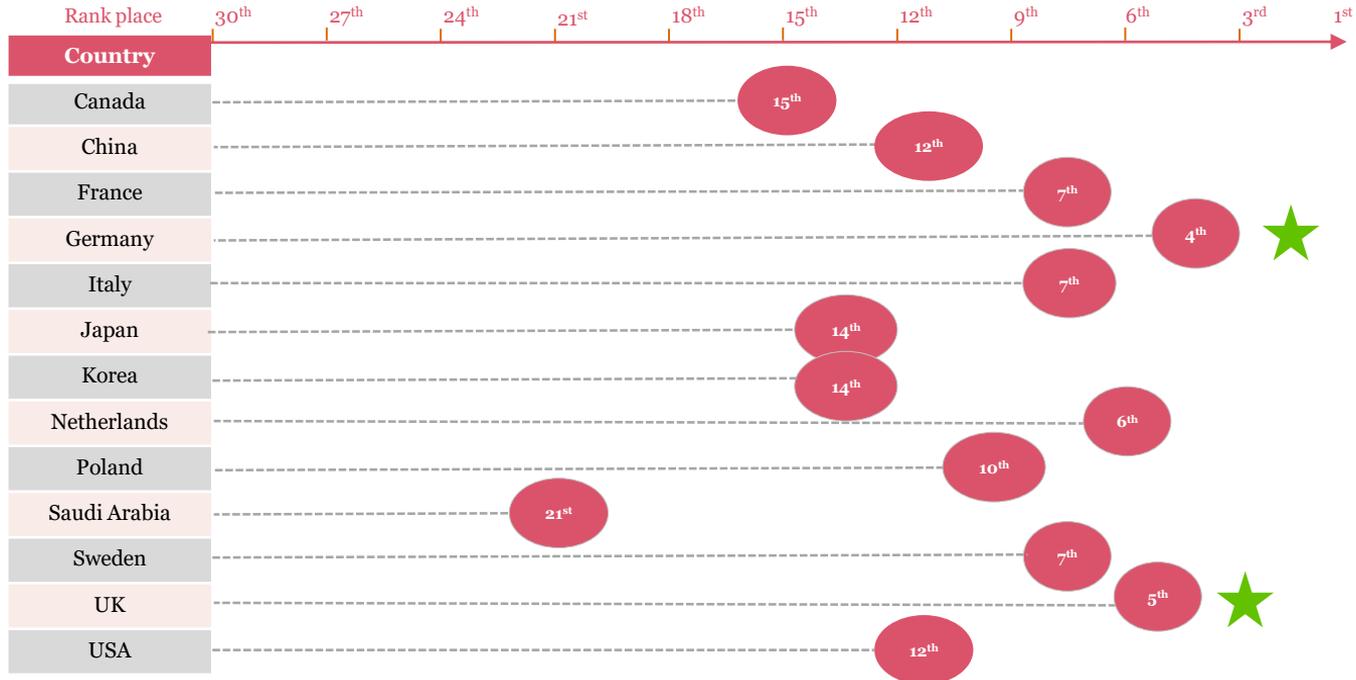
## *Paying a premium when purchasing meat*



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

## Sustainability – Reputation

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

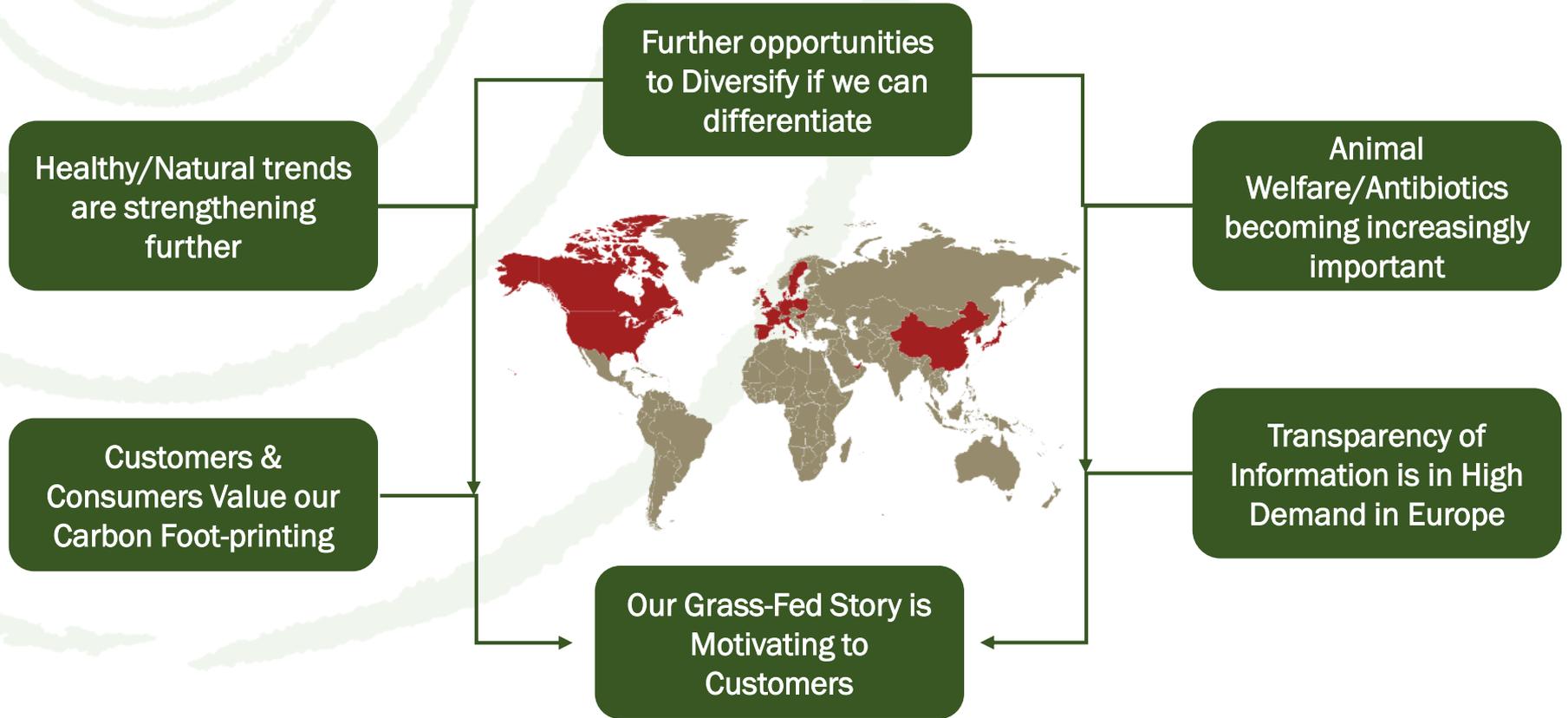


Which of the following countries do you associate most with sustainable food production? (Ranked in top 5)



**What does it all mean for Ireland?**

# Key Take Aways



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



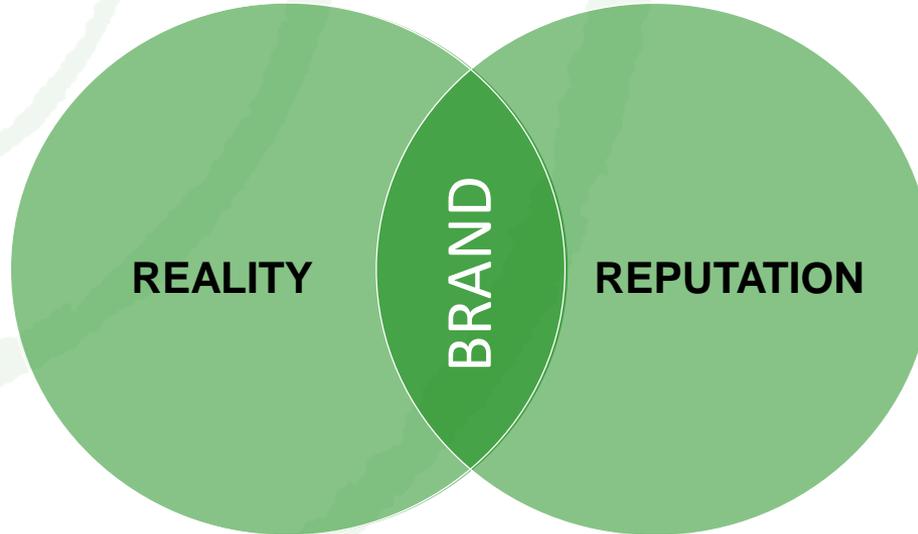
Growing the success of Irish food & horticulture



# Need to prioritise where we focus



# Reputation Must be Built on Reality



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

# Co-ordinated approach to demonstrate commitment of sector



**Origin Green**  
IRELAND

**Forestry Programme 2014 – 2020: IRELAND**  
Submitted in accordance with European Union Guidelines on State aid for agriculture and forestry and in rural areas 2014 to 2020

**Farmland: actions to help pollinators**  
All-Ireland Pollinator Plan 2015-2020

**Teagasc Discussion Groups**  
Top 10 benefits of discussion group membership

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

**The Beef Carbon Navigator**  
Improving carbon efficiency on Irish beef farms

**The Dairy Carbon Navigator**  
Improving Carbon Efficiency on Irish Dairy Farms

**GLAS**  
Green, Low-Carbon, Agri-Environment Scheme  
Rural Development Programme 2014-2020

**Irish Cattle Breeding Federation**

**New TAMS energy grants worth €10 million announced**

**Beef Data & Genomics Programme**



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