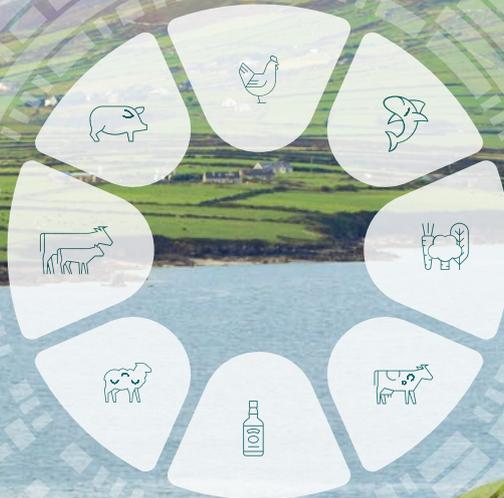


Annual Report & Accounts 2019

Nurturing A Thriving Future



BORD BIA
IRISH FOOD BOARD



OUR PURPOSE

To bring Ireland's outstanding food, drink and horticulture produce to the world, thus enabling the growth and sustainability of producers.

STRATEGIC OBJECTIVES

Our purpose 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

Our vision for the Irish food and drink industry, as articulated in the Bord Bia Statement of Strategy 2019-2021, is as follows:

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.

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 set the example for the world.

The Statement of Strategy has been developed in the context of a changing operating environment and an extensive and wide-ranging stakeholder engagement process. The Strategic Plan fully supports and builds on 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. Four strategic priorities have been identified to drive our vision in support of the growth of the food, drink and horticulture industry.

- ① **Driving Success and Growth in the Market**
- ② **Insight to Power Growth**
- ③ **Building Reputation for Growth**
- ④ **Leading through People**



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 2019.

Dan MacSweeney

Chair

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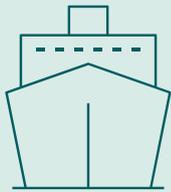
EXPORTS OF IRISH FOOD AND DRINK (€13.2bn)

The Irish food and drink sector recorded a significant increase in the value of exports in 2019 – increasing 8% to €13.2bn. This is the first time that Irish food and drink exports were worth more than €13bn and it represents a 67% increase in the value of food and drink exports in the decade from 2010.

Strong growth of 8% to reach that record export value of €13.2bn was achieved because of a positive global supply/demand dynamic for animal protein and dairy driving sustained increase in demand for Irish product. This was achieved in an increasingly complex trade environment where weakening confidence in the global economy, volatility in key currencies and shifting commodity prices played instrumental roles.

It was also a year when the increased use of tariffs as an expression of trade policy by the US government impacted directly on Irish food and drink exports. This complex overall environment can be seen to have impacted on sectoral performances in different ways. Dairy exports grew more than 10%, despite a weakening in some of the key commodity prices.





8%

increase in the
value of exports
to €13.2bn



67%

increase in the value
of exports in the
decade from 2010

For the beef industry, the repercussions of a challenging 2018 as well as weakening demand in key markets brought the issue of the price being paid to producers to the fore in the latter half of the year. This led to circumstances where exports of beef and sheepmeat were heavily curtailed for a number of weeks, reducing exports in both categories in 2019. As a result of the effect of African Swine Fever (ASF) on global animal protein demand, pigmeat prices were significantly up, leading to a record high in that sector's export value.

Prepared Food grew 12%, driven by strong demand in the UK market, while the beverage sector's 20% growth was to a great extent the result of Irish whiskey's continued success in the US. Seafood exports grew 2% to €580m as Asian demand for high value products delivered returns.

Dairy accounted for 34% of the total food and drink export value from Ireland in 2019, reflecting exceptional growth and sustained global demand. This growth was in the context of a record milk pool and moderating commodity prices for many key dairy products, reflecting the sector's continued specialisation and ability to charge a premium for product.

Meat and livestock accounted for 30% of all exports, with beef accounting for the largest portion. While global meat prices were strong throughout 2019, prices in Ireland's key markets in the UK and the EU were challenging, creating significant pressure for beef and lamb producers.

Pigmeat, driven by extraordinary demand from China, had a strong year with value increasing 8% while production volumes stayed flat.

Exports of Irish Food and Drink (€m)

	2018 €m	2019(p) €m	2019 v 2018 % +/-
Dairy products & ingredients	3,992	4,398	10
Beef*	2,418	2,346	-3
Pigmeat	836	885	6
Poultry	291	309	6
Sheepmeat	315	318	1
Live animals	175	167	-5
Prepared foods	1,855	2,079	12
Beverages	1,553	1,861	20
Seafood	570	580	2
Edible horticulture & cereals	228	266	17
TOTAL FOOD & DRINK	12,233	13,209	8

*includes edible offals

Source: Bord Bia/CSO

MARKET DISTRIBUTION OF IRISH FOOD AND DRINK EXPORTS (%)

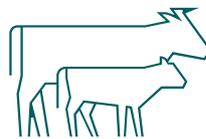
Market diversification continues as Irish exporters extend their market reach in new and emerging markets, particularly in Asia.

This ongoing diversification of Irish food, drink and horticulture exports was reflected in the destination of exports with the percentage of total exports to the UK at 34%, to the rest of the EU at 35% and to international markets, 31%. This is the first time the percentage of total exports to international markets exceeded 30%

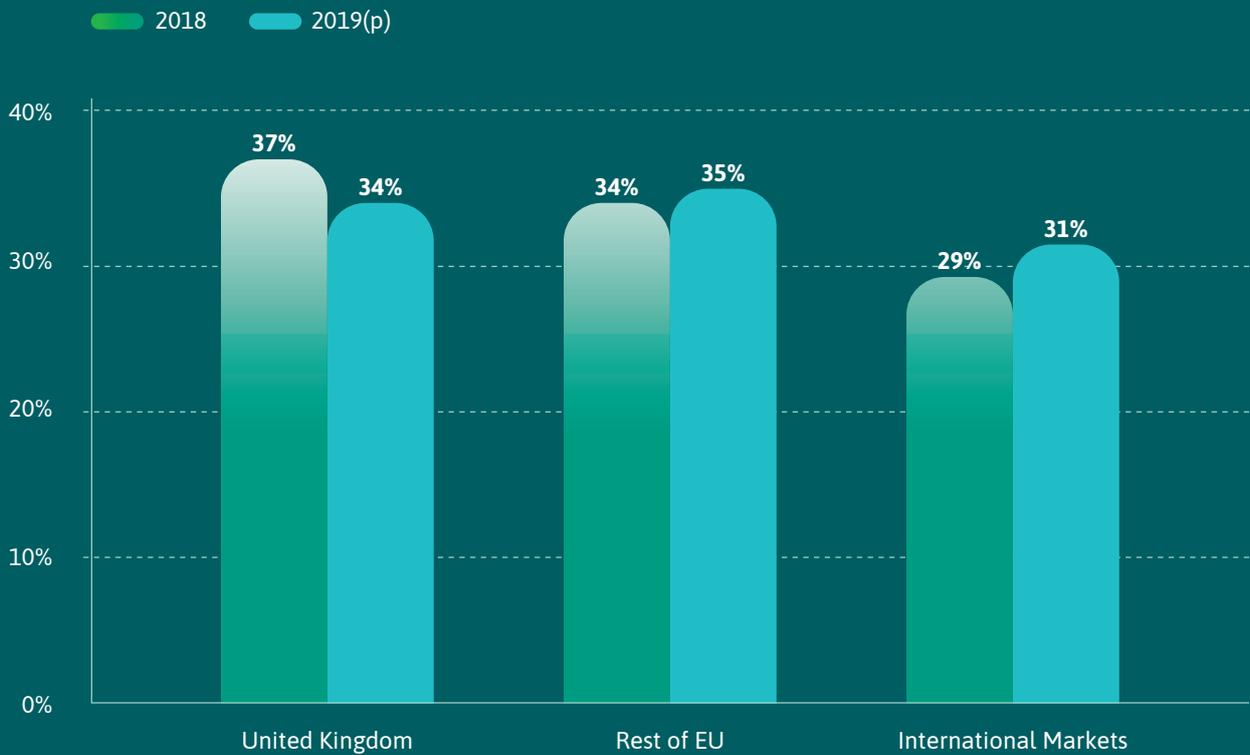
Exports to the UK accounted for 34% of total Irish food, drink and horticulture exports compared to 37% in 2018. The total value of exports to the UK in 2019 amounted to €4.4bn, a slight reduction from 2018. This was the first year that a larger proportion of exports went to continental EU rather than the UK. The value of exports to international markets amounted to €4.0bn or 31% of total exports. Exports to continental EU amounted to €4.8bn or 35% of the total exports of Irish food, drink and horticulture of €13.2bn.



Dairy accounted for 34% of the total food and drink export value from Ireland in 2019



Meat and livestock accounted for 30% of all exports





CHAIR'S STATEMENT

In a year when significant challenges were rarely far from the headlines, Ireland's agri-food sector delivered one of its most assured performances to date, confirming its standing as a source of world-class, sustainably produced food, drink and horticulture, and underlining its ambition to deliver value on the basis of a truly global performance. In doing so, Ireland's largest indigenous industry returned to growth in both value and volume terms with food, drink and horticulture exports passing the €13bn mark for the first time and finding audiences in over 180 countries.

Such export success is more than a matter of market performances and growth trajectories; it is fundamental to the capacity of the agri-food sector to create and sustain economic value, employment and social good in Ireland's rural, peripheral and coastal regions. As the decade ends, there is much to be proud of in what has been achieved over the last 10 years. In this time, the agri-food sector has created 10,000 new jobs, meaning it now accounts for 173,000 jobs or 7.7% of Ireland's total employment. Impressively, the sector also now delivers some 10% of Ireland's total exports and 23% of the country's manufacturing industry turnover. Most importantly, this impressive economic contribution directly benefits communities and families across the land. It is also growth with sustainability at its core. Under the auspices of the Department of Agriculture, Food and the Marine's *Food Wise 2025*, and through participation in Bord Bia's Origin Green programme, the agri-food industry at farming, producer and processor level, is committed to delivering growth and value through sustainable practices that will ensure family farming continues in its central role of stewardship of the rural environment.

The story of 2019, while positive in many respects, was not without challenges in some sectors. It was perhaps inevitable, given the exceptional political volatility experienced in the UK as a consequence of Brexit, that this would have an impact on consumer and business sentiment there. The knock on consequences to this were felt closer to home, as slackening demand for beef fed into the issue of lower prices achieved by beef farmers.



10,000
jobs created in
agri-food sector over
the last decade



the sector delivers
10%
of Ireland's total exports



Frustration spilled over into the blockading of processing facilities for a number of weeks and a particularly challenging period for the entire sector. It is to be hoped that the dialogues and discussions that have developed among stakeholders since then, and initiatives such as the Beef Market Taskforce, of which Bord Bia is a member, can contribute to more positive outcomes for all parties in the year ahead.

Beyond Brexit, there were other political challenges impacting directly on producers. The emergence of tariffs as a means of managing global trade disputes has become pronounced in recent years, and in 2019 this strategy led to a 25% *ad valorem* tariff being set on a range of EU goods by the US, impacting directly on Irish dairy exports. Unless the decision is reversed in the immediate future, it is set to impact on Ireland's lucrative butter and cream liqueur exports to the US in 2020 and beyond.

In addition to political decision making, export performances will always be contingent on global supply and demand dynamics that are often highly unpredictable. This was borne out in 2019 when, as in previous years, the influence of extreme weather events such as drought, flooding, and hurricanes, alongside animal health issues such as African Swine Fever (ASF), impacted on output in some of the world's key food production regions, with repercussions in the pricing of major commodities. Perhaps the most striking of such crises during the year was the devastating impact of ASF on production in large parts of Asia, and China in particular. While the rebuilding of production is underway in China, the inability of domestic supply to meet demand is set to influence global trade flows of pork and other proteins for some time to come. In 2019, this gap in supply worked to the benefit of Irish producers and directly contributed to a record high in Irish pork exports. Adverse conditions, including drought in parts of Europe, also impacted on other commodity prices.

In contrast to the global picture of disruption, agricultural production in Ireland benefitted from largely benign climactic conditions in 2019. This resulted in significant improvements in grass growth, yield and animal thrive compared to 2018 and reduced the need for bought-in animal feed. This brought some respite to farmers who had endured particularly challenging weather conditions in 2018. It also delivered improvements in terms of larger carcasse weights. According to Teagasc, average farm income rose by 7% in 2019. However, this should be set against the steep fall of 21% experienced in 2018.

For beef farmers the increase in income was more marginal and was primarily due to the exceptional aid received at the beginning of the year from the Department of Agriculture, Food and the Marine.



€4.4bn

total dairy exports value



28%

increase in Irish butter exports



As noted earlier, this was offset by a year characterised by reduced supply in cattle numbers, weakening demand in the UK and blockades at the country's key processing facilities, all contributing to reduced exports for both beef and sheepmeat. Beef exports declined 7% to €2.25bn while sheepmeat fell by a similar percentage to €294m.

For the dairy sector, which has witnessed rapid expansion of its global footprint in recent years, the story was altogether more positive. In spite of declining commodity prices, particularly in the EU market, total dairy exports surged ahead by 10% to reach €4.4bn in value. The success of the sector is testament to its ongoing capacity to tap into lucrative value streams. There were impressive performances across many different markets and categories. Notable among those was the story of Irish butter exports to the US, which rose to €218m, a 28% increase on the previous year and contributing to the overall value of butter exports reaching €1.1bn. The ongoing significance in the value of dairy exports to China, which stood at €584m in 2019, was also noteworthy, making it the largest international priority market for Irish dairy exports.

The overall picture of 2019 food and drink exports showed a welcome return to growth in value as well as volume, reversing the decline in value seen in the year-earlier performance.

Further contributing to this was the 10% rise in the value of prepared food exports to €2.32bn; an 8% rise in the value of Irish alcohol exports to €1.45bn; a 6% increase in the value of seafood exports to €605m; and an 8% rise in the value of edible horticulture and cereal exports to €248m.

Of course, even in sectors where strong growth is recorded, it will rarely be uniform or without significant issues or constraints. There are illustrative examples across the industry's 2019 results but, nevertheless, the overall performance must be seen as clear validation of its ability to deliver strong, sustainable and diversified growth and, in doing so, to contribute to a positive and stable future for the many thousands of people who depend on the agri-food sector for their livelihood. The industry's increasing confidence and capability in the face of sometimes deep uncertainty is also noteworthy. Whether it was the threat of a no-deal Brexit, global economic uncertainties, fluctuations in key currencies, volatility in commodity prices or the use of tariffs in trade policy, Irish exporters encountered often strained trading



10%

rise in the value of prepared food exports

environments and succeeded in delivering growth against such challenges. Given the ongoing volatility of global politics and economics, there is unlikely to be any easy respite from such challenges in the near future. However, the trade figures achieved in 2019 can be seen as not just a fitting conclusion to a decade that was driven by growth, but as the foundation for progress in the decade ahead, where the industry can have every expectation of deepening its hold in existing markets and making inroads in lucrative new markets.

THE CHALLENGE OF BREXIT

Brexit was among the key global political topics of 2019 and a subject of paramount importance to Ireland's food, drink and horticulture industry. The threat of a 'no deal' departure of the UK from the EU presented itself as a stark possibility on a number of occasions, posing the risk of a hard border on the island of Ireland and unprecedented disruption to a market of prime importance. While this risk was effectively negated by the year's end, the future relationship between the UK and EU remains an open question and its final shape will be decisive in terms of the impact on Irish exports to the UK. In addition, the fishing industry, for whom access to UK waters is pivotal, retains significant concerns about the potential for future disruption.

In spite of the fraught political atmosphere, the UK was, in economic terms, a largely stable environment for exporters in 2019. With the exception of the meat industry, most sectors delivered robust performances, with dairy and alcohol suppliers particularly benefitting from a stocking forward approach.

Since 2016, Bord Bia's risk analysis tool, the Brexit Barometer, has enabled Bord Bia to monitor, analyse and respond to the challenges of Brexit and utilise its strong feedback loop to provide evidence-based supports and information. The most recent Brexit Barometer report, issued in mid-2019, noted significant progress across the industry in terms of supply chain design, customs, foreign exchange management, customer relationships and diversification.

It found 93% of respondents, representing 72% of all UK exports, were making plans and taking action around Brexit, while the number of firms who had actively mapped their supply chain stood at 89%. These findings gave a clear overall sense that Irish exporters understood the future trading relationship with UK customers was something that needed to be managed in a strategic and nuanced way.

INTERNATIONAL CONTEXT

If Brexit appeared at times to be an all-consuming trade issue for the industry it was far from the only one. The year witnessed tensions between the US and EU escalate into decisions of direct consequence for the industry here, as the introduction of tariffs by the US on a range of EU goods encompassing dairy products such as butter, cheese and cream liqueur. While not posing an immediate risk to Irish agri-food, there was widespread concern expressed in the farming sector when the EU-Mercosur Association Agreement was concluded in mid-2019 following two decades of negotiation. The agreement, if ratified, will see a substantial increase in the flow of beef from South America to the EU. That ratification, however, appears far from assured following widespread concern at the poor environmental record of beef farming in Brazil in particular. With extreme drought, flooding, and storm conditions prevalent across the globe in 2019 and impacting on the lives of millions of people, demands for robust action to address climate change will increasingly focus on agricultural practices. As the drive to sustainability becomes increasingly pronounced, Ireland's leadership in this matter, in particular through the Origin Green programme, may well provide not just an advantage for Ireland in the international marketplace but a template for action for other countries to follow in the future.

Closer to home, the departure of the UK from the EU is set to have a further set of consequences of direct relevance to Irish agri-food in 2020. In significantly reducing the overall budget available to the European Union it is likely to influence the European Commission's decision making with regard to the Common Agricultural Policy (CAP) over the next decade. While the goal of building a sustainable and competitive agricultural sector in Europe will not be impacted, the resources available to do so, and to support farmers wishing to transition to new or alternative farming practices, may be challenged.

The challenges of Brexit and the increasing global trade tensions were two key issues identified by economists as leading to subdued global economic growth in 2019. At the year's end, the International Monetary Fund predicted global growth for the year at 3.2%, rising to 3.5% in 2020. The European Commission predicted GDP growth in the eurozone at 1.9% in 2019, falling to 1.1% in 2020. The Bank of England painted a similar picture for the UK, with GDP for 2019 predicted to be in the range of 1.2-1.5%, moderating to 1% in 2020. Yet despite widespread expectations of recession, a common feature across the global economy was the resilience of consumer spending. A key question for 2020 was how this could be sustained against a fresh range of global challenges.

Commodity prices reflected that subdued business sentiment in 2019 and were on a broadly downward trend. Oil prices were dampened by geopolitical tensions and the threat of declining demand. In contrast, the FAO Global Food Price Index was on an upward trend. In November 2019, it averaged 177.2 points, up 9.5% on the year earlier figure. This was driven by an increase in prices in proteins and vegetable oils, and represented a two-year high for the Index. The FAO Dairy Price Index was 6% higher in November than the year earlier figure while the FAO Meat Price index was 17.2% above the November 2018 level. The FAO predicted global milk production would reach 852m tonnes in 2019, a rise of 1.4% year on year. Global meat production meanwhile fell 1% year on year, down to 335m tonnes.

The euro continued to have a strong year against sterling in 2019, however the end of the year saw confidence restored in the UK currency as sterling reached 85p to one euro. In contrast, the euro declined against the dollar, starting the year buying \$1.14 and ending it worth \$1.10. A weak euro will, however, be welcomed by exporters grappling with the challenge of tariffs in the year ahead.

The Irish economy continued its pattern of strong growth in 2019. The European Commission predicted economic growth of 5.6% for the country, the highest in the EU.

Inflation meanwhile remained moderate at 0.8%, a fractional rise on the 2018 figure, while the unemployment rate fell to 5%. Gross public debt as a percentage of GDP was estimated by the European Commission to fall to 59% in 2019, from 63.6% in the

year prior. While Ireland slipped one place on the World Economic Forum's Global Competitiveness Report from 23rd to 24th place, it was ranked 7th in the world for competitiveness out of 63 countries in a report by the Swiss-based IMD business school.

STATEMENT OF STRATEGY

Building Differentiation, Winning Growth, the 2019-2021 Bord Bia Statement of Strategy, sets out the organisation's ambitious plans to grow the success of the Irish food, drink and horticulture industry in what are set to be years of unprecedented change, challenge and opportunity. The strategy's title represents the unifying concept of 'differentiated, sustainable growth' for the industry, and the document identifies three categories of change that are impacting directly on the industry. It also provides the strategic structure by which Bord Bia will support the food, drink and horticulture industry in addressing them.

The three categories of changes have been identified as:

Macro forces of change: social, technological, environmental, economic and political forces that are shaping, and reshaping, the business world in which the industry operates. They include:

- **The rise of protectionism**
- **Rapid urbanisation**
- **Increasing economic empowerment of women**
- **The redefinition of 'old age'**
- **Changing life stages and household structures**
- **Growing digital connectivity**
- **Increasing pressure on the environment**
- **Rise of non-communicable diseases**

Food contours: the shifts and realignments in the global food system that impact how food is sourced, produced and consumed. They include:

- **New pressures on packaging**
- **Agricultural innovation to increase efficiency**
- **Technology enabled transparency**
- **Algorithm-led purchasing**
- **Shifting perceptions of meat**

- **Inspiration online**
- **Food as medicine**
- **Channel disruption**
- **Fragmented food products**

Consumer trends: These are the shifts in attitudes, values and behaviours that drive changes in how consumers make choices and address their needs. These are tracked by Bord Bia's Consumer Lifestyle Trends programme on an ongoing basis.

Building from this understanding, four strategic priorities for the 2019-2021 period have been identified for Bord Bia:

- ① **Driving success and growth in the market**
- ② **Insight to power growth**
- ③ **Building reputation for growth**
- ④ **Leading through people**

The first year of this strategy has confirmed expectations around change, challenge and opportunity. With the strategy as its guiding support, Bord Bia commits to moving ahead with a laser-like focus on actions that will make a difference in the export sector and channel management. It will provide insights that optimise decision making, put a renewed emphasis on Ireland's sustainability credentials, and continue supporting investment in people as critical assets in competitive differentiation and growth.

The Department of Agriculture, Food and the Marine's strategy document, *Food Wise 2025*, provides the strategic foundation through which Bord Bia makes its distinctive contribution to the success of Ireland's agri-food sector. *Food Wise 2025* sets out ambitious growth projections based on sustainable export growth and is on target to deliver annual food and drink exports of €19bn by 2025, and to create an additional 23,000 new jobs in the process.

CONCLUSION

In a year of unprecedented threats and uncertainties, it provides some satisfaction to record 2019 as a year when both volume and value growth returned to Irish food and drink exports. In achieving a total export figure of €13.2bn, the industry reaffirmed its position as a supplier of choice for quality, sustainable food and drink to a global audience. 2019 was also a year that confirmed that challenges of a very real nature persist, not least in ensuring the vision of a sustainable food, drink and horticulture industry is one which can deliver a sustainable return to its primary producers. For many farmers and fisheries, 2019 was a year of challenges and anxieties. Given the challenge of Brexit is central to many of the challenges encountered, there are no easy or quick solutions to offer, but there are reasons to be optimistic that 2020 can provide a greater sense of progress and resolution.

For the food and drink industry at large, 2019 will be seen as a year that strengthened the sense that geographical proximity and cultural alignment are no longer prerequisites to underpin growth. The Irish food and drink industry can now talk of significant presence in more markets that deliver more value than at any time in its history. An increase in export value of over €900m in the course of the year speaks amply to this. While there are constraints in some categories to expanding globally, it is becoming increasingly clear that there is no such constraint in the ambitions of the industry at large.

In the first year of Bord Bia's new three-year strategy, I believe we can speak with confidence of our growing ability to assist our client base and facilitate an industry increasingly comfortable with its global positioning. Through The Thinking House, Bord Bia is playing a key role in facilitating, informing and advancing the strategic thinking and actions of Irish food and drink companies. Through Origin Green, we are supporting the determination of these companies to show their credentials as leaders in sustainable production.

It has been my honour to serve in the role of Chair in this pivotal and fascinating year. It was my pleasure and privilege to serve alongside a talented and hardworking board who were tirelessly committed to constructive and productive actions that advanced the role and purpose of Bord Bia. To my colleagues and to all the members of the five subsidiary boards, as well as to the Bord Bia executive team, ably led by CEO Tara McCarthy, let me extend my sincere appreciation and thanks.

I well understand that there were many in the farming community who found the year to be a tough and challenging one and many in the fishing industry who look to the future with some trepidation. I can only give you the assurance that our commitment will always be to assist you in any way that we can and do so in the belief that our governing strategy Building Differentiation, Winning Growth, the Bord Bia Statement of Strategy 2019-2021 is optimised to facilitate this.

Let me set out my appreciation for the support and commitment for the 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, who, in their respective roles, worked tirelessly for the benefit of the industry in 2019.

As we move to address the unprecedented challenges posed by 2020, it is my great pleasure to welcome incoming Minister for Agriculture, Food and the Marine Charlie McConalogue, TD to the role. The track record of partnership between DAFM and Bord Bia in addressing challenges that impact our industry is an exceptionally strong one and we look forward to working with the Minister to build further on this in the years ahead.

I would also like to thank Secretary General Brendan Gleeson and all the staff at the Department of Agriculture, Food and the Marine. Through a spirit of cooperation and partnership we have strengthened the impact of all the activities we collectively undertake. The support of the Department of Foreign Affairs and Trade, as always, was hugely valuable, enabling us to open doors for the Irish food and drink industry around the world.

Cooperation with our fellow State organisations continued to strengthen through 2019 and I thank Teagasc, Bord Iascaigh Mhara, Enterprise Ireland and the OPW for their support and partnership.

Let me finally thank His Excellency, the President of Ireland, Michael D. Higgins, for his role as patron of Bloom and for his continued support for the message of sustainability in all his undertakings.

Bord Bia strives to deliver excellence on behalf of the industry it serves, and in 2019 celebrated the 25th anniversary of its foundation. Over this quarter of a century, Bord Bia has evolved and expanded in many ways, but has always been fortunate to be served by dedicated professionals who have an enduring passion for the food, drink and horticulture industry and delivering value to stakeholders.

We celebrate this anniversary with a message the current strategy document makes abundantly clear: our people have always been Bord Bia's greatest resource.

I am delighted to note that Bord Bia's reputation as trusted partner among industry and consumers was also celebrated during the year, as the annual Ireland RepTrak® 2019 study ranked Bord Bia as the most reputable organisation in Ireland.

Notwithstanding the challenges, uncertainty and opportunities which 2020 was likely to present at the time of the preparation of this report, the challenges, uncertainty and potential opportunities outlined have changed considerably as a consequence of the crisis arising from the emergence of Covid-19.

As we turn from one year of challenge and uncertainty to another, we do so facing the unexpected and unprecedented: Covid-19 and the devastation it has wrought on our lives and economy. While we cannot yet predict its final impact, let there be no doubt that Bord Bia, and every member of its team, will work tirelessly for the benefit of farmers, producers and the wider industry as we navigate this extraordinary challenge.

Let me conclude with the assurance that determination and ambition will be as much the hallmark of our performance in the year ahead as it has been at any time in our past.

Dan MacSweeney

Chair

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





CHIEF EXECUTIVE'S REVIEW

If 2019 was a year when international politics and, in particular, the brinksmanship around Brexit, came close to delivering serious disruption to the Irish food, drink and horticulture industry, it was also one where sustained growth and strong market diversification resulted in a striking recovery in the value growth of Irish exports.

Food, drink and horticulture exports were valued at €13.2bn in 2019, representing an 8% increase in value terms over 2018, and a volume increase of 5%. In real terms, this means that Irish food, drink and horticulture exports grew by an exceptional €900m over the course of the year.

It hardly needs to be said that, in an environment of deep uncertainty, not only with regard to Brexit, but the global trading environment in general, this was a truly impressive performance, emblematic of the pattern of growth that has characterised the decade. It was not a story without complications and challenges of course, and the impact of Brexit was felt indirectly but no less profoundly in terms of dampened consumer sentiment and sluggish economic growth in the UK, contributing to falling demand in some key categories. Beef was the most directly impacted category of Irish food and drink exports as weakening demand in foodservice channels in particular led to a sharp 15% fallback in the value of exports. This was to have direct consequences on a farming sector that was already struggling with the challenges created by 2018. The blockade of meat processing facilities by farming groups for a number of weeks in August and September put further pressure on the export performance of both beef and sheepmeat. It is to be hoped that rising consumer sentiment in the UK in 2020, alongside further market diversification in beef exports, and improved dialogue among stakeholders will create a more positive context for growth in the coming year.

In virtually all sectors of Irish food and drink exports, a common theme of the year was the acceleration of market diversification. This was visibly borne out by the breakdown of market share, with the Rest of EU for the first time accounting for the greatest amount of exports, at 35% compared to 34% for the UK, and 31% for international markets. This recalibration was driven by a €400m increase in exports to Continental Europe, and a €500m increase in exports to international markets, as against a relatively stable performance in the UK. While market performances in any one year may be seen as a snapshot in time rather than evidence of a definitive trend, there can be little doubt that the performance in 2019 reinforces the belief that the longer-term opportunity for Irish food and drink exports is on a truly international basis. None of this is to diminish the importance of the UK to our industry, but the capacity of exporters to respond to new opportunities and to broaden their frontiers in truly significant ways must be warmly welcomed.

Bord Bia has had a longstanding commitment to supporting both exports to the UK and market diversification, and both are foregrounded in *Building Differentiation, Winning Growth*, the 2019-2021 Bord Bia Statement of Strategy.



This commitment is tangibly expressed through Bord Bia's many programmes and actions; the strategic expansion of its international offices; and initiatives such as Origin Green, which give the Irish food and drink industry a leadership position in the global debate around sustainability. In 2019, the Brexit Barometer continued to play its role in providing a fact-based analysis of where the industry stood in relation to the challenges of the UK's departure from the EU and in enabling Bord Bia to target resources and initiatives to where support was needed. The data from 2019 confirmed that Irish companies had reached a critical mass in terms of engaging with many of the challenges it posed. While the year ultimately saw a 'cliff edge' Brexit scenario avoided, there is no doubt that the preparations that have been made will enable Irish exporters to respond with greater confidence when the transition phase in place in 2020 gives way to the new EU-UK relationship.

Internationally, Bord Bia's research into the opportunities presented by key priority markets also bore fruit in 2019. The work of its overseas office network; the organisation of targeted trade missions; and the building of market knowledge by The Thinking House have all played roles in increasing awareness of the opportunities these markets present. In many cases, 2019 saw that potential confirmed through a significant uplift in exports.

Sectoral analysis

The food and drink industry's return to value growth, which saw exports climb to a record €13.2bn, was achieved through strong sectoral performances across a broad range of markets. While Brexit was the headline challenge for exporters, there were other market uncertainties and volatilities to contend with across the globe. Adept use of market intelligence, strong customer relationship management, price competitiveness and the development of new value streams were key to negotiating these challenges successfully.

Ireland's largest food export category, dairy, confirmed its role in 2019 as a central pillar of the food and drink industry with exports growing by an impressive 11% to €4.4bn. Building on similar levels of growth achieved in recent years, the 2019 performance was all the more striking given subdued dairy commodity prices across the EU and the plateauing of demand of specialised nutritional powders in the Chinese market. In addition, the imposition of a 25% *ad valorem* tariff by the US on EU dairy in October, which will most directly affect Irish butter, cheese and cream liqueur exports, presents an unwanted complication that will likely impact on 2020 performances. In spite of these, value growth of some €400m was achieved with diversification the hallmark of this progress and growth. China and the US now feature among the sector's top four export markets, with dairy exports to China worth €584m in 2019. While the international footprint of Irish butter, specialised powders and cream liqueur exports is well established, the year also brought good news for a sector seen to be traditionally dependent on the UK. During the year, Rest of EU markets accounted for a historically high 32% of Irish cheese exports while international markets absorbed a further 23%. These successes bode well for the strategy of reducing risk through overreliance on the UK market and have been achieved through a deep understanding of consumer needs in priority markets.

For the meat and livestock sector, the story on 2019 was mixed to say the least. The overall value of exports decreased marginally by 1% to €3.9bn and for categories such as pork and poultry there was much to be positive about. For the former, a surge in global commodity prices midway through the year, largely as a result of the impact of ASF in China, boosted exports by 14% to close to €1bn, an exceptional result for the category. Poultry producers also saw a rise in export demand, at a more moderate 5%, with total exports worth €305m. A 48% growth in value of Irish poultry exports to the Rest of EU confirmed the pattern of diversification taking hold in the industry.

For Ireland's pillar meat export category, beef, 2019 was a challenging year on many fronts. Subdued demand in the core UK market, and the blockade at meat export factories, which effectively shut down exports for a number of weeks, saw exports ending the year 7% down on the 2018 figure, worth €2.25bn.

Sheepmeat producers also encountered a challenging year, with strong UK supplies into Continental Europe and lacklustre demand in key markets dampening export performance. Exports were also impacted by the blockades of meat factories, meaning some key export opportunities were missed in the final months of the year. Overall sheepmeat exports were valued at €294m, down 7% on 2018.

Prepared consumer foods (PCFs), including value-added meats and seafood, as well as non-alcoholic beverages, pizzas and bakery, and prepared foods (PFs) which include enriched dairy powders, all performed strongly in 2019, and both saw a return to value growth. PCFs were worth €2.66bn during the year, a rise from €2.5bn in 2018, a performance strongly linked to increased penetration of key Continental European markets such as France, Germany, Belgium and Sweden. The value of PF exports grew by 12% to €2.32bn, driven by a resurgence in growth of enriched dairy powder exports, countering a number of years of flat growth.



12%

increased value of prepared foods in 2019



8%

increase in beverage exports

Ireland's beverage sector holds a unique place in the country's cultural and economic history and has also been among the most impressive sectoral performers in recent years. Total exports increased in value to €1.45bn, up 8% on the 2018 figure, with whiskey the pathfinder of much of this growth.



In all, exports of whiskey reached €727m in 2019, a figure that is close to a four-fold increase in the value of exports recorded at the beginning of the decade. The US is the undoubted lead market but the year also saw new markets coming into play. Japan, the largest Asian market for Irish whiskey, saw exports rise to €10m in 2019.

Strict quotas for key species, serious disruption in organic salmon production at the end of the year and a decline in demand in China for some key shellfish species set a less than positive backdrop for the seafood sector's 2019 performance. Yet, exporters showed both agility and determination in lifting export values by 6% to €605m. This was delivered through strong performances in both established and emerging markets. Close to home, the UK proved a particular bright spot with exports growing by 11% to €53m. An impressive 40% growth lifted exports to China to €51m of exports, and there were other strong market performances in countries such as Nigeria, Egypt and Japan.

After some challenging years, largely as a consequence of weaker sterling, the edible horticulture sector experienced welcome recovery in 2019. Total exports grew by 8% to €248m. Mushrooms and cereals are the mainstay of this, with the UK the core market for both. Mushroom exports were worth €104m, a 4% increase on 2018. A focus on productivity gains, on higher value products and retail price inflation helped boost returns. Cereals accounted for €94m in exports, with Northern Ireland representing the key market. The amenity horticulture sector saw exports remain steady at €18.5m.

Building Differentiation, Winning Growth

Bord Bia's three-year strategy *Building Differentiation, Winning Growth* saw its first year of implementation in 2019. The strategy delineates four strategic pillars against which the activities and programmes of Bord Bia are aligned for the 2019-2021 period. As the Chair has noted in his statement, these strategic pillars are designed to enable the organisation to respond to the needs of industry in the most effective way possible in an era of unprecedented change. Targets and KPIs have been set by Bord Bia for its delivery of services over the three-year period, providing a framework against which progress and success can be measured.

The Statement of Strategy is also designed to support Food Wise 2025, the strategic plan of the Department of Agriculture, Food and the Marine, for the development of the agri-food sector to 2025.

The following section of the Annual Report sets out Bord Bia's activities in 2019 as they align with the four strategic pillars:

1. Driving success and growth in the market
2. Insight to power growth
3. Building reputation for growth
4. Leading through people

STRATEGIC PILLAR 1: DRIVING SUCCESS AND GROWTH IN THE MARKET



Chief Executive's Review

Bord Bia's support for Ireland's food, drink and horticulture industry is fundamentally a commitment to assisting and developing the sector's capacity for growth.

The strategic priority to drive success in the market requires a range of approaches that reflect the requirements for insight, preparation and market development in pursuing the path of growth.

Reflecting this, the actions and programmes undertaken under this strategic pillar can be divided into three sub-streams:

- Market preparation
- Lead generation and market activation
- Strategic partnerships

Market preparation

Bord Bia's market preparation activities cover a broad range of skills and strategy development and are designed to ensure successful market entry experiences for client companies. Commercial marketing strategy, capability development, supply chain and market knowledge are brought into focus through Bord Bia's Plan to Grow framework. In 2019, the target was set for 120 companies to receive market preparation supports, while some 35 companies participated on market entry preparation visits to assist in this.

Sector strategy development

Recognising the need for in-depth and up-to-date sectoral strategies that provide companies with a better understanding of the markets in which they operate, an expansive range of market insight reports were developed in 2019 and shared with industry. These include:

- Dairy Market Strategy
- Prepared Consumer Foods Strategy
- Small Business Strategy
- Meat Marketing Strategy
- Spirits Marketing Strategy (2020-2022)

Commercial Marketing Strategy Development

Bord Bia's Capability Development team co-create commercial marketing strategies with client companies through initiatives such as group workshops, streetscapes, library research and one-on-one bespoke company workshops and meetings. Over the course of 2019, 17 client projects were completed. A series of commercial marketing strategy workshops were also held with individual clients.

Partner client plans

Commencing in November 2019, Bord Bia has introduced a new initiative whereby client companies develop and implement bespoke plans that clearly outline the activities and initiatives that will deliver growth over the year ahead. The plans then provide a clear, timed work programme for Bord Bia to partner with on delivery. Fifteen companies participated in the initial rollout.

Think Digital

Three client workshops were carried out in 2019 with 43 client companies and four digital marketing projects were undertaken. The 2019 programme also included an accredited professional development diploma.

Lean Programme for Horticulture

Some 13 projects were run under the Lean Programme for Horticulture during the year, with participants reporting significant savings and increased productivity as a result of involvement. An end-of-year review and evaluation of the scheme will inform future programme activities.

Lean Programme for Pig Producers

The Lean Programme for Pig Producers delivered 29 projects, incorporating 'lean' and 'plus' initiatives. Key learnings from the programme will be disseminated in early 2020.

European Private Label Programme

Designed to assist Irish companies advance private label strategies in new markets, the programme delivered a range of one-on-one sessions to 13 companies in 2019.

Meat Marketing Seminar

The annual Meat Marketing Seminar attracted over 180 delegates and focused on market development updates and forecasts, as well as providing an outline of Bord Bia supports to the sector.

Small Business Open Day

This annual seminar provided the opportunity for Bord Bia to showcase the full range of resources it offers to small food producers, as well as those provided by other support agencies. In all, over 140 attended the event.

Bord Bia – Department of Agriculture, Food and the Marine Livestock Seminar

Designed to provide an update on market developments and supports, the event was attended by 25 representatives from the livestock export sector.

Negotiation Skills for Small Businesses

This initiative is designed to give small businesses the tools to improve negotiation skills when talking to buyers and was attended by representatives of 20 client companies.

Social Media for Small Businesses

An opportunity for small businesses to understand how social media platforms can help engagement with target audiences, the event attracted over 20 company representatives.

Channel Diversification Workshop

Designed for companies currently servicing the retail channel in Ireland and the UK who wish to develop a foodservice entry strategy, the workshop attracted representatives from 35 companies

Grant Programme (MAP) and the Step Change Programme (SCP)

In all, 175 grant applications were received in 2019, of which 150 were for MAP, 14 for both MAP and SCP, and 11 for the SCP alone. Grants amounting to €1,022,500 were approved for 156 companies.

Brexit preparations

Since 2017, Bord Bia's Brexit Barometer has measured the progress of the industry, with data informing its support programme priorities.

In 2019, 130 companies completed the Brexit Barometer, representing 72% of exports to the UK. Of these, 93% indicated they were actively making plans and taking mitigation actions, while 89% said they had mapped their supply chain, resulting in stronger relationship management strategies. The Barometer was launched on 25 June by Minister for Agriculture, Food and the Marine, Michael Creed, TD.

Outcomes directly resulting from the findings of the Brexit Barometer included the development of a Customs Readiness Programme. By the end of 2019, 133 companies had participated, accounting for 51% of exports to the UK. The Brexit Supply Chain Workshop and Mentoring Programme, meanwhile, focused on clients' understanding of logistics, customer requirements and supply chain management. At the close of the year, 84 clients had completed both the workshops and mentoring.

Lead generation

Designed to support clients in sales generation, Bord Bia's lead generation and conversion activity sees client companies connect with the organisation's network of contacts, set up in-market meetings, and engage in conversations and negotiations that can progress to new revenue streams. Bord Bia's network of overseas offices provides a key resource in developing this phase of business development. In 2019, Bord Bia activity in this area saw 1,592 leads generated and 1,183 buyer meetings organised as a consequence of this.

A sample of such activities undertaken over 2019 included:

- **Africa:** By the end of 2019, some 35 buyer meetings had been completed involving client companies and retailers such as PicknPay and Shoprite.
- **America:** Some 43 buyer meetings were held during the year with companies including Whole Foods and B&A Brokers (NE & Florida).
- **Asia:** In Singapore (including Tokyo), the year saw 129 buyer meetings involving companies such as Tung Lok Restaurant Group (SE Asia), Angliss, and Classic Fine Foods.

In Shanghai, 93 buyer meetings were held involving firms such as JD.com, Hema, Yilli dairy manufacturer and Mengju dairy company.

- **Europe:** Some 52 buyer meetings were held in Dusseldorf, with companies including Aldi Sud, EDEKA, Metro and Frittenwerk. In London, 87 buyer meeting events were held involving all the major UK retailers and firms such as McDonalds and Hilton Hotels. In Madrid, some 79 buyer meetings were hosted with companies including El Corte Ingles, Mercadona, Alcampo and Serpeska. In Milan, 46 buyer meetings involved companies including Carrefour, Conad, Amadori and Coop.

Paris saw 81 buyer meetings with companies including Promocash, Monoprix, Picard and Metro.

- **Middle East:** In Dubai, 68 buyer meetings were held with distributors such as Fresh Express and retailers including Carrefour Group, Spinney's, Waitrose and Choithrim.

Trade fairs

Bord Bia participated in 38 trade fairs worldwide in 2019. These included 11 in Asia, 13 in Europe and three in the US. Bord Bia trade stands hosted 125 unique exhibitors at events that collectively drew 960,000 visitors.



Buyer visits and trade missions

- **Trade mission, China:** The trade mission during May focused on meat and dairy and was designed to coincide with the SIAL trade event in Shanghai.
- **Trade mission, Japan and Korea:** Fifteen Irish meat and dairy companies participated which included expert introductions to both markets and a series of seminars promoting Ireland's 'best in class' standards of food production.
- **Trade mission, Europe:** In November and December 2019, Bord Bia and the Department of Agriculture, Food and the Marine embarked on their first trade mission to Europe, focusing on the Netherlands and Germany.
- **Inward buyer visits:** Bord Bia hosts an extensive programme of buyer visits to Ireland on an annual basis. In 2019 these included Bord Bia hosting live cattle buyers from Algeria and Egypt, introducing them to farms and cattle rearing facilities that would suit their requirements. As part of the EU Beef & Lamb campaign, trade, media and government officials from China participated on inward visits to Ireland. Four buyer itineraries were hosted for Shanghai based companies, with a focus on seafood and meat. Four Japanese buyer itineraries were hosted focused on seafood and meat importers. Buyer itineraries also included visitors from retailers in the Netherlands, Germany, France, Italy, Spain, Sweden, Poland and the UK. Two buyer itineraries were hosted involving retailers based in Dubai.

Market activation

The expansion of Bord Bia's global network has also facilitated its drive to establish professionals on the ground in more markets and, in doing so, better connect clients to opportunities. Key to this is broadening client understanding of how retail, foodservice and manufacturing channels operate in individual countries. A sample of market activation activities undertaken in 2019 included:

- **Asia:** Retail promotion of seafood and beverages in the Japanese retail environment; meat, dairy and seafood promotions in retail and online environments in China.
- **Europe:** Beef, lamb and farmhouse cheese promotions in the retail environment in the Netherlands; a programme of beef promotional tasting days with strategic partner customers in Germany; promotions of beef and lamb in retail and foodservice environments in France; beef and salmon retail promotions in Spain; beef and salmon retail promotions in Italy; lamb promotions in foodservice environments in Sweden; and, beverage showcasing at a spirits trade event in the UK.
- **Middle East:** In-store promotion of salmon in Dubai and a trade event focused on the Iftar (break of fast during Ramadan) showcasing Irish food.

Marketplace update

Following Marketplace International in 2018, follow-up research in 2019 indicated that actual orders placed by the year's end amounted to €32m.

Of this, €9.4m was accounted for by Chinese buyers, the largest value reported by any market.

Strategic partnerships

Bord Bia undertakes a range of programmes that support closer business relationships with key customers across different markets and channels. These facilitate a deeper understanding of the strategic priorities of larger customers and exporters by client companies and support Ireland's overall position as a solution provider and supply partner of choice.

The Grow with Aldi supplier development programme in partnership with Bord Bia was launched in 2018 with the aim of finding new Irish companies to supply the retailer's stores in Ireland. In 2019, some 35 suppliers were chosen for a trial listing in Aldi stores commencing in early June. In preparation for a full year listing, five companies were selected to participate in a commercial management workshop in July.

Lidl Kick Start supplier workshops were held in March and July for 40 companies taking part in a two-week promotional trial in Lidl's Irish stores in September.

Bord Bia's FoodService Academy in partnership with Musgrave MarketPlace takes places over four months and involves workshops and mentoring. In all, 10 companies were invited to participate on the 2019 programme, with seven participants being listed by the year's end. The 2019 sales value for Foodservice Academy suppliers was estimated at €100,000.

STRATEGIC PILLAR 2: INSIGHT TO POWER GROWTH



Chief Executive's Review

Strong and sustainable growth for Ireland's food, drink and horticulture industry requires a deep understanding of the markets and consumers that Irish businesses are targeting. Bord Bia's commitment to deliver insight that powers growth is reflected in a comprehensive suite of services that focus on building a true understanding of market opportunities and consumer behaviours. Led by The Thinking House, Bord Bia's world-class research and innovation hub, insight activities can be divided into the following four sub-streams:

- Consumer and cultural Insight
- Trends, foresight and innovation
- Brand development
- Market insight and information

Consumer and cultural insight

Bord Bia insights encompass producers, farmers, markets, channels, sectors and cultural insights. This expansive approach recognises that all such outputs can provide sources of competitive differentiation that drive business growth. In 2019, KPI targets for the delivery of market insight included:

- Developing plans for 40% of partner clients to identify core service needs
- Involving 30 client companies in bespoke insight projects
- Ensuring a minimum of 25% of clients attend annual insight sessions
- Hosting a minimum of 12 consumer/cultural insight events annually
- Achieving a minimum of 65% in client satisfaction in feedback for insight events
- Delivery of three cultural insight projects to inform trade fairs or missions

Trends, foresight and innovation

The Thinking House provides deep insights on market and consumer trends to encourage consumer-centric innovation programmes that support new product development and help forge deeper relationships with key customers and stakeholders. Trends programmes and workshops in 2019 included:

The ongoing global Consumer Lifestyle Trends study explored six key consumer trends and how these play out through product and brand manifestations. Workshops in October introduced the latest trends and saw more than 40 companies attending.

- **Packaging Trends:** A global trends study designed to explore the latest innovations and best practices for packaging.
- **Future of Food 2044:** This foresight study explores trends and strategic issues, with findings to be rolled out to industry in 2020.
- **Consumer Taste n' Tell programme:** These consumer-facing quantitative product and concept testing tools enable clients to measure the performance of their ideas and products. Eight projects were undertaken during 2019.
- **Bespoke Innovation Programmes:** At the year's end, Bord Bia was working with seven clients on bespoke research projects.
- **Brand development:** Bord Bia's brand development initiatives provide assistance to companies with branding expertise based on insights around innovation opportunities in their sectors.

Brand Forum

Three Brand Forum events were hosted in 2019. The Q1 event focused on the investment in brands for long-term value and attracted over 85 client company representatives. The Q2 event centred on building enduring brands with perspectives on purpose, capability, sustainability and growth. Over 90 client company representatives attended. The Q3 event was themed on compelling brands in a crowded world and was attended by more than 70 client company representatives.

Brand Forum members also attended a number of highly focused Brand Building workshops over the course of the year. These included:

- Tone and copywriting
- Influencer marketing
- Video optimisation
- Phone photography for Instagram
- Packaging design

Bespoke client branding projects

In 2019, Bord Bia delivered 44 branding projects, with new brand launches and brand refreshes providing the focus for the majority of these.

The SuperBrands programme provides bespoke brand development work for small companies. In 2019, 15 clients participated in the programme, with new brand launches, brand refreshes and design services the key outputs.

During 2019, Bord Bia worked with 20 clients on bespoke Brand Activation projects focused on delivering greater brand presence, clarity and storytelling across key touchpoints.

The Brand Forum Recipe Video Service offers Brand Forum members the opportunity to develop 60 second recipe videos to showcase their products. Video production took place in June and October, with 24 companies participating in all. Videos were optimised for search on traditional and digital media.

The Brand Health Check programme offers a large-scale on-line survey of grocery shoppers, across an extensive range of categories to assist brand owners make decisions to grow their brand. In 2019, 64 client companies across 46 categories participated. Reports were disseminated via a workshop and one-to-one company briefings.

Market insight and information

Bord Bia recognises that insight delivered at a market-by-market level, and with an understanding of each market's landscape, nuance and opportunities is key to unlocking growth.

The best-in-class library search facilities and market intelligence services, in the Bord Bia Thinking House, are optimised to enhance stakeholder and sector knowledge of prioritised markets. In 2019, some 4,850 clients accessed the library services, while 15 Market Insight Snapshots/Factbooks were developed and disseminated. The Bord Bia Thinking House provided three joint sectoral and marketing seminars for priority sectors, markets and channels.

- The collaborative study 'Sustainability in Seafood' with BIM was designed to understand the role of sustainability in the seafood sector as an influencer of sourcing and purchasing decisions, and to identify opportunities for Irish suppliers across four markets. The study will be completed in early 2020.
- The seven-day diary study 'What Ireland ate last night' of Irish consumers and their meal occasion habits and behaviours saw fieldwork undertaken in 2019. Findings will be presented to industry at an Insight session in early 2020.
- In 2019, the first phase of research to evaluate the GróMor campaign against campaign objectives was undertaken. The goal is to gain feedback on how the campaign may need to evolve for the future.
- Research was undertaken to gain feedback from participants on the Horticulture Lean Programme in 2019 to assess future investment in the programme and to optimise learnings.
- A joint innovation project with Bord Bia and a UK retailer, the High Potential Navigator saw five Irish suppliers selected to participate in 2019.

STRATEGIC PILLAR 3: BUILDING REPUTATION FOR GROWTH



Chief Executive's Review

Ireland's reputation as a world-class supplier of food, drink and horticulture has been deepened and enhanced as the country has grown its global export presence.

In a world of complex trade, climate and sustainability challenges, that commitment to excellence requires constant affirmation. Bord Bia works through a range of workstreams and programmes to ensure Ireland's expanding market opportunities are underpinned by awareness of its reputational strengths and commitments to sustainability and quality.

These actions and programmes can be divided into the following four sub-streams:

- Defending and building preference for Ireland
- Building preference in existing markets
- Building awareness in new markets
- Driving corporate reputation

Defending and growing preference (home market)

Bord Bia activities in the home market focus on encouraging consumers to show consideration and preference for sustainably assured Irish food, drink and horticulture.

Domestic marketing campaigns in 2019 included:

- The three-year EU co-funded 'Mushrooms Complement Everything' campaign to promote mushrooms in the UK and Ireland runs until Jan 2021. Campaign phases ran in April and October, with additional PR and online activity in November and December.
- Running between March and September, the emphasis of the GroMor Gardening Campaign was on digital and video related activity.
- The Quality Mark Pork Campaign was run with the objective of increasing the frequency of purchasing quality assured pork amongst 30-60-year-old female shoppers. An evaluation found 55% of the core target audience recalled seeing the TV advert while Facebook/Instagram activities reached over 526,000 individuals.
- The Quality Mark Chicken Campaign was aimed at increasing purchase frequency of Bord Bia Quality Assured chicken fillets and whole chicken. An evaluation found 60% of the target audience recalled seeing the TV advert while Facebook/Instagram activities reached 800,000 individuals.
- The Quality Mark Pork and Bacon Campaign was aimed at 30-60-year-old female shoppers to encourage consumers to switch to choosing ham and bacon with the Bord Bia

Quality Mark. 68% of the core target audience recalled seeing the TV advert. Of these, 55% claimed they were more likely to purchase quality assured ham and bacon in the future.

- The Quality Mark Eggs Campaign was designed to increase sales volume of Quality Assured eggs via increased frequency and volume purchased per trip. 45% of the core target audience recalled seeing the TV advert. The digital Facebook/Instagram activities reached over 568,000 individuals.
- The Quality Mark Lamb Campaign aimed at increasing the volume of lamb purchased per shopping trip among 30-60-year-old females' shoppers. 55% of the core target could recall seeing the TV advert. Digital Facebook / Instagram activities delivered 857,442 impressions.
- The European Co-funded EU Lamb Campaign was designed to encourage increased consumption of lamb specifically among younger age groups. Outdoor advertising resulted in 72.7% of target group reached. Online advertising via The Irish Times and Irish Independent delivered 1.78 million impressions. Digital activities on Facebook and Instagram delivered 3.3 million impressions.
- The Whitefish Campaign was designed to promote Irish white fish for everyday and weekend meals, 52% of the core target

could recall seeing the TV advert while Facebook / Instagram activities delivered 1.74 million impressions.

- The Generic Quality Mark Campaign encouraged shoppers to actively look for the Quality Mark. An evaluation of the TV advert indicated that 68% of the target audience recalled seeing it.
- Research in mid-2019 showed the Q Mark at its highest levels of metrics for both awareness and propensity to purchase to date, reaching 93% and 68% respectively.
- The 2018/2019 school year saw 700 schools and 118,000 pupils participating over four blocks in the Food Dudes Healthy Eating Programme.

Bloom

Bloom 2019 was the 13th year for Ireland’s largest gardening and horticulture festival. It was also the fourth year to achieve an attendance in excess of 100,000 and delivered the highest ever visitor satisfaction levels at 99.5%. This year’s event also recorded the highest ever awareness of Bord Bia ownership of Bloom, which registered at 94% among visitors.

There were 11 gold medals awarded for show gardens, the highest number ever achieved. Industry participation was at a record level and there was a strong spirit of partnership in evidence with contributions from the Department of Agriculture, Food and the Marine Plant Health education stand and the Organic School.



New partners such as Healthy Ireland joining others like BIM and EPA to communicate on important issues like the Clean Oceans Initiative and food waste.

In terms of media coverage, Bloom 2019 was also an outstanding success with an AVE of €4.5m. Among consumers there was a spend of €9m over the five days with another €24m post-event spend on plants alone.

The Bloom trade breakfast has gone from success to success. In all, 250 buyers and senior representatives from the retail and foodservice sectors attended the on-site trade breakfast to meet with client companies. This was a 16% increase in attendees on 2018.

Drive preference in established markets

In the context of a changing environment in the industry’s most established markets, Bord Bia is investing in marketing communications to build on positive perceptions and to drive preference for Irish food and drink.

Ireland’s strengths in food sustainability, as expressed through Origin Green, are being shared at a B2B and B2C level.

B2B marketing campaigns for dairy and beef were activated across key priority established markets (the UK, US and Germany for dairy and Germany and Italy for beef) in November 2019. The activity targets key trade buyers by advertising in sector-specific trade press publications, digital advertising and social channels using the new creative assets developed for Food Brand Ireland.

Bord Bia has worked on a number of initiatives to establish awareness of the distinction of food and drink from Ireland, relative to its competition, in new markets. Food Brand Ireland campaigns were run for dairy, beef and seafood in priority international markets.

B2B marketing campaigns for dairy, beef and seafood were activated across the key priority markets of Japan and South Korea. The activity targeted trade buyers through advertising in sector specific trade press publications, digital advertising and social channels.

The first phase of the China three-year marketing communications strategy was launched in Q4 2019 and was designed to increase awareness around the distinctiveness of Irish food, specifically beef, dairy and seafood.

Bord Bia’s corporate brand and awareness around key programmes such as Origin Green require consistent focused reinforcement to maximise stakeholder value. In 2019, Bord Bia undertook a variety of initiatives to enhance brand messaging with a particular emphasis on farmer engagement. These were undertaken in line with its corporate brand strategic position ‘to be the catalyst for the sustainable commercial growth of Irish food, drink and horticulture’.

Farmer engagement

In 2019, a cross-organisational farmer engagement strategy was activated, based on detailed research completed in July. Direct farmer communications undertaken as part of the strategy included:

- 12 monthly *Irish Farmers Journal* market insight and global features
- Eight regional farm walks on beef and dairy farms
- Attendance at farmer meetings
- Presence at the National Ploughing Championships
- Presence at Dairy Day in Moorepark
- Annual meat seminar
- Provision of content to Agriland and Co-op ezines
- Production of dairy video
- EU markets visit for quality awards winners

In the context of the significant challenges in the beef sector this year, there was a requirement to address some confusion and misleading information that had emerged around the Quality Assurance Scheme and use of the Bord Bia Quality Mark. Specific communication and engagement activities undertaken in response to this included:

- Development of a farmer-focused FAQ leaflet on the Quality Assurance Scheme and use of the Q Mark. This was circulated to all 50,000 members on the QA database, with auditors also briefed on its contents.
- A radio ad highlighting the Bord Bia ‘helpdesk’ through which audit assistance and support is available. This ran on 12 local radio stations.
- Bord Bia personnel from the Quality Assurance and Meat teams discussed and addressed queries around quality assurance on local radio stations.
- Articles in the *Irish Farmers Journal* focused on the value of quality assurance in the marketplace.

Further initiatives will be undertaken to intensify farmer engagement in 2020.

Deepen Membership Engagement of Origin Green

Bord Bia undertook a communication strategy to demonstrate the tangible and intangible benefits of Origin Green to a broad base of stakeholders in 2019. This involved communicating its impact directly to members; encouraging citizens to become

aware of and to take pride in the programme; engaging business leaders in the tangible commercial benefits of the programme; and enhancing collaboration on sustainability with peer organisations such as Teagasc, BIM, Enterprise Ireland and IBEC. As Origin Green extends into areas of EU focus such as emissions, water, waste and nitrates, collaboration with key stakeholders is key to successfully driving improvements in sustainability performance with all members, farmers and companies alike.

Monthly updates were provided to members through the Origin Green e-zine. Member materials were updated and work to improve the Origin Green website in terms of user experience and content was also undertaken.

At the end of 2019, at manufacturing, retail and foodservice level, Origin Green participation numbers were:

Total registered	625
Developing plans	156
Draft plans submitted	124
Verified members	345

At retail and foodservice level, the programme had 11 verified members. A further 14 are registered and actively developing sustainability plans.

Nine introductory plan development webinars took place in 2019 with over 20 companies attending each session. The webinars introduced Origin Green to new members, who were also assigned a dedicated Origin Green mentor and participated in a six-week plan development course.

At the end of 2019 there were some 54,000 producer members of Origin Green with a number in one or more sustainable quality assured schemes. There are 53,108 members of the Sustainable Beef and Lamb Assurance Scheme, 16,092 members of the Sustainable Dairy Assurance Scheme along with membership in the Bord Bia quality schemes for poultry, pigmeat, amenity horticulture, fruit and vegetable, etc.

In all, 35,733 Sustainable Beef and Lamb Assurance Scheme (SBLAS) audits were conducted in 2019, an increase of 2,179 on 2018. Of these, 78% were on beef-only farms, 18% on beef and sheep farms with the remaining 4% on sheep-only farms. 8% of audits were on the farms of new applicants or re-applicants to the scheme.

In 2019, it was decided that the Sustainable Dairy Assurance Scheme (SDAS) and SBLAS will be combined into a new Livestock Sustainable Assurance Scheme, updating both schemes at the one time and improving efficiencies and cost savings for both. The target for completion of the combined standard is Q4, 2020.

Bord Bia continued to work in collaboration with Teagasc to define Irish grass-fed beef and dairy. The new Grass-Fed Standard will substantiate grass-fed claims ensuring the significant advantage in this area can be rigorously demonstrated.

The work undertaken on Origin Green in 2019 contributed to the positioning of Ireland as a unique leader in sustainability. As a reflection of this, Bord Bia will host the Global Sustainability Summit in September 2020 in the Dublin Convention Centre.

Festivals, awards and sponsorships

Food events sponsored by Bord Bia in 2019 included:

- A Taste of West Cork
- Listowel Food Fair
- Food on the Edge
- Tullamore Show
- All Ireland Farmers' Market competition

Other food initiatives supported included:

- World Steak Challenge
- Pigmeat promotion at Chinese New Year Festival
- Cork/Kerry Food market
- Irish Food Writers Guild
- St. Patrick's Day Embassy promotional activities.

Supporting CAIS (Cheesemakers Association of Ireland), Bord Bia co-ordinated the participation of 11 cheesemakers at Bloom 2019 and sponsored the Irish Cheese Awards in November.

To promote Quality Assured Turkey, Lamb and Ham through a variety of Christmas recipes, Neven's Waterford Christmas Special ran on RTE 1 on December 3 and December 10. Total viewership across the two shows was 580,800.

Filming for the second series of Neven's Irish Seafood Trails, which throws a spotlight on Irish haddock, hake and whiting to coincide with Bord Bia's three-year national advertising campaign, took place in 2019, with the show set to air in early 2020.

Beef Market Taskforce

Bord Bia was requested to be part of the new taskforce to conduct a series of price analyses for the purposes of market assessment over time. By November 2019, three price analyses were completed and published on bordbia.ie. These included:

- Beef market price index: A monthly indicator of market prices for Irish beef at wholesale and retail level.
- Export benchmark cattle price: An in-depth analysis of cattle prices in Ireland's main export markets to establish an 'export benchmark price'.
- Offal market indicator: Offal and hide contribute to the overall value returned from the market. Reports available from the USDA were utilised to establish their current value in Ireland.

STRATEGIC PILLAR 4: LEADING THROUGH PEOPLE



Chief Executive's Review

In Ireland's journey to become a world-class supplier of food, drink and horticulture, the people who make up the industry are its most important asset. Providing the support, internally and externally, for our industry's talent to be the very best professionals that they can be is a key strategic pillar of Bord Bia's activities. This commitment is expressed through the following sub-streams:

- Entrepreneurial Programmes
- External People – Talent Academy Programmes
- External People – Marketing & Capability Evaluation
- Internal People – Bord Bia Reputation and Profile
- Internal People – Commitment to Capability Development
- Internal People – Excellence in People Management

Entrepreneurial programmes

Bord Bia entrepreneurial programmes encourage a culture where people think differently and make informed judgments that bring new value streams to the industry.

Food Academy brings together Bord Bia, Musgrave and Local Enterprise offices to support small businesses in gaining an understanding of, and greater access to, the Irish retail channel. The 2019 Food Academy saw programmes run in Dublin, Meath and Wexford, with a total of 33 companies participating (see also Strategic Partnerships).

Food Works is a collaborative initiative from Bord Bia, Enterprise Ireland and Teagasc, targeting early stage and repeat entrepreneurs with the aim of establishing scalable food businesses. Six finalists were shortlisted to take part in the 2019 programme. In November, the entrepreneurs pitched to an audience of potential investors alongside agency representatives.

Bord Bia Talent Academy Programmes which include the Marketing Fellowship, International Graduate, Insight and Innovation, Supply Chain Management and Origin Green Ambassador, are designed to address identified skill gaps and provide the industry with the talent pipeline for the future.

The Marketing Fellowship programme offers Irish clients the opportunity to utilise on the ground promotion and market development resources in export markets. Twenty participants commenced the 10th Bord Bia Marketing Fellowship in July with Fellows operational in markets including UAE, Germany, Vietnam, UK, US, Korea, China, Singapore, Stockholm and Japan. They will work on 58 commercial assignments for 34 client companies up to December 2020. All impacts, particularly sales development will be measured at the end of the programme. Client companies who participated in the 9th Marketing Fellowship attributed achieved and potential sales of €101m to the assignments completed on their part by the Fellows.

The Origin Green Ambassador programme builds understanding of the Origin Green sustainability programme among international customers. Ten participants in the 4th programme completed their sustainability and Origin Green training in September. The first series of international placements will run until May 2020 with Albert Heijn (Holland), Britvic (UK), Unilever (UK) McDonalds, Sainsbury's, Sodexo, Amazon, Waitrose and Nestle.

The Supply Chain and Procurement programme builds insight into and understanding of key customer accounts while developing future business development executives for Irish clients. Eight experienced graduates are on placement with the following accounts Brakes (UK), Sainsbury's (UK), Compass (UK), McDonalds (UK), Convergence Achats (France), HMS Host (UK) and MHW (US drinks distributor).

The Insight and Innovation programme was developed to engender an insight-led marketing culture in Irish food and drink companies.

The Bord Bia International Graduate programme sees graduates on the programme placed in Bord Bia offices in Dublin and overseas. Some 32 new graduates are participating in this 23-month MSc programme.

Building the reputation of the Bord Bia Talent Academy is critical to attracting the most talented executives to the Irish food and drink industry.

Bord Bia plans for the Talent Academy brand to become synonymous with a high watermark of excellence in the development of business and marketing talent for the food and drink industry.

Building Bord Bia's reputation and becoming an 'employer of choice' is key to attracting talented people who wish to grow the industry and their careers within Bord Bia, live its values and express a true passion for what they do.

At the Ireland CSR RepTrak®2019 event Bord Bia was named as the organisation with the best Corporate Social Responsibility (CSR) reputation in Ireland, according to results of the Ireland CSR RepTrak® 2019 study

A commitment to capability development is a key driver to deliver organisational success, as is the development and embedding of a Bord Bia Competency Framework for all staff, which is tightly aligned to the strategy and the values of Bord Bia and which creates integration, alignment, clarity and focus for its staff. The 'Insight Led Decision Making' competency is the current organisation wide priority. The Bord Bia Insightful Thinking Training programme commenced in September 2019 and will run to May 2020, with 113 colleagues completing three distinct modules accredited by the Marketing Institute of Ireland.

The Management Development programmes incorporate the core principles of inclusiveness, people management and accountability. Building people management capability at senior management level is a key priority for the organisation.

Bord Bia's Performance Development Process (PDP) launched internally in January 2019 was supported through a series of communications and workshops to fine tune implementation. In addition, senior managers were invited to participate in 360° surveys in November 2019, feeding into the development of personal growth plans in 2020.



CONCLUSION

The challenges faced by the Irish food and drink industry in 2019 were considerable and few ended with the calendar year. Looking to the future, the challenges of Brexit, trade and economic volatility, climate change and other natural disruptions, as well as changing consumer demands remain live issues that will require consistent focus, determination and resolution. What 2019 has confirmed, however, is that not only is the industry capable of responding to an array of challenges, but is increasingly doing so through a unified message of what Ireland represents in terms of quality, sustainability and strategic customer management.

Whether in existing markets or emerging ones, that message requires reinvigoration and refreshment to remain strong and positive. Throughout 2019, Bord Bia has worked tirelessly with our clients to ensure Ireland's outstanding food, drink and horticulture offering is communicated powerfully and consistently, and attenuated to the appropriate audience. The first year of our new strategy *Building Differentiation, Winning Growth* has also seen us deliver this message with a firm focus on the practicalities of export sales growth, whether through lead generation, building and maintaining trade relationships or ensuring a structured approach to capitalise on new opportunities.

Bord Bia's investment in Quality Assurance and Origin Green; insight and market research; capability and talent development; market activation and market prioritisation; and entrepreneurship will also contribute to the momentum of growth into 2020 and beyond.

That momentum is further empowered by our robust strategies to defend market position in the home market and the UK, the ongoing work to build our position in Europe, and the drive to diversification and expansion into new international markets. There is much to be proud of in what has been accomplished in this regard in 2019, and much to look forward to as we take this strategy forward.

I would like to conclude by expressing my appreciation to the Chair of Bord Bia, Dan MacSweeney, who made an outstanding contribution to Bord Bia throughout 2019. Let me add to that my sincere thanks to all the members of the Board and the five subsidiary Boards who have been equally steadfast in their commitment to aligning the work of Bord Bia to the challenges our industry faces. It has been extremely rewarding to work with all members as we initiated the first year of the *Building Differentiation, Winning Growth* strategy.

It would be difficult to overstate the exceptional contribution of the 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, during this year.

It has been my privilege to work alongside them as they have confronted the many challenges the year has presented. Let me add to that my thanks to Secretary General Brendan Gleeson and his team at the Department of Agriculture, Food and the Marine for the great assistance they provided during 2019.

Finally, and no less importantly, I would like to express my sincere thanks to my colleagues in Bord Bia who have once again shown their enduring ability to deliver the exceptional. It has been a significant year of growth and development within Bord Bia itself as we have welcomed new staff members to the organisation, strengthened our ability across a wide variety of disciplines and extending our capacity to deliver meaningful change. In December 2019, Bord Bia celebrated the 25th anniversary of its foundation. I believe we can say with some confidence that the organisation celebrated this milestone stronger, more influential and in a more powerful position to deliver on its remit than at any time in its past. This is fundamentally a tribute to the people who work within it and who deliver excellence on a daily basis. On that note, let me thank the Minister for Agriculture, Food and the Marine, Michael Creed, TD, and his Department for providing the resources to enable Bord Bia to grow, recognising that this is an investment in the future success and growth of the food, drink and horticulture industry.



Bord Bia has been proud to play its part in what has been a decade of growth for the Irish food, drink and horticulture industry and is committed and passionate about realising its further potential in the future. Ireland's reputation as a sustainable source of the highest quality food and drink is undoubtedly growing in stature and our goal of bringing increased value to our stakeholders, and to the customers of Irish food and drink at home and abroad, is growing with it.

We look forward to working with all our partners in the year ahead and to making a further significant contribution to our industry, our people and our country.

Tara McCarthy,
Chief Executive

SECTOR REVIEW: MEAT AND LIVESTOCK



During 2019, cattle supplies at export meat plants fell by approximately 60,500 head, or 3.4%, to leave the annual total throughput at 1.737 million head. This drop in production was mainly caused by the disruption experienced during the meat factory protests, which ultimately contributed to further challenges for beef processors and cattle finishers. Throughput was up 40,000 head prior to the first factory protests in early August. This increase in production during the first seven months of the year quickly diminished as many factories had their operations significantly reduced during the months of August and September.



Overall, the number of steers processed in 2019 declined by 6.2% or 41,000 head, while cow supplies fell by 49,500, or 12.5%. This figure was partly offset by the increase in heifer throughput, with an extra 17,000 animals processed and young bull numbers also increased by 4,500. This resulted in an overall decrease in throughput for the year of 60,500 animals.

The average carcass weight of beef animals processed in 2019 increased by 6.8kg (2%), which was largely attributed to favourable grazing conditions throughout the year, combined with delays in selling finished cattle for processing later in the year.

In total, the volume of Irish produced beef declined by 1.5% to 624,000 tonnes in 2019. Beef exports similarly declined to 560,000 tonnes (excluding offal), which had an overall value of €2.1bn, representing a decrease of 10% on the year previous. The value of Irish offal exports also declined slightly to €182m. The total value of beef exports, including offal reached almost €2.2bn, a decline of 7% on 2018. This decline is largely attributed to the reduction in cattle supplies, as well as lower market prices during most of 2019.

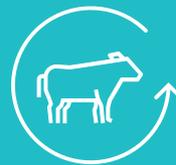
It was a challenging year for producer prices, with the average price for R3 steers in 2019 falling to €3.60/kg, a drop of 24c/kg compared to the average price in 2018. The average price recorded for the R3 young bulls throughout Europe during 2019 was also €3.60/kg, whereas the average price paid for R3 steers in the UK during the year was €3.88/kg.

Markets for Irish beef

The UK remained the dominant destination for Irish beef exports in 2019, despite the share of exports by volume dropping back to 47% or approximately 265,000 tonnes. Exports of Irish beef to the UK market declined by 11% with sluggish demand prevailing there throughout the year. In particular, significantly lower sales were recorded in the British foodservice sector. Retail demand also experienced a decline, with a reduction in UK consumption of roasting joints and steaks, with consumers increasingly opting for cheaper cuts and mince.

In 2019, continental EU markets became the largest export destination for Irish beef, taking over 48% of exports. This is the first time that Irish beef exports to continental EU markets have exceeded those to the UK. Irish beef exports experienced growth in France (+4%), Italy (+2%) and Germany (+2%). Meanwhile, volumes to the Netherlands remained static, while those to Sweden, Denmark and Spain recorded declines.

Exports to international markets increased dramatically in 2019, with non-EU markets accounting for over 8% of total Irish beef exports. Conditions in key Asian markets such as the Philippines and Hong Kong improved in 2019, due to the protein deficit that African Swine Fever (ASF) has caused in that region. The Chinese market opened to Irish beef in June 2018 and demand has strengthened considerably since then. By the end of 2019, the first full year of beef exports to China, over 12,000 tonnes of Irish beef had been exported there.



8%

of total Irish beef exports to non-EU markets



12,000

tonnes of Irish beef exported to China in 2019

Market promotion

2019 represented the first year of implementation of Bord Bia's five-year strategy for Irish meat. Under the new strategy, all of the market development and promotion activities undertaken are focussed on the following four goals:

1 Grow share in priority markets

Bord Bia has prioritised those markets with the greatest potential to deliver volume and value growth for Irish beef and targeted activities in these markets to grow business with key customers. This directs the greatest investment in the Continental markets of Germany, the Netherlands and Italy, while continuing to invest to maintain Ireland's position in the UK market.

2 Increased partnership with key customers globally

During 2019, Bord Bia commenced partnership projects with two European customers that offer significant potential to grow value and volume exports of Irish beef, and have therefore been prioritised for focused investment. Activities under this programme include insights, marketing services and category promotions designed to build the market position of Irish beef. These projects are progressing as partnerships between suppliers, customers and Bord Bia, delivering growth focused KPIs.

3 Differentiate Irish beef through robust, verifiable proof points

Consumers are increasingly demanding proof of the claims associated with the products they consume and this is especially evident with regard to beef. Based on market insights and feedback, Bord Bia has developed a capability to deliver verified claims that meet with this consumer trend. Work progressed on developing a "Grass Fed" claim, a PGI application for Grass Fed Irish Beef and submission of an application for EU funding for suckler beef. An initiative developed by stakeholders in the food and drink industry, including Bord Bia, called Meat and Dairy Facts has led to the development and execution of a communications campaign on the role of red meat in a balanced and healthy diet while also supporting the sustainability credentials of Irish beef.

4 Grow awareness and preference for Irish beef in priority markets

Based on the Food Brand Ireland model a suite of marketing material has been developed in order to drive awareness and preference for Irish beef in specific priority markets. This enhanced and focused promotional campaign commenced in the second half of 2019 and was activated across selected key markets at B2B and B2C level. A comprehensive beef B2B campaign was implemented in the UK, Germany, Italy and Netherlands, increasing the awareness and understanding of Irish beef USPs in the retail and foodservice channels. The Chefs Irish Beef Club and Meat Academy customer events were also leveraged in order to drive awareness and sales of Irish beef in conjunction with suppliers and their customers. Beef B2C campaigns supported sales of quality assured beef across the four European priority markets by driving preference among target beef shoppers in each market based on the distinctive benefits of quality assured beef. Activities included outdoor, online, radio and press advertising, PR activities and implementing instore promotions, advertorials and bespoke consumer campaigns with key customers. Similarly, Bord Bia implemented specific sales supporting category promotions with targeted key accounts in established, new and high potential markets, such as China and Japan.

Irish cattle supply outlook

Recent analysis of the Department of Agriculture's Animal Identification and Movement database suggests that prime cattle supplies look set to decline somewhat in 2020. In particular, it shows fewer animals approaching two years of age in 2020, mainly as a result of growing live exports in recent years. Throughput is expected to decline by an estimated 40,000-60,000 head in 2020.



During 2019, overall exports of live cattle from Ireland reached approximately 300,000 head, an increase of over 20% from 238,000 head the previous year. The higher trade levels were mainly attributable to increased calf exports. In terms of revenue, the total value of Irish live exports remained unchanged from the previous

year, at €110m. This is partly explained by the relatively low contribution in monetary terms coming from the increased volumes of calf exports which have a lower relative value. In addition, average prices for weanlings, stores and finished cattle all declined in 2019.

Calf exports totalled 200,000 head, representing an increase of 25% or 44,000 head. As in recent years, the principal markets for Irish calves in 2019 included Spain, the Netherlands, Italy and France. The Spanish market recorded sustained growth, accounting for over 79,000 Irish calves, an 11% increase on the previous year. These were mainly comprised of better quality Holstein-Friesian males, as well as some beef-cross calves. Irish calf exports to the Netherlands grew by a massive 72% to 83,500 head, which mainly included lighter Holstein-Friesian bull calves destined for veal production.

Exports of weanlings and finished cattle increased by 13% and 33% respectively, while the number of store cattle exported remained on-par with the previous year. Irish exports to several other markets recovered strongly in 2019 with trade to Italy increasing by 25%, to 30,000 head, as Irish animals became more price competitive than in recent seasons, relative to French cattle, which account for over 75% of Italian imports. There was a 78% decline in live exports to Belgium as a result of an outbreak of Bluetongue disease in that market. There were also 2,500 head of cattle shipped to Greece. Other markets included Poland 5,900 head, Slovakia 1,900 head, Romania 1,000 head, Czech Republic 5,100 head, Kazakhstan 1,000 head, Tunisia and finally Algeria, where exporters gained access in 2019.

In 2019, there was a 20% increase in exports to international markets, with Libya being the main destination, accounting for over 11,000 head of live cattle. Over 10,000 Irish cattle were sent to Turkey in 2019. This however is down over 2,000 on 2018, as a weakened currency and political unrest continue to dominate trade negotiations.

Live cattle exports to Great Britain were unchanged on the 2018 levels, at just 5,500 head. However, 2019 saw significant growth in live exports to Northern Ireland, which increased by over 50% to 33,000 head. The majority of these live exports comprised finished cattle along with some dairy breeding animals.

The overall value of live pig exports declined marginally year on year to €48m. Practically all of this is accounted for by exports to Northern Ireland, with the trade significantly exposed to potential Brexit effects. Live sheep exports declined by 66% on 2018 levels to approximately 7,500 head.

Religious festivals continue to play an important part in the sheep trade, with 80% of live exports occurring in the four weeks leading up to the Muslim Eid-UL-Fitr festival.

Livestock promotion

Live exports represented an important source of competition and a valuable market outlet for the various categories of stock, especially in 2019. Bord Bia actively supports the development of the live export trade, through its Senior Manager in Dublin, in conjunction with the relevant market offices, principally Madrid, Milan and Amsterdam. Bord Bia's Market Managers for Africa, the Middle East and Moscow also have a strong focus on livestock. In addition to providing up-to-date market information, promotional initiatives are arranged throughout the year to enhance the image and reputation for Irish animals.



Irish sheep throughputs were down on 2018 figures, falling back to 2.78 million head, over 200,000 head down on last year's figures, (-7%). The drop in volume and value in 2019 comes as a result of strong UK supplies for most of the year, coupled with a sharp tightening of supply in Q3 with a reduction in the numbers being sent for processing. Hogget production was down by over 91,000 head, with a similar trend in cast ewes and rams, falling back by 90,000. Spring lamb supply dropped by 20,000. The reduction of numbers in the system decreased the total volume of sheepmeat produced in 2019 to 67,500 tonnes, a drop over of 2,000 tonnes on the previous year. The first 8 months of 2019 saw an increase in throughput volumes by 6% to 48,700 tonnes. However, protests outside beef factory gates in August and September affected some of the dual species processing plants, reducing the throughput figure in Q3. The improved grazing conditions of 2019 resulted in recorded higher carcass weights, with 2019 carcasses being on average 0.7 kg heavier than in 2018.

The Easter period in 2019 contributed to the rise in exports in the first quarter and into Q2, with Christian and Muslim festivals falling just two weeks from one another. However, the sluggish consumer demand for Irish sheepmeat in the main export destinations along with the uncertainty of Brexit led to a decline in Irish sheepmeat exports of 7%.



With decreased throughputs of new season lamb in the third and fourth quarters, together with a decline in supply of culled ewes, total exports reached 54,000 tonnes. Sheepmeat export values for 2019 were €294m, a 7% decline on the previous year on the back of a reduction in market prices.

Farm gate prices for sheepmeat in 2019 were on average down 25c/kg on 2018 levels. The average sheep price for the year stood at €4.80/kg, which was the lowest average price since 2015.

Exports of Irish sheepmeat to the French market declined in 2019 by 16%, back to €87m while Irish exports to the UK increased by 4% to €57m, despite a weakening currency and poor consumer demand. France remains the largest market overall for Irish sheepmeat with a 30% share of these exports.

The German market saw decreases of around 30% in value terms in 2019, with an export value of €30m. Notwithstanding this, it remains Ireland's third most valuable export market for sheepmeat. Meanwhile, the Belgium market saw a decline of 21% back to €23m while the value of Swedish imports of Irish sheepmeat reduced by 4% to around €23m.

While the majority of Irish exports in volume terms are still destined for either France or the UK, it is worth noting that the value of exports to other markets now stands at over 50% of total exports. This represents a 1% rise on the previous year's figures, which showed 50% of export values were for markets outside of the UK and France. Diversified, high value markets such as Belgium, Germany and Sweden, now account for a combined 26% of export values, (down 3% on 2018).

For 2020, the sector hopes to see a return to growth for Irish sheepmeat, assuming no unforeseen events curtailing the sector's ability to supply.

Promotions

With the objective of increasing the frequency of purchase and to encourage consumers to choose lamb with the quality mark, during the peak season of supply, home market promotions focused on a broad spectrum of activities to include PR and social media activities as well as a 10 week TV campaign airing in May, September and November. Recognising the importance of the hill lamb sector, Bord Bia in collaboration with industry stakeholders undertook a number of promotional activities to include inward buyer visits, retail promotions and tastings.

Bord Bia entered the third year and final year of the EU co-funded promotional campaign themed 'EU Beef & Lamb – Excellence in Food Safety and Sustainability' across China, Hong Kong and Japan. The underlying objective of the campaign is to build awareness of the high standards of food safety, quality assurance and traceability associated with beef and lamb from the European Union. The campaign has secured 80% co-funding from the EU over the period 2017-2019, culminating in a promotional spend of €3.75m. Activities for the third year of this campaign included inward buyer visits, knowledge transfer programmes and study visits. Bord Bia also exhibited at multiple trade shows in Beijing, Chengdu, Hong Kong, Shanghai and Tokyo, as well as hosting a Chefs Master Series to coincide within a Ministerial lead trade mission to China in May 2019.

Building upon Ireland securing market access into Japan in June 2019, an EU beef and lamb technical seminar, to include tastings of Irish lamb was hosted for key importers and distributors in Tokyo.

Outlook

With effect from 1 June 2019, all sheep moving off a holding must be identified with an EID tag. This move to full EID will protect Ireland's reputation as a source of safe and secure food and animals. It will put Ireland's sheep traceability system on a par with other major competitor exporting countries in maintaining and securing new international markets for Irish sheepmeat.

In 2020, Easter will fall on 12th April. This will be followed by Ramadan some two weeks later, for the period 23rd April to 23rd May. The timing of these festivities provide a significant impetus to trade demand over that period.

The form that Brexit will take will be important for the lamb export industry. The implications of a hard Brexit may compound the logistical issues for Irish exporters of using the UK land-bridge in the lead-up to two of the busiest weeks in the year, Easter and Ramadan. Nevertheless, Ireland will have a competitive advantage over UK exports to the EU. Some 95% of UK exports are destined for EU26 countries, of which France accounts for 50%, followed by Germany at 10%.



PIGMEAT

Against a backdrop of relatively poor prices for 18 months leading up to Q2 in 2019, Irish producers saw the benefit from a significant uplift in international prices from the middle of 2019 onwards. On the back of increased production, export value for 2019 increased by almost 14% to €941m. However, lower pigmeat exports during the year reduced the volumes available for export by 4% to 254,000 tonnes.

Global trade was affected also by the outbreak of African Swine Fever (ASF) in China, which has spread to nearly all Asian nations since the disease outbreak in China in August 2018. Restrictions on the transport of pigmeat have made it difficult for affected countries to move pigmeat inventories. The impact on China, the number one global pigmeat producer has been particularly severe, with the country forced to liquidate over 130 million pigs, over 40% of its national herd.

With the liquidation of 25% of the world's pig supply, it has created a large protein deficit in regions of Asia where the disease has affected pig herds the most. China made the decision to increase its pork imports by over three million tonnes, which has been the main catalyst for the rapid price growth evident in Q3 and Q4.

The average pigmeat price in Ireland in 2019 stood at €1.66/kg, the highest yearly average since 2013 and a significant increase of over 12% on the 2018 average price of €1.38/kg. The price achieved was some €0.05/kg below the average EU price in 2019.

Domestic

Ireland consumes more than 50% of the total output of pigmeat annually, a uniquely high proportion across all species. The pigmeat sector in Ireland had a reasonably strong performance in 2018. In 2019, the volume of pork and sausages sold at retail level decreased by 3.4% respectively, to over 35,000 tonnes. Sales of sliced cooked ham increased by over 5% breaching 20,000 tonnes as consumers purchased the product more frequently combined with new shoppers buying this product. Domestic retail sales of pigmeat products were over €412m in 2019.

EU markets

The UK remains the most significant export market for Irish pigmeat, accounting for 53% in 2019. Germany and the Netherlands recorded strong growth in value of exports, in the region of 6% and 17% respectively when compared to 2018 figures. Germany now represents in the region of 3.5% of total Irish pigmeat exports, making it the fourth most important destination. Exports to Denmark declined in 2019 by 50%, yet still represents our third largest export market. Exports to France and Spain remain modest, however these markets are a valuable outlet for high value products and each of these markets saw significant growth in value terms in 2019.

International

International markets such as Japan and China saw unprecedented growth in 2018. Overall exports to international markets rose by 18% to 110,000 tonnes.

Exports of Irish pigmeat to China more than doubled from €73m to €151m, as Irish suppliers performed well in spite of strong competition from Germany, Spain, Brazil, the US and Canada. China is the largest international market for Irish pigmeat, with a record breaking 82,000 tonnes being exported there. During 2019, it was the second most important market overall after the UK for Irish pigmeat exports.

Exports to Japan increased by 19% to €44m, and it is the second most important international market.

Outlook

Global pigmeat prospects for 2020 are expected to be underpinned by key market dynamics, especially in Asia and to a lesser extent in Europe where production is affected by ongoing disease challenges. This should present opportunities to large net exporters such as the US and Brazil to grow their market share in Asia for the year ahead.

Chinese pigmeat imports are expected to increase by 42% and reach record levels at 3.7 million tonnes during 2020 according to the USDA.



In 2019, the value of poultry exports from Ireland are up 5% to €306m. In terms of volume, Irish poultry exports increased by an estimated 10% to almost 150,000 tonnes compared to the previous years' levels. The growth in the overall value of the poultry sector was facilitated by the 5% increase in the number of poultry birds being processed in Ireland. This is the highest production ever recorded for poultry production in Ireland and reflects the continuous increase in popularity for white meat protein as consumers perceive poultry meat to be a versatile and healthier choice compared to other sources of meat protein. In all, 106 million birds were sent for processing in 2019, the first time that the 100 million figure has been surpassed.

Domestic

During 2019, the volume of poultry sold increased by 3% as consumers purchased this category more frequently while the average price per kilogram remained flat at €5.56/kg. The foodservice channel has also been more supportive of Bord Bia Quality Assured poultry over the last two-year period and this is helping build demand for quality assured poultry meat.

Exports

Of the poultry exported from Ireland in 2019, 71% went to the UK, of which 87% went to Great Britain. The second largest export market for Irish poultry is South Africa, which accounted for €31m in 2019, or 10% of total Irish poultry exports. Despite expectations that the new, "agricultural safety levy" of 35% on imported bone in poultry cuts would effectively wipe out this market for Irish exporters, demand was sustained, with only a marginal decline of 3% recorded.

Outlook

The outlook for the global poultry industry will be challenging in 2020. The ongoing impact of ASF outbreaks in Asia will have a major bearing on total protein availability in local markets, given the expected drop in pork production across China, Vietnam, the Philippines, Cambodia, Laos, and Myanmar. In general, a further expansion in local chicken and duck production in Asia is expected for 2020. This will be led by local poultry integrators, with pig farmers shifting to chicken production further boosting supply. These non-fundamental-driven investments are a risk for local protein industries. They are already causing volatility in markets like Vietnam, where domestic chicken prices have dropped sharply.

The US has now regained access to China, after being out of the market for four years after a case of Avian Influenza (AI) in 2015. Meanwhile, Russia and Ukraine are also gaining access to many global markets. European countries are also expected to gradually see improved access to the Chinese market, although the process has been slow especially due to AI emerging in a number of key EU member states, including Ireland.

SECTOR REVIEW: FOOD & BEVERAGES



DAIRY PRODUCTS AND INGREDIENTS

Dairy is Ireland's largest food export sector and has maintained its position as a pillar of Irish food and drink exports, growing by 11% in 2019 to €4.4bn. This was the third consecutive year in which the value of dairy exports exceeded the €4bn mark and was achieved despite weakening prices for key dairy categories internationally, particularly in categories like butter.

Ireland exported dairy to 124 countries in 2019, the top five destinations were the UK, the Netherlands, China, Germany and the US. Weather conditions in 2019 were favourable through much of the year and, combined with increased dairy herd numbers and improved cow productivity, resulted in 5.3% increase in Irish milk production to 7.98bn litres.

Butter is the largest category within Ireland's dairy export portfolio and, in 2019, accounted for €1.1bn, or one quarter of total dairy export value. Butter continued to enjoy significant growth in the US again in 2019. The US is the second largest market for butter valued at €218m, an increase of 28% on 2018. Kerrygold has played the key part in this helped by its growing popularity and it is now the number two butter brand in the US.

Cheese was Ireland's second largest dairy category in value terms in 2019. While Brexit presents a distinct concern for suppliers, 2019 was largely positive in terms of both ongoing UK market receptivity and the broader story of diversification. A volume increase of 26% fed into the value of cheese exports increasing by 22% to €998m. Almost half of Irish cheese exports are to the UK and the industry is focused on defending that market while also looking at diversification given increased milk output.



Significant investment in new cheese production is underway in response. As these products come through, increased exports to these markets is expected.

As a result of the clearing out of intervention stocks and the highest commodity prices since 2014, SMP exports increased in value 55% to €332m. It is expected that the positive demand dynamic will continue. SMP exports are up in most of the key export markets and across Europe in general.

Insight to power growth

In 2019, Bord Bia launched its dairy strategy for the overall sector, including farmers and processors, identifying value-added opportunities for Irish dairy output. In line with the new strategy, Bord Bia undertook a number of recent projects in priority dairy markets.

China was identified as a priority growth market and Bord Bia carried out extensive research on the cheese category in China with particular reference to its use for pizza, which has been growing significantly in recent years and offering growth opportunities.

Bord Bia also conducted research examining the realities of the adult nutrition category, both now and in the future in China and Japan. This research spans trade, routes to market and consumer ethnography and will illuminate the opportunity for Irish dairy suppliers into this rapidly expanding category.

Bord Bia carried out extensive research looking at dairy ingredients markets including South Korea, Vietnam, Japan and Mexico. The reports summarise the findings of market insight research on end-use markets for dairy ingredients in these locations, and the findings highlight important opportunities for Irish dairy companies around innovation as a point of differentiation. The reports set out to clarify the competitive set, domestic self-sufficiency, and trajectory of demand for each ingredient; as well as salience of the sustainability differentiation that Ireland can deliver. They outlined the buyers in market with contact details, creating potential for lead generation. The reports on South Korea and Japan were used to inform the trade element of the trade mission that took place in June 2019.

Bord Bia also set out to explore evolving consumer needs in the Functional Food & Beverages Playbook report in order to identify high-potential innovation opportunities for Irish manufacturers. This qualitative and quantitative consumer and market insight explores consumer needs and identifies innovation opportunities in the functional food and beverages space.

This report highlighted the fact that dairy-based food and beverages play a key role in brain, spirit, gut and body health.

Build reputation for growth

Funded by the dairy industry, the 2019 B2B dairy campaign was activated across both priority established and new markets to communicate the benefits of sustainably produced dairy from Ireland and how the Sustainable Dairy Assurance Scheme (SDAS) at farm level provides the structure for delivering the reassurance and proof required by those markets.

The campaign was launched in established markets, the UK, the US and Germany with the objective of driving preference for dairy among target B2B customers.

In the new markets of Japan and South Korea, the objective of the campaign was to drive awareness of Ireland as a source of dairy among target B2B customers.

The campaigns were activated across various marketing touchpoints including trade print and digital advertising relevant to the target audience.

Press advertisements and advertorials were published in trade publications with a combined circulation of 274,000 in the established markets and 401,000 in new markets.

In China, a B2C digital campaign was launched to promote Irish dairy to target Chinese consumers in Tier 1 and Tier 2 cities using media, key opinion leaders (KOLs) and a verified Weibo and Wechat account.

A dairy Grass Fed Standard was developed by Bord Bia and Teagasc in conjunction with industry and approved by INAB. The purpose of the standard is to facilitate the marketing of grass-fed dairy products. Through the Grass Fed Standard, industry can provide verifiable proof and a point of differentiation in a competitive market.

In order for a processor to use a Bord Bia verified Grass Fed claim on a product, the milk used must average 95% grass fed on a fresh weight basis. The Sustainable Dairy Assurance Scheme (SDAS) and the Teagasc Grass Fed model provided the data and methodology for measurement.

Driving success and growth in the market

Dairy companies participated in over ten trade shows and trade missions during 2019. These included Gulfood in Dubai (17th – 21st February), the world's largest

annual food fair organised by the World Trade Centre in Dubai which welcomed nearly 100,000 visitors from over 160 countries, and saw five Irish dairy processors take space on the Bord Bia stand in the Dairy Hall. It attracted buyers from Middle East, North Africa and Asia. Bord Bia also participated, for the second time, due to industry demand, in Gulfood Manufacturing (29th – 31st October) in Dubai which saw two Irish dairy companies participate. PLMA in Amsterdam (21st - 22nd May) is one of the largest gatherings of private label buyers and professionals. The Ireland stand hosted 25 companies, and a fifth of the participants on the stand were from the dairy category.

Bord Bia Bloom (30th May – 3rd June) welcomed over 115,000 visitors, including 20,000 children. Some six dairy companies participated in the Food Village area. In addition, Bord Bia sponsored 11 cheesemakers to have presence under the CAIS banner.

Mondial du Fromage (2nd – 4th June) welcomed 170 exhibitors from 10 countries in Tours, France. More than 3,500 visitors attended the event such as chefs, retail buyers and distributors. Two participating cheesemakers were supported by Bord Bia.

Food Ingredients Asia in Bangkok, Thailand (9th - 13th September) provided companies the opportunity to meet leading ingredients buyers and review the latest product innovations from all over the world. Over 750 exhibitors and 20,000 visitors were welcomed. Two Irish dairy companies represented the Irish dairy industry by participating on the Ireland stand.

Anuga (5th - 9th October) took place in Cologne, Germany and saw four Dairy companies exhibit.

Food Ingredients Europe (FIE) (3rd - 5th December) took place in Paris and provided three Irish dairy companies the opportunity to meet with new and existing clients face to face.

The Irish Farmers Journal hosted Dairy Day in Punchestown (19th November)

Trade missions

Minister for Agriculture, Food and the Marine, Michael Creed, TD, led the trade mission to China, which coincided with the SIAL China Exhibition in Shanghai (14th – 16th May). There were 30 executives from the meat and dairy sectors visiting three cities in China. Minister Creed met with two of China's leading dairy companies, Yili and Mengniu.

A second ministerial led trade mission to Japan and the Republic of Korea took place from 8th – 14th June, in which eight dairy companies took part. This Trade Mission built on the first Trade Mission to both countries in November 2017.

These countries have been identified, by the Market Prioritisation study, as offering potential for dairy export due to an aging population and a growing demand for dairy products.

Talent

The Bord Bia Fellowship Programme helps Irish food and drinks companies develop business opportunities overseas. In 2019, 10 fellows were placed in dairy companies in countries including Germany, Dubai, Japan, Korea, China, Singapore, Vietnam, the UK and the US. The role of Bord Bia Marketing Fellows is to work on overseas assignments on behalf of the Irish dairy industry. Students work on a variety of company projects while placed in market, partnering closely with Bord Bia staff during their placements.

The Origin Green Ambassador (OGA) programme focuses on developing individuals who can play a major role in the field of sustainability. There are two OGAs placed in companies with dairy elements, Nestlé and Unilever.



PREPARED CONSUMER FOODS

Prepared Consumer Foods (PCF) and Prepared Food are two closely interrelated categories that have emerged to serve different purposes within the food industry.

PCF encompasses a wide range of value-added food and beverage products amongst which are food products that have received further processing – bakery, pizza, chocolate, confectionery, biscuits, consumer dairy products, snacks, extracts, sauces, soups, value-added meats, value-added seafood, value added horticulture and non-alcoholic beverages.

Bord Bia's vision for the PCF sector is that customers around the world recognise that Irish prepared consumer foods are world-class, high-quality products that are distinctive, and made by a diverse range of creative producers who are setting the industry standard for sustainable production practices.

Total PCF exports, which include Prepared Foods valued at €2.079bn, were estimated to be valued at €2.66bn in 2019, a 2% year on year increase. Despite the challenges and uncertainty of Brexit, the UK remained the largest export market for the sector, valued at €1.8bn in 2019 and accounting for 67% of sectoral exports, a 1% increase in value on 2018.

Maintaining existing business relationships, while supporting diversification into new markets and channels was a key area of focus for the PCF sector in 2019 and will continue into 2020. In addition, Bord Bia will continue to encourage innovation and new product development by working closely with the Prepared Consumer Foods Centre in Ashtown, Dublin.

The Irish retail market saw a growth of 3% last year and is now valued at €10.9bn. It is considered one of the most competitive markets in Europe, due to the top three retailers having less than 0.5% share points between them. Discounter market share has also benefited from significant growth, with over 80% of Irish households now shopping in the discounter channel.

Ireland's foodservice market was valued at €6.32bn in 2019 and it has a forecasted compound growth rate of 4.5% from 2020 to 2023. Many PCF client companies are now looking beyond retail and diversifying into this new channel which is experiencing growth ahead of the traditional retail channel. Consumer research findings for the foodservice channel have shown a growth in consumer demand for everyday foodservice occasions, a different decision-making process on pleasure-related occasions, the increased use of technology and a high value on customer service

A key priority for Bord Bia in 2019 was to strengthen the performance of Irish manufacturers for the Irish and UK markets through capability building, innovation and lead generation. Bord Bia focused on building industry capability through workshops, retailer programmes, peer to peer learning and offering one-to-one support to companies in making key decisions. There is also a key focus on creating lead generation opportunities with meet the buyer events and the provision of trade customer intelligence.

The results of Bord Bia's 2019 Brexit Barometer highlighted that the UK market remains the most important for the Irish food and drink industry. Despite challenges, the PCF category has been performing well in the market and responded to the uncertainty by strongly availing of Bord Bia Brexit supports on customer relationships, supply chain, customs controls and market diversification.

The sector has recognised that strong customer relationship management in the UK market is critical at this time. Bord Bia has facilitated the development of tailored marketing and supply strategies for PCF companies, as well as supporting innovation through the work of the Bord Bia Thinking House. Bord Bia has worked to ensure its 'preparedness', 'engagement' and 'communication' activities meet the needs of client companies who continue to enhance their long term established UK relationships.

During 2019, there was further expansion of Irish PCF products into other European markets, which now account for 25% of exports, up 1.6% to a value of €666m. The key markets experiencing this growth are Germany (+11.6%), France (+7.7%), Belgium (+7.9%) and Sweden (+16.4%). Advances in the private label sector have driven this growth.

PCF companies are diversifying into new channels such as private label and foodservice and new European markets. Germany has become a more important focus market for PCF companies who see opportunities to use their UK gained expertise with German customers. Foodservice, in particular, has provided opportunities in the German and French markets, where companies have begun to capitalise on the new American inspired trends emerging.



Expansion beyond the UK market is also looking optimistic with increasing research to counteract the challenge of shelf life. This has also been a focus by Bord Bia and the PCF sector to grow European opportunities in the out-of-home and convenience channels as consumers look to trade up for better quality offerings with higher quality convenience. In addition, more PCF companies are competing for, and winning, European private label business as they offer innovative solutions to European retailers in the growing private label area. By adapting their supply chain from chilled to frozen companies are able to diversify and export to other markets.

While exports to international markets for the PCF sector are relatively small, the US and UAE delivered strong performances during 2019. The US is currently the most significant market for the PCF category outside of the EU, and experienced growth of over 22.7% last year, adding €7.2m in value.

Value added meat

The value added meat sector experienced a growth of 4% in 2019 with an export value of €640m. The largest category in this sector is Irish ham which grew exports by more than 14%, driving the performance in the sector. This growth can be attributed to sustained progress in the UK market and also the new diversification into foodservice channels in continental Europe.

Challenges for this sector include price sensitivity and the competitive nature of the market, however Irish producers are increasing their penetration in markets such as Germany, in areas where they already have a presence such as the quick service restaurant sector. These chains are in higher growth than the full-service sector in Europe, providing opportunities for Irish producers of value-added meats who are delivering effective value propositions.

Confectionery

The confectionery category for 2019 saw growth in Irish chocolate exports of 2%, valued at €256m. The UK accounted for 92% of all Irish chocolate exports, which see consumers choosing to 'eat less but better', competing in mostly premium retail channels as branded and private label.

Outside of the UK market, particularly in Germany, the Netherlands and Australia, Irish exports of chocolate experienced an increase of 20% to the value of €8.5m.

Trends expected to be prevalent in 2020 are sustainability and 'better for you' elements. With the increasing health and wellness trends, consumers are more conscious of the sugar and fat content of products and they are increasingly opting for less processed foods, however manufacturers are addressing this issue by repositioning (treat vs everyday snack), portion controlled sizes and gluten-free products. There is a growing use of free-from messaging and enhanced functionality of products.

Bakery

The value of the global bakery market is valued at €296bn with 2.6% year-on-year growth. In 2019, Irish bakery exports had an estimated value of over €200m, with value outperforming volume in key export markets. Priority markets identified are Ireland, the UK, the US, Netherlands, Germany and France. The biscuit category had significant growth, with total exports valued at €25m, particularly to Great Britain and Northern Ireland, with emerging markets such as UAE.

The increasing trend towards superior quality has driven this growth, with consumers searching for premium ingredients and product authenticity. Specialist, top quality products are the main sources of innovation in key markets, artisanal producers are key players in France and Germany.

Health and wellness is another key trend in this category and, with a growing concern around sugar consumption, consumers are looking for an extra premium treat when they do choose it. The increased concern regarding gluten consumption and weight control have also negatively affected bread consumption. Government regulations regarding the sugar level in products are increasing and clean labelling is a trend driving the growth in 'free from' and plant-based products with low sugar and salt content.

Chilled convenience

The UK market remains a key priority for the chilled convenience exports sector due to shelf life limitations, however the market is currently flat after a number of years of growth. This sector faces the challenge of being highly price competitive, which has been amplified by Brexit, especially regarding 'just in time' delivery services. For some Irish suppliers, a viable solution has been a switch to the frozen foods category, which has enabled them to further penetrate other European markets and to prepare for Brexit.

However, not all companies have the capability to make this switch as it is largely dependent on their product range.

In order to enhance the growth of this sector, the key areas of focus for 2020 will be on the identification of opportunities within the European supply chain and counteracting the limitations of shelf life with innovative technologies, so as to reduce the likelihood of in-store waste for retailers. The new PCF Centre run by Teagasc supports this sector with research into developing novel and innovative food processing; and, preservation and packaging technologies while also working to enable shelf life extension for PCF products.

Grocery

In 2019, the grocery category enjoyed double digit growth particularly due to the 'Italian category', which includes pasta sauces as well as soups and extracts. Cereal-based products experienced a 48% year-on-year growth with a value of €54.7m while tea, coffee and spices exports increased by 32% year-on-year with a value of €34.6m.

The UK market accounts for 98.13% of Irish grocery exports with Northern Ireland accounting for 22%, which is growing strongly and experienced growth of 10% year-on-year. Brexit has posed a significant challenge for this sector with potential cost increases and the demands on Irish exporters to increase their stockholding in both jurisdictions. There is a pessimistic view on the situation as UK retailers are reluctant to pass on the added costs and duties to UK consumers.



BEVERAGES

Total beverage exports increased to €1.86bn in 2019. Alcohol beverage exports continued to grow globally in 2019, with an overall increase of 8% on 2018 from €1.215bn to €1.45bn. Irish whiskey was once again the significant driver behind this growth, remaining in double-digit demand in many markets. Growing consumer demand worldwide for premium spirits, and a developing trend to consume less but better, are both contributing to strong performance for Irish whiskey and cream liqueurs. Irish whiskey exports were valued at €727m for the year, an increase of more than €75m or 11.6%. In order of importance, top priority markets are unchanged from 2018, these are North America,

Germany, France, the UK and Russia. Given the threats facing the category from the US and the UK, other high potential markets are being targeted for further development and these include South Africa, Australia, Japan and China.

The Irish cream liqueur category, despite the impact of tariffs levied by the US on the product, held on to its 2018 export levels of 7.9m cases, a remarkable achievement. North America is the target of a significant volume of these imports and as a result, protecting the business is a priority. Other priority markets being developed include Germany, Spain, Mexico and Australia.

Gin has emerged as the next strongest performer in the spirits category for the last three years, and is fast establishing itself in international markets. Growth has achieved double digits from a low base in recent years. 2019 was no exception, with growth in exports of 17% over 2018, to achieve €9m. The continued popularity of gin among UK consumers, and its central role in the pervading cocktail culture, means growth can be expected to continue through 2020. The US is a market with growing potential for some manufacturers, but other markets with high potential for the category include Canada, Spain, the UK and Australia.

Irish beer exporters had a positive year, with growth of approximately 2% over 2019, largely driven by innovation and the very diverse nature of the offering. This was against a marked increase in the level of competitiveness in some previously attractive markets, particularly Canada. Irish cider exporters also enjoyed positive growth in 2019, particularly in the key UK market. A product heavily dependent on weather factors, the excellent weather in the UK for last summer contributed to an increase in exports of 11%.

Although the UK accounts for a somewhat lower percentage of exports in the Irish beverage sector than in many other industries, Brexit remains a significant concern, particularly given the strong performance of whiskey, cider and gin in the market in 2019. In addition, the US trade war with the EU continues and further expansion of tariffs remains a threat. Notwithstanding the threat of tariffs, Irish exports of alcohol beverage are expected to continue growth into 2020 and beyond, driven by the growing demand for premium Irish whiskey.

The production landscape is in constant, dynamic growth. There are 31 Irish whiskey distilleries in production on the island with 26 of these located in the Republic of Ireland.



This is an indication of category confidence at present. However, the over-dependence on the US market brings its own risks, particularly in light of the potential for the sector to be inadvertently caught up in global trade disputes. The unknown quantity in terms of post-Brexit arrangements is also seen as a threat and for both of these reasons, protecting existing business while developing less mature markets for Irish spirits, is the priority for the category.

In recognition of the dependence on the US market, and the increasing demand in Asia for Irish whiskey, Bord Bia launched the East Asia Programme for Irish Spirits in February 2019 with a market mission to Singapore, Seoul and Tokyo. Other promotional activity included Bord Bia's trade fair programme, which continued with a strong presence at Prowein Dusseldorf in March. In all, 15 client companies hosted more than 300 B2B meetings on-stand over the three-day event. Once again, the Ireland stand hosted Irish whiskey masterclasses for buyers visiting Prowein, with 14 classes attended by more than 160 guests. As well as a presence at trade fairs Bord Bia ran multiple Meet the Maker events in Irish embassies in France, Moscow, Singapore, Korea, Japan and London. This provided an opportunity for Irish suppliers to meet with buyers on their home ground. It included a presentation on the market, elevator pitches by the brands, tasting and one-to-one meetings between buyer and supplier.



SEAFOOD

The value of Irish seafood exports increased by an estimated 5% in 2019 to reach €600m, a welcome return to growth in spite of sometimes challenging trading conditions. Brexit uncertainty, weak sterling, quota restrictions and political tensions across key markets left their mark on the sector which nevertheless saw increased export values recorded in almost all seafood categories, with the exception of whitefish. Challenges were found across the category but it was particularly so in salmon, where supply of fresh organic salmon ceased during the last two months of the year.

Five EU markets, namely France, Spain, UK, Italy and Poland dominated seafood exports in 2019, accounting for approximately 57% of total exports by value.



Seafood exports to all European markets accounted for 74% of total exports with the UK market representing 9%. Exports to the three main Asian markets, China, South Korea and Japan, together accounted for over 13% of total seafood exports with exceptional growth recorded in Japan, which increased by 51%. Despite challenging conditions prevailing in Nigeria where exports reduced slightly in 2019, it remains an important market for the pelagic sector and accounts for 5% of total export values. The UK market also performed strongly with values increasing by 9% during 2019 with a corresponding increase of 5% to all key European markets.

Looking at individual category performances in 2019, for the pelagic sector, quota cuts of 12% had a direct impact on volumes available for export. Irish mackerel and blue whiting experienced quota cuts of 20%; while herring experienced quota reductions of 25%. Prices and demand for Irish mackerel were strong particularly in Asia and Europe. The best performing pelagic markets in 2019 are in Asia and Europe. Demand for Irish pelagics in China increased by around 71% in value and in Japan by 50%. Core markets in Europe also performed well, demonstrating high double-digit growth. During 2019, export values of pelagic fish are estimated to have increased by 8%.

Export values of Irish shellfish dropped slightly in 2019 with demand continuing to outstrip supply across certain markets for particular species. Export values decreased by 5% whilst volumes also dropped by 7% during 2019. Exports to Europe remained largely the same year on year. France remained the largest export market for Irish shellfish accounting for 28% of sales followed by Italy at 22%, Spain at 13% and China at 10%. The Irish oyster sector saw export values decrease by 15% resulting from challenges in the Chinese market which demands large size Irish oysters which were in short supply in 2019. Also the political uncertainty in Hong Kong influenced demand. Demand remained strong in the UK despite the uncertainty of Brexit, growing by 18%. Irish brown crab is one of the core shellfish species exported annually and this sector experienced a challenging year in 2019 due to the drop in demand for processed crab in China, while the live sector performed well. Strong performance was recorded in key export markets.

The largest shellfish export category in 2019 was frozen langoustines, despite this sector experiencing some challenges in 2019 due to an oversupply in the market. That said, export values increased by almost 6% to the main markets of Italy and Spain. The mussel sector continued to focus sales efforts on the European markets, notably in France where demand for organic mussels is good and the recent certification of the Irish mussel fishery to MSC offers the potential for further market development where demand for this certification is growing.

Exports of whitefish continue to be dominated by four European markets – France, Spain, Italy and the UK which accounted for around 95% of total whitefish exports in 2019. Performance of these species still depends on quotas, which were relatively stable in 2019. Despite the supply issue which impacted on Q4 exports, salmon exports for 2019 recorded a value increase in the region of 31% demonstrating the strength of demand in the sector as salmon prices remained strong across key export markets. The top key markets for salmon were France, Poland, Germany and the UK. Overall, 2019 has been a challenging period for the Irish seafood industry due to tough trading conditions as a result of Brexit uncertainty, weak sterling, and political tensions across key markets, compounded by the prospect of increased tariffs on Irish seafood destined for the US market announced in Q4 2019.



SECTOR REVIEW: SMALL BUSINESS & ORGANIC

The small business sector is defined by Bord Bia as businesses with annual turnover of less than €3.5m, representing all sectors including beverages, seafood, dairy, speciality meat and prepared foods. Bord Bia engages with over 450 clients within this sector, a figure that has seen continued growth in recent years. Consumers are increasingly seeking foods with authenticity and provenance and small local suppliers, with a diverse range of products, play to this trend. The Small Food and Drink business sector is substantial and continues to grow, worth an estimated €300-€450 million. The diversity of the sector is also reflected in the profile of businesses; from start-ups, to artisan, to lifestyle, to fast growing export-focused enterprises.

Small Business Open Day

The annual Small Business Open Day was held on Tuesday 22nd January 2019 in Midlands Park Hotel, Portlaoise, Co. Laois attracting over 140 attendees. The theme of the 2019 event was 'Recognise your Business Potential'.

The Bord Bia Small Business Open Day is an annual event which provides an opportunity to showcase the full range of resources available to small food producers from Bord Bia and other support agencies. A wide range of information desks were present at the event and Bord Bia desks included Information Services, Origin Green, Foodservice programmes, Bloom and Marketing Finance. Other agency desks included LEO, FSAI, SFA, ISME, Enterprise Ireland, MicroFinance, Skillnet and Love Irish Food.

The event was opened by Minister of State at the Department of Agriculture, Food and the Marine, Andrew Doyle, TD. Speakers included Douglas Faughnan, Kantar World panel; Conor Spacey, FoodSpace; Gerry Duffy, Goal Setting and Leadership Speaker with Bord Bia speakers including Chief Executive, Tara McCarthy; Insights team specialist, Grace Binchy; and Food & Beverage Senior Manager for Small Business, Karen Tyner. Two panels on the day included representatives from Bord Bia, Skillnet, FoodSpace, Kantar, Dunnes Stores and Simpli Baked. An optional Brexit break-out session was held to inform small food and drink businesses on how Bord Bia can support them to be Brexit ready.

Bord Bia Small Business Strategy 2019/2021

Bord Bia's commercial marketing strategy for the small business sector informed Bord Bia's supports and capability building initiatives for the small business sector in 2019 and will continue to do so through to 2021.

Small businesses tend to have a strong domestic market focus, are typically young (<10yrs), mainly self-funded and most employ fewer than 10 people, but plan to increase employment significantly. More than 30% of the more established businesses supply a retailer brand, and exports account for 16% of reported turnover within the EU, with the UK being the largest export market. Meanwhile, more than half of the companies, some 54%, export via distributors, while the remainder export directly to their end customers.

Bord Bia's vision for small business is that they are



'unique food and drink businesses which will be recognised at home and internationally as skilled and creative producers. Discerning customers will seek out their high quality and truly distinctive produce.'

The strategy segments small business into Artisan, Established, Start-Ups and In-Growth type companies, each with tailored supports developed to assist companies in five key areas:

1. Information and direction
2. On- line supports
3. Capability building
4. Relevant networks
5. Relevant introductions

Online Supports

The Small Business webpage was created in 2019 and shares information with small businesses on supports available from Bord Bia and others as well as information about upcoming events and consumer insights.

Work began on Bord Bia's Online Learning Area in 2019. This tool, set for official launch in Q4 2020 will enable small businesses to 'learn in their own time'. The Online Learning Area will enable users to upskill across a host of interactive modules. Additional resources in the form of videos, infographics and downloadable toolkits will make this resource a versatile learning resource for any small business.

Route to Market Supports

In terms of route to market from an Irish market perspective, Bord Bia offers a range of supports to small business clients.

Food Academy is a shared initiative of Bord Bia, SuperValu, and Local Enterprise Offices. Developed in 2013, Food Academy celebrated its sixth year in 2019. Over 800 companies have completed the programme as of January 2020, with 35 new producers entering Supervalu stores in 2019. The 2019/2020 programme commenced in October 2019 with 34 companies participating. Successful companies will go on shelf in May 2020. All Local Enterprise Offices (LEOs) countrywide have engaged in Food Academy either independently or with a neighbouring LEO.

Grow with Aldi, was developed in partnership with Bord Bia and is now in its second year. The programme is designed to help small to medium Irish food and drink businesses secure a retail listing with a national retailer. Participants receive tailored mentoring and access to bespoke workshops with Aldi buyers and Bord Bia technical experts. In 2019, a further 35 Irish producers supplied their products into Aldi's 137 stores nationwide through this programme.

Lidl's Kick Start programme progressed for a third consecutive year. Lidl has called out to suppliers in Ireland and Northern Ireland to enter products into this Supplier Development Programme. The programme, run by Lidl Ireland and supported by Bord Bia, is designed to help small and medium Irish food and drink businesses to grow their brand and build their supply network. Since 2017, Lidl Ireland has invested over €650,000 in the programme and has seen 116 additional Irish products on sale over the last three years. In 2019, Lidl selected 43 Irish suppliers to work with leading to 65 exciting products going on sale in a limited edition food promotion during September.

Food Starter was developed by Bord Bia and the Local Enterprise Office network to assist companies that are at the very early stage of developing a food business. Work on this programme started in November 2017 and national roll out to all LEOs happened in early 2018. The two-day programme was delivered seven times in 2019 with 81 participants overall.

Bord Bia's FoodService Academy is run in partnership with Musgrave MarketPlace and is aimed at providing participants with tailored support and guidance for their business. The programme seeks to help participating producers grow sales within the foodservice, or out-of-home, market. The initiative also offers the opportunity to achieve growth within Musgrave MarketPlace's foodservice business, supplying over 6,000 customers each week ranging from hotels and restaurants to pubs and nursing homes. Ten companies participated in the 2019 FoodService Academy.

Farmers' Market Training

Food markets (or farmers' markets) and other direct routes to market continue to play a vital role to companies in the start-up phase and beyond by providing low risk market access and direct consumer feedback. Bord Bia delivered four regional workshops in 2019 to help support new and existing members of the food market network as they seek to grow their business directly with consumers. The training was delivered by Bord Bia in collaboration with experienced stall holder Margaret Hoctor, Kilmullen Farm. Over 55 attendees participated in the four workshops in 2019.

FoodWorks

Food Works, Ireland's leading accelerator programme for food and drink start-ups, works with a small number of high potential start-up food teams boasting a strong food business idea. The programme, run by Bord Bia, Enterprise Ireland and Teagasc, aims to foster and encourage innovative new product ideas which satisfy a genuine market need while supporting the growth of the Irish food industry on a global scale. Since 2012, Food Works has worked with over 80 start-ups in developing scalable and export focussed business ideas.

Bord Bia continues to engage with some of Ireland's best business ambassadors to help develop the next batch of serial food and drink entrepreneurs and high potential start-ups. The ambassadors were David McKernan, Java Republic; Ann Murray, Lir Chocolates; Pat Rigney, The Shed Distillery, Stephen Twadell, Food Investor & Business Coach; Larry Murrin, Dawn Farm Foods and John O'Brien, O'Brien Fine Foods.

The success of the programme to date includes:

- One in five have already achieved export success
- Global markets reached span four continents: Europe, Africa, Asia and North America
- Over €2.5m in funding from Enterprise Ireland has been secured

Following the formal application process, six successful companies participated in the 2019 FoodWorks programme. The conclusion of the programme took place in November when the companies presented their investor ready pitch to a number of potential investors, the three agencies and the Food Works ambassadors.

Recruitment for the 2020 Food Works programme began in November 2019 with successful companies due to start in February 2020.

Capability Workshops

The Small Business team organised four capability workshops for small businesses during 2019. These workshops included Negotiation Skills, Pricing and Social Media. Over 65 people attended workshops held both in Bord Bia and in regional locations. Bord Bia will continue to provide workshops in 2020 with the first workshop, Choosing and Managing your Distributor, planned for the Small Business Seminar in January.

Bord Bia Bloom

The Food Market at Bloom provides a platform for marketing, promotion and business development for small food producers. In all, 67 food and drink producers participated in the Food Market at Bloom in 2019 including 15 new exhibitors. Bloom boasted visitor numbers of 115,000 over the five days. The Food Market is an established feature at Bloom and is also an important showcase opportunity for producers with over 250 trade buyers, from Ireland and the UK attending a Bord Bia trade reception on site. The Food Market increases awareness of smaller and new food companies and also provides an opportunity for food companies to engage with and sell directly to the consumer. The Food Village at Bloom also played host to 27 small drinks producers, in the Bloom Inn.

Organic Sector Review

An *Organic Sector Strategy Group* was established in March 2018 to develop a strategy for the development of the Organic Food Sector for the period up to 2025. The Group comprises representatives from the Department of Agriculture, Food and the Marine, Teagasc, Bord Bia, BIM, IFA, ICMSA, ICOSA, OCBs and a wide range of stakeholders from the organic meat, dairy, horticulture, cereals and aquaculture sectors.

Underpinning this strategy is a vision for organic food, based on its natural production attributes and a desirable choice for farmers, consumers and retailers. The overall objective of the strategy is to further develop a viable organic food sector in Ireland, enhancing the sustainability credentials of Irish food

by producing a wide range of organic products to meet increasing domestic and export market opportunities.

Bord Bia's activities in the organic sector during 2019 were informed by the 2019/2025 Organic Strategy.

Organic Trade Show Participation - BioFach

Bord Bia continues to coordinate the Ireland stand annually at Biofach, the world's largest organic trade show, held in Nuremberg, Germany (13th -16th February 2019). Nine organic companies participated at BioFach in 2019. The show took place in February in Nuremberg and brought together over 3,000 exhibitors with over 51,500 trade visitors from 143 countries. Bord Bia actively promoted Ireland's presence at Biofach through direct buyer canvassing, inviting them to visit Irish companies on its 'Origin Green' branded stand. Bord Bia hosted a reception on the opening day of the event attended by Minister of State at the Department of Agriculture, Food and the Marine, Andrew Doyle, TD and members of the organic unit of the Department of Agriculture, Food and the Marine. Bord Bia also produced an exhibitors catalogue in both English and German comprising the profiles of the exhibiting companies and this was distributed widely at the show from the Bord Bia Information Desk. Minister of State at the Department of Agriculture, Food and the Marine, Andrew Doyle, TD visited organic supermarket *denn's Biomarkt* where organic supplier 'The Little Milk Company' was launching its organic cheddar product.

Organic at Bord Bia Bloom

The Organic Garden at Bloom was designed and coordinated by Bord Bia in association with School Earth Education (SEED) as a focal point for the visiting public and schools to engage and learn more about the key organic principles with respect to organic gardening, farming, food production and biodiversity enrichment.

Over 115,000 people visited Bloom over the weekend and similar to previous years over 925 visiting school children and 145 teachers from 38 schools from throughout Ireland attended. Schools were given guided tours of the garden, with educational talks, interactive displays and activities central to their experience.

Visitors had the opportunity to become social scientists and immerse themselves in the garden, learning from the SEED volunteers how to identify different species of insects and flowers, and how to garden organically. Every visiting child also received a 'Passport to Bloom' enabling them to explore key educational areas, including the Organic Garden, with almost 10,000 passports issued over the weekend.

Market Activations

Bord Bia produced two advertorials in 2019 to promote organic produce availability and consumer awareness of organic products. The first advertorial was released in September and the second in December.

Both advertorials were published in the following newspapers.

- **Irish Farmers Journal** – The Country Living
- **Irish Times** – Weekend Magazine
- **Irish Independent** – Weekend Magazine
- **Irish Examiner** – Weekend Magazine

Farmers' Organic Market Training

Bord Bia ran an Organic Farmers' Market Training in October 2019. The training was run in collaboration with Margaret Hoctor an experienced farmers' market stall owner. The training also included a visit to the organic gardens at the training venue, Burtown House in Athy, Co. Kildare. The training was attended by both current and prospective organic producers.

Organic Vegetable Tour

An organic vegetable trip took place from 29th – 31st October to Brittany, France. Brittany was chosen because it is the nearest vegetable growing region to Ireland (linked by ferry) in a post-Brexit Britain scenario. The trip provided organic industry professionals with insights into how to maximise their product methods in Ireland as well as insights into trends in the market place. The trip was attended by a group of organic producers from around Ireland. The itinerary included:

- Farm Visit – Philippe De Kersabio
- Farm Tour – TY Coz, Pol de Leon

- Biosem – plant raising company
- Bohic farm
- Biocoop Retail Supermarket

EU RoundTable Meeting

In line with Bord Bia's action in the Organic Strategy regarding the 'assisting the industry to co-ordinate any co-funding proposals and applications under the EU Co-Funding for the Promotion of Agricultural Products Scheme', Bord Bia met with the organic bodies to discuss the opportunities for a potential co-funding proposal for the organic industry. Bord Bia's Declan Fennel presented an overview of EU co-funding applications.

Meat - Inward Buyer Visit

An organic inward buyer visit took place in July 2019 with buyers from Dutch retailers Ruitenber and Marqt in attendance. Accompanied by a member of the Bord Bia Amsterdam office, the buyers visited meat plants.

Meat - Ocado Campaign

Building on the successful promotion of the Sustainable Beef and Lamb Assurance Scheme (SBLAS), Bord Bia secured a follow-on four week promotion of organic beef with leading online retailer Ocado in March 2019. Consumers who purchased quality assured beef displaying the Q Mark were entered into a competition promoted on Ocado's homepage, meat landing pages and app. Additionally this year, a synopsis of quality assured beef and the Q Mark was highlighted on the back of the digital pack for the month of the competition and highlighted on Ocado social media channels with over 300,000 followers.

Trade Engagement

Throughout the year, Bord Bia assisted Irish processors in brand development and building relationships with customers in key markets through inward and outward study visits.

SECTOR REVIEW: HORTICULTURE

The Fresh Produce Market

The fresh produce market was valued at €1.6bn in 2019 with fruit accounting for €793m, vegetables €563m and potatoes €235m. Increases in the average price and volume of purchase contributed to the increase in the value of the retail market. The food service market for fresh produce was valued at over €400m.



€1.6bn

fresh produce market
value in 2019



4,000

hectares of field
vegetable production

Overview

During 2019, crop growing conditions varied across different product lines, however, it was a more favourable season than the 2018 drought-stricken one. The looming uncertainty of Brexit and the trading environment made it very challenging for the sector to plan for the future.

Farm gate prices were similar to pre-summer 2018 price levels presenting challenges through increases in input costs such as labour, fertiliser, packaging, etc. Following an overall favourable spring and early summer period, weather conditions fluctuated in late summer and into autumn. August was one of the wettest summer months on record in recent years. Water table levels rose dramatically and were slow to return to normal levels. Labour shortages presented a significant challenge for growers during the year and while growers were able to source labour overseas through the non-EU Work Permits Scheme it was a time-consuming process and many did not engage workers in time for their busiest harvest periods.

Protected Crops

Tomatoes, cucumbers, lettuce and herbs are the main crops in this sector which has an output value of over €30m with most destined for the Irish retail market. Following a poor spring period with poor light levels and below average temperatures, the backend of the season progressed quite well for protected crops and salads. Reported light levels were poor in September but improved for the rest of the season. Reasonable yields were reported, similar to last year. Temperatures remained quite stable which aided production and consumption.

Field Vegetables

Overall, 2019 was a better production year for field vegetables than 2018 with the severe drought conditions that summer. There are over 4,000 hectares of field vegetable production with an output value of €78m. The key crops grown are root and brassica crops. The key domestic retail market for vegetables (including protected vegetables) was valued at €563m in 2019.

Brassicas

Brassica production was certainly hit the hardest by the weather conditions during 2019. In many parts of the country there were little or no harvest windows. The heavy rainfall in August, in particular, left fields flooded and development of crops was halted. The wet soil had devastating consequences for harvesting resulting in some outright losses of crops although yields were reported as average in other areas. Brussel sprouts were reduced in yields with very challenging harvest conditions. It was, however, a reasonable season for cabbage production.

Root Crops

Following a reasonably dry start to the summer where some growers began to irrigate, rainfall in June and July was welcomed by growers. The main crop began on time, however challenging harvest conditions in late summer wreaked havoc for growers and carrot and parsnip growers struggled to plant winter crops due to the wet conditions.

Fruit

Fruit is the largest fresh produce category with a retail value of €793m in 2019. Apples and strawberries are the two main fruit crops produced in Ireland. The output value of the soft fruit sector is €42m. 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 with a growing season that runs from early April to December.

Strawberries

This year's strawberry season was an improvement on last year's heat affected season. The new variety Centenary, which many growers are now using proved excellent in terms of quality and rate of picking, however, yields were lower.

Apples

The output value of home grown apples is estimated to be €10m. The last couple of years has seen some new orchard planting. Frost during the blooming period in 2019 had a serious negative impact on yields. Some growers report yields were down by up to 50% on the previous year. In 2019, yield reduction across Europe was reported.

Mushrooms

In 2019, the farmgate value of the mushroom industry was over €119m producing 66,800 tonnes of mushrooms. The mushroom industry exports 80% of its production to the UK market. On the domestic market retail mushroom sales were reasonably stable, maintaining similar levels to 2018 with price deflation the biggest challenge. The value of mushroom exports in 2019 was €104m, a 4% rise on 2018's value.

It was a challenging year for mushroom producers with continued consolidation of the sector and an increased focus on productivity gains to help insulate against currency volatility and other cost increases. More positively, a greater spread in the production of brown mushrooms has brought greater security of income at farm level, while, in the UK retail market, a general inflationary trend has helped to lift the retail price of mushrooms without affecting the volume of sales.

Pre-packed, closed cup mushrooms account for almost 50% of total mushrooms exports. Key market trends observed in the UK retail environment included a decline in value and while returns from flat mushrooms are lower, stronger returns were experienced in brown, button and Portobello mushrooms. Innovation and new product development have been reflected in the introduction of Vitamin D and Vitamin B12 mushrooms. These have proved successful with consumers and point the way to other value-adding opportunities in the future.

The challenges of Brexit will continue to weigh on the sector, as does sterling volatility and consumer sentiment, which are pivotal to the sector's performance. Although, to date, volume sales have remained steady in the face of price inflation, consumer sentiment is already weak, with any further fall likely to lead to reduced consumer spending and even more pressure on the sector.



Potatoes

Potato production in 2019 was estimated at 338,000 tonnes with a farm-gate value of €111m. Production increased by some 90,000 tonnes on 2018. The main variety continues to be Rooster with other notable varieties including Kerr's Pink, Queens and varieties for crisp production. On the positive side there was an increase in the fresh chip / processing and early varieties (Queens) while salad varieties held similar to 2018. The domestic market is the key market for the potato industry which was valued at €235m in 2019 at retail level with sales volume estimated at over 210,000 tonnes.

Amenity Crops

The value of output from the amenity sector was estimated at €67m in 2019. The most recent measure of the gardening market at consumer level shows the market is valued at €795m with the plants and flower category making up over one third of this total. Overall, it was a good year in the gardening market after a slow start with cooler temperatures in the spring. The performance of the building sector will influence future opportunities for the sector.

The amenity horticulture sector relies heavily on the UK for sales and despite significant currency changes triggered by Brexit, growers of plants and cut foliage all managed to maintain or increase exports to Great Britain and Northern Ireland. This is with the exception of the Christmas tree sector, where exports were impacted by the break-up of one of the main garden centre chains in the UK. Bulb and daffodil exports were up on 2018. The total value of exports was steady at €18.5m, consisting of bulbs and flowers, €1.7m; foliage, €4.8m; Christmas trees, €3.7m and nursery stock, €8.3m. Hardy nursery stock accounts for €8.3m of exports, an increase of €1m over 2018. There was the potential for this to be even higher, but domestic demand was strong leading to the redirection of supplies to service the home market.

Horticulture Promotions

Mushrooms Complement Everything

The €2m "Mushrooms Complement Everything" EU and industry funded three year campaign commenced in April 2018. The campaign message focuses on blending mushrooms with meat, 'Bring on the Blend'.

Considerable digital assets have been generated for the campaign including 20 new video recipes, for use in particular on the Instagram account which has the best engagement rate of any of the social media platforms. Bursts of activity take place during April and November each year with a focus on digital advertising, as well as continuous activity which includes PR and Google search word advertising. Results have been impressive, with video display figures just under 1.9m for 2019, and 81,000 visits to the website.

Potato Promotion

Potato promotional activity focused on digital and online channels driving consumers to the potato.ie website. National Potato Day in early October saw promotional activity across TV, radio, print and all the key social media channels. An application to the EU with other EU countries and industry partners to implement a three-year potato promotional campaign targeted at millennials to increase potato consumption on the home market from 2020 to 2022 has been successful.

Gardening Promotion

The GróMor consumer gardening campaign, with the objective of encouraging the 35 to 45 age group to start gardening, continued in 2019. Supported by Bord Bia and the nursery stock sector this is an initiative by garden centres under the Retail Excellence Ireland umbrella. The objectives of GróMor are to encourage existing and new buyers to buy plants and increase the size of the market. GróMor 2019 commenced in March with PR and on-line activity. There were over 242,000 video views on social media, 40,000 visits to the website and 4,200 searches for garden centers.

Celebrate Strawberry Season

'Celebrate Strawberry Season' ran from May to September 2019 and featured many different elements such as on-pack promotion, regional radio sponsorship, print media communications as well as influencer engagement across social media channels, Facebook and Instagram, for the first time. There was a big focus on digital media, targeting a new audience, Millennials (18-34 year olds), and content included new recipes and recipe videos. Soft fruit growers were also profiled, telling their individual stories in agri-trade media features (print, online) as well as across broadcast media outlets.

For the second year, there was an eye-catching showcase of Irish strawberries at Bloom, where 115,000 visitors attended. This included generic sampling of Irish strawberries, cooking demonstrations and visits from approximately 1,000 invited primary school pupils and their teachers.

Other campaign activities included a launch photo-call in May, personalised media drops, influencer activity, i.e., recipe collaborations, with 11 different dishes across breakfast, snacks, lunch and desserts created, and a dedicated strawberry advertorial feature in Easy Food Magazine. Reach for radio, print and digital online and social media communications was over 3m during the entire seasonal campaign.

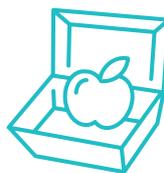
Food Dudes Healthy Eating Programme

The EU School Fruit and Vegetables Scheme is implemented in Ireland through the Food Dudes Healthy Eating Programme. The Programme is an evidence-based incentivised behaviour changing initiative which is managed by Bord Bia and funded by the Department of Agriculture Food and the Marine and the European Union. The 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 sustainable rewards; followed by a home phase where fruit and vegetables are supplied from home over a number of weeks. In 2019, a total of 700 schools and over 117,000 pupils participated in the Food Dudes Healthy Eating Programme. This year was the first of the new three-year cycle, implementing the new Phase 3, aptly called 'Food Dudes Week', which sees additional tasting days, up to five, and new educational resources, Passport to Healthy Eating, being rolled out in schools. Review of pilot testing also allowed for the redevelopment of programme videos and print materials. Schools will receive a certificate on completion of each yearly cycle, leading to a school presentation day in Year 3, on completion of the full cycle.

During 2019, the programme's sustainability and green credentials were also reviewed. More eco-friendly reward items were introduced to the programme and fruit and vegetable packaging is currently under review. Compostable and biodegradable alternatives are being trialled for potential introduction in 2020.

Incredible Edibles

The Incredible Edibles is a school-based programme with the aim of engaging children into growing their own fruit and vegetables in school and at home, thus increasing awareness of their role in a healthy and balanced diet. Jointly funded by the horticulture industry with support from the Departments of Agriculture, Health and Education and Bord Bia, the programme is managed at school level by the agri-food educational body Agri Aware. A total of 1,604 grow packs were delivered to 1,323 primary schools and over 48,000 pupils took part in the programme during 2019, with a print communication reach of over 590,000 readers.



48,000
pupils took part in
Incredible Edibles
program in 2019

Healthy Heroes

Healthy Heroes is a primary schools' lunchtime initiative from the Irish Bread Bakers Association (IBBA) and Bord Bia, which aims to help children to change their eating and fitness habits for the better. The programme enables children to learn about nutrition and boost their activity levels, all while having lots of fun in a non-competitive environment. Registered schools throughout the country receive a free teacher's pack and pupil packs with educational resources including recipe books, fact sheets and easy-to-understand information on the food pyramid. In addition, step by step instructions on how to set up a club in their school is provided. During lunch, school clubs meet to eat together and informally talk about nutrition through teacher led discussions. This fosters engagement about the ingredients used in preparing a balanced lunch, while senior (5th - 6th class) pupils take turns in running activities building on suggestions to develop their own games. The programme is currently the fourth largest school health programme in Ireland and in 2019 saw 809 schools and over 53,000 pupils take part.

Fresh Produce Promotion

In 2019, Bord Bia again partnered with the EPA to jointly sponsor the gardening programme *Grow Cook Eat* which aired on RTE during the spring. The series is a collaboration between GIY Ireland and the TV production company Inproductions. The programme is focused around the growing, cooking and eating of fruit and vegetables incorporating segments on commercial horticulture producers. The programme achieved significant viewer numbers of over 200,000 per episode.

Horticulture Programmes

Under the Bord Bia Marketing Assistance and Step Change Programmes, a total of 30 horticulture businesses received assistance to undertake a range of activities including trade shows, market research, point of sale, labelling generation and website development.

GLAS

The GLAS Tradeshow – the premier trade event for the Irish ornamental sector, took place in July at City West Conference Centre. Once again, the show expanded, with over 144 exhibitors, including 20 nurseries. Visitor numbers were strong, with more than 1,000 key buyers of horticulture products attending. A range of educational and information sessions took place at the Learning Theatre throughout the day.

National Plant Fairs

There were two plant fairs held during Spring 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 growth. 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. In 2019 a mentor was in place making regular contact with key amenity crop exporters. In September Bord Bia supported a small group of nurseries who combined resources to exhibit at the Four Oaks show in the UK.

Since the start of the year there have been 128 new leads and follow ups provided for amenity exporters, site visits to two Christmas tree growers, and an inward buyer visit to seven nurseries. In November, all exporting nurseries attended dedicated personalised export consultancy sessions with the UK based amenity sector mentor.

Top Fruit Growers Seminar

The annual top fruit seminar was held in December and included an update on the retail market for apples, consumer trends and explored opportunities for growing apple production in Ireland with a contribution from international speakers. There was also a visit to a local orchard.

Sponsorships

Bord Bia supports the needs of the horticulture industry through the provision of sponsorship to relevant conferences, seminars and workshops as well as events organised by other organisations that Bord Bia is associated with. In 2019 over 10 such events/associations were supported. 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.

Lean Management

Lean management principles are an aid to assist businesses increase productivity. Lean Start initiatives were completed with seven companies in the wider horticultural sector. Three of them were a group project where the objective was to come up with a standard operating procedure for a different element of mushroom production. There were seven Lean Plus initiatives running across a range of horticultural sectors. The results from the programme have been very positive, with considerable savings and increases in productivity. To date, the value of these initiatives to the industry amounted to €1.9m, with final results in three of the projects still being assessed.

SECTOR REVIEW: SERVICES

ORIGIN GREEN PROGRAMME

Origin Green - Farmers

The membership of Origin Green at farm level is through certification to one of Bord Bia's five sustainable assurance schemes for producers. These include: the Sustainable Beef & Lamb Assurance Scheme (SBLAS); the Sustainable Dairy Assurance Scheme (SDAS); the Sustainable Egg Assurance Scheme (SEAS); the Sustainable Horticulture Assurance Scheme (SHAS); and the Sustainable Poultry Products Assurance Scheme (SPpAS). SPpAS achieved INAB accreditation in November 2019 and two hatcheries were certified by the end of the year. The Sustainable Pig Assurance Scheme was submitted to the INAB for review and accreditation is expected in early 2020. Audits to the new pig standard will commence immediately upon receipt of accreditation.



Over the course of 2019, the auditing of all horticulture members to the new SHAS standard was completed. Of these producers, 86% were certified to SHAS (M1 & M2) and the remaining 14% (38 growers) continued their certification at the HQAS standard, as permitted under the transition period agreement.

These producers have the opportunity to upgrade to the SHAS at the next audit. As the transition period is now complete, all future horticulture audits will be conducted against the SHAS standard only and no new HQAS certifications will be issued. The last HQAS cert will expire in Feb 2021.

The SHAS M3 and M4 modules for the ornamental sector are in the roll-out process. The first M4, Ornamental Pack-house module, audits took place in late 2019 and the first members are now certified. The full audit roll-out for the M3, Ornamental Production module, is planned for May 2020.

Membership

A total of 48,250 audits of farms in the various producer schemes took place in 2019. Membership at the end of the year was as follows:

Sector Members

Beef & Lamb	53,351
Dairy	16,138
Pig	403
Poultry	611
Eggs	188
Horticulture	293

Origin Green – Manufacturers

By the end of 2019, over 600 companies had signed up and registered to Origin Green, with 347 of these, representing over 90% of Ireland’s food and drink exports, fully verified members. This means that participating members have committed to a minimum of six sustainability targets under the Origin Green Charter and have had their sustainability plans independently verified by international auditors, Mabbett.

Origin Green Verified Membership 2012 - 2019



Members’ progress is also reviewed annually by Mabbett to ensure participating companies are reaching their goals. In addition to food and drink producers, Origin Green now has 10 verified members in its retail and foodservice programme, with a host of others actively working on plans to achieve membership.

These plans are also independently audited and verified by Mabbett to ensure that a strong level of performance is maintained throughout the programme.

Meat Processor Standard

During 2019, Bord Bia commenced revising its meat and horticulture processor standards with a view to creating a new combined standard. The new standard is modular in structure, with the first module, Module A, applicable to all food manufacturers. The subsequent modules are applicable to specific sectors including meat and horticulture. Module A was submitted to INAB for technical assessment at the end of 2019 and is under ongoing review.

The technical advisory committee meetings for Module B (meat processing) took place November 2019.

During 2019, 123 Bord Bia audits were conducted on meat processors (Meat Processor Quality Assurance Scheme (MPQAS)/Associate Membership (AM)), and a further 19 audits were conducted on egg packing centres under the Sustainable Egg Assurance Scheme (SEAS).

There are currently 98 MPQAS certified members, 6 Associate Members and 16 members of the SEAS.

Grass Fed Dairy

In response to the opportunity to leverage Ireland’s natural advantage of ideal climatic conditions for growing grass, Bord Bia, together with the key stakeholders of the technical advisory committee, developed a Grass Fed Dairy Standard. Bord Bia achieved accreditation for this standard in November 2019, and one plant was audited and certified by the end of 2019.

The European Commission has approved the use of the Bord Bia Grass Fed logo for use on dairy products produced by certified members of the scheme. Work on a Grass Fed Beef Standard is ongoing.

Quality Assurance Logo

The use of the Quality Assurance logo on retail labels is consistently high. In 2019, some 1,871 labels were approved from 114 companies with the highest number of applications received for the beef, lamb and rasher categories.

Origin Green – Company Level

Food and drink manufacturing companies can become members of the Origin Green programme by committing to the Sustainability Charter and developing sustainability plans of a sufficiently high standard to merit independent verification. By the end of 2019, over 600 food and drink companies had registered for the programme, with 347 companies achieving full membership. These 347 member companies supply over 90% of all Irish food and drink exports.



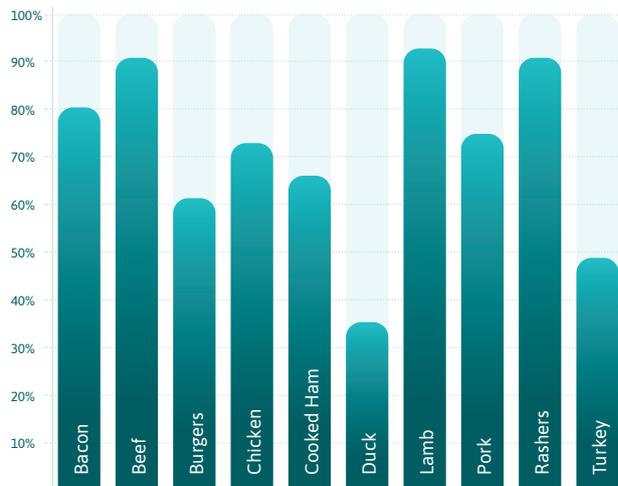
Origin Green member companies supply over

90%

of all Irish food and drink exports

The growth in Origin Green verified membership from 2012 – 2019 is demonstrated in the graph below.

QA % SKUs by category 2019



In 2016, Bord Bia extended the Origin Green programme to the final level of the supply chain, with the introduction of the 'Retail and Foodservice Sustainability Charter' as part of a pilot programme. By the end of 2019, 10 retail and food service companies had become verified Origin Green members.

As the programme continues to evolve, new areas have also been introduced, including packaging and diversity and inclusion, along with the previous focus area of sustainable sourcing, operational efficiency and social sustainability. This ensures Origin Green members can remain a step ahead with regards to market trends and continue to meet customers’ sustainability requirements.

Origin Green – A Robust Strategy for the Future

During 2019, the Origin Green Programme entered its seventh year in operation and work throughout the year focussed on the delivery of the four strategic objectives:

1. To deepen membership engagement
2. Be a leader in food sustainability
3. To drive sustainability improvement
4. To increase market access and value for Origin Green members

The delivery of these objectives ensures that Origin Green continues to evolve and maintain its first mover advantage.

Objective 1: To deepen membership engagement

A fundamental part of Origin Green involves supporting Irish food and drink manufacturers as they work to set and achieve ambitious sustainability targets. In an effort to achieve this, a variety of tools and resources are available to participating companies as they work to achieve full verification, as well as retain their verified member status year-on-year.

The available supports in 2019 were:

Origin Green mentor: Each of the 600 Origin Green companies were assigned a one-to-one Origin Green mentor to assist in drafting sustainability plans and completing annual reviews. These mentors offered support and guidance throughout the process on an individual company basis to ensure a tailored service.

Workshops: The Origin Green team ran over 20 introductory webinars during 2019 which assisted companies in understanding the programme and developing their plans.

Templates: Participating companies were provided with an Origin Green plan template which outlines everything that needs to be included in their sustainability plan.

Online Course: Following workshops, the Origin Green team ran a plan development course. The course has been designed to take companies from the introductory stage to the stage where they have developed a complete sustainability plan that is ready to become verified.

Feedback reports: Individual feedback reports were provided to companies developing sustainability plans to assist with development.

One-to-One: The Origin Green team was on hand throughout the year to offer support and guidance on a one-to-one basis.

Origin Green partner organisations: Origin Green partners with a wide range of organisations with specialised sustainability knowledge to ensure the successful implementation and development of the programme. From January 2019, packaging became a mandatory target under the Origin Green Charter raw material sourcing section. To ensure companies have the required knowledge to set appropriate packaging targets, Repak hosted a series of 20+ sustainable packaging clinics. The clinics gave Origin Green members the opportunity to meet one-on-one with a Repak packaging technologist to discuss ways in which they can make their packaging more sustainable.

Objective 2: Be a leader in food sustainability

Throughout 2019, international conference organisers, domestic and international governmental bodies and key Irish food and drink customers have requested members of the Origin Green team to speak about the development and on-going results of the Origin Green programme. These speaking events have driven awareness and understanding of the Origin Green programme to both domestic and international audiences.

The Origin Green Index was developed in 2019 as a tool to further support the leadership position held by Origin Green in demonstrating farm and company performance. The Origin Green index involved the compiling of a set of sustainability metrics which are collected under the Sustainability Assurances Schemes (SAS) and the Origin Green Charter (OG Charter) into one source.

The Origin Green Index ensures the OG team can:

1. Track sustainability performance across the SAS and OG Charter.
2. Demonstrate internally and externally the sustainability information being gathered.

The Origin Green Index will be updated on an annual basis in Q1 of each year by the Origin Green Data Manager/Analyst.

Objective 3: To drive sustainability improvement

The Farm Sustainability Programme which was set in motion in 2019 is the main mechanism through which Bord Bia drives sustainability improvement. The programme contains four separate but related elements:

1 Quality Assurance Schemes

Bord Bia has been working closely with Teagasc and the Department of Agriculture, Food and the Marine personnel to identify how the Quality Assurance Schemes can be modified to introduce actions that will positively affect sustainability.

Many of the proposed changes focus specifically on the inclusion of actions borne out of the Teagasc MACC criteria for climate change mitigation.

2 New Farmer Feedback Reports (FFR)

The Farmer Feedback Reports, the first of which were issued to farmers in December 2019, are designed to provide guidance to farmers and farm advisers on farm actions which, if implemented, will result in improved farm sustainability.

The reports enable farmers to see how they compare against their peers in similar enterprises and regions. They contain targeted advice generated from data collected on the specific farm.

3 Farmer engagement and knowledge transfer

During 2019, this programme focussed on communicating with farmers with a view to highlighting the pivotal role played by them in the sustainability of the Irish agri-food industry and to clarify the importance of sustainability credentials in preserving existing markets and for securing new ones.

During 2019, five Knowledge Transfer Farm Walks took place. The walks focussed on how the Farmer Feedback Report, which identifies the MACC measures, can help farmers to reduce GHGs on farm.

4 The Farm Sustainability Platform

Based on collaborative discussions with various stakeholders, Bord Bia progressed the concept of the Farm Sustainability Programme (FSP) which would involve the development of one national platform that captures and maps all farm sustainability improvement programmes undertaken by producers across all national sustainability initiatives. This platform would provide a credible and robust data infrastructure that will take account of the considerable work already being carried out by farmers in improving sustainability performance.

Introduction of OG tiered membership and credit system for manufacturers

While the manufacturing level of Origin Green has been largely successful in terms of recruitment, along with evidence of improved sustainability awareness and performance (Bord Bia Sustainability Research 2018; Origin Green Sustainability Report 2019), it is generally accepted that the programme must continue to evolve and mature in order to guarantee its long-term success. As outlined in Bord Bia’s Origin Green Strategy 2019 – 2021, driving meaningful impact through the programme has become increasingly important, particularly with the heightened awareness surrounding climate change mitigation globally.

Sustainability Target Performance	Credits Awarded	Target Grading
Target not attempted (no legitimate effort made to achieve target)	0	Fail
Target not achieved with a poor attempt made	1	Unsatisfactory / Fail
Target may or may not have been achieved but a reasonable and clear effort has been made	2	Satisfactory / Pass
Target achieved with evidence the company has surpassed expectations	3	Exemplary

This is also replicated more broadly in Ireland through the recent publication of the national Climate Action Plan (2019), which further sets out long-term ambitious targets. Work began in 2019 to develop a greater focus on the implementation of sustainability targets through the introduction of a tiered membership and sustainability credits system.

Tiered membership

In order to ensure that the manufacturing level of Origin Green is equitable for companies of different scales, in 2019 we began to draft the minimum targets requirements for companies of different scales based on a company's turnover. Revenue or company turnover is used as the primary determinant as it is the most consistent ongoing indicator of a company's size and growth.

In order to cater for the diverse nature of Origin Green member companies, the table above now structures minimum target requirements for participants over a total of five tiers, with a further category for companies that outsource production. Within this proposed structure, as company revenue increases/decreases, members are placed in the appropriate tier accordingly. This will ensure that companies are managed in a transparent and fair manner with size appropriate membership requirements.

Sustainability credit system: manufacturing

Furthermore, in order to safeguard Origin Green's continued evolution and to drive greater impact at the manufacturing level of the programme, it is proposed that a new sustainability credits system will be introduced in 2020 to accompany the suggested membership tiers in Table 1 as set out above.

The purpose of this system is to simplify the verification process for participating companies and display a greater level of transparency for how membership is achieved and retained. It is imperative that the programme can display a clear methodology for how sustainability target progress is assessed on an ongoing basis. This system also does not disregard the good work which has been done by companies since 2012, serving as a retrofit to the current Origin Green Charter, whilst offering assurance of continuity for existing members.

The global focus on sustainability has increased significantly since the launch of Origin Green in 2012. The table on Sustainability Target Performance indicates how Origin Green sustainability targets can be assessed and scored by the programme auditors. The numbering system adopted is used to highlight the clear distinction between failing and exceeding in target performance annually.

Auditors' sustainability target performance scorecard

In order to determine whether a company will attain a sufficient number of sustainability credits to retain Origin Green membership annually, their performance for each target will be accrued to determine whether the minimum verification requirements are met for their respective membership tier.

Objective 4: To increase market access and value for Origin Green members

In 2019, Origin Green rolled out a new online sustainability insights tool for members that will help them understand what matters to their customers and consumers when it comes to sustainability issues, based on global research conducted across 13 markets. The tool will be continuously updated throughout 2020.

STRATEGIC INSIGHT & PLANNING

BORD BIA STRATEGIC INSIGHT & PLANNING 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 Strategic Insight & Planning team undertake to ensure that consumer, market and trade insight remains central to 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 and market knowledge and experience, and professional research and facilitating skills from clear and imaginative marketing thinkers.

BORD BIA THINKING HOUSE

The Bord Bia Centre of Consumer Insight has been fully functioning as a centre of insight excellence with a vision and purpose, as a centre of excellence, to elevate Ireland, as a 21st century contemporary food-producing nation that commercialises food production in line with genuine consumer needs.

The Bord Bia Thinking House aims to ensure that branding and innovation chains across the food, drink and horticulture industry start with the consumer and end with the consumer. It is a space for collaboration, integration and interaction, a campus that connects the Irish food, drink and horticulture industry to the consumer, translating consumer wants and needs to industry and visa versa, to provide sustainable, scalable products built on consumer need.

INNOVATION

Bespoke Client Insight and Innovation

During 2019, 37 client companies across five markets (Ireland, England, Europe, the US and China) engaged with the Thinking House on bespoke client insight and innovation projects to provide consumer and category insight, branding and NPD support to facilitate innovation. Methodologies can span both quantitative and qualitative research and analysis in domestic and international markets.

Inspiration Expeditions

Inspiration expeditions facilitate deep dives into local food cultures and visible consumer trends. These market immersion visits stimulate fresh thinking and the creation of innovative ideas through market experiences. Ten client companies participated in an inspiration expedition to Copenhagen, Denmark during March.

Concept Iteration and Validation Platform

This bespoke Bord Bia innovation tool, known as BI:TES, enables companies to test and iterate new product ideas rapidly and provide for quick-fire incremental step-by-step improvement of concepts based on consumer feedback. During 2019, four client companies participated in the programme across two markets.

Consumer Taste n'Tell

This programme provides a quantitative measurement of product performance by screening and evaluation of new product concepts but also benchmarking them against competitors. Five companies participated in the programme during 2019.

Cultural Insight – Trade Market Opportunities and Visits

During 2019, local market reports focusing on market landscapes, sectoral knowledge, local consumer trends and behaviours were prepared to build understanding of markets and local cultures ahead of trade visits.

Shopper Insight

Qualitative and quantitative research was completed to understand Irish shopping behaviour within the frozen category. The study was presented to over 30 client company representatives at an insights session during March. A second shopper insight research study was the development of an 'always on' portal to track shopper behaviour in the beef category in four key markets, the UK, Italy, Netherlands and Germany.

High Potential Navigator

This innovation centric project was established to deepen and build relationships with the UK, Ireland's biggest trading partner. During 2019, five exporters were supported by identifying high-potential innovation opportunities in their sectors and navigating the innovation process from ideation, concept development and commercialisation. Working with Sainsbury's the companies were able to present their products and pitch for new listings and launch.

FORESIGHT & TRENDS

The leveraging of market and consumer trends encourages a consumer-centric mind-set amongst decision makers. A focus on the future across categories and industry enables companies to adopt a longer term and more strategically focused outlook.

Consumer Lifestyle Trends Programme

This programme takes a global approach to consumer trends with research across 21 markets covering some 28,000 consumers. In addition, culturally connected individuals in key cities around the world, known as StreetScapers are also included and provide examples of in market trends, products, brand campaigns and foodservice developments. Trends are fundamental to innovation and branding work as it assesses new products and brands against actual consumer behaviour. During 2019, the programme was updated by stress testing each of the trends to ensure continuing relevance. Updated trends were presented at two insight session workshops attended by over 100 client company representatives during October and November.

Packaging Semiotics

This was a project to understand the global trends that influence packaging and format, with particular emphasis on the lifecycle of packaging under four key touchpoints, origin, connections, experience and afterlife. The study incorporated perspectives from some leading product designers and influencers and provided inspiring food and drink examples from around the world. This led to the development of a packaging toolkit which was presented at two Insight Session workshops attended by a large number of companies from across all food and drink sectors.

Dietary Lifestyles II

A multi-country study conducted in 2018 concerning motivations of subscribers to vegan, vegetarian and other plant-based diets to examine opportunities around plant-based diets. A further study in 2019 with a European focus provides insights on dietary lifestyles in Italy, Netherlands and France.

What Ireland Ate Last Night

Originally completed in 2011, this study seeks to learn about evening meal consumption and how it has changed over time to deliver insights to explore new evening meal opportunities across the food and drinks sectors. The 2019 update tracked changes and trends over the last eight years and examined Ireland's evening meal consumption habits today. The study was presented at an insights session which was attended by over 30 client company representatives.

Functional Food & Beverages Innovation Playbook

Qualitative and Quantitative Consumer, Expert and Market Insight explored consumer needs and identified innovation opportunities in the functional food and beverage space. Using a hybrid model, which incorporated a prediction market and online survey techniques, an inspiring start-point was created for purposeful innovation, rooted in consumer needs and cultural shifts. To date, eight innovation platforms have been developed into a playbook which was launched at an insight session with over 60 industry attendees and followed by subsequent one-to-one presentations and workshops.

Innovation Playbook for Seafood as a Functional Ingredient Building upon the Functional Food & Beverage Innovation Playbook, this study focussed on driving the growth of seafood as a functional ingredient. The study explored rising consumer needs and global trends to identify high-potential innovation platforms and opportunities for Irish seafood clients. The study is being workshopped with individual seafood clients to help drive their innovation agenda.

Functional Meat Innovation Playbook

Building upon the Functional Food & Beverage Innovation Playbook, this study explores global meat trends and identifies innovation opportunities for the meat industry. Completed towards the end of 2019, the study will be disseminated to the industry in early 2020.

The Future of Adult Beverages

This thought leadership study takes a proactive approach to understanding the future scenarios for the non-alcoholic, adult beverage space. Rooted in consumer insight, the study will identify innovation opportunities for Irish beverage manufacturers. The study will be available for roll out in early 2020.

The Future of Irish Agri Foods

This study sought to understand the forces shaping the future of Ireland's agri-food industry and was presented at the ASA conference in September.

ORIGINAL RESEARCH

Original research provides market and consumer insight to enable a deeper understanding of topics relevant to food and drink to facilitate more informed commercial decisions. Each year, commissioned bespoke insight projects focus on specific areas such as consumer life stages, meal occasions or food categories. Studies are disseminated at a sector level through insight sessions and on a one-to-one basis with companies as well as being available on the Bord Bia website.

Priority Market Dairy Ingredients A route to market assessment for dairy ingredients to Japan, South Korea, Vietnam and Mexico, included an analysis of competitors as well as an assessment of the relevance of the sustainability message. The reports clarified the competitive set, domestic self-sufficiency and trajectory of demand for dairy ingredients.

Understanding the Pizza Cheese Market in China

This trade and market research sought to understand the opportunity for Irish cheese producers in supplying the pizza cheese category in China. The overarching cheese insights and learnings were debriefed at the Asia Day in May and a final debrief to the industry took place in October.

Adult Nutrition China

A market and trade insight study which sought to identify opportunities for Irish dairy ingredient and nutrition suppliers. The study explored and validated Ireland's points of differentiation compared to key competitors. The project also included an ethnographic study of adult nutrition users in China and Japan, to better understand the end user.

Yoghurt Market Data Ireland and UK

A deep dive into the yoghurt category using consumer and shopper panel data to deliver a clear picture of the category in each market and to identify future areas of focus. The Kantar data was presented at an insight session to 20 representatives from Irish dairy companies.

Understanding the Retail Meat Buyer

An insight study to better understand the motivations, needs and wants of the European meat buyer (Germany, the UK, Netherlands, Italy and Belgium) and to explore their appetite for grass fed beef.

Italian retail insights

This insight study involved working closely with an Italian retail partner to uncover insight into consumer behaviours, attitudes and needs to develop category plans for beef and a position for quality assured beef in Italy. The outputs were shared at Bord Bia's Meat Academy in Milan.

Beef in China – Foodservice

This quantitative study sought to provide a realistic and accurate picture of the trade realities of Chinese foodservice for beef. Ethnographic research supported this research. The findings were debriefed to individual meat client companies on a one-to-one basis.

Nordics Beef Research

This research explored consumer and category behaviour to fresh beef within the Nordic markets. Insights and learnings were disseminated to the markets and industry. The findings have been used to develop a communications plan and a strategic partnership with a Swedish retailer.

Beef and Pork Research – (Korea, Philippines & Vietnam)

This study identified the top 300 meat industry stakeholders in each country. The second phase involved the selection and interviewing of the 30 most important meat industry companies for Irish meat exporters which was disseminated to meat client companies in May.

Pork in China – Domestic Variation

A market insight understanding of the regional preferences in China for pork presentation and cuts. The report can drive value for Irish pigmeat exporters through tailored product offerings for different regions within China. Dissemination to relevant client companies took place in June.

Understanding Usage and Attitudes to Whiskey

Bord Bia's new Whiskey Consumer Vista Research is a multi-market study of consumer attitudes and usage of whiskey in key markets around the world. The research is the first of its kind completed on Irish whiskey internationally and is designed to help brand owners better understand whiskey consumers in the US, Japan, China and Singapore.

Understanding Premium Chocolate in Ireland and the UK

This category study explored premium chocolate shopper behaviour in Ireland and the UK. It delivers an understanding of what premium means to shoppers today and identifies eight shopper need-states that influence brand choice and purchase behaviour in chocolate occasions and channels. Designed to better understand the path to purchase for premium chocolate and encourage better brand communications with shoppers.

What does Clean Mean?

This multi country study was designed to explore consumer understanding and dynamics around clean labelling including ingredients, nutritional claims and potential motivating benefits that could help provide a road map for industry in terms of their approach to clean labelling, enabling product development opportunities into the future. The study was presented to over 50 companies at an insight session in May.

Free-From – Denmark & Sweden

Trade and market insight project to identify the size of the free-from market in Denmark and Sweden and to recommend routes to market for Irish producers. It included an in-depth analysis of retailers in each market and their buying approach to free-from category.

Chilled ready meals and fresh soup categories

A presentation of both categories for UK and Irish markets which included the Kantar measure tree, retailer performance, key trends and recommendations was provided through in an insights session held in July for 37 company representatives.

Food Brand Ireland – Seafood

Food Brand Ireland, a global brand study, sought to understand consumer's views of Ireland as an origin for food and drink. A brand framework model has been developed to underpin Bord Bia's marketing and communications strategy for the next three to five years. The study involved qualitative and quantitative research across 11 markets and over 11,000 international consumers. In 2019, the model was applied to the seafood sector with research in 10 markets (Ireland, UK, the US, UAE, Italy, Japan, South Korea, Germany, France and China).

Irish Frozen at Sea Prawns-Research / Japanese Market

This study focusses on the foodservice channel in Japan through a series of trade interviews to understand and size the prawn market in Japan, validate current supply and possible opportunities for the Irish sector in that market.

Understanding Whiting in France

This was a collaborative project with BIM, to better understand the whiting category in Ireland from a trade perspective. The study included key stakeholder interviews with 31 trade contacts across a number of retail and foodservice channels. The findings involved an understanding of the market size, the way in which whiting is sold and consumed and also the perception of Irish whiting versus key competitors in Scotland, Netherlands and France.

Consumer Panel Data

Purchased Consumer Panel Data for four core areas of industry including fresh horticulture produce, fresh meat for the Irish market, mushrooms in Great Britain, and 16 prepared food categories. This data provides an ongoing understanding of performance within the categories, consumer behaviour both in terms of attitudes and trends but also in purchase behaviour.

Production Census

Each year the Department of Agriculture, Food and the Marine carries out an annual production census and Bord Bia assists with the analysis of data and the compilation of the final report. This information provides the size of the horticulture sectors, trends in production and insight on how the sectors are performing.

Potato Yield Analysis

Each year, an analysis of the annual potato yield is conducted to provide an independent assessment of annual production. This provides key industry stakeholders, including the Department of Agriculture, Food and the Marine, Teagasc, IFA and IPF, with an accurate picture on the volume of potatoes likely on the market in the coming season.

Horticulture Retail Market Audits

Three annual retail audits are conducted during the key production seasons for Irish grown produce. The key objective of the data identifies the origin of produce on the retail shelf and to monitor the use of the Bord Bia Quality Mark.

Amenity Horticulture - Domestic market sizing

A market insight study on domestic purchasing of amenity horticulture to understand spending. The study delivers an understanding of domestic, corporate and state entity spend to help inform Irish nurseries. The study has been disseminated to the industry at the Glas event.

Fresh Chip Domestic Market

A feasibility project to identify opportunities for Irish potatoes in the local fresh chip market. The project spanned both consumer and trade research and was presented to the industry in October.

Gardening Market Measure

During 2019, an update of a biennial study to measure the gardening market in Ireland was completed and disseminated to the industry through one-to-one meetings, horticulture e-zine and at the Glas trade event.

Understanding Usage and Attitudes to Potatoes

This study was facilitated to inform the potato industry on existing and potential consumers to drive growth in the Irish market. The quantitative approach to the research informed consumer behaviour and the findings were disseminated to industry in October. The research also informed an EU application for a three-year potato campaign.

Bord Bia Bloom Tracker Study

A national survey to monitor key measures on awareness, attendance and the impact of Bloom 2019. The research builds on the results from annual surveys on Bloom from 2010 and was disseminated internally and fed into the strategic review of Bloom. A qualitative research element in 2019 will inform event concepts in the future years.



Home Market Tracking

This tracking research enables an ongoing evaluation of campaigns by Bord Bia. The tracking nature of the research facilitates an evaluation of the awareness, understanding and impact of each campaign, measuring its performance. Campaigns aim to drive awareness and purchasing of Quality Mark products. Twelve campaigns were tracked during 2019.

Brexit Consumer Pulse UK and Ireland

An ongoing tracking study to monitor UK and Irish consumer confidence and attitudes to Ireland and Irish food and drink. Five waves of the study were completed during 2019 and the results disseminated as part of the Brexit support package for client companies.

Origin Green Member Survey

A survey conducted among Origin Green members to evaluate performance on the 'maintaining momentum' part of the objective for the Origin Green Ireland Public Awareness campaign.

BRANDING

This programme provides branding expertise and assistance to Irish food, drink and horticulture companies to foster commercial growth. Bord Bia also provides a forum for the exchange of knowledge and experience in branding practice.

Bespoke Client Branding Services

A branding services programme which is central to the deliverance of consumer centric brand strategies, brand rejuvenations and new brand identities. The programme works with specialist branding and design agencies domestically and internationally. Agencies execute the visual manifestation of a brand identity based on upfront brand strategy work. In 2019, over 28 medium to large companies operating across all categories participated.

Bespoke Client Brand Activation

Bespoke brand activation, helping companies to bring their brand to life across a number of touchpoints. During 2019, 10 companies were assisted to deliver great brand presence, clarity and storytelling across touchpoints including PR, in-store, social platforms and website.

Brand Forum

Facilitating networking, connections and learning, our Brand Forum programme is open to all client companies and is heavily subscribed. This year the quarterly events covered topics such as Business Transformation, Building Enduring Brands and How to be Compelling in a Distracted World, all with exceptional guest speakers. Five workshops shared best practice in tone and copywriting, influencer marketing, video optimisation, phone photography for Instagram and packaging design.

Brand Forum – Health Check

A dedicated Brand Health Check is a large quantitative study open to members of the Brand Forum. In 2019, it covered 46 categories and enabled 66 brand owners to track their brand awareness, performance and understanding within their category against five competitor brands.

Brand Forum – Recipe video Service

The annual Recipe Video service provides Brand Forum members with the opportunity to develop 60 second recipe videos to showcase their products. Videos are optimised for search on traditional and digital media. This year over two rounds of the programme, 24 companies participated to produce 35 videos.

SuperBrands

The programme is open to small companies with an annual turnover of less than €5m. A Brand Specialist works with companies on improving their brand strategy and positioning before enlisting the services of a creative agency to develop new or refreshed identities and packaging. During 2019, seven companies participated in the programme from all categories across the industry.

MARKETING AND COMMUNICATION

Food Brand Ireland International Business to Business (B2B) Campaigns

The Bord Bia Marketing Brand Team led B2B campaigns across beef, dairy and seafood in seven key priority markets in 2019. Targeting key retail, foodservice and manufacturing trade customers, the campaigns drove preference for Irish food in Established Markets and awareness of its distinctiveness in New Markets based on its sustainability credentials. Campaigns took place in the UK, US, Germany and Italy (established markets) and China, Japan and South Korea (new markets).

A new global brand model was developed to promote Irish food, drink and horticulture at home and overseas through campaigns based on in-depth market studies with trade customers and consumers.



Distinctive global propositions for Irish food as a whole and also for the Irish beef, dairy and seafood sectors were created in 2019. A suite of marketing material was developed including video, press and digital which are fully integrated across the B2B campaigns. Key activities included trade press advertisements and advertorials in 17 key trade publications and 15 online publications, social media and digital advertising across markets.

The first phase of a three-year marketing communications strategy for China was also launched in 2019. The objective is to increase awareness of the distinctiveness of Irish food and specific categories (beef, dairy, seafood and pigmeat) among key foodservice customers, importers and traders and online retailers. These groups are being targeted through Bord Bia owned digital channels (Wechat and Weibo), promotions with online retailers, partnerships with key online influencers and targeted media events.

Bord Bia led on the management of some 50 events across all industry sectors and promotional platforms in Ireland, Europe, the US, Middle East, Africa and Asia. Origin Green/Ireland pavilions featured at 32 international trade fairs and exhibitions with an aggregate visiting trade audience to these shows of over 1m buyers / visitors.

Bord Bia participated at key flagship trade fairs such as Seafood Expo Global, Brussels and ANUGA, Cologne as well as a variety of sector specific trade fairs such as ISM (confectionery), Biofach (organic), PLMA (private label), Prowein and Vinexpo (alcoholic beverages), Sirha, France and Internorga Germany (foodservice), FIE, Paris (ingredients).

With a continued growth in Asian markets, participation at 11 trade fairs across the Asian region under Origin Green and EU funded programmes were activated. These events included Foodex Japan, Food Hotel Expo, Vietnam, Hofex Hong Kong, SIAL China Shanghai, Seoul Food Korea, Wofex Philippines, Food Ingredients Asia, Bangkok, CIMIE Beijing, China Fisheries and Seafood Expo, Qingdao and Japan International Seafood, Tokyo. Other regions included Gulfood and Gulfood Manufacturing in the Middle East and Wine & Spirits Wholesalers of America (WSWA) exhibition and Seafood Expo North America.

Two ministerial-led trade missions were supported during 2019. Delegations travelled to China to coincide with SIAL China trade fair and to Japan and Korea. The trade missions incorporated market briefings, B2B meetings for Irish companies and business seminars for trade customers. A flavours of Ireland reception was hosted in Tokyo.

Throughout 2019 international coverage was achieved through targeted inward journalist visits and through outreaching PR campaigns around key Trade Missions and Trade Fairs in Europe and Asia.

Bord Bia Bloom 2019

The Bord Bia Bloom Team led the development and evolution of Bord Bia Bloom in 2019 which took place over five days across the June Bank Holiday Weekend. In its 13th year, the show attracted 115,000 visitors who reported a 99.5% satisfaction rating with their experience. Key changes to the visitor experience at Bloom in 2019 centred around the Bord Bia and industry activation of vibrant destination zones connected with improved way finding as purposeful destination zones for friends, families and kids, ecologically themed and well planted with horticulture at its heart, and reflected through the food and drink presentation.

Overall enhancements to the infrastructure including interactive information features and the overall food experience for over 115,000 visitors contributed to higher visitor satisfaction. Spend at the show itself was estimated to be €9m and post event research estimated another €24m spend on plants. The 2019 Media impact of Bord Bia Bloom was valued at €4.3m advertising equivalence (AVE). High standards of presentation were achieved across the show and the garden designers were awarded 11 gold medals. For the first time at Bloom, Bord Bia measured the importance of the trade breakfast where 188 new trade leads were generated for the producers present with 250 buyers and a €15bn purchasing power present.

2019 also saw the completion of Bord Bia's Bloom strategic review and plans were agreed for a new direction for Bord Bia Bloom and the roll-out of a five year plan centred on the creation of a more sustainably managed event used to inspire existing and new visitors to become "fans for life for Irish horticulture, food and drink".

Corporate and other Industry Events

The Marketing Events Team led on the management of Corporate and Industry events in Ireland during 2019 including stakeholder events such as the Bord Bia Meat Markets Seminar, the Bord Bia Small Business Seminar, the Bord Bia Foodservice Seminar, Bord Bia Dairy Day and the Bord Bia Food and Drink Industry Awards.

Bord Bia Food and Drink Industry Awards 2019

The 2019 biennial Bord Bia Food and Drink Awards were presented on November 27th at a lunch time event in Dublin. Nine awards were presented across sustainability, export and domestic growth, talent management and effective use of insight. Overall, the awards achieved 56 pieces of coverage with a reach of 2.3m and AVE of €82,260.

Winners included ABP, Dawn Meats, The Shed Distillery, Silver Hill Farm, Keelings, Glenilen, Heineken and Blanco Nino. In addition to the trade and public recognition achieved it was clear from client feedback that these awards are highly sought after and highly regarded by recipients.

Other key stakeholder events in 2019 included participation at the National Ploughing Championships. Collaboration with BIM at Seafest which moved from Galway to Albert Quay in Cork City where seafood cookery and fish mongering demonstrations were activated during this two day public event.

National B2C Campaigns in Ireland

Bord Bia Quality Mark

The aim of the Bord Bia Quality Mark marketing programme in the domestic market is to grow preference for quality assured food. As part of this the focus is on increasing Irish shopper loyalty to and purchasing of food with the Quality Mark and driving frequency of consumption of the various quality assured meats and eggs.

Targeting 30-60 year old female grocery shoppers, generic activities included Q Mark TV advertising supported by social media activities, 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 quality assured meats and eggs was achieved primarily through TV advertising, PR activities and the development and circulation of new digital content. In all, 22 campaign bursts took place in 2019 including 39 weeks of TV advertising.

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. Some 93% of Irish grocery shoppers are aware of the mark and of these, 68% say that they would be more likely to buy a meat product displaying the Quality Mark. The increased consumer demand for meat with the Quality Mark has in turn resulted in retailers maintaining and increasing the proportion of shelf space with quality assured meat. In 2019, the percentage of SKUs of meat carrying the Quality Mark increased by 3% to 80% across retailers.

Irish Seafood

2019 was also the first year of a three-year Irish whitefish strategy in the domestic market with the focus on Irish hake, haddock and whiting. The main objective was to bring inspiration around the untapped versatility and appetite appeal of these Irish whitefish for everyday and weekend meals. This was achieved by targeting 35-55-year-old female shoppers through TV and outdoor advertising, search and social media activity. Some 52% of the target group could recall seeing the new TV advert and of these, 62% (230,000 shoppers) said they would be more likely to buy Irish whitefish as a result.

TV Sponsorship

During 2019, Bord Bia sponsored 'Neven's Seafood Trails' on RTE 1, aimed at increasing consumer understanding of the Irish seafood industry and the range of Irish seafood available. Over the seven-week series, Neven Maguire visited different seafood producers around Ireland and demonstrated how to cook a range of recipes. The 2019 series attracted almost 200,000 viewers on average per episode.

Farmer engagement/ communication

Bord Bia recognises the importance of maintaining and building strong relationships with farmers, who are the foundation upon which the Irish food and drink industry is built. In 2019 Bord Bia launched the first Farmer Engagement Strategy to create a formalised approach to Bord Bia's communications with farmers. The broad ambition of the strategy is to communicate to farmers the benefit and value of what Bord Bia knows and does through a series of touchpoints across agri and regional media, agri-events, farm walks, farm meetings, and social media.

Key partner events in the farmer communications calendar included Dairy Day at Teagasc Moorepark, the National Ploughing Championships, and Dairy Day at Punchestown.

Following on from their introduction in 2018, Bord Bia ran a series of Farm Walks for members of the Sustainable Beef and Lamb Assurance Scheme (SBLAS). Six walks were held between July and October with the aim of supporting farmers with the audit process while underlining the market importance of Quality Assurance.

The first Sustainable Dairy Assurance Scheme (SDAS) farm walks were held in 2019 on the farms of Bord Bia's Origin Green winners from 2018.

At both the SDAS and SBLAS farm walks, Bord Bia introduced farmers to the Farmer Feedback Report that all beef and dairy farmers will receive following their audit.

Award Sponsorships

During 2019, award sponsorships included the food and drink category of the Small Firms Association and the Irish Exporters Association, the Irish Cheese Awards, Secondary Schools Quality Mark competition at Listowel Food Fair, as well as the Supreme Champion category and the Best Artisan Producer category at the Blás na hEireann awards.

Corporate Brand PR and Communications

A Bord Bia brand refresh in 2019 is leading the way for clearer more coherent brand communications from Bord Bia to all its audiences nationally and internationally. Bord Bia's Corporate Communications strategy has as a result undergone a review in 2019, directly supporting the Bord Bia brand refresh and a revised brand architecture.

In May 2019, Bord Bia was awarded a No.1 ranking in the Ireland RepTrak® study of the Top 100 most reputable brands in Ireland. The study measures annually the Reptrak Pulse score – the emotional bond between an organisation and the public, based on esteem, admiration, trust, and good feeling - through its RepTrak model, developed by the internationally recognised Global Reputation Institute.

This Pulse score is supported by the seven rational dimensions of Reputation – Citizenship, Governance, Innovation, Leadership, Performance, Products & Services, Workplace - which have proven to be the pillars of organisational reputation.

The Bord Bia brand refresh presents a significant opportunity and platform for Bord Bia to embark on a campaign of corporate storytelling, communicating the role and remit of Bord Bia, and its programmes under our four strategic priorities to target audiences nationally and internationally.

Digital Marketing

The digital team has led on significant digital transformation across the marketing function in 2019. In line with the Bord Bia brand refresh and revised brand architecture, the Bord Bia and Food Brand Ireland digital landscape has been strategically reviewed, consolidated and enhanced.



The core Bord Bia website www.bordbia.ie CMS migration and refresh contributed to a 12.58% year on year increase in visitors to the site - a total of 1,390,528 visitors - and a 20.12% increase in the visitors who reached the website through organic Google search.

Bord Bia has carried out user experience research which has informed a roadmap for web development and consolidation - laser focused on a user-centred approach to digital transformation, prioritizing user needs and journeys across multiple touchpoints.

Bord Bia's new digital asset management system, the Bord Bia Marketing Hub, was launched in 2019 to support a new central/local more agile marketing model for global markets, leading to more collaborative and efficient ways of working for agile and effective marketing.

Marketing Finance

In 2019 Bord Bia invited applications under two marketing grants programmes, the Marketing Assistance Programme (MAP) and the Step Change Programme (SCP). The MAP was open to Irish food, drink and horticulture producers with a turnover in the range €100k and €3.5m. The SCP, under which up to €50k 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 had a turnover in the range €100k to €10m. These marketing grants provide food enterprises with assistance towards their marketing activities.

During 2019, 149 companies in the farmhouse cheese, beverages, chilled dairy, confectionery, bakery, prepared meals, charcuterie, seafood and horticulture sectors were approved a total of €723,000 under the MAP, with a further seven companies approved a total of €300,000 under the SCP.

Grants totalling €1,022,500 were paid to 155 companies during the year across the two grants programmes.

MARKETS

In 2019, Bord Bia continued to focus on building its services for client companies across its international network of 15 overseas locations – eight across Europe and seven in international markets. A particular focus has been to support client companies with additional resources on the ground in international markets. New offices opened in Japan (Tokyo) and Nigeria (Lagos), and new market specialists were hired for the Warsaw, New York, Shanghai, Singapore and Amsterdam offices. While the focus of activity undertaken tends to vary depending on the stage of development of Irish exports, the overarching objective is to be pivotal to the delivery of sustainable export growth by driving the awareness, reputation and market readiness of Irish food and drink suppliers across the globe. Throughout 2019, Bord Bia worked closely with Irish companies, helping to build the capability of businesses to evaluate, plan and deliver growth in strategically selected, priority markets through a range of services. These services were informed by the Market Prioritisation project which continued in 2019, with particular emphasis on building strategic customer partnerships in priority markets across the retail, foodservice and manufacturing channels.



15
overseas locations
– eight across Europe
and seven in
international markets

In addition to the implementation of programmes and projects, Bord Bia’s markets personnel undertook the following during 2019:

- Supported three agri-food trade missions to China; Japan and Korea: Germany and The Netherlands.
- 1,183 buyer meetings and presentations
- 1592 business leads generated
- 650 responses to individual buyer requests
- 1,124 business planning meetings with Irish client companies
- Hosted incoming inspection and technical knowledge transfer visits from China, Malaysia and the US,
- Participated in the industry market-access Steering Group, addressing market access to high-potential markets.

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



GOVERNANCE STATEMENT AND BOARD MEMBERS REPORT

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 up to 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 & Livestock and Quality Assurance) comprising a Chair and up to 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.

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 the 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 assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

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. Standing agenda items at Board meetings include minutes of previous meeting, matters arising, finance report, Chief Executive’s report, corporate governance, risk management and any other business. The Chair addresses any conflicts of interest members may have with the agenda at the start of each meeting.

The Board carries out an ongoing assessment of principle risks and has established a context for identifying, analysing, evaluating, treating and monitoring risk. Principle 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. Risk is mitigated through a process of review of the risk map at each Board meeting and industry consultations are facilitated through the Subsidiary Board structure. The use of Bord Bia’s brands and marks are monitored on an ongoing basis to ensure authorised usage.

The Board complies with the relevant aspects of the Public Spending Code and matters reserved for the Board for decision, and not delegated to management, 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 acquisition 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.

Within the context of the *Food Wise 2025* strategy document for the development of the agri-food sector, the Bord Bia Strategic Plan *‘Building Differentiation Winning Growth’* sets out the actions proposed during the period of the strategy, 2019 – 2021 and the annual budgets for Bord Bia 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.

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 2019, 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.
- 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 undertook a self-assessment evaluation of its own performance during the year and that of its Audit & Risk Committee and weaknesses identified were addressed. Each Board member was asked to individually score the assessment, answers were considered by the Chair and presented to the Board where a number of actions were identified to improve the performance of the Board. In accordance with the Code of Practice for the Governance of State Bodies an external evaluation of Board effectiveness was also carried out in 2019.

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.

An Oversight Agreement for Bord Bia has been completed and implemented by the Department of Agriculture, Food and the Marine during the year.

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 91.

BOARD MEMBERS AND MEETING ATTENDANCE

There were seven Board meetings held during 2019 and the details of each member's attendance, is set out below.

Board Meetings

Board Member	Board Meetings Attended
L. Allen	6 out of 7
N. Browne	7 out of 7
M. Cronin	7 out of 7
R. Doyle	6 out of 7
D. Harvey	6 out of 7
F. Hayes	2 out of 2
J. Healy	6 out of 7
C. Keeling	5 out of 7
T. Keohane	6 out of 7
P. McCormack	7 out of 7
S. McPhillips	6 out of 7
D. MacSweeney	6 out of 7
T. Moran	7 out of 7
P. Murphy	4 out of 4
R. O'Rourke	6 out of 7
P. Whelan	4 out of 7

BOARD MEMBERS FEES AND EXPENSES

A schedule of the fees and travel and subsistence expenses paid to Board members in respect of attendance at Board meetings in 2019 is set out below.

Board Member	Board Fees	Travel & Subsistence Expenses
D. MacSweeney	€20,520	€3,915
L. Allen	€11,281	€231
N. Browne *	-	-
M. Cronin	€11,281	€2,811
R. Doyle	€11,970	€679
F. Hayes *	-	-
D. Harvey	€11,019	-
J. Healy	€11,970	€1,361
C. Keeling *	-	€96
T. Keohane	€11,970	-
P. McCormack	€11,970	€1,717
S. McPhillips **	-	-
T. Moran	€11,970	€46
P. Murphy *	-	-
R. O'Rourke	€11,970	-
P. Whelan	€11,970	€901

* Indicates those Board members who have waived part or all of the fee payable, as a Board member in 2019.

** Under the one person one salary principle, no fees were payable to S. McPhillips, Assistant Secretary General, Departments of Agriculture, Food and the Marine.

Board Members received no other payments in respect of their membership of the Board in 2019.

Amounts paid to Subsidiary Board members for travel and subsistence expenses in 2019 amounted to €17,486. No fees were paid to Subsidiary Board members in 2019 in relation to attendance at Subsidiary Board meetings.

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, and 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 currently comprises five members of the Board, M. Cronin, R. Doyle, T. Keohane, S. McPhillips and R. O'Rourke and one external member, R. Nolan, with a financial background, met on four occasions during 2019.

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 currently comprises three members of the Board, D. MacSweeney, S. McPhillips and T. Moran met on one occasion during 2019.

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.

There was one meeting of the Strategy Committee during the year. The Strategy Committee currently comprises four members of the Board, D. MacSweeney, T. Keohane, T. Moran and S. McPhillips. The Strategy Committee plays an important role in providing observations and recommendations concerning strategic issues facing Bord Bia and contributes to the strategic planning process and the development of strategy.

The Bord Bia Statement of Strategy 2019 – 2021, launched on 9th January 2019, is aligned to Food Wise 2025, and includes the following four strategic priorities:

- Driving success and growth in the market
- Insight to power growth
- Building reputation for growth
- Leading through people

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 both on appointment and annually 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 to 2019 and the General Data Protection Regulation (GDPR) (EU) 2016 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 2019.

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:

	2019
mWh of electricity	170
<i>(Base year 2009: 379 mWh)</i>	

The Thinking House had electricity usage of 42mWh during the year.

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 2019, 97% 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 and lamb, potatoes, lamb, 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.

CONSULTANCY COSTS

Consultancy Costs include the cost of external advice to management and exclude outsourced 'business as usual' functions.

	2019 €'000	2018 €'000
Legal	63	145
Tax & Financial Advisory	92	82
Public Relations / Marketing	14	1
Pensions & Human Resources	168	380
Business Improvement	240	93
Total Consultancy Costs	577	701
Consultancy Costs	-	-
Capitalised Consultancy costs charged to Income and Expenditure and Retained Revenue Reserves	577	701
Total	577	701

LEGAL COSTS AND SETTLEMENTS

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings. The below figures include expenditure incurred in relation to general legal advice received by Bord Bia which is disclosed in Consultancy costs above.

	2019 €'000	2018 €'000
Legal Fees – Legal Proceedings	63	145
Conciliation & Arbitration	-	-
Payments	-	-
Settlements	-	-
Total Consultancy Costs	63	145

TRAVEL AND SUBSISTENCE EXPENDITURE

Travel and subsistence expenditure is categorised as follows:

	2019 €'000	2018 €'000
Domestic		
- Boards	29	30
- Employees	319	268
International		
- Boards	1	-
- Employees	986	665
Total Consultancy Costs	1,335	963

HOSPITALITY

The Income and Expenditure account includes the following hospitality Expenditure:

	2019 €'000	2018 €'000
Staff hospitality	3	3
Client hospitality	-	-
Total Consultancy Costs	3	3

STATEMENT OF COMPLIANCE

The Board has adopted the Code of Practice for the Governance of State Bodies 2016 and has put procedures in place to ensure compliance with the Code. Bord Bia was in full compliance with the Code of Practice for the Governance of State Bodies during 2019.

Dan MacSweeney
Chair

29th June 2020

Tara McCarthy
Chief Executive

29th June 2020



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

Chief Executive	Tara McCarthy
Meat, Food and Beverages	Padraig Brennan
Marketing and Communications	Una Fitzgibbon
Markets Business Conversion	Ailish Forde
Strategic Insights and Planning	Helen King
Corporate Services	Susan McDonnell
Origin Green and Sustainable Quality Assurance	Deirdre Ryan
Organisation and Industry Talent	Michael Murphy
Horticulture	Mike Neary
Overseas Offices	
Amsterdam	Laura Crowley
Dubai	Claudia Saumell
Dusseldorf	Gabriele Weiss Brummer
Lagos	Ese Okpomo
London	Donal Denvir
Madrid	Cecilia Ruiz
Milan	James O'Donnell
Moscow	Alla Barinova
New York	Henry Horkan
Paris	Finnian O'Luasa
Shanghai	Conor O'Sullivan
Singapore	Ciaran Gallagher
Stockholm	Linda Madigan
Tokyo	Joe Moore
Warsaw	Krzysztof Pogorzelec

Human Resource activities during 2019 have responded to fulfil a recruitment drive to recruit 29 staff across consumer insight, marketing and communication, and business development. In addition, the Human Resource activity has

recently been expanded to support industry talent development programmes as well as providing support to management and staff through change and in meeting the challenges of the marketplace.

This is carried out through a series of internal development and external industry talent programmes which:

- Provide best in class range of human resource services and innovative internship and development programmes with leading universities.
- Enable organisational design and structural change plans.
- Establish appropriate talent management structures and performance management systems to effectively deliver the strategic priorities of the organisation.
- Provide workforce planning and human resource management for Ireland and our overseas office infrastructure.
- Deliver best in class leadership, talent development and coaching development programmes.
- Engage in staff communications, motivational and workplace wellbeing initiatives.

In order for Bord Bia to deliver on its strategic ambition, best practice human resource strategies and processes are adopted to attract, retain and develop staff. There continues to be a focus on continually ensuring clarity around the linkage between strategy and role contribution. During the year, Bord Bia refined its values to include we are connected, we champion sustainability, we are grounded, we are courageous, we are driven and we are impactful. Being an open, authentic and agile organisation ensures each individual can themselves be leaders of change and be responsive to the fast-changing environment in which we live today.

BORD BIA BOARD

CHAIR

Dan MacSweeney

Former Chief Executive,
Carbery Group.

Appointed 1st March 2018

MEMBERS

Lorraine Allen

Managing Director
of Brand Innovation Ireland
Appointed 22nd January 2019

Niall Browne

Chief Executive, Dawn Meats
Appointed 8th January 2019

Tim Cullinan

President Irish Farmers'
Association
Appointed 30th January 2020

Michael Cronin

Agrifood Consultant
Appointed 22nd January 2019

Rachel Doyle

Director, Arboretum Garden
Centre
Appointed 16th June 2018

David Harvey

Chief Executive, Peninsula
Television
Appointed 30th January 2019

Tony Keohane

Former Chairman, Tesco
Appointed 16th June 2018

Patrick McCormack

President, Irish Creamery Milk
Suppliers' Association
Appointed 19th December 2017

Sinead McPhillips

Assistant Secretary General,
Department of Agriculture,
Food & the Marine
Appointed 13th February 2018

Tom Moran

Former Secretary General,
Department of Agriculture,
Food & the Marine
Appointed 16th June 2018

Pat Murphy

President & CEO Primary Dairy
& Agribusiness, Kerry Group Plc.
Appointed 28th May 2019

Raymond O'Rourke

Food & Consumer Lawyer
Appointed 16th June 2018

Patrick Whelan

Whelan's Butchers
Appointed 16th June 2018

Chief Executive

Tara McCarthy

Secretary/Director

Susan McDonnell

Changes during 2019

Appointed 8th January

Niall Browne

Appointed 22nd January

Lorraine Allen

Michael Cronin

Appointed 30th January

David Harvey

Term of Office Expired 11th April

Frank Hayes,
Director Corporate Services,
Kerry Group Plc.

Appointed 28th May

Pat Murphy

Term of Office Expired 10th December

Caroline Keeling,
Chief Executive,
Keeling Fruit Growers/Importers

Changes during 2020

Resigned 29th January

Joe Healy
President Irish Farmers'
Association

Appointed 30th January

Tim Cullinan

BORD BIA CONSUMER FOODS BOARD

CHAIR

Michael Cronin

Agrifood Consultant

MEMBERS

Alison Cowzer

Co-Founder
East Coast Bakehouse

Margaret Daly

Deputy CEO
Errigal Bay

Rosemary Garth

Director, Communications &
Corporate Affairs, Irish Distillers.

Maurice Hickey

Donegal Catch

Paula Mee

Nutritionist

Larry Murrin

Managing Director, Dawn Farm
Foods

Catherine Neilson

Director of Strategy, Kerry Foods

John Noonan

Sales & Marketing Director, E.
Flahavan & Sons

Pat Rigney

Managing Director,
Fastnet Brands Co. Ltd.

Simon Walker

Chief Executive
Kepak Convenience Foods

Michelle Walshe

Managing Director,
Ribworld

Changes during 2019

Re-appointed 6th February

Larry Murrin

John Noonan

Appointed 6th February

Alison Cowzer

Simon Walker

Appointed 29th May

Margaret Daly

Rosemary Garth

Paula Mee

Term of Office Expired 10th December

Caroline Keeling (Chair)

Term of Office Expired 2nd October

Pat Connors

Sales & Processing Director, Marine
Harvest

Term of Office Expired 2nd October cont'd

Bernard Coyle

Chairman, Mr Crumb

Colin Gordon

Former Chief Executive, Glanbia
Consumer Foods

Changes during 2020

Appointed 26th February

Michael Cronin (Chair)

Appointed 26th February

Maurice Hickey

Michelle Walshe

BORD BIA MEAT AND LIVESTOCK BOARD

CHAIR

Tony Keohane
Former Chairman, Tesco Ireland

MEMBERS

Andy Boylan
Chairman, National Poultry
Committee, Irish Farmers'
Association.

Sean Dennehy
Chairman, National Sheep
Committee, Irish Farmers'
Association

Brendan Golden
Chairman, National Livestock
Committee, Irish Farmers'
Association

Tom Finn
Chief Commercial Officer, Kepak

Jim Hanley
Chief Executive, Rosderra Irish
Meats

Tom Hogan,
Chairman, National Pigs &
Pigmeat Committee, Irish Farmers'
Association

Martin Kane
Managing Director, ABP Ireland.

Brendan Mallon
Associated Craft Butchers of Ireland

Des Morrison
Irish Creamery Milk Suppliers'
Association

Changes during 2019

Appointed 6th February

Des Morrison

Resigned 27th May

Paddy Walsh
Dawn Meats

Re-appointed 16th June

Jim Hanley

Appointed 18th June

Tom Finn

Term of Office Expired 26th September

Vincent Carton
Carton Brothers

Changes during 2020

Resigned 27th January

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

Appointed 26th February

Brendan Golden

Term of Office Expired 21st March

Kevin Quinn
Quinn International Livestock

BORD BIA DAIRY BOARD

CHAIR

Tom Moran

Former Secretary General,
Department of Agriculture, Food &
the Marine

MEMBERS

Bernard Condon

Managing Director, Global
Ingredients Division, Ornu.

Noel Corcoran

Sales & Marketing Director, Carbery
Food Ingredients

Marc Healy

VP of Global Sales, Kerry Group plc.

Lorcan McCabe

Irish Creamery Milk Suppliers
Association

William Meagher

Tipperary Co-Operative Creamery
Ltd.

Sean Molloy

Chief Agribusiness Growth Officer,
Glanbia

John O’Gorman

Chairman, Dairygold Co-operative
Society

Tom Phelan

National Dairy Council Chairman,
Irish Farmers’ Association

Dr Pat Shiels

General Manager, Agri Division,
Lakeland Dairies

Changes during 2019

Re-appointed 16th June

Lorcan McCabe

Dr Pat Shiels

BORD BIA QUALITY ASSURANCE BOARD

CHAIR

Raymond O'Rourke
Food & Consumer Lawyer

MEMBERS

Ray Bowe
Food Safety & Quality Manager,
Musgrave Retail Partners

John Cunningham
Ex-Dairygold Food Products

Maria Dunne
Meat & Meat Policy Division,
Department of Agriculture, Food &
the Marine

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

John Mohan
Chairman, The Egg Association

Paul Nolan
Group Development Manager,
Dawn Group

Liam O'Flaherty
Dairygold Co-operative Society

Joyce Roche
Director & Technical Manager, Codd
Mushrooms

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

Maurice Walsh
Irish Creamery Milk Suppliers'
Association

Changes during 2019

Re-appointed 16th June

Liam O'Flaherty

Re-appointed 22nd November

Ray Bowe

Dermott Jewell

Paul Nolan

Changes during 2020

Resigned 8th January

Denis Carroll
Irish Creamery Milk Suppliers'
Association

Terms of office Expired 1st February

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

Appointed 26th February

Maurice Walsh

Re-appointed 26th February

John Cunningham

BORD BIA HORTICULTURE BOARD

CHAIR

Rachel Doyle

Director, Arboretum Garden Centre

MEMBERS

Paul Brophy

Paul Brophy Produce

Matt Foley

Kilbush Nurseries

Nicola Haines

Tierney Haines Architect

Karen Kerrigan

Kerrigan's Mushrooms

Thomas McKeown

Bradley Farm

Celine Murrin

University College, Dublin

Áine O'Neill

Sillis Green Veg

Brian O'Reilly

Mushroom Grower

Eoin Reid

Fernhill Garden Centre

Padraig Tully

Tully Nurseries

Con Traas

The Apple Farm

Changes during 2019

Re-appointed 29th May

Brian O'Reilly

Eoin Reid

Terms of office Expired 15th June

Jane McCorkell

Landscape Architect & Horticultural
Consultant

Re-appointed 16th June

Paul Brophy

Karen Kerrigan

Resigned 9th September

Margot Slattery

Country President, Sodexo Ireland

Terms of office Expired 26th September

Eddie Doyle

Doyle Produce

Appointed 22nd November

Thomas McKeown

Changes during 2020

Re-appointed 26th February

Matt Foley

Appointed 26th February

Nicola Haines

Con Traas



OUR ACCOUNTS

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

An Bord Bia

Opinion on the financial statements

I have audited the financial statements of An Bord Bia for the year ended 31 December 2019 as required under the provisions of section 21 of 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, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of An Bord Bia at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of An Bord Bia and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

An Bord Bia has presented certain other information together with the financial statements. This comprises an annual report, a governance statement and Board members' report and a statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Colette Drinan
For and on behalf of the
Comptroller and Auditor General

30 June 2020

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities for

- the preparation of financial statements in the form prescribed under section 21 of the An Bord Bia Act 1994
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- implementing such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 21 of the An Bord Bia Act 1994 to audit the financial statements of An Bord Bia and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on An Bord Bia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause An Bord Bia to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

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

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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 system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Bord Bia for the year ended 31 December 2019 and up to the date of approval of the financial statements.

CAPACITY TO HANDLE RISK

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.

RISK AND CONTROL FRAMEWORK

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.
- Establishing procedures to ensure that the schemes and programmes administered by the body are in accordance with the legislation governing their operation and that appropriate risk management systems are in place.

The Board can conclude that the processes in place to identify and evaluate business risks were operating effectively and as intended during the period.

The system of internal 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.
- Clearly defined capital Investment control processes.
- Formal project management disciplines

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 control.

ONGOING MONITORING AND REVIEW

The Board's monitoring and review of the effectiveness of the system of internal 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 internal control framework and by the work of the Comptroller and Auditor General in his annual audit.

The Financial Statements have been prepared in accordance with the Code of Practice for the Governance of State Bodies 2016.

PROCUREMENT

The quality assurance process, as per the Public Spending Code, was carried out for the audit period. This provided confirmation that the body is in compliance with current procurement rules as set out by the Office of Government Procurement, and the requirements of the Public Spending Code.

REVIEW OF EFFECTIVENESS

I confirm that in the year ended 31st December 2019, the Board conducted a review of the effectiveness of the system of internal control. The review was conducted in November 2019.

INTERNAL CONTROL ISSUES

There were no material weaknesses in internal control, or breaches in control, material losses, or frauds reported in relation to 2019 that require disclosure in the financial statements.

On behalf of the Board

Dan MacSweeney

Chair

29th June 2020

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

for the financial year ended 31 December

	Notes	2019 €'000	2018 €'000
Income			
Oireachtas Grants	2 (a)	44,844	40,383
Oireachtas - Other Funding:			
Food Dude National Roll Out	2 (b)	3,554	3,855
Quality Assurance Schemes Special Funding	2 (c)	6,243	6,485
Food Promotions Special Funding	2 (d)	5,644	4,173
Statutory Levy	2 (e)	5,964	5,935
Project and Other Income	2 (f)	9,282	9,255
Net deferred funding for Retirement Benefits	11(a) i	3,621	3,662
		79,152	73,748
Transfer from the Capital Account	3	114	44
		79,266	73,792
Expenditure			
Marketing and Promotional Expenditure	5 (a)	47,016	43,761
Food Dude National Roll Out		3,517	3,896
Quality Assurance Schemes		6,571	6,476
Marketing Finance	5 (b)	1,022	1,225
Pay and Retirement Benefit Costs	6	15,326	13,721
Operating Expenditure	4	3,976	4,049
		77,428	73,128
Operating surplus		1,838	664
Interest receivable		0	0
Interest payable		0	0
		1,838	664
Net surplus for the financial year before Retirement Benefit Contribution to the Exchequer		1,838	664
Retirement Benefit Contribution to the Exchequer		(1,082)	(1,392)
		756	(728)
Net surplus / (deficit) for the financial year after Retirement Benefit Contribution to the Exchequer		756	(728)
Retained Revenue Reserves at 1 January		715	1,443
Retained Revenue Reserves at 31 December		1,471	715

All income and expenditure for the year relates to continuing activities at the reporting date.

The Statement of Cash Flows and Notes 1 to 17 form part of these financial statements.

Dan MacSweeney
Chair
29th June 2020

Tara McCarthy
Chief Executive
29th June 2020

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December

	Notes	2019 €'000	2018 €'000
Net Surplus / (deficit) for the year		756	(728)
Actuarial Gain on Retirement Benefit Scheme Liabilities	11(a)iii	(6,358)	3,215
Adjustment to Deferred Retirement Benefit Funding	11(a)iii	6,358	(3,215)
Total Comprehensive Income / (Expenditure) for the year		<u>756</u>	<u>(728)</u>

The Statement of Cash Flows and Notes 1 to 17 form part of these financial statements.

Dan MacSweeney
Chair
29th June 2020

Tara McCarthy
Chief Executive
29th June 2020

STATEMENT OF FINANCIAL POSITION

as at 31 December

	Notes	2019 €'000	2018 €'000
ASSETS EMPLOYED			
Fixed Assets			
Property, Plant and Equipment	7	500	615
Current Assets			
Inventories		3	3
Trade and Other Receivables	8	7,011	5,989
Cash and Other Equivalents		8,038	6,348
		15,052	12,340
Current Liabilities : Amounts falling due within one year			
Trade and Other Payables	9	12,647	10,774
Net Current Assets		2,405	1,566
Total Assets less current liabilities		2,906	2,181
Long Term Liabilities: amounts falling due after more than one year			
Provision for Liabilities and Charges	12	935	851
Retirement Benefit Liabilities	11	(74,725)	(65,406)
Deferred Retirement Benefit Funding	11	74,725	65,406
		-	-
Total Assets less Liabilities		1,971	1,330
FINANCED BY			
Capital and reserves			
Capital account	3	500	615
Statement of Income and Expenditure and Retained Revenue Reserves		1,471	715
		1,971	1,330

The Statement of Cash Flows and Notes 1 to 17 form part of these financial statements.

Dan MacSweeney
Chair

29th June 2020

Tara McCarthy
Chief Executive

29th June 2020

STATEMENT OF CASH FLOWS

for the financial year ended 31 December

	2019	2018
	€'000	€'000
Cash flows from Operating Activities		
Surplus / (Deficit) for the financial year	756	(728)
Adjustments for:		
Depreciation of Tangible Assets	261	290
Capital Account Transfer	(115)	(44)
Interest Received	0	0
Decrease / (Increase) in Inventories	0	0
(Increase) in trade and other receivables	(1,022)	(577)
Increase / (Decrease) in trade and other payables	1,873	(1,336)
Increase in other provisions	83	100
Net Cash Inflow / (Outflow) from Operating Activities	1,836	(2,295)
Cash flows from investing activities		
Purchases of property plant and equipment	(147)	(251)
Interest Received	0	0
Loss on disposal of fixed asset	1	5
Net Cash from investing activities	(146)	(246)
Net Increase / (Decrease) in Cash and Cash Equivalents	1,690	(2,541)
Cash and Cash Equivalents at 1 January	6,348	8,889
Cash and Cash Equivalents at 31 December	8,038	6,348

Dan MacSweeney
Chair

29th June 2020

Tara McCarthy
Chief Executive

29th June 2020

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 2019 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 Dude 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 An 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 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 €44,844,000 were drawn down from the Department of Agriculture, Food and the Marine under Vote Agriculture (Sub-head C.6).
- (b) Amounts included under the heading of Food Dude - National Roll-Out totalling €3,554,000 arise in respect of funding made available by the Department of Agriculture, Food and the Marine (Sub-head C.4.3) 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 €6,243,000 arise in respect of funding made available by the Department of Agriculture, Food and the Marine (Sub-head C.3.9) 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-heads C.4.3) in respect of the following programmes:

	2019	2018
	€'000	€'000
Promotions		
Beef & Lamb Asia	978	1,033
Pork & Beef	743	0
Mushroom	717	437
Lamb	322	228
Organics	173	150
Biofach Organic Meat & Consumer Foods Fair	91	51
Potato	0	214
Biofach Organic Seafood Fair	0	40
Trade Fairs		
Seafood Expo Global (SEG)	396	392
Boston Seafood	188	185
China Fisheries	116	187
Conxemar	73	72
Seafood Tokyo	94	75
PLMA	0	27
Biofach	0	38
Seafood Expo Hong Kong	0	70
Other		
Seafood Campaign Ireland	666	0
Lean Initiatives- Meat	409	0
Seafood B2B OG Campaign	290	0
Market Diversification Seafood	160	0
Seafood Category Promotion	144	0
Seafood - Growing New Business	74	0
Seafood Activation China	10	0
Fish consumer promotion	0	542
Feet on the Street	0	143
Consumer and International Trade Research	0	253
Emerging Market Promotions	0	36
	5,644	4,173

(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 2019, all levies were accounted for on an accruals basis.

(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.

	2019	2018
	€'000	€'000
Capital Account Balance at 1 January	615	659
Amount capitalised in respect of purchased fixed assets	147	251
Amounts released on disposal of fixed assets	(1)	(5)
Amortisation in line with asset depreciation	(261)	(290)
Net transfer (to) / from the Statement of Income and Expenditure and Retained Revenue Reserves.	(115)	(44)
Balance at 31 December	500	615

4. OPERATING EXPENDITURE

	2019	2018
	€'000	€'000
The net surplus is stated after charging:		
Depreciation of property plant and equipment	261	290
Rent and Rates	1,839	1,580
Auditors Remuneration	29	27
General Business Expenses	1,847	2,152
Total	3,976	4,049

5. MARKETING AND PROMOTIONAL EXPENDITURE

(a) Analysis by the Statement of Strategy Strategic Priorities	2019	2018
	€'000	€'000
Insights to Power Growth	7,047	0
Leading through People	4,028	0
Building Reputation for Growth - Providing Proof	3,522	0
Driving Success and Growth in the Market	9,684	0
Building Reputation for Growth - Marketing	21,390	0
Consumer Insight	0	5,042
People Talent Infrastructure	0	4,010
Origin Green	0	2,904
Routes to Market	0	11,856
Brand Communications	0	17,656
Support Services	1,345	2,293
Total	47,016	43,761

(b) Marketing Finance

In 2019 grants totalling €704,000 (€725,000 in 2018) were made under the Marketing Assistance Programme. Grants totalling €318,000 (€115,000 in 2018) were made under the Step Change Programme and €0 (€385,000 in 2018) was made available under the Market Intensification Programme in 2019.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

6. REMUNERATION

	2019	2018
	€'000	€'000
Staff costs during the financial year were as follows:		
Staff short-term benefits	10,402	8,947
Employer's Contribution to social welfare	1,303	1,112
Termination benefits	0	0
Retirement benefit costs	3,621	3,662
	15,326	13,721
	2019	2018
	€'000	€'000
Split of Employee Costs		
Marketing and promotion	13,442	12,077
Administration	1,884	1,644
	15,326	13,721
	2019	2018
	€'000	€'000
Split of Employee Numbers (Whole time equivalents)		
Marketing and promotion	118	113
Administration	23	22
	141	135
	2019	2018
	€'000	€'000
Split of Staff short-term benefits		
Salary	10,389	8,930
Overtime	0	3
Allowances	13	14
	10,402	8,947
	2019	2018
	€'000	€'000
Termination Benefits		
Termination benefits charged to the statement of income and expenditure	0	0

In accordance with Department of Public Expenditure and Reform circular 13/2014 the following outlines the employee benefits greater than €60,000 in 2019. Note the following are before any deduction related to the public sector pension levy.

Employee benefits	Number of Employees	
	2019	2018
€60,000 to €69,999	22	13
€70,000 to €79,999	13	9
€80,000 to €89,999	19	24
€90,000 to €99,999	5	7
€100,000 to €109,999	9	3
€110,000 to €119,999	3	4
€120,000 to €129,999	-	-
€130,000 to €139,999	-	-
€140,000 to €149,999	-	-
€150,000 to €159,999	-	1
€160,000 to €170,000	1	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

The remuneration of the Chief Executive included in the above pay costs is as follows:	2019	2018
	€	€
Tara McCarthy	163,345	157,543
Total remuneration	<u>163,345</u>	<u>157,543</u>

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.

Key Management Personnel included in the above pay costs is as follow:	2019	2018
	€	€
Salary	700	590
Allowances	0	0
Termination benefits	0	0
Health insurance	0	0
	<u>700</u>	<u>590</u>

Key management personnel compensation includes employee benefits paid to the senior members of the management team at Grade 1 level. CEO remuneration and Board Member Remuneration is disclosed separately in notes 6 and the Governance Statement and Board Members Report respectively. In addition, key management personnel are members of the Bord Bia Superannuation Scheme and have 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 2019 was 141 (2018: 135). The cost of certain employees amounting to €207,722 (2018: €112,915) is included in Marketing and Promotional expenditure.

A total pension levy amount of €367,772 (2018: €403,592) was paid over to the Department of Agriculture, Food and the Marine during 2019.

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and Fittings	Computer Equipment	Office Equipment	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 January 2019	2,294	630	856	291	4,071
Additions	110	1	32	4	147
Disposals	0	0	(2)	0	(2)
At 31 December 2019	<u>2,405</u>	<u>631</u>	<u>886</u>	<u>295</u>	<u>4,216</u>
Depreciation					
At 1 January 2019	1,938	516	788	214	3,456
Charged for the financial year	157	25	52	27	261
Disposals	0	0	(1)	0	(1)
At 31 December 2019	<u>2,095</u>	<u>541</u>	<u>839</u>	<u>241</u>	<u>3,716</u>
Net book amount at 31 December 2019	<u>309</u>	<u>90</u>	<u>47</u>	<u>54</u>	<u>500</u>
Net book amount at 31 December 2018	<u>356</u>	<u>114</u>	<u>68</u>	<u>77</u>	<u>615</u>

* The 2019 depreciation charge on Leasehold Improvements in the Dublin Office is calculated based on the remaining useful life of the asset, in this instance the remaining period of the lease. Leasehold improvements in overseas offices are depreciated at the normal rate.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

8. TRADE AND OTHER RECEIVABLES

	2019	2018
	€'000	€'000
Trade Receivables	4,238	3,482
Less Provision for bad debts	(847)	(770)
	3,391	2,712
Prepayments and Accrued Income	3,620	3,277
	7,011	5,989

9. TRADE AND OTHER PAYABLES

	2019	2018
	€'000	€'000
<i>Amounts falling due within one year</i>		
Trade Payables	5,651	3,691
Exchequer retirement benefit contribution	-	-
Taxation and Social welfare (note 10)	2,114	1,213
Accruals*	4,596	5,604
Deferred income	286	266
	12,647	10,774

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 €169,000 (€135,000 in 2018). 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.

10. TAXATION AND SOCIAL WELFARE

	2019	2018
	€'000	€'000
<i>Amounts falling due within one year</i>		
VAT	873	73
Withholding Tax	826	763
Payroll taxes	315	272
PRSI	100	105
	2,114	1,213

Section 227 of the Taxes Consolidation Act, 1997, provides an exemption from tax for income of non-commercial state bodies. An Bord Bia is liable to employer taxes in Ireland and complies with related withholding, reporting and payment obligations as appropriate.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

11. RETIREMENT BENEFIT COSTS

a i) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves.	2019 €'000	2018 €'000
Service cost	2,799	2,749
Employee contributions	(411)	(360)
Current service cost	<u>2,388</u>	2,389
Interest cost	1,233	1,273
Plan introductions, changes, curtailments and settlements	0	0
Total	<u>3,621</u>	<u>3,662</u>

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 and retirement benefits paid on behalf of the Exchequer amounted in total to €1,082,000 in the year (2018: €1,392,000).

There was a nil liability due at 31 December 2019 (2018: nil) in respect of employer contributions payable to the Exchequer after offsetting retirement benefits payable under the Bord Bia scheme.

a iii) Analysis of amount recognised in Statement of Comprehensive Income	2019 €'000	2018 €'000
Total remeasurement effects recognised	<u>(6,358)</u>	3,215

b i) Present value of scheme obligations

Present value of scheme obligations at beginning of year	65,406	65,920
Service Cost	2,799	2,749
Interest Cost	1,233	1,273
Plan introductions, changes, curtailments and settlements	0	0
Actuarial gain / (loss)	6,358	(3,215)
Benefits paid	(1,070)	(1,321)
Present value of scheme obligations at end of year	<u>74,725</u>	<u>65,406</u>

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

11. RETIREMENT BENEFIT COSTS (Cont'd)

b ii) Deferred Funding Asset (cont'd)

A deferred funding asset of €74.725 million equal to the retirement benefit liability is recognised at 31 December 2019 (2018: €65.406 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 €3.621 million and adjustments arising from the actuarial gain of €6.358 million and from retirement benefits payable under the Bord Bia scheme of €1.070 million which were offset against the contribution payable to the Exchequer.

b iii) Net Deferred Funding for Retirement Benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.	2019 €'000	2018 €'000
Funding recoverable in respect of current year retirement benefit costs	3,621	3,662
	3,621	3,662

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 11b 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 2019 for the purpose of preparing this FRS102 disclosure. The liabilities and costs have been assessed using the projected unit method.

Financial assumptions

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

	31/12/2019	31/12/2018
Discount Rate	1.90%	1.95%
Inflation Rate	1.75%	1.90%
Salary increases	4.00%	4.15%
Retirement benefit increases for in payment benefits	3.50% / 1.75%	3.650% / 1.90%
Retirement benefit increases for deferred benefits	3.50% / 1.75%	3.65% / 1.90%
Plan membership census date	31/12/2019	31/12/2018

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	21.4	23.9
65 in 25 years	24.3	26.4

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

11. RETIREMENT BENEFIT COSTS (Cont'd)

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

	2019 €'000	2018 €'000	2017 €'000	2016 €'000	2015 €'000
Defined benefit obligations	74,725	65,406	65,920	62,082	52,583
Fair value of scheme assets	-	-	-	-	-
Deficit on Superannuation Schemes	(74,725)	(65,406)	(65,920)	(62,082)	(52,583)
Experience adjustments on scheme obligations	(6,358)	3,215	111	(6,784)	2,043
Experience adjustments on scheme assets	-	-	-	-	-

12. PROVISION FOR LIABILITIES AND CHARGES

	Dilapidations €'000	Total €'000
At 1 January 2019	851	851
Additions	84	84
At 31 December 2019	935	935

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

13. COMMITMENTS

Funding

In terms of the Marketing Finance Programmes operated by Bord Bia management have committed to €965,000 (2018: €718,000) 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.

	2019 €'000	2018 €'000
At 1 January	718	1,314
Additions / (Reductions)	247	(596)
At 31 December	965	718

Operating leases

	2019 €'000	2018 €'000
The future minimum operating lease payments are as follows:		
Within one year	1,277	1,211
Between one and five years	898	1,732
Beyond five years	63	102

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 2019 was €1,279,000. In addition, Bord Bia occupies fifteen other properties in various locations internationally. The rent paid on these premises in 2019 was €560,000.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the financial year ended 31 December

14. EVENTS AFTER THE REPORTING DATE

There are no events between the reporting date and the date of approval of these financial statements for issue that requires adjustment to the financial statements.

The Board recognises that the Covid-19 pandemic is a significant event which has occurred since the reporting date. The Board is taking the situation seriously and is monitoring the situation, in conjunction with management, on an ongoing basis. The business continues to operate with measures in place to protect staff and the Bord Bia clients. Staff are working remotely and services continue to be provided. To date, the operations and most of the entity's activities are being maintained while adjusting to the different way in which the business is being delivered. While Bord Bia is unable to reliably predict the impact of Covid-19 on its cash flows, the performance and operations of Bord Bia are being monitored closely and regular cash flow forecasts are provided to the Board and to our parent department, the Department of Agriculture, Food and the Marine.

The Board considers that, as the entity provides a public service that was 76% funded in 2019 by moneys provided by the Exchequer, via its parent department, the Department of Agriculture, Food and the Marine, it is appropriate to prepare these financial statements on a going concern basis.

15. 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.

16. 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.

17. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on the 29th June 2020.

MARKETING ASSISTANCE GRANT PAYMENTS

Company Name	Payment €	Company Name	Payment €	Company Name	Payment €
12 Acres Brewing Company	3,000	Glendalough Irish Whiskey Ltd	10,000	O'Neill's Dry Cure Bacon Co.	6,429
Abbey Nurseries Ltd	1,209	Goatsbridge Trout Farm	28,743	Origin Spirits Ireland Ltd	4,000
Adare Farm	4,670	Goodness Grains Gluten Free Bakery	21,306	Pandora Bell	3,500
Allihies Seafood Ltd	1,733	Green Saffron Spices Ltd	7,000	Paul Brophy Produce	10,200
Amour Nurseries	2,149	Green Valley Farms	30,000	Piranha Beverages Ltd	8,000
An Sean Teach Ltd	2,593	G's Gourmet Jams Ltd	5,000	Poachers Premium Beverages	5,000
Ballykelly Farms Ltd	3,149	Harty Nutrition Ltd	3,686	Ponticelli Coffee	7,000
Ballyvolane House Spirits Co.Ltd	4,000	Harvest Moon Foods Ltd	4,000	Quarrymount Free Range Meats	4,000
Bannow Bay Nursery Ltd	715	Hassetts Bakers & Confectioners	8,000	Radical Fruit Co. Ltd	888
Bantry Bay Mussels Ltd	23,732	Hatton Produce Ltd	3,000	Redbank Food Company	1,305
Barr an Uisce Irish Whiskey	2,366	Hickeys Bakery Ltd	2,000	Rentes Plants Ltd	2,228
Barry John Gourmet Sausages	6,000	Homespun Foods Ltd	6,000	Riceshill Farm Ltd	6,000
Beara Distillery	300	Honest Bread & Cakes Ltd	7,093	Rockfield Dairy Ltd	3,000
Beechill Bulbs Ltd	2,656	Hope Beer	6,000	Rosie's Bakehouse Ltd	2,440
Beechlawn Organic Farm Ltd	6,000	Hugh Maguire Ltd	550	Secret Recipe Ltd	8,000
Bells Isle Seafoods Ltd	638	Hughes Roses Ltd	4,294	Shannon Estuary Oysters Ltd	5,000
Big Red Kitchen	3,500	Hyde Irish Whiskey	6,000	Shines Seafood	3,000
Blacks of Kinsale	6,000	IASC - Irish Atlantic Seafood Co.	4,500	Smyth & O'Reilly Artisan Irish Distillers	2,112
Blakes Always Organic	4,000	Inagh Farmhouse Cheese Ltd	8,000	Solaris Botanicals Ltd.	7,500
Blanco Nino Ltd	6,000	Irish Premium Oysters	5,508	St.Patrick's Distillery	7,500
Boutique Bake Ltd	321	Island Seafoods Ltd	8,000	Stam's Bamboo Nursery	2,846
Bowl a Granola Ltd	2,000	J.J.L & K Purfield	2,500	Stonewell Cider	7,000
Brehon Brewhouse Ltd	4,000	Jack & Eddie's Ltd	4,000	Sussed Nutrition Ltd.	7,000
Burren Smokehouse Ltd	10,000	Jane Russell's Original Irish	3,067	Swantons Nurseries Ltd	3,109
Cahill's Farm Cheese Ltd	8,000	Janet's Country Fayre Ltd	5,899	The Food Store	2,000
Carlingford Oyster Co.Ltd	3,449	JFS Produce	1,000	The Foods of Athenry	12,000
Carrigaline Farmhouse Cheese Ltd	7,000	JMW Potatoes Ltd	2,337	The Good Snack Company	6,078
Celtic Chocolates Ltd	37,877	JOD Food Products	5,000	The Lismore Food Company	5,000
Connemara Fine Foods	1,637	John Hickey & Sons Bakery	3,359	The Little Milk Company	11,089
Connemara Ingredients Ltd	5,000	Keeling F.Juices Ltd	40,000	The Real Olive Company	2,000
Connemara Seafoods Frozen Ltd	43,074	Kelly's Nursery Ltd	7,000	The Scullery Ltd	6,000
Connemara Seafoods Ltd	10,000	Killeen Farmhouse Cheese	2,500	The White Hag Brewing Co.Ltd	8,000
Cooleeney Cheese	10,000	Kinnegar Brewing	8,000	Toons Bridge Dairy	7,000
Couverture Desserts Ltd	12,000	Knockanore Farmhouse Cheese	8,000	Trouble Brewing	4,000
Crossogue Preserves Ltd	4,000	Kush Seafarms Ltd	8,000	Trudies Catering Kitchen Ltd	6,000
Crowe Farm Poultry Ltd	4,000	Larry Whelan Potatoes	5,915	Tully Nurseries Ltd	35,000
D&S Gourmet Food	6,000	Legacy Irish Cider	3,000	Walsh's Bakehouse	8,000
Dairy Concepts Ireland	5,000	M&M Nursery	3,000	Waterford Oysters	6,490
Denise's Delicious Gluten Free Bakery	5,000	Maria Lucia Bakes Ltd	4,926	Wexford Home Preserves	14,606
Doran Nurseries Ltd	4,000	Mella's Fudge	1,565	Wicklow Brewery	2,263
DropChef Ltd	2,538	Michael Kelly Shellfish	4,000	Wicklow Farmhouse Cheese Ltd	8,000
Dungarvan Shellfish	4,099	Milleens Cheese Ltd	3,719	Wicklow Way Wines	4,000
Durrus Cheese Ltd	5,530	Mossfield Organic Farm Ltd	5,255	Wicklow Wolf Brewing Company	4,500
Everest Granola Ltd	5,000	Mr.Middleton Garden Shop	4,000	Wild About Food	4,000
Finnegans Farm	5,000	Mulroy Bay Mussels	2,723	Wild Atlantic Shellfish Ltd	7,000
Fitzeally Foods Ltd	25,484	Murphy's Ice Cream	2,598	Wild Irish Seaweeds Ltd	6,000
FitzGerald Nurseries Ltd	25,360	Natasha's Living Food	7,000	Woodstown Bay Shellfish Ltd	8,000
Flexi Nutrition Ltd	3,237	Naturally Cordial Ltd	4,000	Wylldsson Ltd	3,500
Four Seasons Nurseries	2,000	Newgrange Gold Ltd	7,000	Zanna Cookhouse Ltd	7,000
Genovese Foods Ltd	3,858	Nightpark Nursery	5,000		
George Harrington Home Bakery	2,000	Nua Naturals	10,000		
Glen of Aherlow Foods Ltd	3,000	NutShed Ltd	4,000		
		Oishii Foods Ltd	7,000		
				TOTAL	1,022,500

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