

Ireland's Food Industry 2019 and Beyond

Tara McCarthy



Recognise your
Business Potential

**SMALL BUSINESS
OPEN DAY** 22.01.19

Bord Bia
Irish Food Board



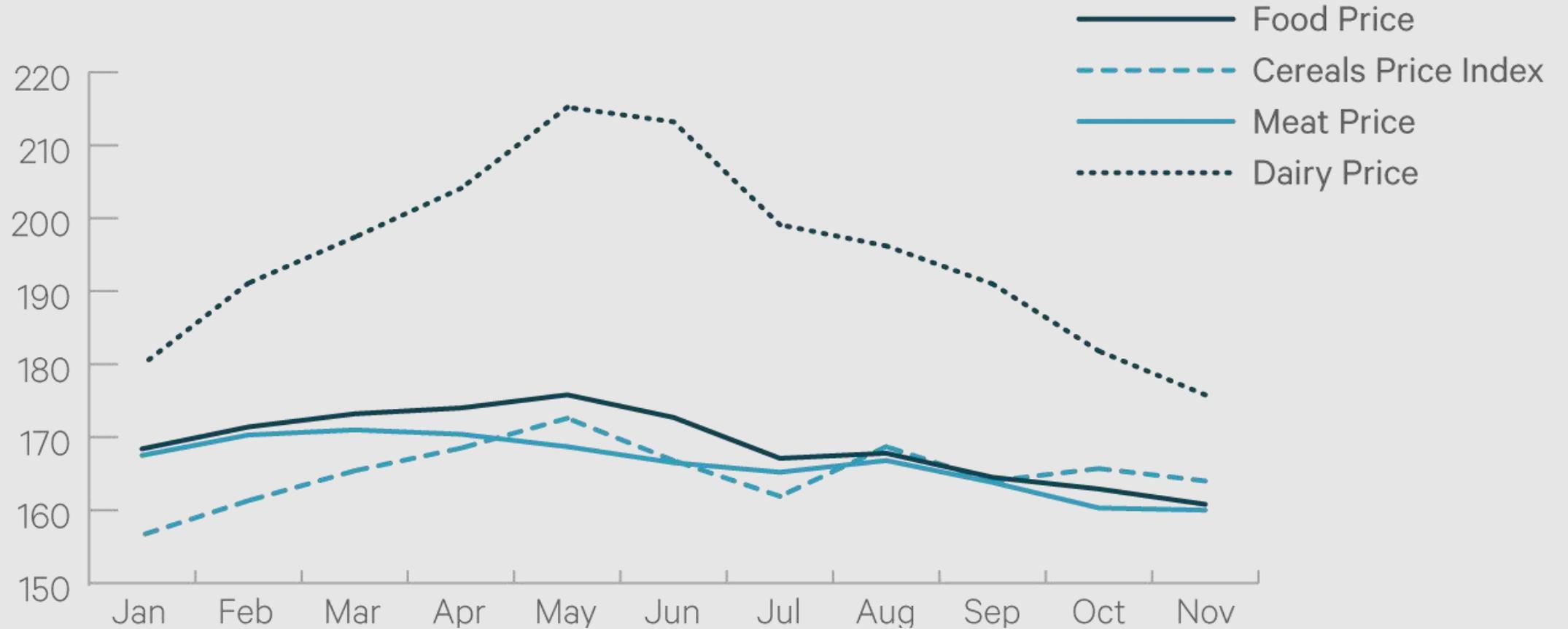
Outline

- » The Macro Context – a year of extreme instability
- » 2018 Export Performance and Prospects for 2019
- » Bord Bia Strategy - Looking ahead

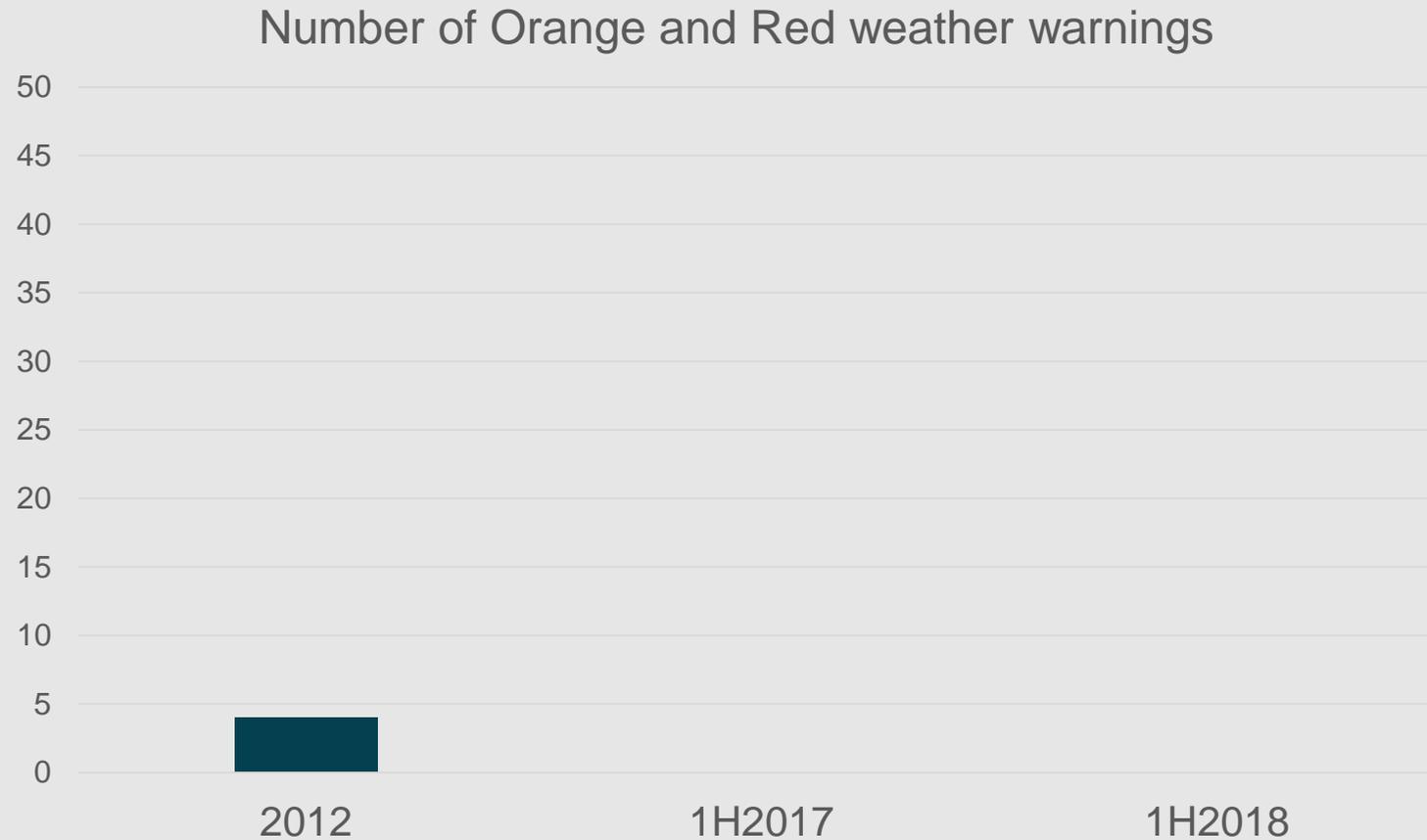
2018 – A year of extraordinary instability

Commodity prices for food have declined over the year

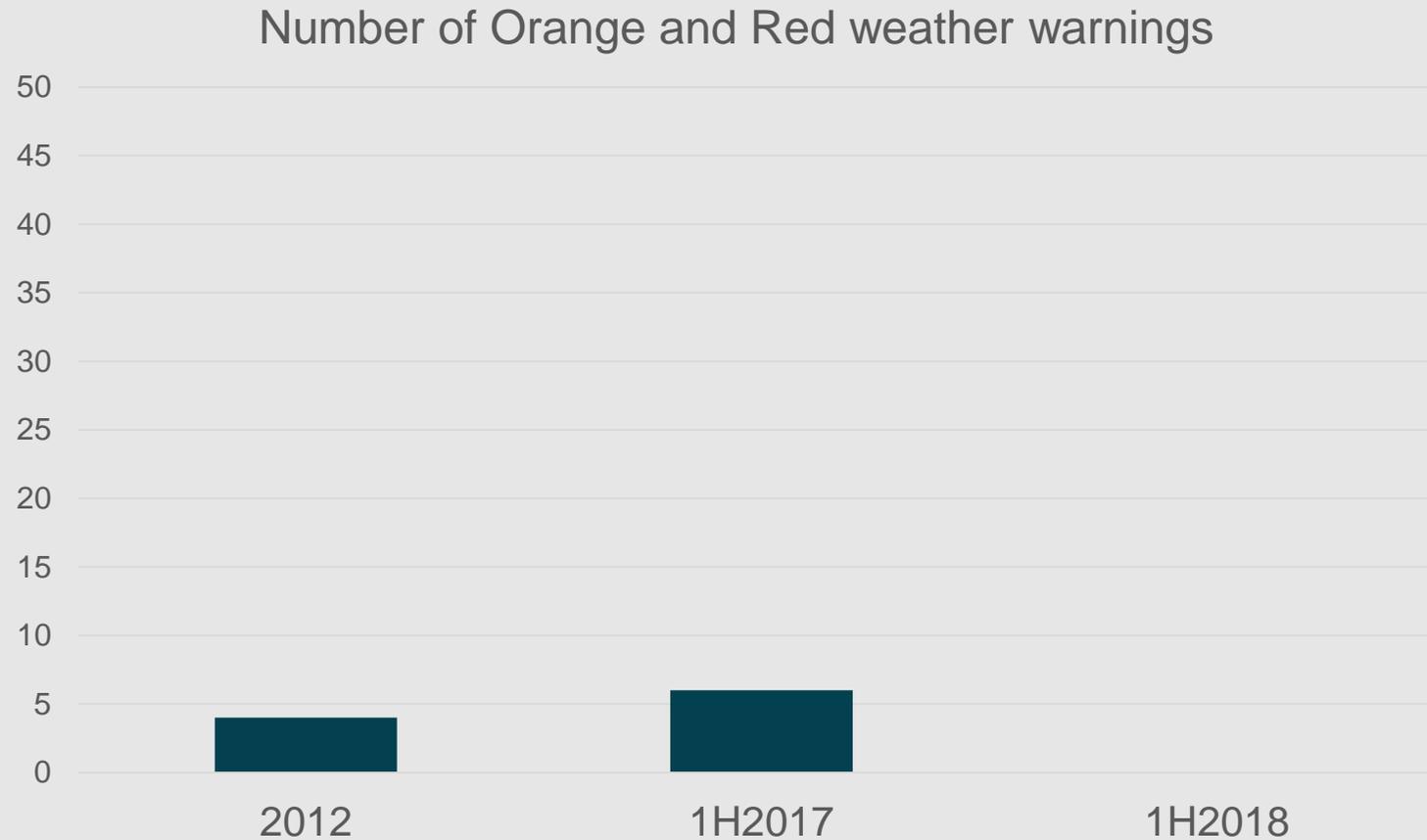
FAO food price index: 2002-2004 = 100



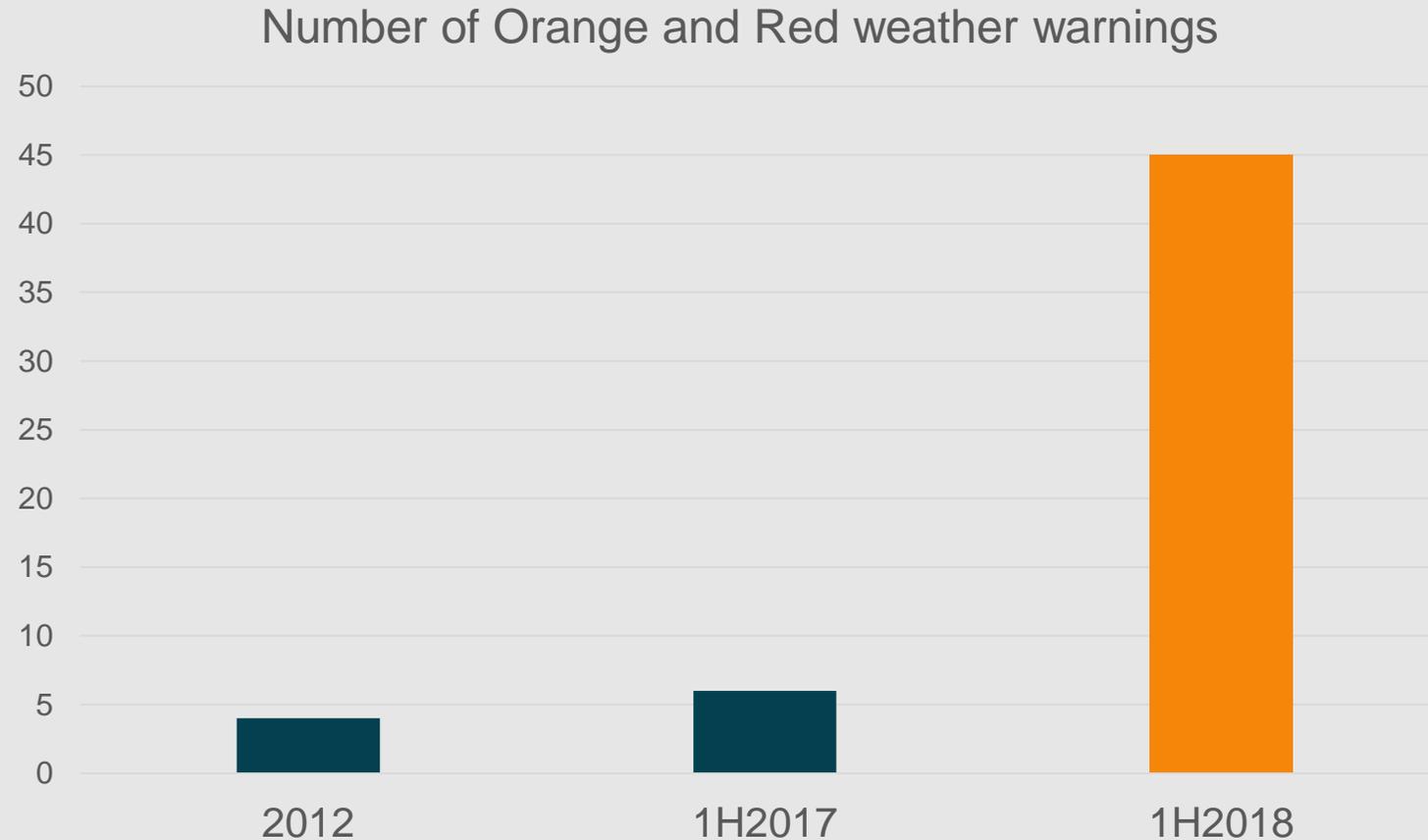
Extreme and unpredictable weather challenged both farmers and producers



Extreme and unpredictable weather challenged both farmers and producers



Extreme and unpredictable weather challenged both farmers and producers



And the effects of these extremes were felt across Europe



And the effects of these extremes were felt across Europe



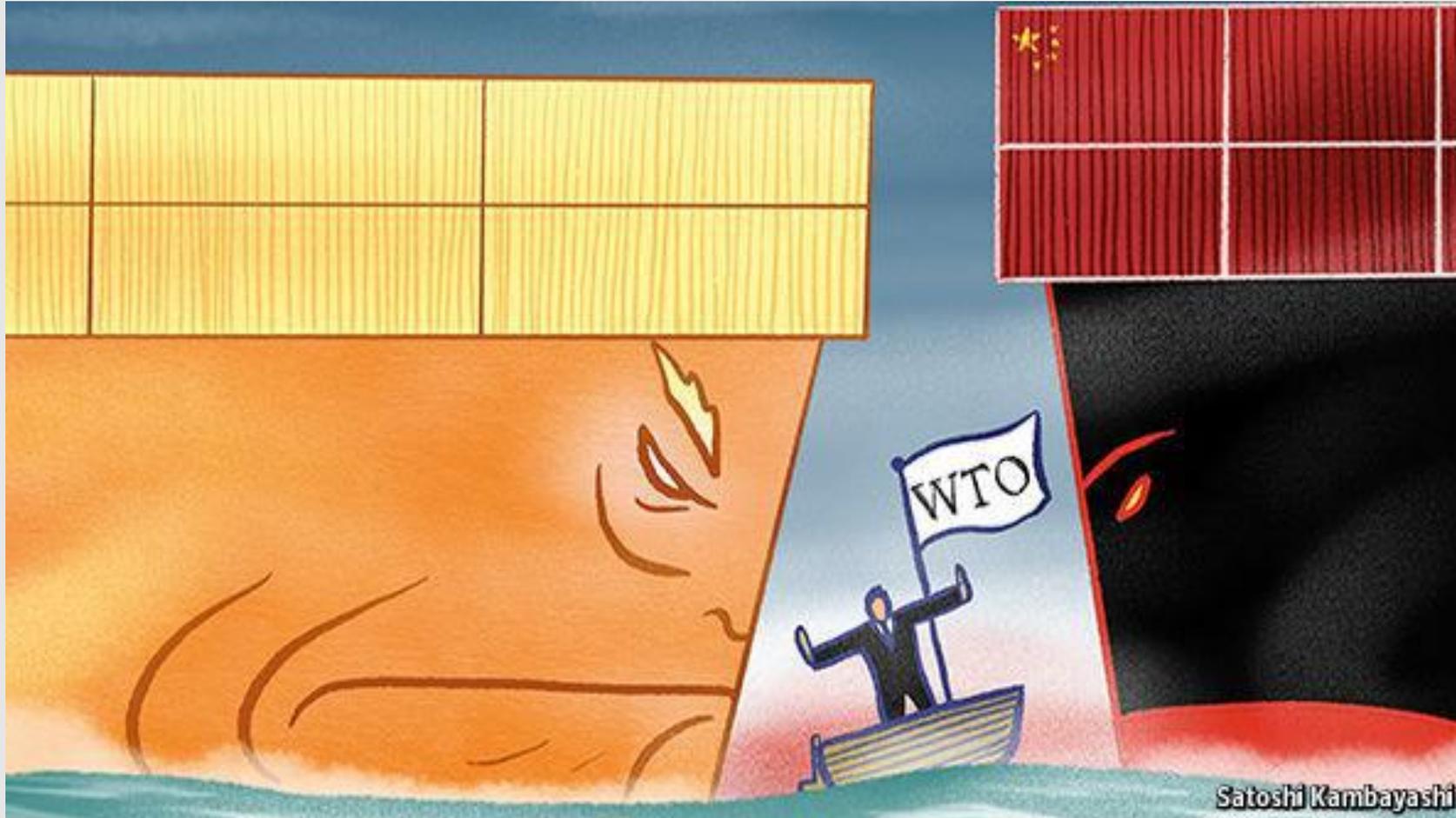
And the effects of these extremes were felt across Europe



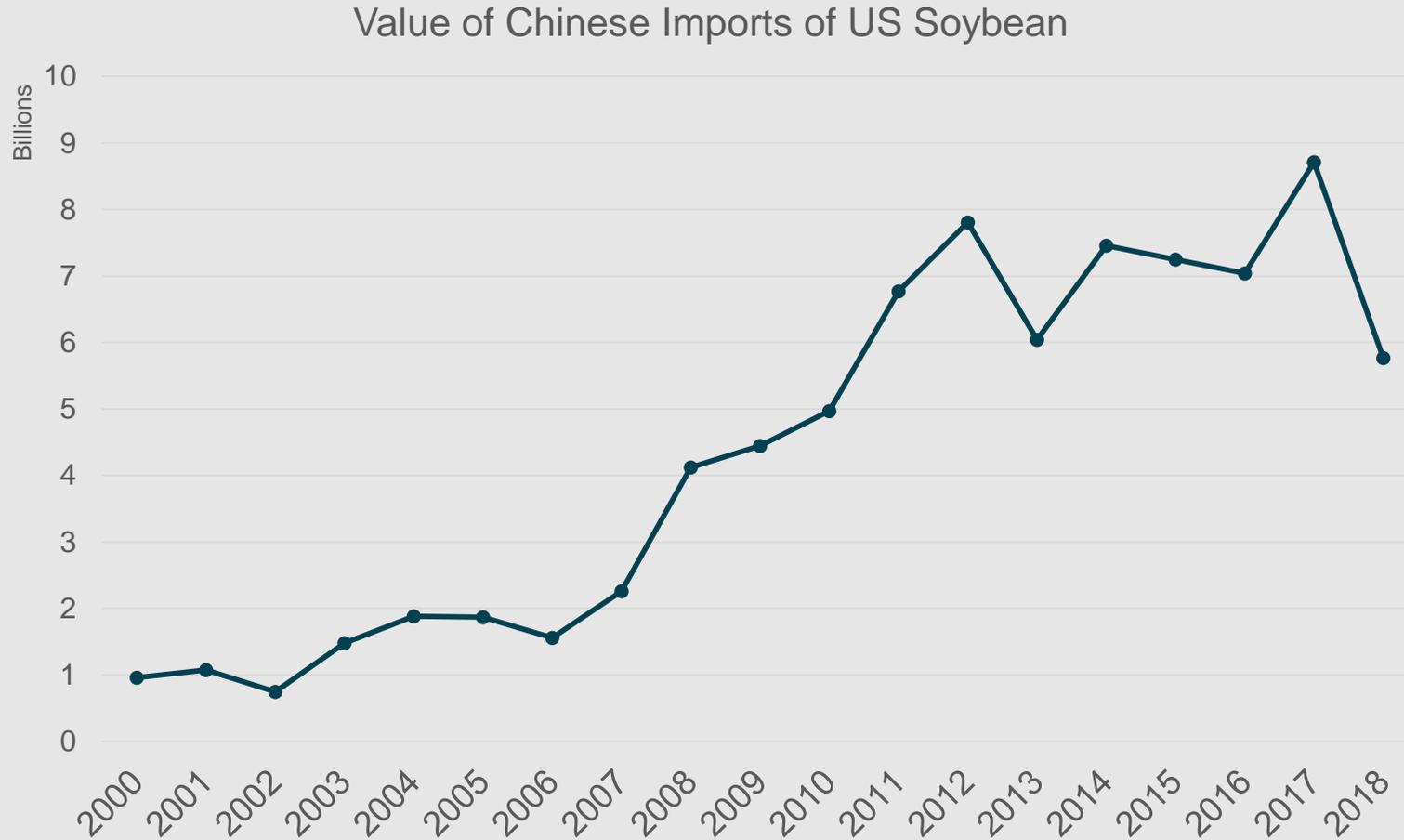
And the effects of these extremes were felt across Europe



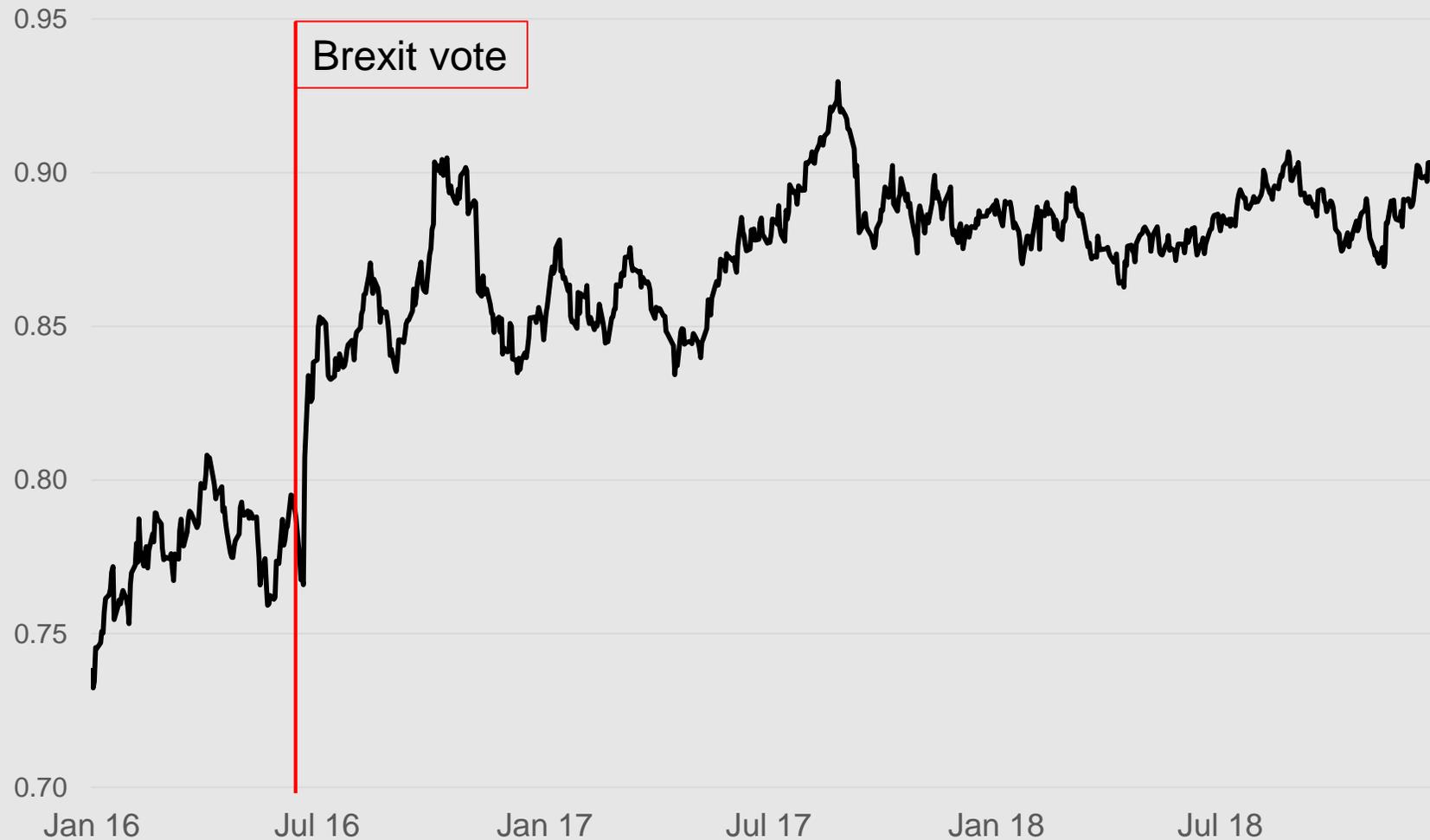
On the global stage, trade disputes disrupted trade flows and challenged confidence



...for example immediate impacts could clearly be seen in agricultural commodity exports



Continued weakness of sterling challenged Irish competitiveness...

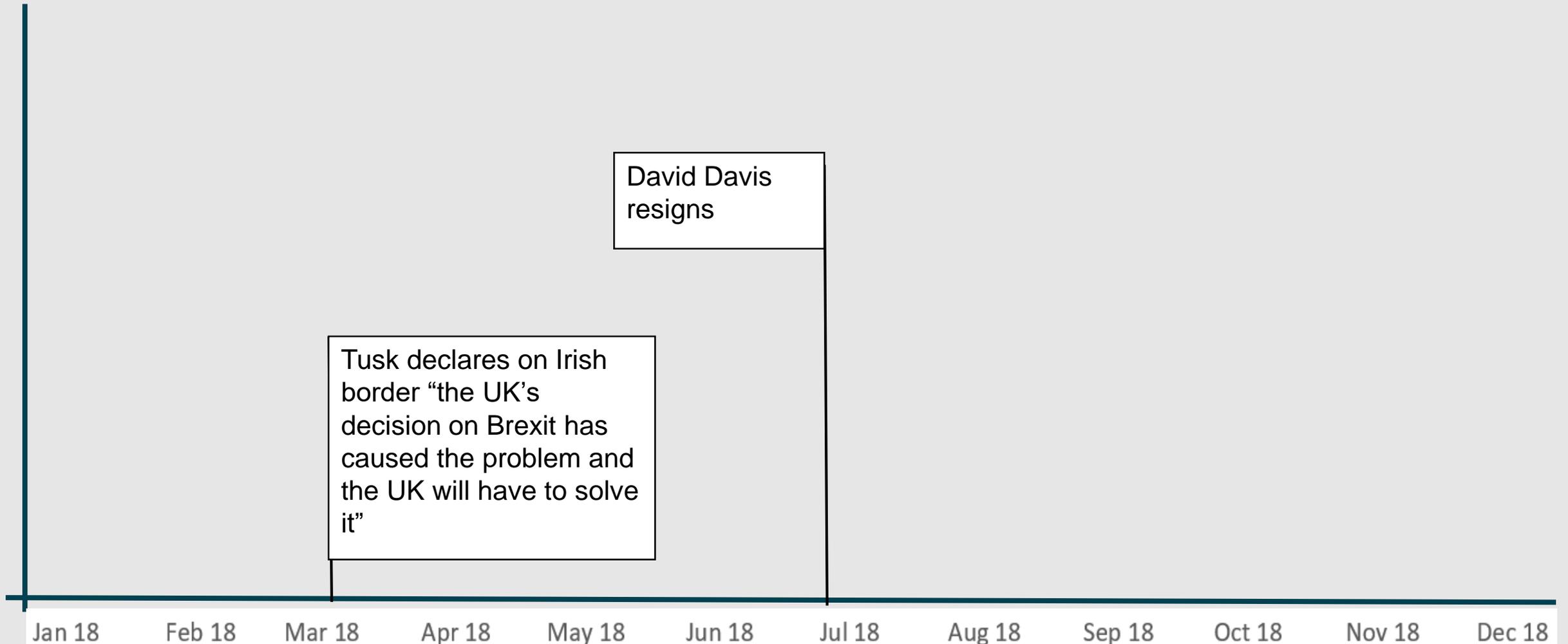


Uncertainty driven by Brexit was a constant feature of 2018...

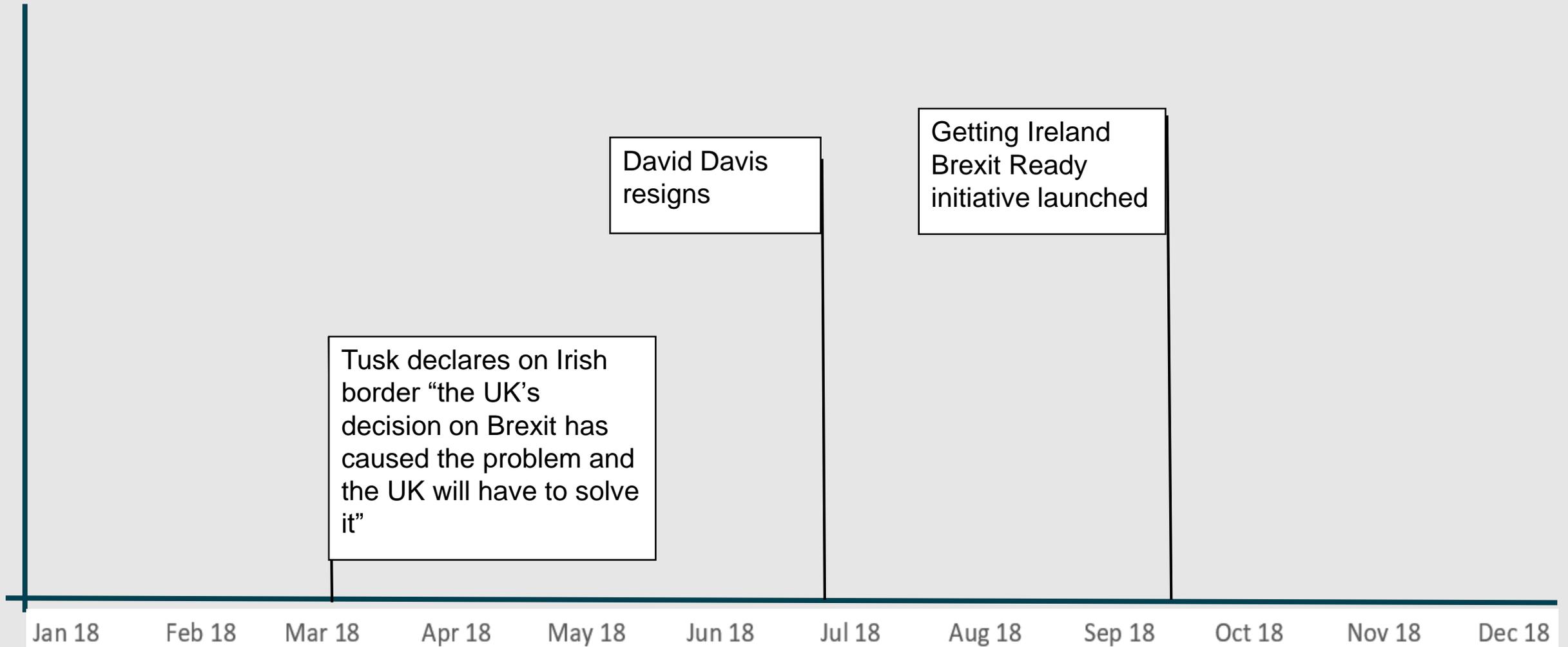
Tusk declares on Irish border “the UK’s decision on Brexit has caused the problem and the UK will have to solve it”

Jan 18 Feb 18 Mar 18 Apr 18 May 18 Jun 18 Jul 18 Aug 18 Sep 18 Oct 18 Nov 18 Dec 18

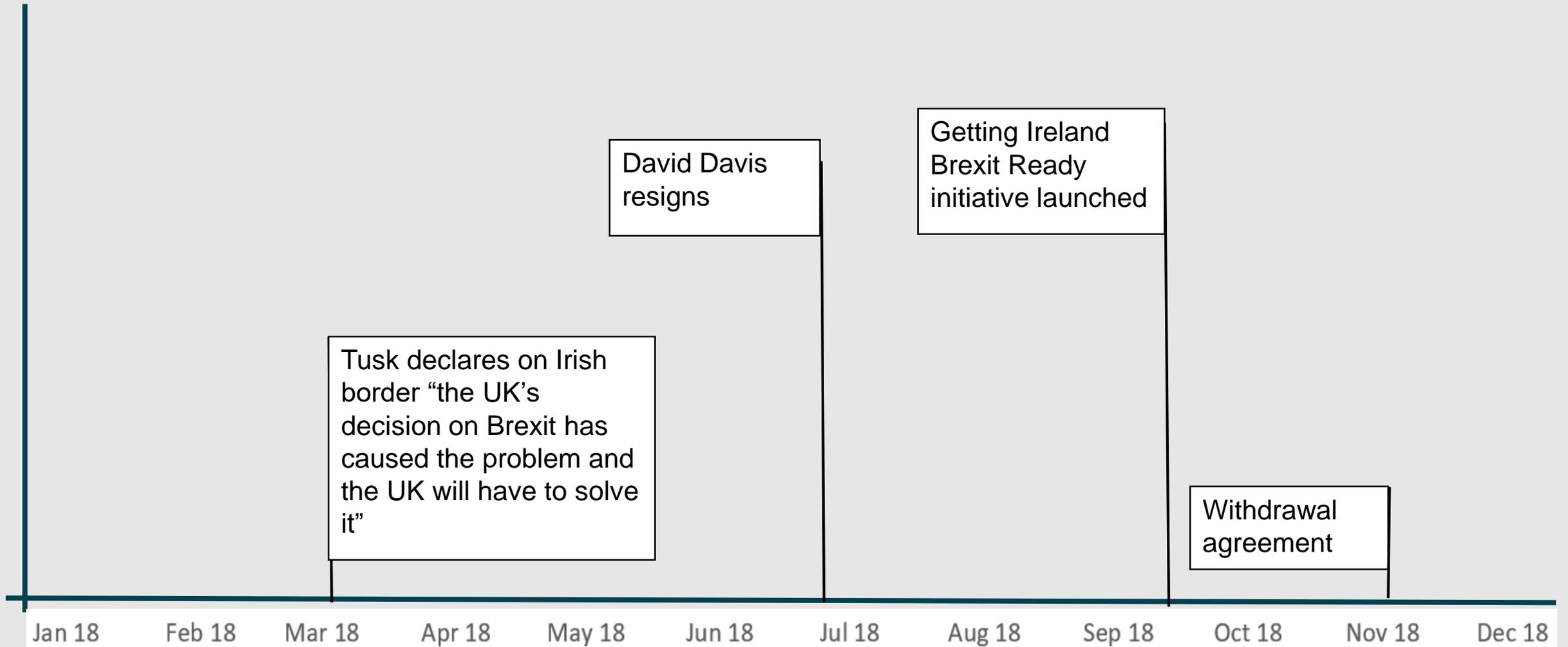
Uncertainty driven by Brexit was a constant feature of 2018...



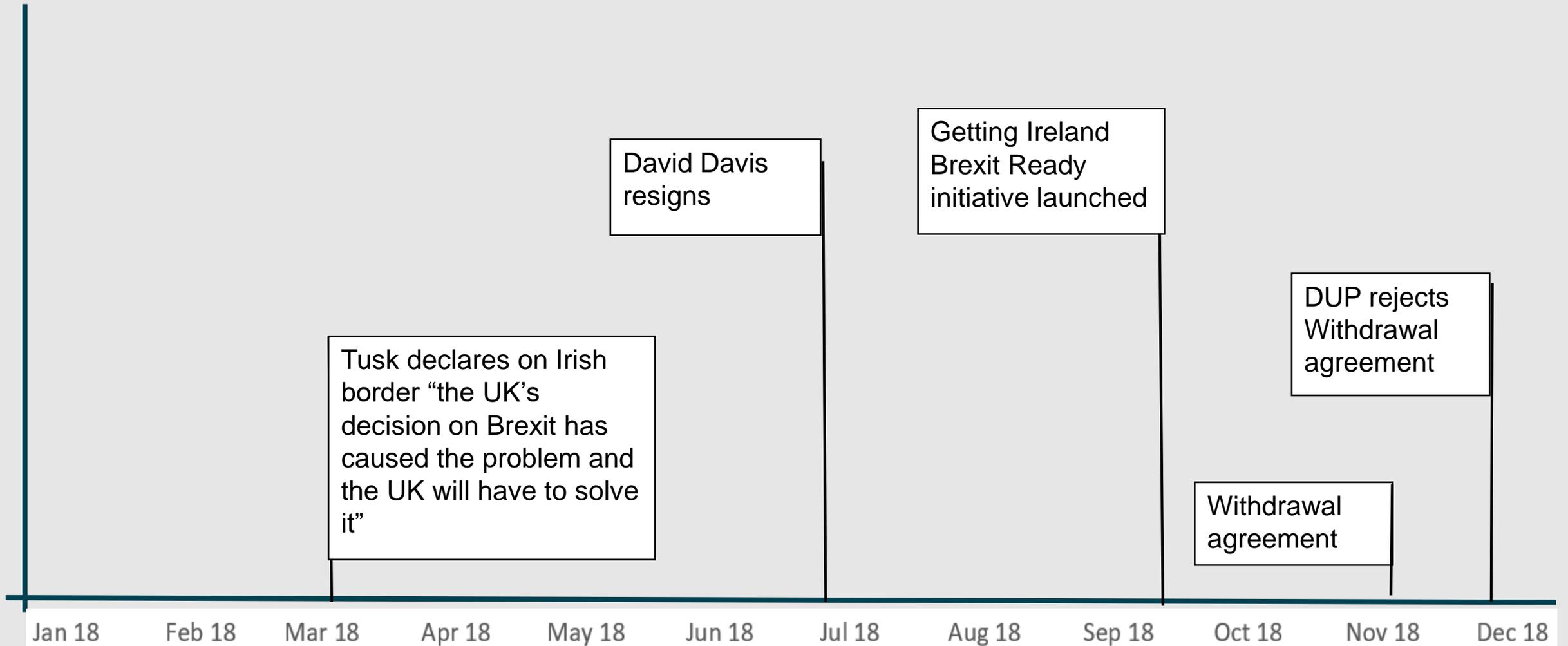
Uncertainty driven by Brexit was a constant feature of 2018...



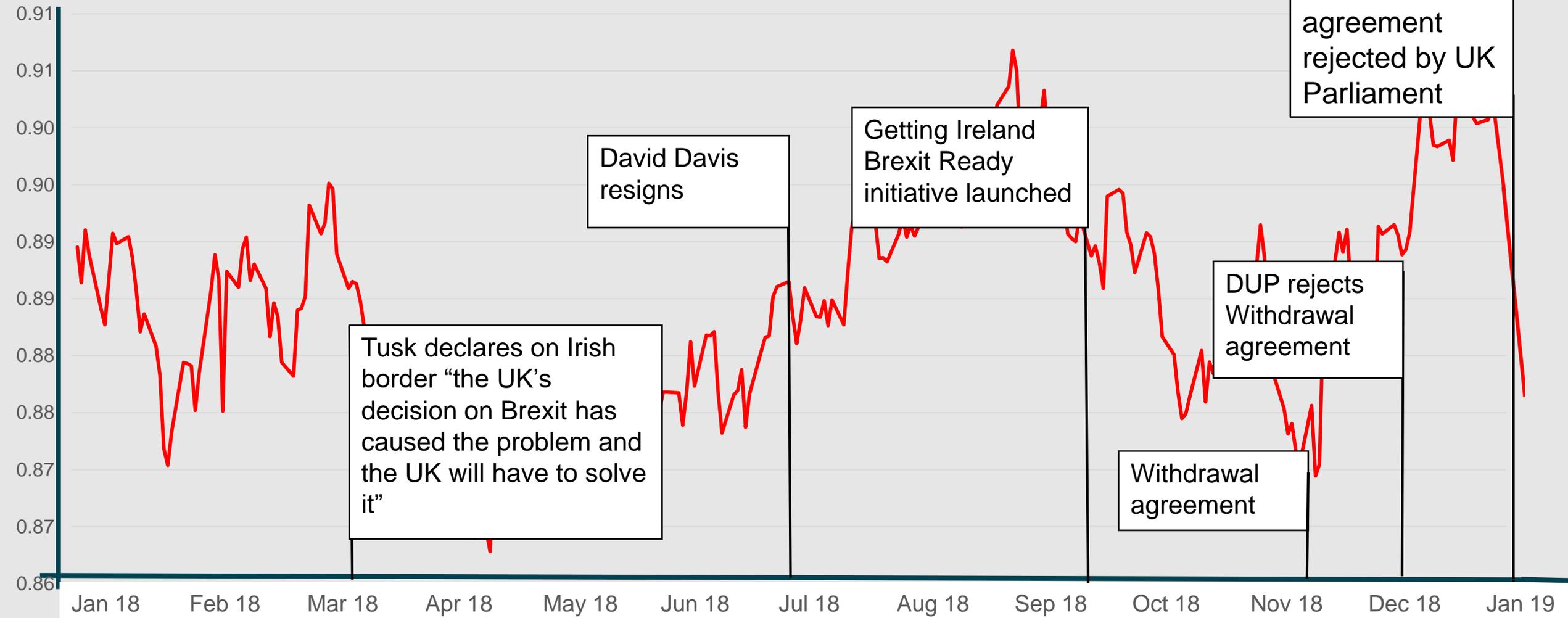
Uncertainty driven by Brexit was a constant feature of 2018...



Uncertainty driven by Brexit was a constant feature of 2018...



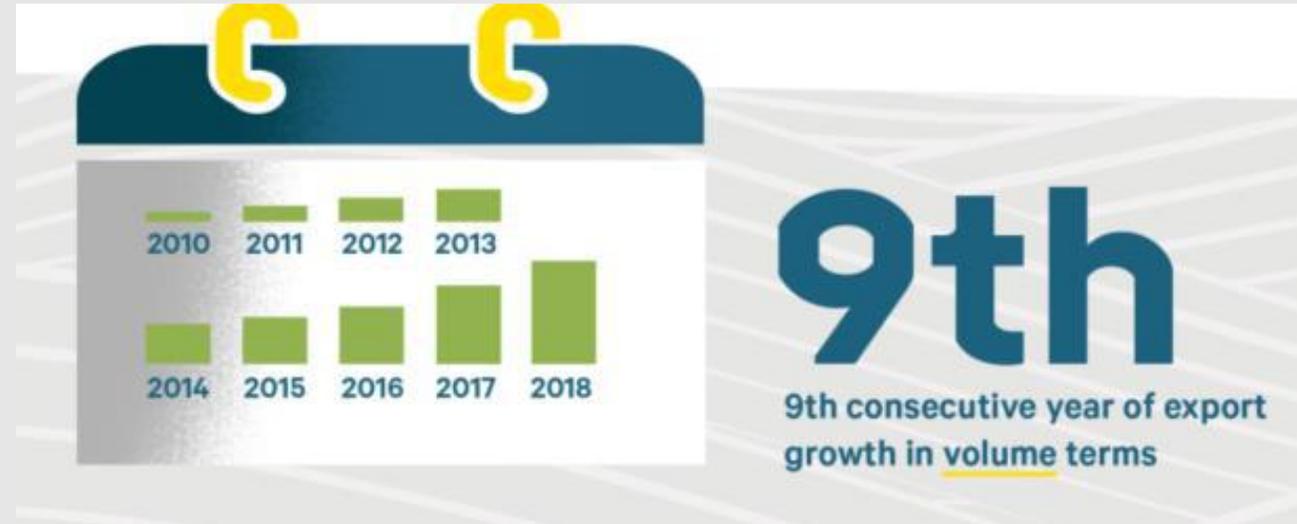
... with real impacts on exporters to the UK



Export Performance

The resilience of Irish food and drink exporters was demonstrated by volume growth despite the extraordinarily unstable 2018.

Irish Food and Drink Exports



Dairy	33%
Meat and Livestock	33%
Prepared Foods	15%
Beverages	12%
Seafood	5%
Horticulture and cereals	2%



Exceptional performance underpinned by dairy and beef

	2017	2018	% Change	Volume change
Dairy	4,022,972,689	4,008,478,984	0%	5%
Meat and Livestock	3,950,029,797	3,975,388,461	1%	3%
Beef inc offals	2,495,922,276	2,516,393,896	1%	3%
Pigmeat	711,951,583	666,405,468	-6%	6%
Sheep	273,890,968	315,033,408	15%	-2%
Poultry	292,097,208	316,307,851	8%	0%
Live Animals	176,167,762	161,247,838	-8%	4%
Prepared Food	2,243,193,485	1,878,266,828	-16%	8%
Beverages	1,496,582,807	1,482,343,239	-1%	4%
Seafood	607,603,487	561,928,870	-13%	7%
Horticulture	230,220,983	207,522,863	-10%	-7%
Total	12,550,603,248	12,113,929,244	-4%	2%

* Head

Exceptional performance underpinned by dairy and beef

	2017	2018	% Change	Volume change
Dairy	4,022,972,689	4,008,478,984	0%	5%
Meat and Livestock	3,950,029,797	3,975,388,461	1%	3%
Beef inc offals	2,495,922,276	2,516,393,896	1%	3%
Pigmeat	711,951,583	666,405,468	-6%	6%
Sheep	273,890,968	315,033,408	15%	-2%
Poultry	292,097,208	316,307,851	8%	0%
Live Animals	176,167,762	161,247,838	-8%	4%
Prepared Food	2,243,193,485	1,878,266,828	-16%	8%
Beverages	1,496,582,807	1,482,343,239	-1%	4%
Seafood	607,603,487	561,928,870	-13%	7%
Horticulture	230,220,983	207,522,863	-10%	-7%
Total	12,550,603,248	12,113,929,244	-4%	2%

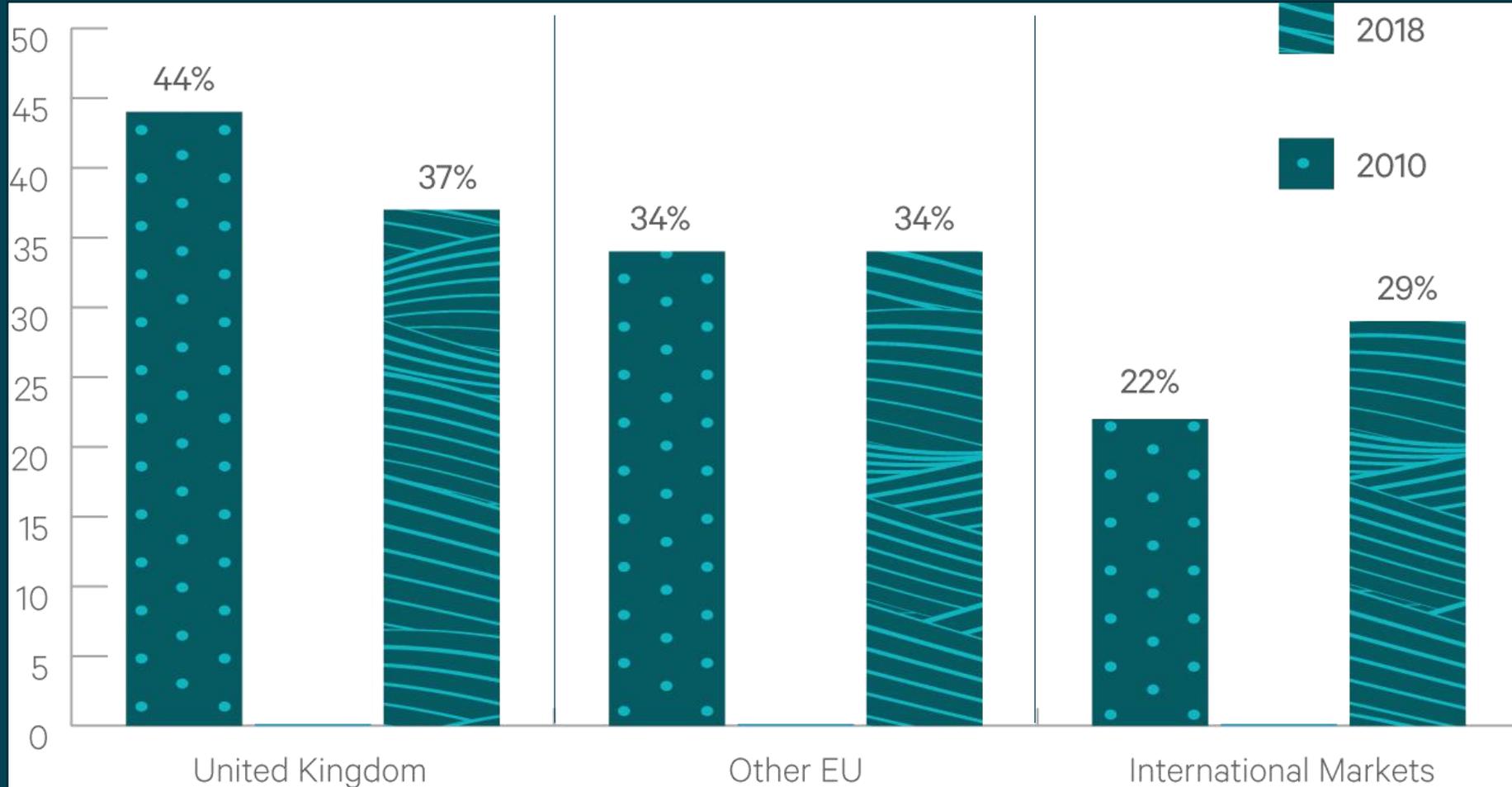
* Head

Exceptional performance underpinned by dairy and beef

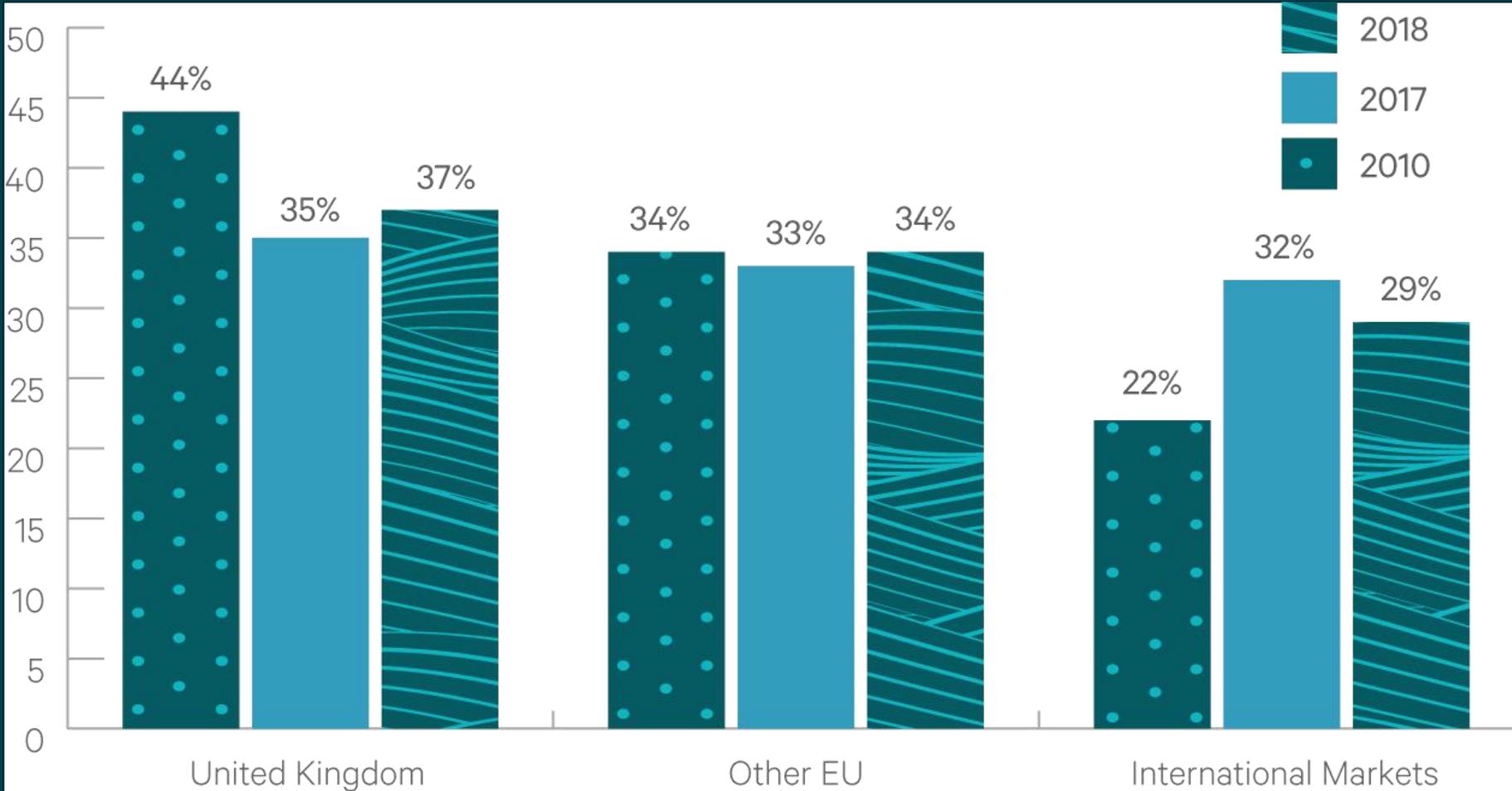
	2017	2018	% Change	Volume change
Dairy	4,022,972,689	4,008,478,984	0%	5%
Meat and Livestock	3,950,029,797	3,975,388,461	1%	3%
Beef inc offals	2,495,922,276	2,516,393,896	1%	3%
Pigmeat	711,951,583	666,405,468	-6%	6%
Sheep	273,890,968	315,033,408	15%	-2%
Poultry	292,097,208	316,307,851	8%	0%
Live Animals	176,167,762	161,247,838	-8%	4%
Prepared Food	2,243,193,485	1,878,266,828	-16%	8%
Beverages	1,496,582,807	1,482,343,239	-1%	4%
Seafood	607,603,487	561,928,870	-13%	7%
Horticulture	230,220,983	207,522,863	-10%	-7%
Total	12,550,603,248	12,113,929,244	-4%	2%

* Head

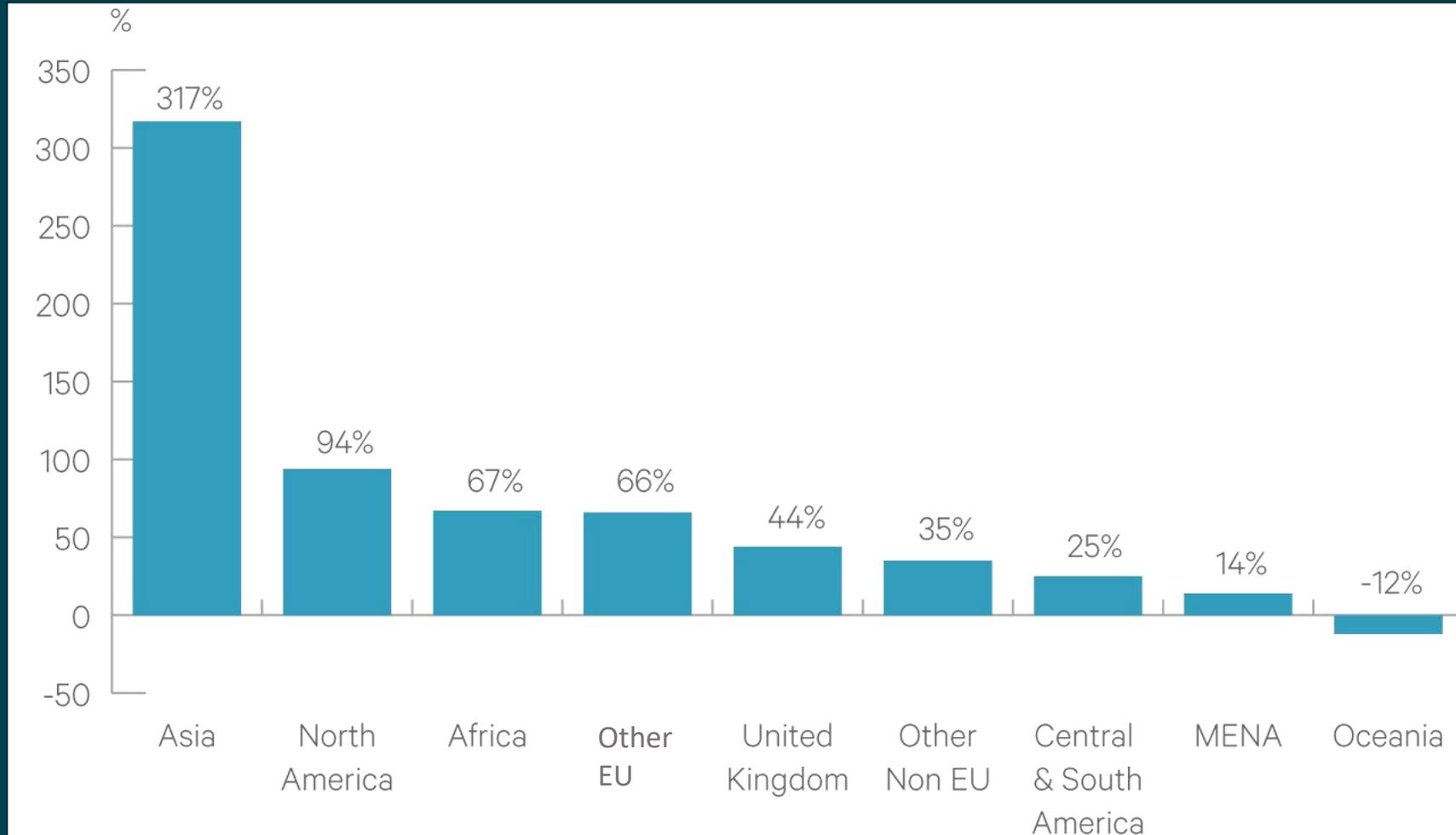
Since 2010, Irish food and drink has successfully diversified into new markets



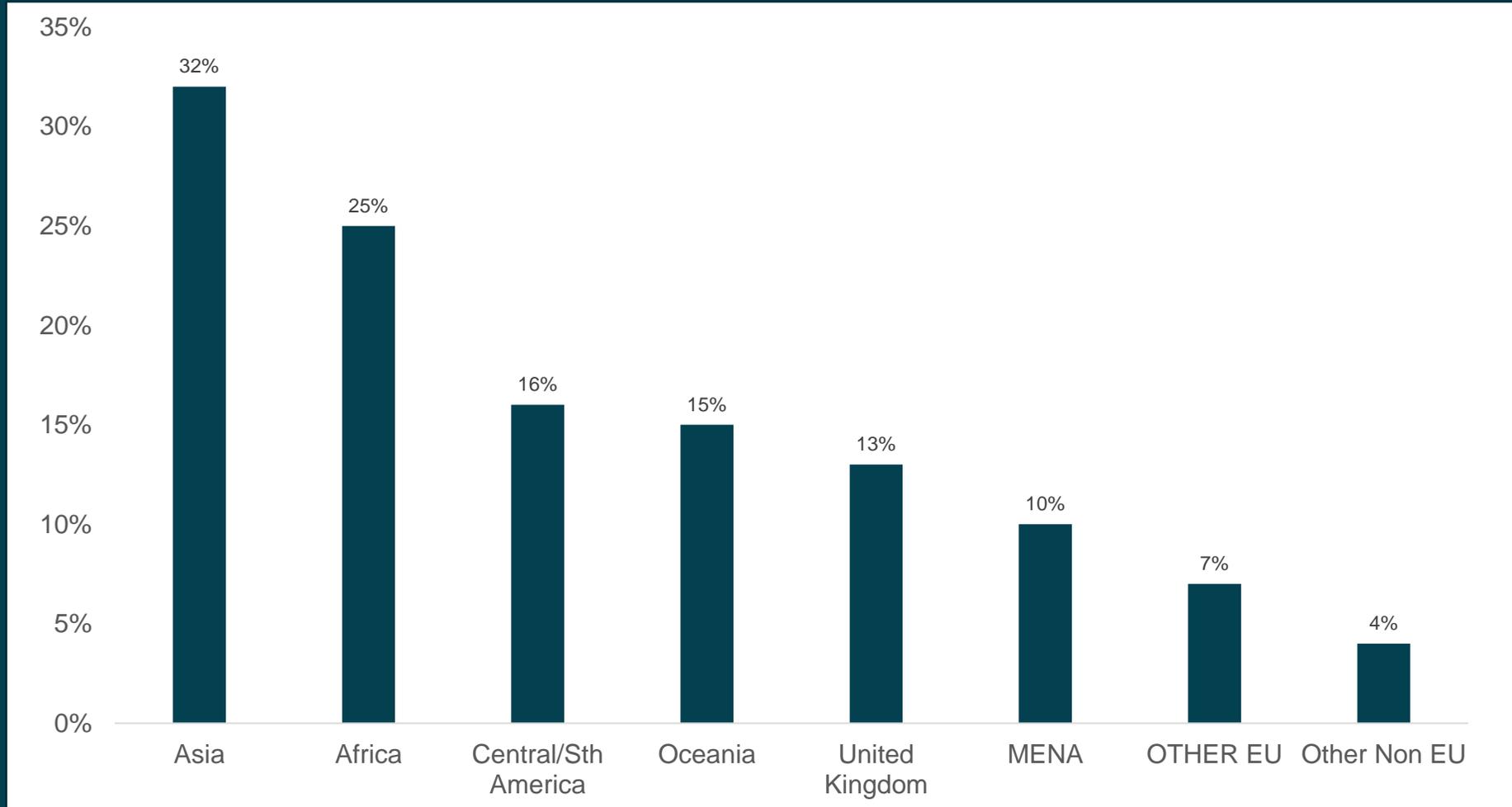
...2018 saw a slight reversal of this trend



Since 2010, nearly all of our export growth has come from priority markets



Looking at this since Brexit and in volume terms, this diversification is even more pronounced



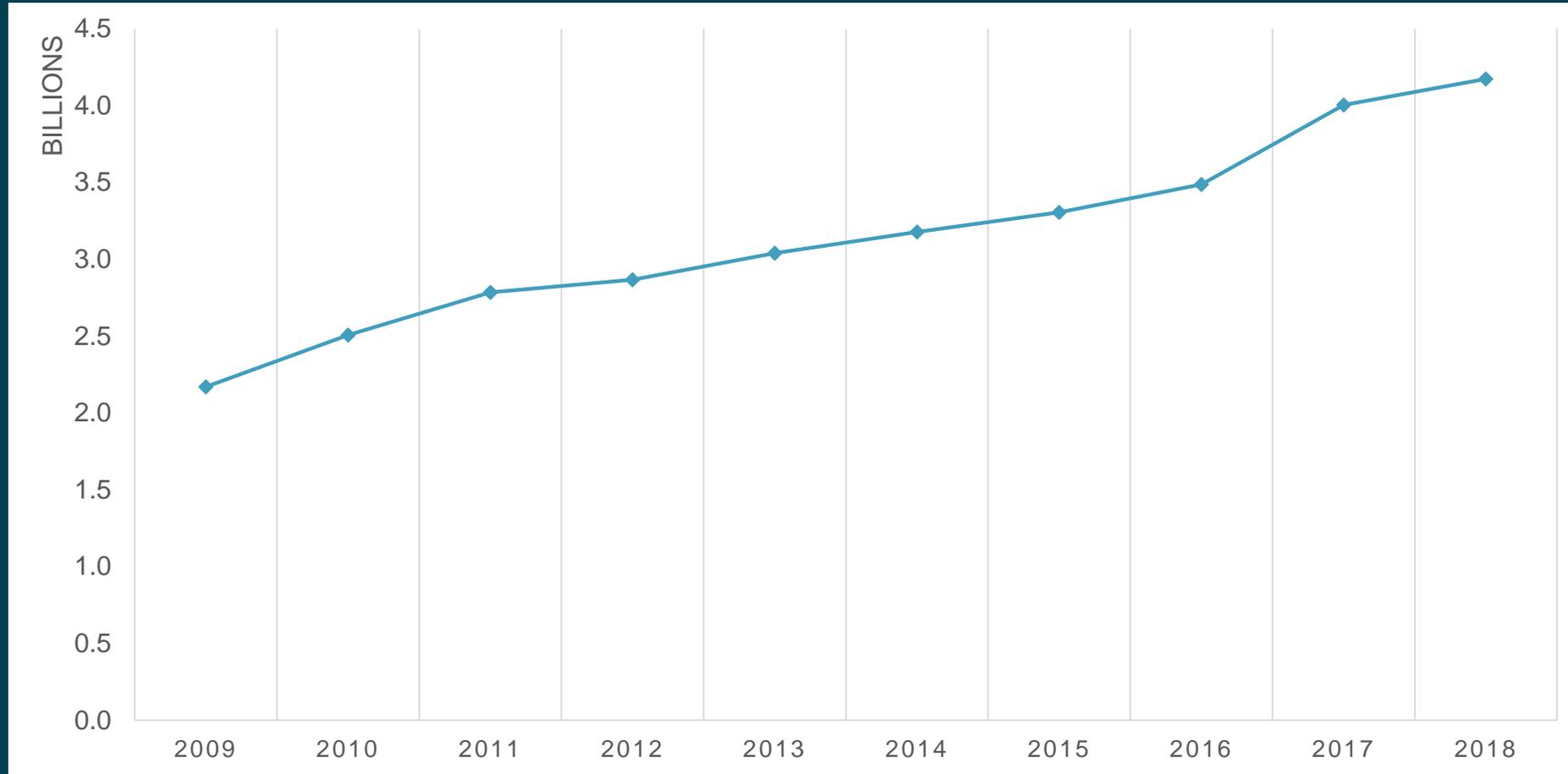
However the value of exports to the UK increased this year, driven by beef and dairy

	2017	2018	% Change
Dairy	967,874,437	1,026,714,297	6%
Beef inc offals	1,209,081,465	1,262,550,608	4%
Pigmeat	399,742,544	374,872,937	-6%
Sheep	50,896,363	55,049,966	8%
Poultry	228,357,879	240,982,450	6%
Live Animals	101,608,614	82,188,023	-19%
Prepared Food	830,413,578	842,595,567	1%
Beverages	392,033,787	355,607,487	-9%
Seafood	64,538,778	47,026,317	-27%
Horticulture	220,629,368	194,839,823	-12%
Total	3,681,109,238	3,771,212,502	2%

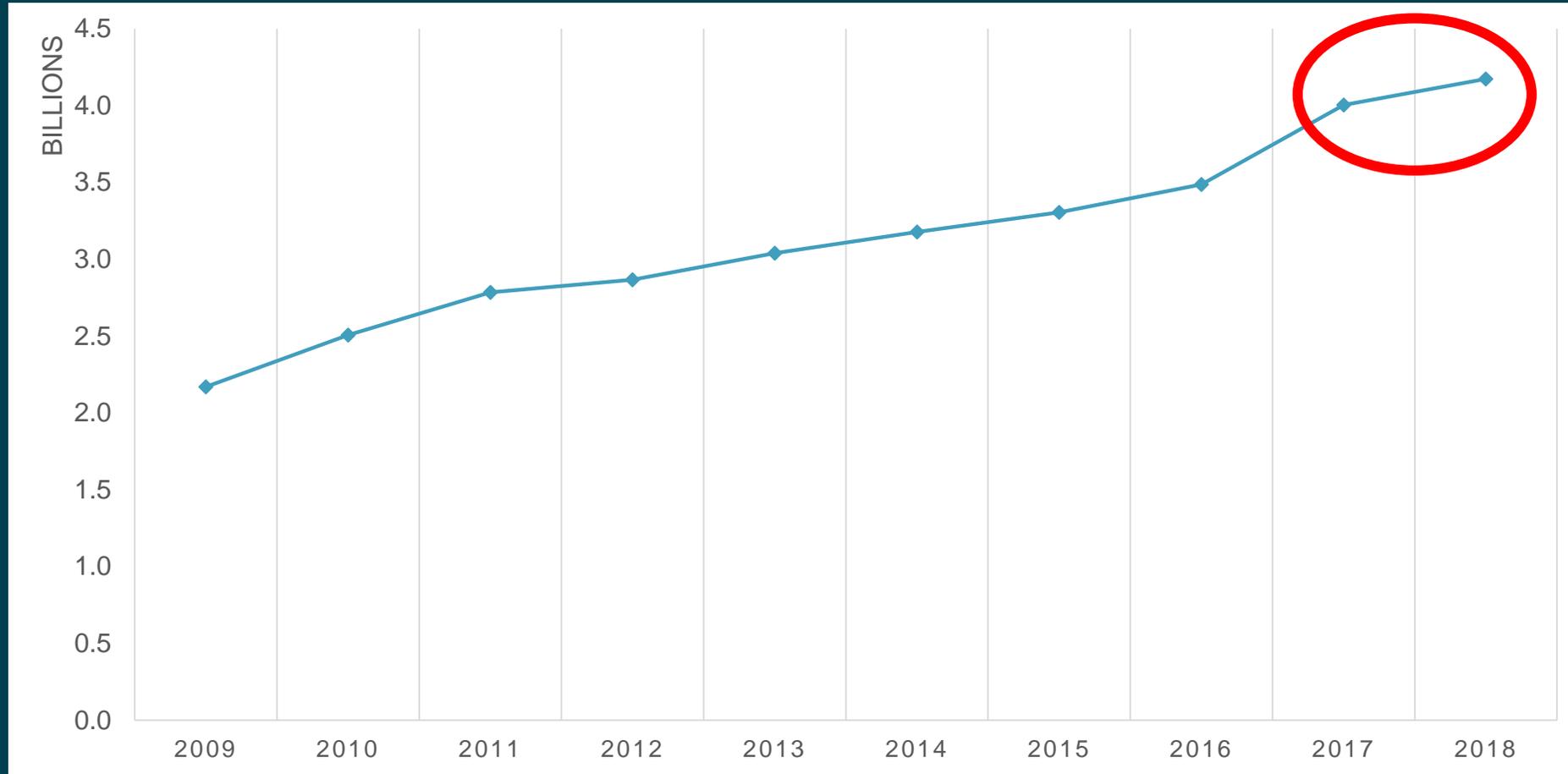
However the value of exports to the UK increased this year, driven by beef and dairy

	2017	2018	% Change
Dairy	967,874,437	1,026,714,297	6%
Beef inc offals	1,209,081,465	1,262,550,608	4%
Pigmeat	399,742,544	374,872,937	-6%
Sheep	50,896,363	55,049,966	8%
Poultry	228,357,879	240,982,450	6%
Live Animals	101,608,614	82,188,023	-19%
Prepared Food	830,413,578	842,595,567	1%
Beverages	392,033,787	355,607,487	-9%
Seafood	64,538,778	47,026,317	-27%
Horticulture	220,629,368	194,839,823	-12%
Total	3,681,109,238	3,771,212,502	2%

Exports to continental Europe were up for the ninth year in a row



Exports to continental Europe were up for the ninth year in a row...

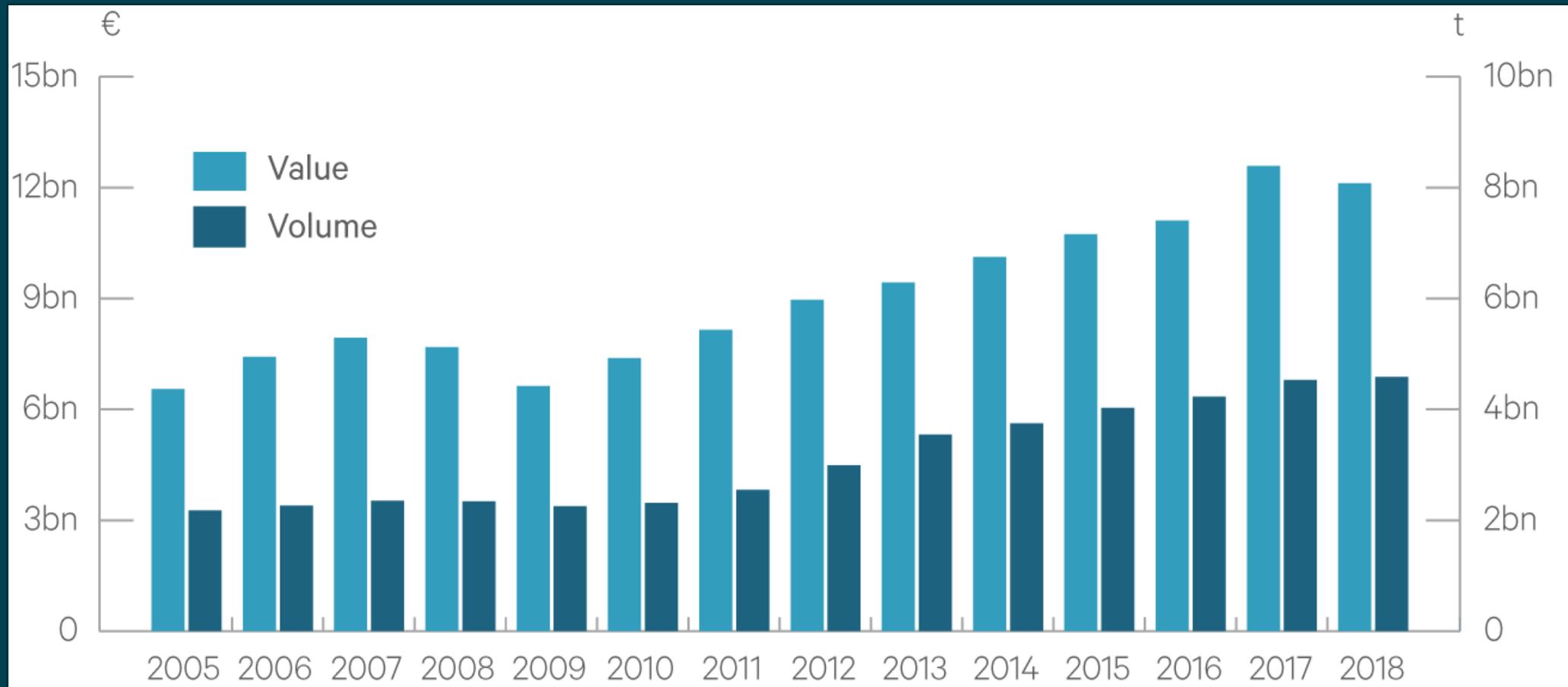


More than €4bn
for the second
year in a row

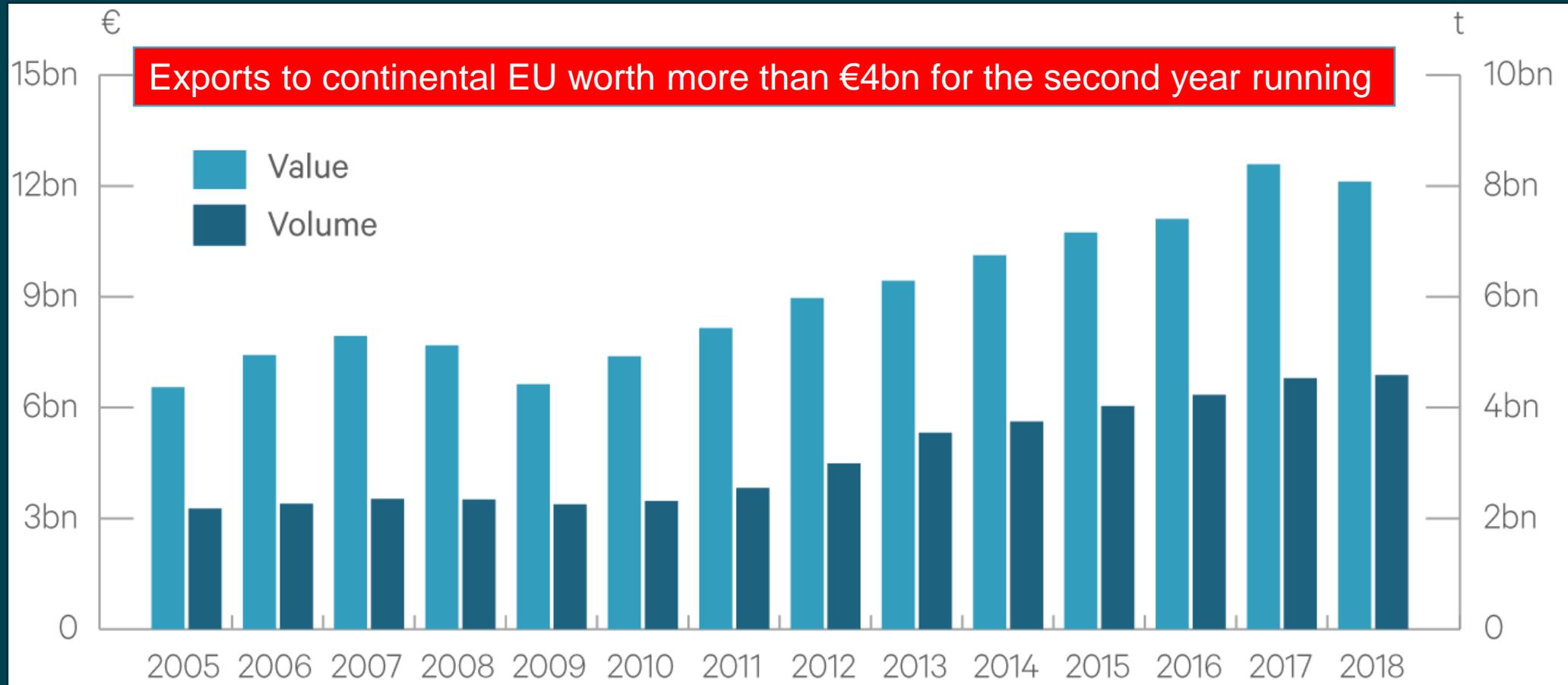
... with standout growth in exports to the Netherlands and other key markets

	EUR Value	% Growth
Netherlands	975m	10
Italy	341m	3
Spain	270m	1

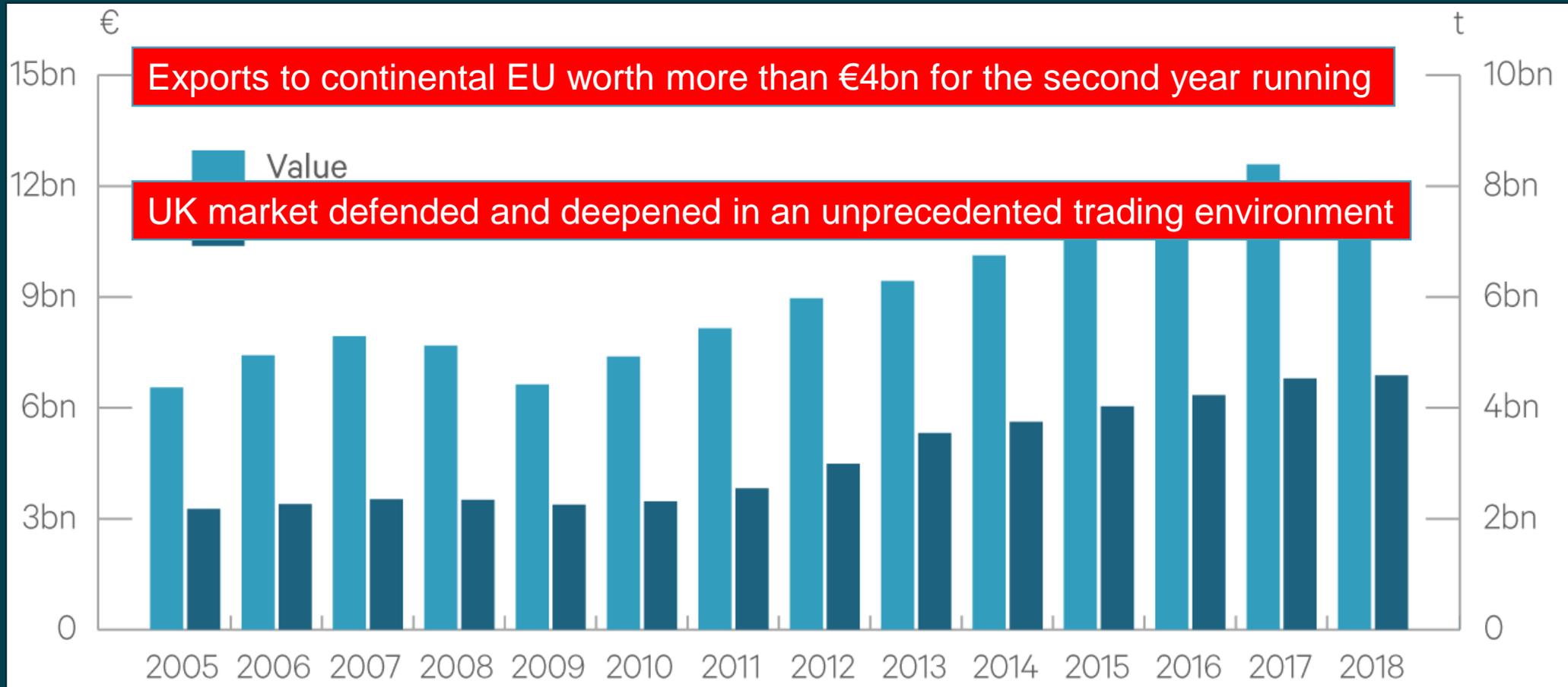
Irish Food and Drink Exports – stand out elements



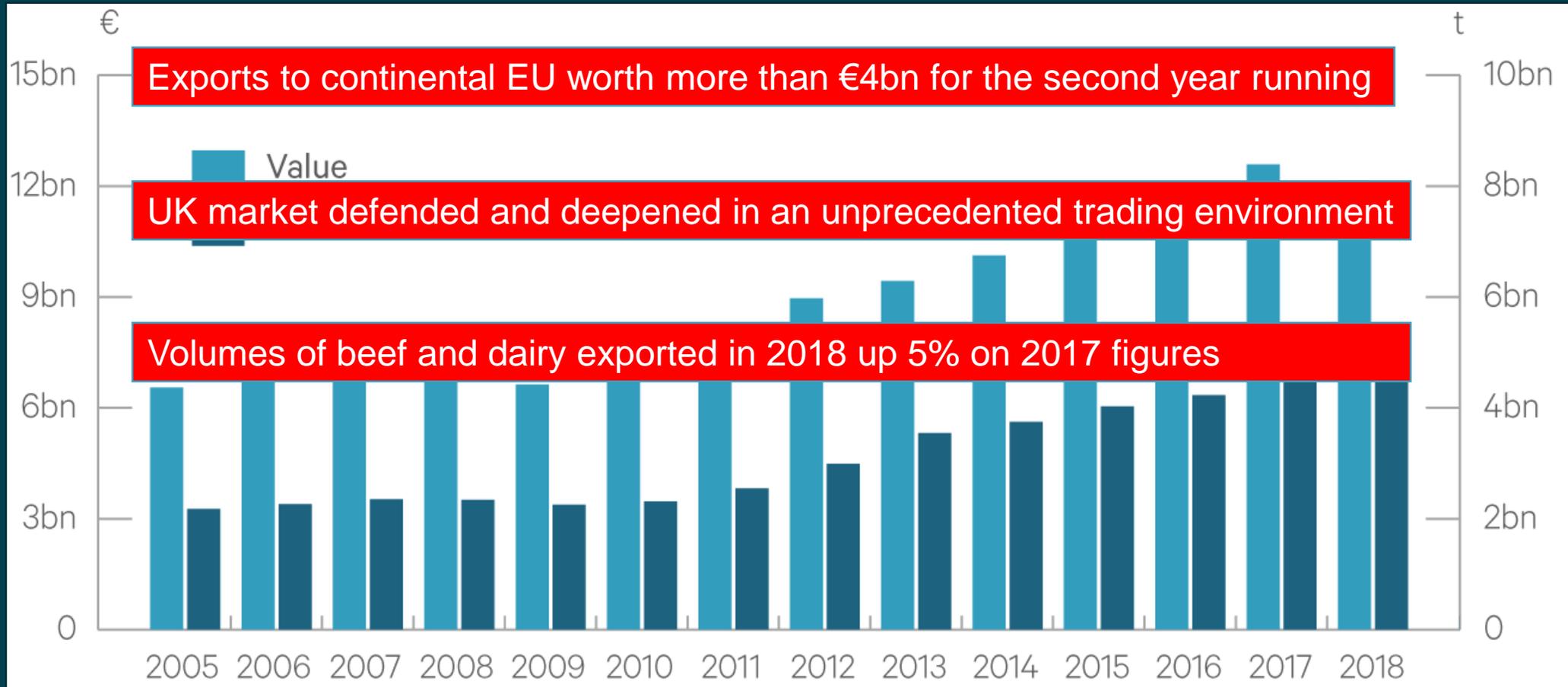
Irish Food and Drink Exports – stand out elements



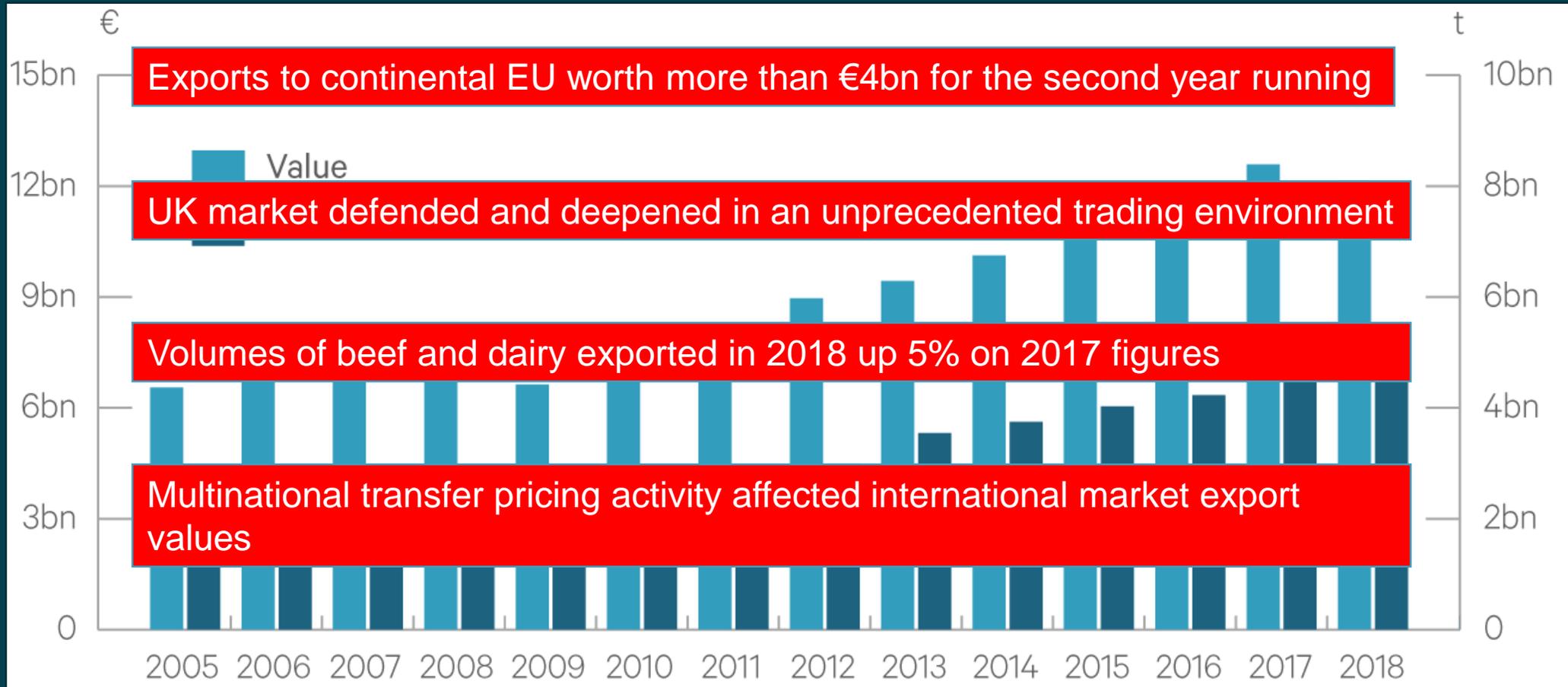
Irish Food and Drink Exports – stand out elements



Irish Food and Drink Exports – stand out elements



Irish Food and Drink Exports – stand out elements



Prospects for 2019 – global context

- » New normal in political instability will continue
- » Resolution of the trade disputes between major economies remains unlikely
- » The form that Brexit takes will be clarified by March, although ambiguity is likely to remain a feature
- » While the IMF is forecasting economic growth in every region in 2019, they have revised all of those growth forecasts downward through the year

Prospects for 2019 – Irish agri-food industry

- » Irish food and drink exporters will continue to trade resiliently through an uncertain environment.
- » In both dairy and in animal protein the supply demand dynamic is positive for exporting nations like Ireland. Demand will continue to outstrip supply and new consumers tend to be in countries with low dairy or animal protein self sufficiency.
- » Irish drinks producers are capitalising on increasing demand from for branded drinks with authenticity and heritage. Supported by the enduring global trend towards more crafted offerings.

Bord Bia 2019

Bord Bia Vision

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

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

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

NEW: Statement of Strategy 2019 - 2021

BUILDING DIFFERENTIATION, WINNING GROWTH



Bord Bia's Overseas Offices



Bord Bia's Overseas Offices



Bord Bia's Overseas Offices



Strategic Priorities 2019 - 2021

Driving Success & Growth in the Market

Through:

- » Market Information
- » Lead Generation
- » Capability Development
- » Market Activation

In 2019 Bord Bia will focus on:

- » Trade Fairs e.g. BioFach, Bloom, Seafest
- » Market Preparation, Lead Generation & Strategic Partnerships
- » Footprint expansion across UK, Germany, Italy, Eastern Europe and USA
- » Market Information
- » Finding opportunities beyond retail in the foodservice and manufacturing channels

Strategic Priorities 2019 - 2021

Insight to Power Growth

Through:

- » Insight to permeate the whole organisation
- » Talent development
- » Insight moving beyond the consumer
- » Strategic Planning

In 2019 Bord Bia will focus on:

- » Activation of the Small Business Strategy
- » Consumer and Cultural Studies across key markets
- » Healthy Snacks UK and Ireland, Bakery Insight and Shopper Insight Studies
- » Consumer Lifestyle Trends & Bespoke Insight-Led Innovation supports

Strategic Priorities 2019 - 2021

Building Reputation for Growth

Through:

- » Cultural Awareness
- » Origin Green as a key differentiator in a market of increasing clutter
- » Prioritisation
- » Fine-tuned brand

In 2019 Bord Bia will focus on:

- » Quality Mark, Farmers Communications, & Bloom
- » Origin Green
- » B2B marketing campaigns, linked to lead generation
- » Supporting brand owners to develop and grow brands in the domestic and international markets

Strategic Priorities 2019 - 2021

Leading through People

Through:

- » Fostering a culture of entrepreneurialism for our clients
- » Seeding future growth
- » Empowered to be the best you can be

In 2019 Bord Bia will focus on:

- » Entrepreneurial Programmes – Food Works, Food Academy
- » Talent Academy: + 30% workforce in 2018/2019
- » 10 vacancies to be filled & 70 scholarships on offer

Thank You

Bord Bia
Irish Food Board

