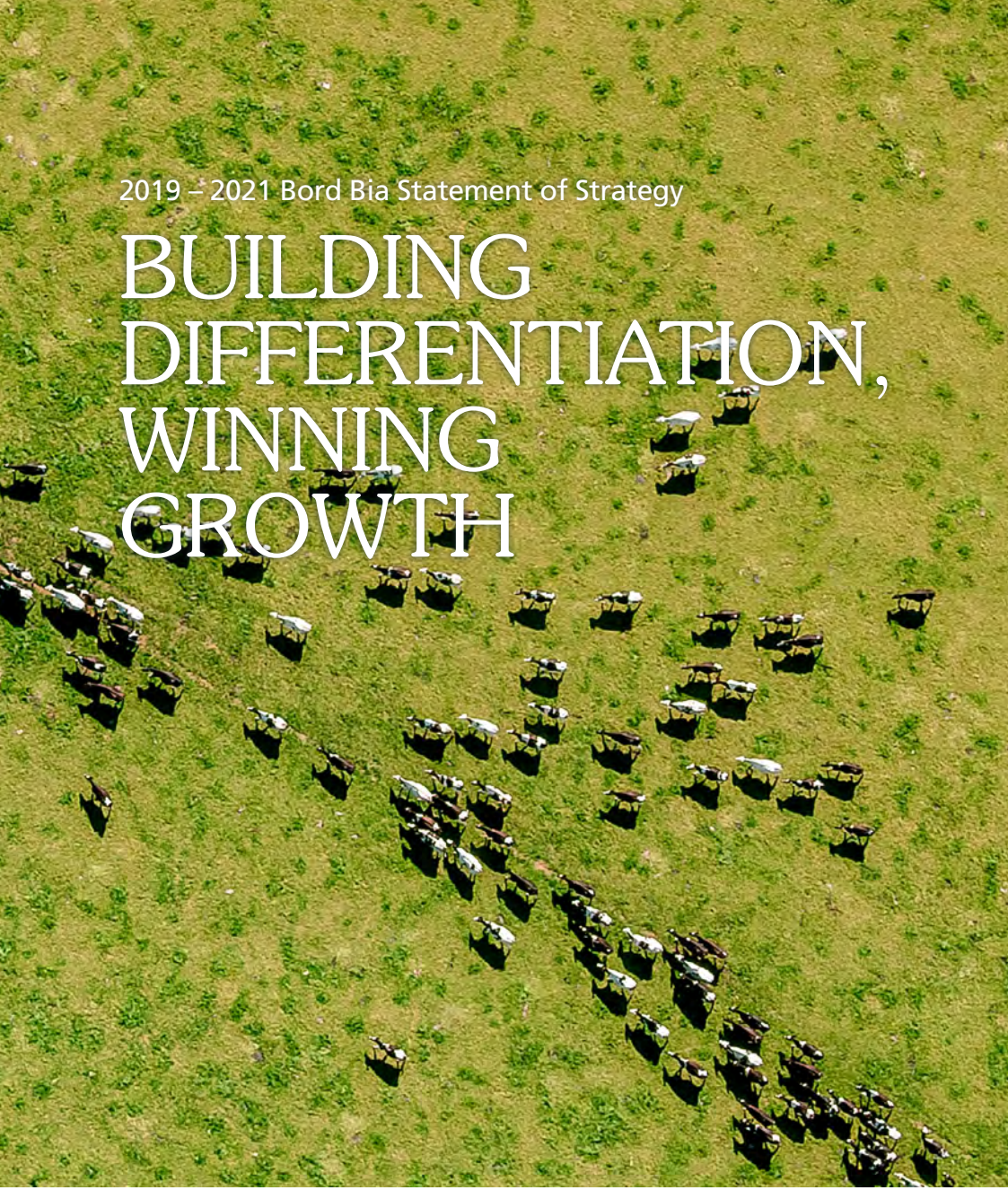

2019 – 2021 Bord Bia Statement of Strategy

BUILDING DIFFERENTIATION, WINNING GROWTH

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

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The performance of the food, drink and horticulture sector continues to excel.



Irish food and drink exports in 2018 stood at €12.1bn, representing significant growth over the past eight years, growing by 64% and €4.7 billion since 2010.

Yet today we are at a critical juncture for Irish food, drink and horticulture. On the one hand, the external environment is one of significant uncertainty, characterised by protectionism and currency fluctuations. Our nearest and most important market, the UK, continues to work through the meaning of Brexit, with knock-on challenges to Ireland's fortunes which necessitates a smart and agile response from Bord Bia. Our farmers, fundamental stakeholders for Bord Bia, are moving through challenging times, coming under pressure of increased global competition, evolving regulatory environment and a growing demand for flexibility in production. On the other hand, expansion and growth in new global markets, present considerable opportunity. We have seen exports to Asia increase by 317% between 2010 and 2018 with the proportion of our total food and drink exports going to Asia increasing from 4% to 9% in the same period. Dairy exports increased by almost 80% overall and seafood more than quadrupled between 2010 and 2018.

We consider it timely therefore to launch with confidence our 2019-21 Statement of Strategy, to be guided by refreshed strategic thinking which informs our relentless focus and unified ways of working with our stakeholders, under the auspices of the Department of Agriculture, Food and the Marine. We also redouble our commitment to a quick and flexible response in this fast-changing business environment. Thus, this three-year strategic document will be revisited every year, and we will course-correct as necessary to assure that Bord Bia is optimally serving its stakeholders.

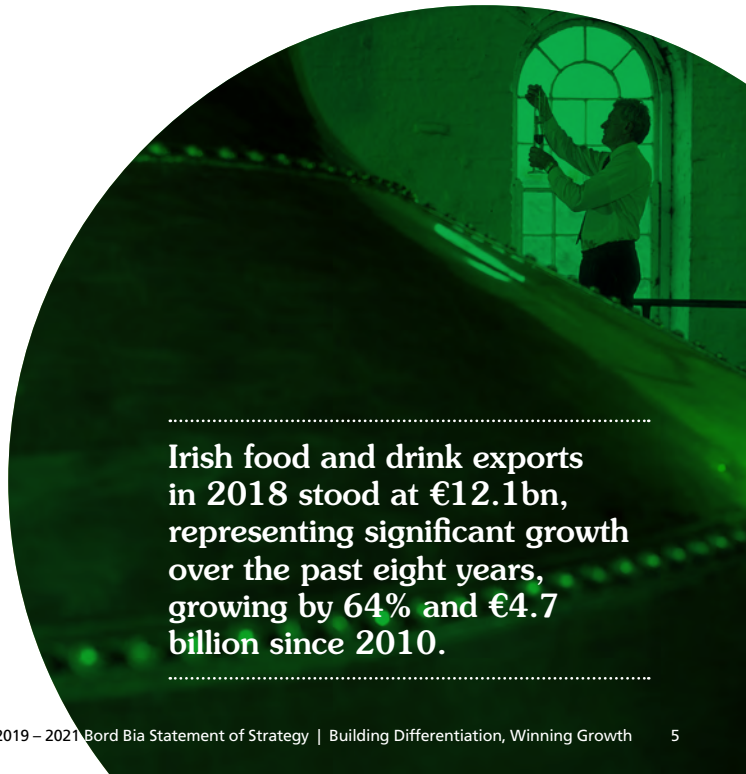
This changing world requires Bord Bia to continue to adapt, and we herein describe how we will rise to this challenge. This Statement of Strategy is a living planning tool that will inform our internal organisation over the next three years, as well as a beacon of leadership to the outside world. It builds on many of the themes in 2016-18 'Making A World of Difference' Strategic statement (sustainability, differentiation for growth), because this remains the essence of our success as we continue to work towards our Vision for 2025. Indeed, we see Origin Green, our unique and holistic response to making Ireland's food and drink a leader of sustainability, as one of our most powerful tools of differentiation in the coming period. It also introduces important new themes which bring power to our response in the marketplace. Themes such as market prioritisation, focus on delivering growth, economic sustainability for farmers, deepened commitment to people in-market, a commitment to acting as 'one holistic Bord Bia' all form part of how we will address the challenges and ultimately build our clients' businesses.

During the lifetime of this Strategy we will drive progress towards sustainable food production, with clear commitments to support all elements of industry. An expanded, well integrated and strongly networked Bord Bia will be underpinned by a new set of internal Values in order to support our clients to the best of our ability.

Our recently conducted survey among our client companies, alongside the extensive research carried out for this Strategy refresh, make clear that while we have great strengths and are considered valuable partners for our clients, we must aim higher and remain resolutely focussed on stakeholders' needs and business growth. We want to be indispensable partners to industry. This Strategy demonstrates Bord Bia's leadership of our shared capacity for learning. We are future-proofing our growth with the identification of clear Strategic Priorities, delivering a stronger collective reputation for Irish food and drink that benefits all.

The Strategy also recognises the wider strategic context in which Bord Bia operates. It builds on Food Wise 2025, the report of the Agri-Food Strategy Committee, coordinated by the DAFM, which sets out the strategic plan for the development of the agri-food sector to 2025. We are an organisation with an exciting, meaningful purpose and the phase to come is inspirational - full of challenge, optimism, opportunity and meaning. We are ambitious for the future, for our people and the sector. Please join us on this exciting journey.

Dan MacSweeney, Chairman
Tara McCarthy, CEO



Irish food and drink exports in 2018 stood at €12.1bn, representing significant growth over the past eight years, growing by 64% and €4.7 billion since 2010.

The Statement of Strategy has been developed in the context of changes in the operating environment. These changes can be sub-divided into three categories:



Macro forces of change

These are the social, technological, environmental, economic and political forces that shape the business environment. They represent long-term, macro, global forces of change, with the potential to reshape many aspects of our lives. Given the magnitude of these shifts, we expect they will be relevant and influential over the next decade and beyond.



Food Contours

These represent some of the major shifts in the global food system – the major trends that we see reshaping the way we source, produce and consume food. These shifts are often driven by the macro dynamics mentioned above, and should be important in reshaping the food system over the next five to ten years.



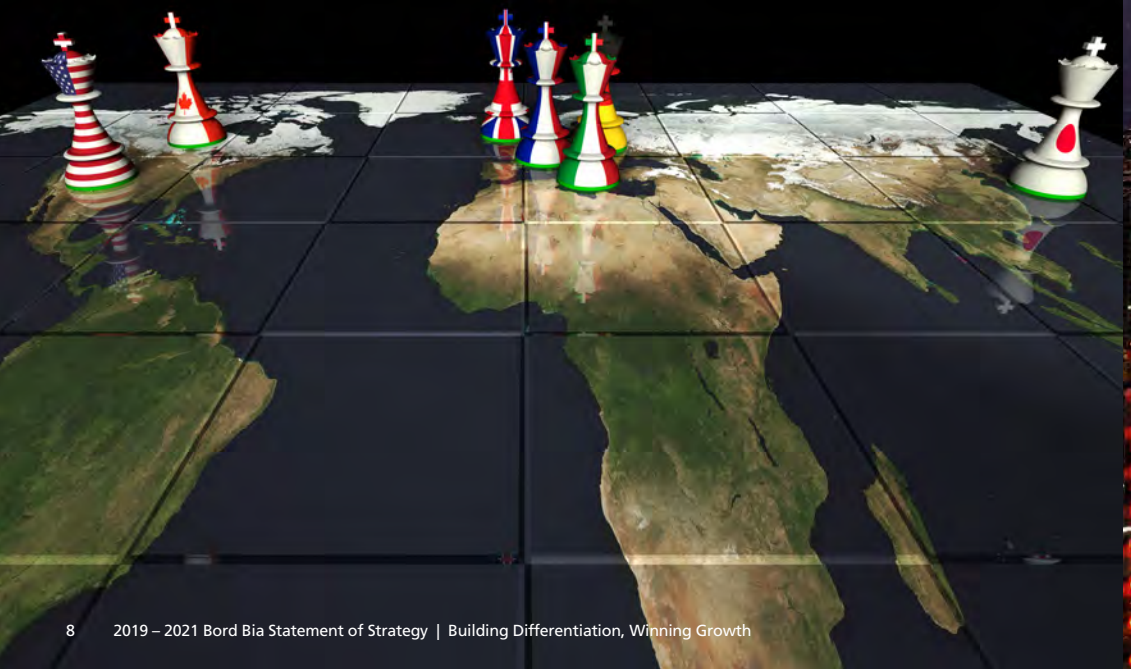
Consumer Trends

These represent sustained shifts in attitudes, values, and behaviours that drive changes in consumer/shopper choices and needs. These shifts in consumer behaviour are shorter term, and typically help guide us over the next two to five years. Bord Bia's Consumer Lifestyle Trends programme tracks consumer trends on an ongoing basis.

Macro Forces of Change

1. Rise of Protectionism

There has been a surge of support for political and economic insularity, with rising advocacy for protectionist measures.



Slow growth and heightened volatility in developed countries, and booming industries with rising middle classes in developing countries, has shifted the balance of global power.



2. Multi-polar Worlds



3. Increasing Economic Empowerment of Women

In the next two decades, an estimated one billion women will enter the global workforce. This shift will predominantly be seen in emerging and developing nations, and will significantly alter women's economic and political influence.



4. Rapid Urbanisation

Urbanisation is rapidly increasing, due to significant and sustained rural to urban migration. By 2050, two-thirds of the world's population will live in cities, compared with just over half today.

5. Redefining of 'Old Age'

The perception of 'old age' is changing drastically, driven by longer life expectancy and increasing wealth levels of older populations. Older people have more economic clout and social influence, breaking down the traditional limitations placed upon them.



6. Changing Life Stages and Household Structures

The pursuit of traditional life-stages – getting married, living with a spouse, and having children – is being decelerated, as consumers pursue a wider range of lifestyles. Household structures and sizes are diversifying as a result.



7. Growing Digital Connectivity

Digital connectivity is becoming widespread globally, as mobile phone and internet penetration continues to rise. Younger generations are growing up as 'digital natives', having never experienced the world before this level of digitisation.



8. Increasing Pressure on the Environment

As the global population continues to grow, an increased pressure is placed on environmental resources, as the need for land, water, and food rises. The consequences of this over-consumption is clear in the rising threat of climate change.

9. Rise of Non-Communicable Diseases

Across the world, rising prosperity and accessibility to convenient, processed foods are leading to a higher incidence of life-threatening health conditions, such as obesity, diabetes, cancer and heart disease.



Food Contours



1. New Pressures on Packaging

Companies are having to rapidly innovate their packaging, to fulfil consumer demands and regulatory pressure to minimise waste.



2. Agricultural Innovation to Increase Efficiency

As resources become increasingly limited, agri-food producers will have to utilise a range of new technological innovations in order to fulfil the global demand for produce.



3. Technology-enabled Transparency

With food scandals repeatedly emerging in the news, consumers will demand reassurance of quality. Producers and manufacturers are utilising technology to achieve this trust.



4. Algorithm-led Purchasing

As conversation-led technologies become more prevalent in the home, brands will need to shift their marketing focus from consumers to algorithms.

5. Shifting Perceptions of Meat

In developing markets, consumers are re-evaluating their dependence on meats as the central focus of meals, particularly red meats such as beef. Where once meat was an integral part of nearly every meal, consumers are now recalibrating their expectations and introducing meat-free meals into their lives.



6. Inspiration Online

With social media sustaining its dominance in consumers' lives, it has become a central source of food discovery and inspiration. Social media influencers are dominating the food conversation, promoting products, meals and lifestyles.



7. Food as Medicine

As consumers become more proactive and holistic in their approach to managing their health, they are elevating the role food plays in their lives. Food is understood as a vehicle for health, at a macro- and micro- nutrient level.



8. Channel Disruption

Where once the weekly shop was the dominant, if not the only, form of food shopping, the channel options available are now much broader.

9. Fragmented Food Products



As consumers lives become more hectic, the traditional three meals a day gives way to more flexible consumption habits.

An Organisation Bound by Vision & Purpose

An Organisation Bound by Vision & Purpose

Our Vision for the Irish Food and Drink Industry 2025



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

To have a consistent vision is to keep steady course. Bord Bia's vision (outlined below) remains unchanged, and articulates our intention to lead and support the production and marketing of world-class food and drink from Ireland, substantiated by Origin Green which itself is a world-class beacon of sustainability. This vision acts as a rallying cry of clarity and purpose, and everything that is described in this chapter is in its service.



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

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

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

Our Purpose

Our purpose (outlined above), helps to bring priority, focus and inspiration to the unique reason why Bord Bia exists. Our role is to play a significant part in the sustained success of Irish food and drink while we carry a huge sense of pride in the sector's produce, its people, its place and its progress. Our focus is on supporting and enabling our clients (producers and farmers) so that they can be at their best, bringing Ireland's outstanding food, drink and horticulture produce to the world.

We see our purpose as the guiding star for us during the period of 2019-2021, our reason for being to help clients achieve their goals.

Bord Bia's Big Unifying Idea

We see power in being able to articulate, in a simple phrase, why we exist and what we are about. This helps us internally to assure that we rise above processes and timelines to see the bigger picture; it also helps as we engage with stakeholders across the organisation, creating a shared understanding of how Bord Bia intends to add value.

We describe our big, unifying idea as 'Differentiated Sustainable Growth'. By Differentiated we mean that it is our job to explain why Irish food and drink is unique and ownable for farmers and producers, and consequently perceived as relevant and distinguishable at a consumer level. By 'Sustainable' we have two things in mind: a nod to our sustainability leadership through Origin Green, and also an acknowledgement that our role is to build value for our stakeholders over the long-term, avoiding the ephemeral and short-lived 'fashions' that can distract. By 'Growth' we assert our role in building business growth for our stakeholders. In this sense, we assuredly change emphasis from process (what we do) to outcome (what we achieve for our stakeholders).

We see 'Differentiated Sustainable Growth' as a rallying cry for Bord Bia, acting as a guiding light in all we do.

All success is derived through priority: knowing what matters most, and marshalling limited resources to their best use. We have identified four strategic priorities that will drive all that we do in the 2019-2021 period, and for each we have articulated both the themes that inform our thinking and a set of actions which will bring focus to our efforts.

At the helm, a signifier of our commercial focus, lies 'Driving Success and Growth in the Market'. Here, we detail our plans to drive business through relationship management, leading insight and the presence and effectiveness of our most valued resource: our people.

The second priority, 'Insight to Power Growth', asserts the central role of better thinking in delivering better results for our stakeholders. Here, we describe the central role that insight has across the organisation, and extending beyond consumers to customers, channels and beyond.

The third priority is 'Building Reputation for Growth', which details how we plan to go about building reputation with key developments in areas such as cultural nuance, emotional resonance and our ability to measure results. Here we describe the pivotal role of Origin Green in driving differentiation and relevance for Irish food and drink at a customer and consumer reputational level.

Our fourth strategic priority, Leading Through People, brings focus and clarity to our plans for the talented, ambitious and passionate people who work at Bord Bia. Here, we detail plans informed by our belief in fostering entrepreneurialism, empowerment and diversity, while always working to assure that we are reaching out to new generations of people who, in time, will become the future of Ireland's vibrant food and drink culture.

Four strategic priorities:

1. Driving Success and Growth in the Market
2. Insight to Power Growth
3. Building Reputation for Growth
4. Leading Through People



Driving Success and Growth in the Market – *laser focus on expert sector and channel management which is a beacon for partners*

Bord Bia exists to facilitate and support the success and growth of our clients' businesses in the markets. This focussed goal is the organisation's reason for being and delivering this in a more powerful manner is at the root of all of our proposed strategic changes.

2019-2021 will bring both challenge and opportunity, and we are building a plan which is geared to respond to uncertainty (growing protectionism, currency fluctuations) and potential (rapid development of Asian markets, opening of markets in Africa, deepened interest in the home market). We have listened carefully to our clients and note their enthusiasm for strengthening our collaboration as we move up a gear in the markets where the business happens. We are also cognisant of the home-market opportunity for client growth, as we witness a growing consumer shift towards localness and premium in food and drink.

The result of all of this is a plan that goes to the heart of what Bord Bia does, strengthening its core engine.

We continually challenge ourselves to optimally use our resources to deliver the best for clients. At the heart of this is a simple premise: our ability to anticipate and match Ireland's competitive excellence in food and drink with those markets which have both customer need and size to deliver maximum results. Determining and activating this alignment between what Ireland can best produce, and the ideal markets to maximise our potential, is a common theme which runs throughout all of our in-market activities. This will continue to be fully enabled by the support of market, sector and consumer insight, and a fresh focus on proactive strategic thinking.

We are fully committed to integrating relevant Bord Bia teams and skills in order to provide clients with market-leading services in their journey to the markets (getting to the market; winning in the market). We believe business is delivered by a layered and dynamic delivery of service to clients which include:

- ***Market Information:*** assuring that we understand the criteria for success in any market and provide insight to accurately judge where the winning opportunities reside.
- ***Lead Generation:*** moving beyond thinking, we will support clients in making things happen: connecting with our network of contacts, setting up meetings, driving the human connection that makes business happen.
- ***Capability Development:*** ensuring the core competencies and skills throughout the organisation and industry are developed and maintained to enable growth.
- ***Market Activation:*** establish professionals on-the-ground in more markets so that we own the expertise and relationships to connect clients to opportunities, and can help them as they resource their own business. We see this as fundamental to our business, and a potent component in the Government's announced intention of doubling Ireland's global footprint by 2025.

Evolving the Strategy to Drive Success and Growth in the Market

The following themes underpin all that we will do in 2019-2021, and represent an important step forward in the ability of Bord Bia to truly impact clients' success and growth.

Prioritisation: finding optimal growth necessitates focus. We will accelerate our activation of the prioritised markets (see Appendix). In those markets of largest opportunity, we will commit more resources and investment. These are where the 'big wins' for Irish food and drink are most likely to happen.

Tailoring: one size does not fit all. We acknowledge that clients' needs are specific and nuanced, and our approach should develop towards bringing more bespoke solutions which address the specific opportunities and challenges faced by an individual client.

Tough choices: we are challenging, from first principles, why we do what we do – seeking to understand how initiatives build business. This emphasis on (stop, start, evolve) allows the difficult decisions to be made – agreeing to stop as well as start things, and continuing with purpose.

Partnership – we will act as one with our clients, joining forces together to build markets and sectors. The way we engage with our customers will be informed by best-in-class thinking, assuring that we do not 'double up' but rather complement what they can do themselves. We bring a wide range of technical, executive and personal expertise to add value to our clients, and to increase the trust and transparency with which we work. We see this layered CRM (Customer Relationship Management) approach as a critical competitive advantage to which we give our all.

Establish experts on-the-ground: we will support businesses with human resources where the business happens - in the market - and equip them with the knowledge and resources to bring leadership and proactive expertise.

Beyond retail: we are bringing renewed focus to sources of business beyond consumer / retail environment, by more fully resourcing B2B channel development and growth.

Domestic provenance: we are returning to find new growth in the domestic market, driven by the emergence of localness-as-premium-ness, a phenomenon with deep resonance in food and drink.

Actions

- We will utilise our recent Market Prioritisation work, focussing our resources in those markets that offer greatest opportunity for each sector.
- Liaise closely with the DAFM to optimise trade missions to emerging markets to ensure market entry conversion.
- We will expand our coverage and deepen our commitment in Eastern Europe, Asia (notably China, Japan, South East Asia), and North America, with a permanent presence in Africa for the first time.
- Our Market specialists will work in partnership with client companies, employing targeted supports for their growth and development as they seek to expand.
- By 2021 our sector will have diversified to new export markets, bringing Irish products to more tables in more countries across the globe.



Insight to Power Growth
– using insight to optimise a smart decision-ready environment

Insight directly drives business growth in the short-term, and leads the identification of future sources of growth in the long-term. At Bord Bia, we believe insight is a source of fundamental competitive advantage and thought-leadership for our clients and stakeholders. We see the coming period 2019-2021 as an opportunity to continue to evolve and expand our services across the areas of insight, consumer focussed innovation and branding.

The Thinking House was created by Bord Bia (in 2016) as a centre of collaborative thinking, innovation and competitively actionable insight (as recommended in Food Wise 2025). Beyond bricks and mortar, the Thinking House is about fostering the best thinking from our internal teams and external collaborators. We see its creation as a major step forward in our way of working collaboratively with clients to build and deliver new products and brands to market. Over the period of this Statement of Strategy, we plan to roll out the Thinking House way of working, having started with a subsidiary Thinking House in London in 2018. Our ambition is to expand its footprint across prioritised markets.

Insight will be the foundation in our client work to create and build strong brands for commercial success. Equally, insight is the powerhouse behind consumer-centric innovation, which represents the most fundamental means of growth over the long term.

The power of insight will permeate the whole organisation, elevating our ability to make better decisions both with and for our stakeholders. We will champion insight and insightful thinking as a fundamental strategic platform for the organisation, through which we will build value and growth for our stakeholders. It will also be the means for continuous industry development, as we commit to invest in the Insight & Innovation Talent Programme in conjunction with Maynooth University (MSc Design Innovation). The programme addresses a current skills gap in consumer -centric innovation and sets out to equip the industry with professionals with the capability to enable translation of research to markets solutions and maximise commercial returns.

Themes:

1. ***Insight should permeate the whole organisation:*** we wish to champion insight-led behaviours, and the dissemination of our world-class expertise, knowledge and insight in service of better informed decision-making.
2. ***Talent development:*** continued investment to develop and prepare a talent pool for the roles of innovation leadership and user experience leadership.
3. ***Insight moves beyond the consumer:*** we will accelerate the resources we place behind delivering insights more expansively – for producers / farmers, market, channels, sectors and cultural insight. Expertise in each of these areas in conjunction with stakeholder collaboration will be a source of competitive differentiation and drive business growth.
4. ***Strategic Planning:*** will be a cornerstone for our way of working with stakeholders, embedding insight to drive growth.
5. ***Short-term wins, long-term strategic calls:*** we will mobilise insight to power not just the business wins of today and tomorrow, but also the key strategic calls (markets, channels, consumer needs etc.) which inform the long-term health of our clients' businesses.
6. ***Tailored approach:*** we believe that we add the most value when our solutions and thought-leadership are delivered in the most actionable manner. To this end, we will accelerate our delivery of tailored research which support companies on a one-to-one basis.
7. ***Win at a market level:*** because business is generated in the market, we will place fresh emphasis on delivering insight at a market-by-market level, through assuring that we have greater understanding of each market's landscape, nuance and opportunities, which in turn can become a springboard for growth.

Actions:

- We will deliver an internal insight training programme to enhance insightful behaviours across the organisation, to be a truly insight-led organisation that delivers real value for our client companies.
- We will continue to support industry development via talent programmes, generating a cohort of people and businesses trained up to develop and champion world class consumer focussed insight and innovation in the industry.
- We will expand the footprint of The Thinking House into our prioritised markets, beginning with China, to further enhance stakeholder knowledge and usage of insight for competitive advantage.
- We will enhance investment in market intelligence and consumer insight in prioritised markets for the beef, dairy, seafood and alcohol sectors.
- We will deliver consumer-centric innovation programmes for client companies that support new product development and access to channels and markets, enabling them to forge deeper relationships with key customers and stakeholders for growth.
- We will deepen our resources in supporting client companies with their bespoke category and channel insight, championing a partnership approach to using insight to grow commercial success.
- We will continue to support brand owners to develop and grow their brands on the domestic and international markets, enabling access to best in class design, packaging and brand activation tools.

Building Reputation for Growth – *driving the functional and emotional differentiation of Food Brand Ireland in service of growing industry and client business*

Strengthening reputation, at both a consumer and a customer level, is a key lever to drive competitive advantage and sustained growth for our clients and for the benefit of our stakeholders – most notably farmers. In short, people choose Irish food and drink when they understand why we are different, appreciate our quality, and feel emotionally connected with our provenance story. The benefit of investment in reputational growth is reaped in the short-term in the shape of increased business, and in the long-term as strength and resilience despite competitive forces.

We believe that reputation is the principal means by which our Bord Bia Vision for 2025 can be most fully brought to life and made relevant to people around the world - and in turn drives the business of our clients. We also embrace the role of reputation building in strengthening growth for food and drink in the domestic market. A strong domestic growth is often the deciding factor in enabling our clients to branch out and grow exports, as they feel rooted by their domestic business.

We begin this period of our Statement of Strategy in a cultural tumult of note, which offers both opportunity and challenge. We have witnessed a sharp reduction in consumer trust in food suppliers, driving a new focus on transparency; we are witnessing the emergence of a new generation of food consumers for whom sustainability is a must; through social media and other forces of technology, consumers are asserting a power and a voice in the conversation like never before, yielding a democratised space where the truth will out. We have strong reason to remain confident in the power of Ireland as a compelling response to such changes, and the speed of change renews our focus on some core themes as we enter the period 2019-2021.

Themes:

1. ***Cultural Awareness:***
   we acknowledge that our consumers and customers engage with food and drink from Ireland differently depending on their culture, and we will tailor our message so that it truly connects to deliver accelerated growth both of reputation and consequently of business.
2. ***Emotional Resonance:***
   the true value of what we have to offer is not just in the outstanding quality of our produce, but also the emotional message which underpins it. Although this can be achieved at a brand level, we acknowledge the pivotal role that our Brand Ireland brand-building contributes to setting the scene for individual client success.
3. ***Origin Green as a key differentiator in a market of increasing clutter:***
   as consumers become more sophisticated in their food choices, we are tasked to give real and differentiated reasons to choose Irish food and drink and the consumer interest in experimentation expands, we are tasked to give real and differentiated reasons why for Irish food and drink. Origin Green is this beacon of differentiation which enables our farmers' and producers' products to be seen and most deeply appreciated.
4. ***Prioritisation:***
   we have deep conviction that reputational competitive advantage is best delivered when we approach both markets and regions with a sense of thoughtful priority. By identifying the 'must win battles' in this manner, we marshal our resources to the best effect.
5. ***Fine-tuned brand:***
   at the heart of our plan to build reputation is our commitment to deeply understanding, articulating and then disseminating our Food Brand Ireland positioning. This will be achieved harnessing powerful insight, and constructed in such a manner that it is adaptable on a cultural / regional / market basis as deemed appropriate.
6. ***Objective measurement:***
   we are committed to developing and implementing an effective and insightful means of measuring effectiveness of our activities, thereby affording ourselves the opportunity to course-correct as we journey through the insight-led planning process.



Actions:

- Origin Green will be of primary importance in our communications to a B2B audience in export markets with specific messaging for consumers in selected markets. It acts as the beacon, quasi-universal messaging of Ireland's food and drink which connects at a consumer and customer level, adding value, differentiation and potentially premium-ness to our produce.
- We will ensure we have a centre of marketing excellence within Bord Bia and the Irish food and drink ecosystem to coherently work together to drive reputational value.
- Our Marketing Communications under the Food Brand Ireland Framework will drive preference for Irish food and drink in prioritised markets among both trade customers and consumers in a way that delivers sustainable growth and value for the industry.
- We will drive preference by creating reputational competitive advantage, based on the proof/evidence and benefits of sustainable food production.
- When appropriate the focus will be on tailoring these benefits and messaging to different trade and consumer audiences, as required, in prioritised markets (and sectors) and across regions.
- In the domestic market we will continue to drive preference for food with the Quality Mark, incorporating sustainability into Q Mark as we move to the enhanced Q Mark+.
- We are energised by the potential we see in widening the footprint and power of Bloom (our annual Irish Horticulture, Food and Drink event) as an experiential showcase for the essence of Food Brand Ireland. We envisage that Bloom can be developed as a concurrent consumer, foodservice and customer event (this is aligned with worldwide best practice). In short, Bloom is a powerful brand created with great diligence and care, and we wish to grow its impact by it becoming a showcase - an experiential centre-piece of what we mean by Food Brand Ireland.
- We will devise, implement and evaluate three-year marketing and communications strategies and programmes across prioritised markets and for specific regions, markets, sectors and clients as required following the Food Brand Ireland Framework.

Building Reputation for Growth – Origin Green – *our key asset for competitive differentiation*

A key strategic component in building our reputation is Origin Green. Bord Bia's Origin Green is a world-first initiative developed by Bord Bia in conjunction with the Irish food industry and almost 80,000 farmers. Launched in 2012, Origin Green is Ireland's food and drink sustainability programme, bringing the food industry of our country together with the common goal of sustainable food production. Origin Green helps differentiate and makes Irish food and drink more compelling to the world's consumers and trade partners alike. It enables Ireland's food industry to set and achieve measurable sustainability targets that respect the environment and serve local communities more effectively. Origin Green is an integral part of the Food Wise 2025 Strategy, targeting an 85% increase in exports to €19 billion, coupled with a 60% increase in primary production to €10 billion. At its centre is our belief that responsibly grown and produced food and drink has real value to consumers and is an act of responsible leadership to the planet. We have the support of Teagasc and the DAFM in bolstering the Origin Green platform.

Themes:

1. ***Objective, rigorous measurement:*** a core differentiator of Origin Green has always been its commitment to continuous measuring and improvement of sustainability targets. After five years of progress, it is now time for a new phase; a phase that builds on the successes of the first five years and propels the reputation of Irish food, drink and horticulture onwards again. We are committed to stringent and continuously rising standards to ensure Origin Green remains a true differentiator in global markets.
2. ***Driving growth in the sustainability platform:*** Origin Green will create access to new opportunities based on best practice sustainability credentials, using proof of ongoing efforts of our members. Our reputational push will have Origin Green proof points at its core – our infrastructure will allow us to transfer knowledge and technology around sustainability to our members and monitor the efforts and impacts of our members' efforts.
3. ***Tailoring of the message to match market needs:*** How we bring the credentials to life will be tailored to different markets based on their level of engagement with sustainability and those of their consumers.

Actions:

- We will create deeper engagement with Origin Green members: we know that success in Origin Green depends on our ability to create a groundswell of support for the programme throughout its numerous stakeholders (farmers, manufacturers, citizens). Our focus here is to demonstrate its tangible and intangible benefits by communicating its impact directly to its members, encouraging citizens to become aware and to take pride in the programme, engaging business leaders in the tangible commercial benefits of the programme, and enhancing collaboration on sustainability with contiguous organisations such as Teagasc, Bord Iascaigh Mhara, Enterprise Ireland and IBEC.
- We will drive sustainability improvements in performance: we know that Origin Green comes fully to life when it delivers real and measurable improvement and results. We intend to constantly build the programme's ability to deliver verifiable results by means of calibration and benchmarking, and extending the programme's coverage in areas of EU focus such as water, waste and nitrates. We will follow this through with a comprehensive means of measuring its contribution at an aggregate level - notably its social impact.
- We will collaborate with best in class sustainability leaders: We will position ourselves as a unique leader in sustainability through building peer reviewed programmes, facilitating global fora for sustainability and by fully aligning with the stated goals of DAFM. This is critical to the long-term future of Origin Green as the key differentiator for Irish food and drink.
- We will work towards increasing market access and value for Origin Green members: we will use sector and trade insight to help us build the most compelling case for why Origin Green helps our B2B partners grow their business. We have already identified that its contribution to the animal feed and animal welfare debate makes a difference, and we will continue to tailor the trade messaging to deliver optimal perception of value for Origin Green. We anticipate that this is best articulated at a market-by-market level, and is subject to dynamic change as our markets' understanding of the sustainability agenda evolve. We will define Irish grass fed beef and dairy and we will develop an infrastructure to substantiate Irish grass fed claims ensuring the significant advantage we have in this area can be rigorously demonstrated.



Leading Through People
– Fostering an entrepreneurial culture and skills

People make the difference. We know that the success of the food, drink and horticulture industry rests on the inherent skills, motivation and engagement of our talented people, supporting them in being the very best professionals that they can be. Our commitment resides first with our own teams and we are making a step-change in how our individual and collective talents can best be harnessed to deliver growth for our clients. It also moves beyond our own colleagues to fostering, equipping and enabling a pool of external expertise: professionals who will take up positions across Ireland's food, drink and horticultural companies, and help raise the bar for the high standards of marketing Ireland's produce around the world.

Four themes emerge which have informed our fresh thinking in Bord Bia's approach to leading through people:

1. ***Fostering a culture of entrepreneurialism:***
   We believe that encouraging people to break patterns, think differently and make informed judgments leading to 'big best' is the way that a step-change in the value we create for industry and clients can be achieved. Entrepreneurialism is achieved not by directives, but rather by creating an empowering and challenging culture in people's daily work lives. Central to this is firstly our commitment to insight-led planning, a way of working which encourages human interaction, insightful imagination and creativity of spirit, and secondly our continued commitment to working with food start-ups and entrepreneurs.

2. ***Seeding future growth:***
   We will advance our support of external expertise programmes (Marketing Fellowship, Global Graduate, Insight & Innovation, Supply Chain Management, Origin Green Ambassador) and investment which addresses identified skills gap and prepares our industry to be future-focussed, ready for the challenges as they arise.

3. ***Empowered to be the best you can be:***
   We believe in people and are motivated to live this reality in the way we support our people internally, to allow their talents to flourish. We are committed to encouraging every team in the organisation to own and develop the skills and talents most appropriate to their people.

4. ***Valuing differences:***
   We work in a complex world of food and drink, defined by its astonishing sectoral, consumer, customer and cultural diversity. At every level in the business, we wish to encourage flexibility of thinking so that our solutions really deliver power to our clients. Central to this is our focus on embracing difference in our own people: diversity in their personal stories before joining Bord Bia, diversity in their way of seeing the world and their challenges, diversity in their insightfulness, diversity in their skill sets. In this manner, we believe the collaboration and positive challenge of our people working together delivers most for clients.

Actions:

- We are committed to increasing our resources in competency development throughout Bord Bia, ensuring we are highly skilled across all of our specialist areas so that we can proactively work with clients and stakeholders to grow their businesses and make a difference.
- As we strive to become an insight-led organisation, one that adds value to stakeholders through informed, thoughtful judgements based on substantiation, we will continue to invest in competencies and resources in this area. We will strengthen our ways of working by ensuring the organisational culture is entrepreneurial, allowing all voices to be heard and collaboration at the heart of what we do.
- We will strengthen and expand our Talent Programmes to ensure that they continue to meet the evolving needs of client companies; we will ensure opportunities for knowledge and skills sharing will be accessible to all.
- As Origin Green enters a new phase we are committed to ensuring our Ambassador Programme also evolves; it will remain cutting edge, developing specialists in the discipline of sustainability who can enhance and share knowledge across the industry.
- We will continue our support and resources for food start-ups and entrepreneurs, further growing programmes (Food Works, Food Academy, Food Starter) in order to provide them with the most effective, bespoke support and identify the next generation of success stories. Within this we will expand our collaboration with other State agencies (Teagasc, Enterprise Ireland, and LEOs) to present a joined up approach that maximises return.



Sector Strategy Overviews



Meat & Livestock Sector





The Irish meat and livestock industry is one of Ireland's most important primary production sectors, accounting for exports of €3.98bn in 2018.

There are more than 100,000 Irish farms involved in livestock production, widely distributed throughout the country. Along with playing a key role in the Irish rural economy, their activity supports major employment including meat processing, agricultural contractors, feed merchants and livestock marts.

Beef

From a supply base of approximately 1.0 million beef suckler cows and 1.5 million dairy cows (AIM, July 2018), this sector produces over 600,000 tonnes of beef annually, of which almost 90% is exported. As a result, Ireland is the largest net exporter of beef in the northern hemisphere and the 5th largest in the world. In 2017, the UK and continental Europe were the recipients of 97% of Irish beef exports. Exports reached 579,000 tonnes, valued at €2.5 bn. Irish beef is supplied to over 100 EU supermarket chains and premium foodservice customers.

Sheepmeat

Ireland's national sheep breeding flock totals 2.6 million head, which has been steadily increasing in recent years. Lowland enterprises account for approximately 80% of the ewe population, with the remainder on hill farms. During 2018, exports accounted for almost 70% of Irish sheepmeat production, reaching a total of 55,800 tonnes, valued at approximately €315 million. The UK and France remain key markets for Irish sheepmeat accounting for 50% of exported volumes in 2018. However, in recent year the sector has been diversifying into growth markets such as Germany, Italy, Sweden, Denmark, Belgium and Switzerland.

Pigmeat

There are approximately 1.5 million pigs on 300 Irish farms and their production is a highly specialised activity. Net production reached 306,000 tonnes, with a self-sufficiency rate of approximately 190%. The UK remains the main market for Irish pigmeat taking 56% of total pigmeat exports. Continental EU markets accounted for 21% of exports while the remaining 23% went to international markets.

Poultry

As in pig production, Irish poultry farming is highly integrated and dependent on efficient feed use. In 2018 a record 100 million birds were processed in Ireland as a result of strong domestic and export growth.

Livestock

Live exports represent a valuable alternative outlet for the various categories of stock. In 2018, live cattle exports totalled 238,000 head. Key European markets include Spain, the Netherlands, UK, Italy and Belgium. Turkey and Libya are the main international markets.

Themes:

- ***Brexit:*** Brexit continues to be the key challenge for our nearest and most important market, the UK where a significant volume of our meat is marketed. There is also significant livestock movements across the border. Trade deals when finalised will have an impact on the markets we sell into.
- ***Image:*** The image of meat from a health and environmental impact perspective is an increasing challenge for the Industry which needs to be defended and addressed though an effective communications platform based on science.
- ***Challenge:*** The farming sector is moving through challenging times, coming under pressure of increased global competition, evolving regulatory requirements and a growing demand for flexibility in production. On the other hand, expansion and growth in new global markets South and East, presents considerable opportunity.

The key strategic initiatives on which Bord Bia will focus include:

- Accelerate the resources we place behind delivering insights more expansively – for market, trade, channels, sectors and cultural insight, enabled by technology. Expertise in each of these areas in conjunction with stakeholder collaboration will be a source of competitive differentiation and drive business growth.
- Invest in Capability Development throughout the organisation and industry to enable growth, ensuring laser focus on expert sector and channel management which is a beacon for partners
- Increase dedicated resources and services to drive greater engagement and closer RTM support for Client Companies in order to drive the demand for Irish meat through business conversion
- Diversified market growth by providing insight and capability on new markets and accelerating their potential allowing Industry to drive towards higher margin accounts
- Focussed funding towards prioritised markets to drive growth, maximize return and mitigate against market forces (e.g. Brexit, Mercosur)
- Develop substantiated Proof Points for sustainability, nutrition and welfare across a portfolio of criteria in order to contribute to the creation of a stronger competitive positioning which has the capacity to result in greater trust in Irish meat, leading with grass-fed through Origin Green as the core mechanism for delivery
- Build a focussed differentiated position and reputation, using Origin Green as appropriate, for Irish meat among trade customers and consumers to drive consideration for Irish beef.

Dairy Sector



Ireland's primary dairy sector produces a wide variety of products from liquid milk and cream through numerous milk powders to butter and cheese. Liquid/fresh products are primarily sold on the domestic market, which is also an important buyer of many powdered ingredients, especially those used in the strong local infant formula manufacturing activities of several leading multinationals. Significant on-farm expansion and capacity growth since quota removal have entailed investments which now need to be capitalised upon. Future strategy needs to reflect the widespread agreement that sustainability is a double-edged sword for the sector.

Exports are led by three main products: butter (with strong branded positions in the UK, Germany and USA), enriched milk powders (mainly fat-filled milk powder sold into western and central Africa and the Middle East) and cheddar cheese (especially sold into UK retail, but also with applications in processed cheese manufacturing outside Europe).

Total dairy exports were worth €4bn in 2018 with butter, enriched milk powders and cheddar cheese accounting for over 60% of this turnover.

Themes

- Growing consumption of dairy products in many developing markets, especially in Asia, represents a significant behavioural shift and consequent opportunity. The drivers of this change include:
  - Growing disposable incomes and the emergence of a striving middle class
  - Evolving lifestyles which in turn encourages an opening up their food choices as consumers warm to food experimentation
  - A fast-changing foodservice environment bringing new, and highly sought after options for consumers, and in so doing creating new dairy demand for products such as cheese, butter and cream
- Strong demographic growth driving dairy demand in parts of Africa and Asia
- Increasing consumer education and consequent focus worldwide on issues such as health, wellness and nutrition; food safety and transparency; sustainability. Dairy can and is being framed in a positive manner to address each of these themes
- Brexit represents a fundamental challenge for the sector, potentially impacting export sales of cheddar cheese and butter as well as affecting milk supply between Ireland and Northern Ireland. Brexit will act as a catalyst for the Irish industry to uncover new export demand in hitherto largely untapped applications, segments and markets

The key strategic initiatives on which Bord Bia will focus include:

- Refining the Irish dairy value proposition / competitive differentiation
- Export Strategy Development by clarifying marketing focus in respect of:
  - Target consumers, especially the potential to address higher value and more premium consumer needs going beyond basic nutrition
  - Important target markets requiring additional focus / active exploration
  - Future product mix: exploring the potential for building added value vs. commodity business
  - Future channel mix: the potential for adding more business downstream closer to the consumer in foodservice and retail
- Improving Marketing Communications
  - Build a focussed, differentiated and defensible messaging position around "natural" and "sustainability", using Origin Green and the grass-fed dairy standard as key tools and allowing flexing for key markets
- Sector Support
  - Refining the nature of support for the industry, both in terms of sector activities such as trade missions and the need for improved engagement / dialogue / tailored assistance at company level

Prepared Consumer Foods Sector

The prepared consumer foods sector encompasses a wide range of categories such as ready-to-eat foods, confectionery, biscuits, snacks, non-alcoholic drinks, value added meats and seafood, frozen foods, performance nutrition powders and bakery.

The latest (2017) domestic market value for the prepared consumer foods sector is €5.4bn demonstrating the significant opportunity and importance of the domestic market for this sector. The UK is the largest export market for prepared consumer foods, valued at €1.7bn or 66% of the sectors exports in 2018. This represents an overall value decline of 5% to the UK market. Diversifying into new markets and channels markets primarily within the EU will continue be a major focus for the sector going forward.



The domestic market valued at €5.4bn in 2017 is of significant importance for this sector. The UK is the largest export market for prepared consumer foods, valued at €1.7bn or 66% of the sectors exports in 2018.

Themes:

- ***Busy but uncompromising lives:*** many categories in the sector offer convenience solutions to consumers. Prepared consumer foods companies will need to continue to anticipate the increasingly fast pace of changing consumer consumption and demand behaviours.
- ***Health & Wellness:*** this trend is driving innovation in the sector but may also prove a longer-term challenge for some product types.
- ***Responsible living,*** which drives an interest in sustainability and the environment. A significant opportunity is to focus on packaging and how the sector can demonstrate its sustainable commitments through the use of Origin Green
- We will need to continue to challenge companies to raise their game in terms of quality, premium-ness, and inventiveness, as consumers simply demand to have health and wellness as well as convenience
- ***Market Dynamics:*** the yet unknown impact of Brexit will be a catalyst for change in the sector. Customer consolidation will continue to shape demand as will the growth of digital. The relative size and scale of the manufacturing sector compared to UK and European based competitors will also affect the performance of the sector

The key strategic initiatives on which Bord Bia will focus include:

- ***Capability Building in Commercial Marketing Strategy Development & Implementation:*** Focus on developing commercial capabilities to drive a strategic approach to business growth and assisting companies in their marketing approaches
- ***Capability Building to Enable Innovation and Product Differentiation:*** Focus on creating an insight-led innovation process, which will enable companies to be confident with their consumer-led NPD
- ***Domestic Market Focus:*** Provision of joint initiatives with trade customers to identify comprehensive category driven opportunities
- ***UK Market Focus:*** The yet unknown effects of Brexit are a key issue for the important UK market. Working closely with companies to manage and strengthen existing relationships in preparation for Brexit including supply chain solutions.
- ***Market Diversification:*** Providing assistance with market diversification selection by companies and the development of comprehensive market familiarisation activities in priority markets with a strong emphasis on cultural dexterity.

Horiculture Sector



The latest 2017 farmgate value of Horticulture output was €433m with Food Horticulture representing €359m and Amenity Horticulture €74m of this total. An estimated 17,000 are employed full time in the industry in primary and downstream businesses.

Mushrooms, Potatoes, Field Vegetables, Protected Fruit, Protected Vegetables and Outdoor Fruit are our key food crops. The bulk of fresh produce is sold on a highly competitive domestic retail market. The retail fresh produce market in Ireland was worth €1.53bn in 2018. Only mushrooms have a significant export trade, worth €82m in 2018.

Key crops in the amenity horticulture sector include Nursery Stock, Protected Flowers/ Ornamentals, Christmas Trees, Cut Foliage, Outdoor Flowers & Bulbs and Turf Grass. The majority of output is sold in Ireland but exports valued at €17m are exported primarily to the UK. Competition from imports is a challenge. In addition to retail, there is significant activity in the commercial gardening, landscape and garden design markets which is benefitting from the improving economy and increased activity in the construction industry. Opportunity exists to exploit the physical and mental health benefits of amenity products, build exports and make consumers more aware of the attributes of Irish amenity produce.

Tighter margins driven by a competitive market, imports, increasing costs coupled with labour shortages are impacting on our producers.

Bord Bia will drive insight led initiatives underpinned by sustainability to further develop the horticulture sector in Ireland. This focus will lead the promotion of horticulture in Ireland, maintain and grow export markets, strengthen the sustainability credentials of Irish produce, prioritise product and plant innovation and identify and exploit new opportunities for Irish produce.

Themes:

Consumer Interest:
The accelerating growth and consumer interest in mental wellbeing, healthy food and fighting obesity provides significant opportunities to grow the market for Irish edible fresh produce and for Irish ornamental plants

Increasing market share:
There is also potential to increase supply into the food service market which has grown by 11.5% in the past four years, and to gain share for both edible and ornamental produce into the emerging online retail channels

Collaboration:
Greater collaboration across the industry on various initiatives complimented with increased participation by producers in Producer Organisations has the potential to ameliorate some of the challenges faced by producers of both edible and ornamental crops

The key strategic initiatives on which Bord Bia will focus include:

Drive greater engagement in Route to Market (RTM) support for horticulture producers in order to drive the demand for Irish Horticulture products;

- Support producers through bespoke programmes and services to deliver commercial marketing strategy development, planning & implementation
- Deepen engagement with key customers and their respective suppliers by building RTM capabilities
- Continue to engage with Industry, State Agencies and the Horticulture Industry Forum to facilitate greater sector collaboration and cooperate on joint initiatives such as co funded promotion campaigns
- Roll out of the Lean Programme in the Horticulture Sector to build efficiencies in business operations leading to better margins
- Engage and support key industry initiatives that facilitate buyer and grower meetings and encourage sector collaboration and co-operation

Build and deliver Insights and data more expansively – for both edible and amenity horticulture across markets, on trade data and sectors;

- Measure, analyse and disseminate market data and trends on the domestic and UK market channels for retail and service sector to grow business and build domestic market share
- Use new insights to explore and develop opportunities for new horticulture product developments including brand development and product innovation

Build a differentiated position for Irish horticulture products among trade customers and consumers to drive preference for Irish fresh produce and plants through activities including;

- The development and delivery of bespoke consumer facing promotional campaigns in collaboration with industry and the support of EU funding
- Develop and build on existing school programmes to encourage both the increased consumption of fresh produce and to build awareness of how fresh produce is grown, its origin and how it contributes to a healthy balanced diet
- Further develop Bloom as the national showcase and promotional platform for the horticulture sector facilitated through greater sector engagement

Build and maximise participation in the Bord Bia Quality Assurance Schemes under the umbrella of Origin Green. This is key in delivering customer and consumer loyalty and propensity to purchase QA product. This will be achieved through;

- The use of insights to explore and inform the creation of unique selling points for local horticulture produce
- Leverage the Origin Green programme to generate market opportunities for local produce as evidence of sustainable sourcing of produce for programme members
- Promote and build industry participation across the Horticulture QA programmes

Build capability in the sector, and enable it to attract matched talent and skills to ensure sustainable growth. Activities to support this will include;

- Strengthen and expand our Talent programmes to meet the needs of the horticulture sector and build business relationships and opportunities through talent placement
- Advance our support of external Talent programmes and investment to meet the needs of the horticulture sector, to address identified skills gaps
- Enhance industry marketing skills and capacity particularly in the digital space
- Support the industry and other State Agencies in regularly measuring and tracking employment in the sector, key trends and insights on how talent can be attracted into the industry

Seafood Sector



Global demand for Irish seafood continued to increase in 2018 and Irish exporters reported strong demand for their products in the main export markets. The ability of the sector to fulfil existing customer demand in light of difficulties in accessing raw material remains the challenge and resulted in a decline in export values of around 8% in 2018.

The sector produces 239,000 tonnes of quality seafood. The sector, has nonetheless the ambition to position itself as a leader in the global seafood industry and meeting the targets set out in the Food Wise 2025 strategy. Over the last 7 years, the performance of the Irish seafood industry in export markets has been very positive. Total seafood exports have increased in value terms between 2010-2018 from €105m to €562m. During this period, the Irish seafood sector, particularly in the shellfish and pelagic sectors, has focussed its effort of developing a growing business in the emerging seafood markets in Asia. Largely driven by the downturn in the EU economy, the shellfish and pelagic sector in particular has focussed its marketing efforts on identifying niche premium markets in Asia, targeting those consumers willing to pay a premium for high value, sustainably sourced, imported seafood. This is particularly so for species such as Irish oysters and brown crab.

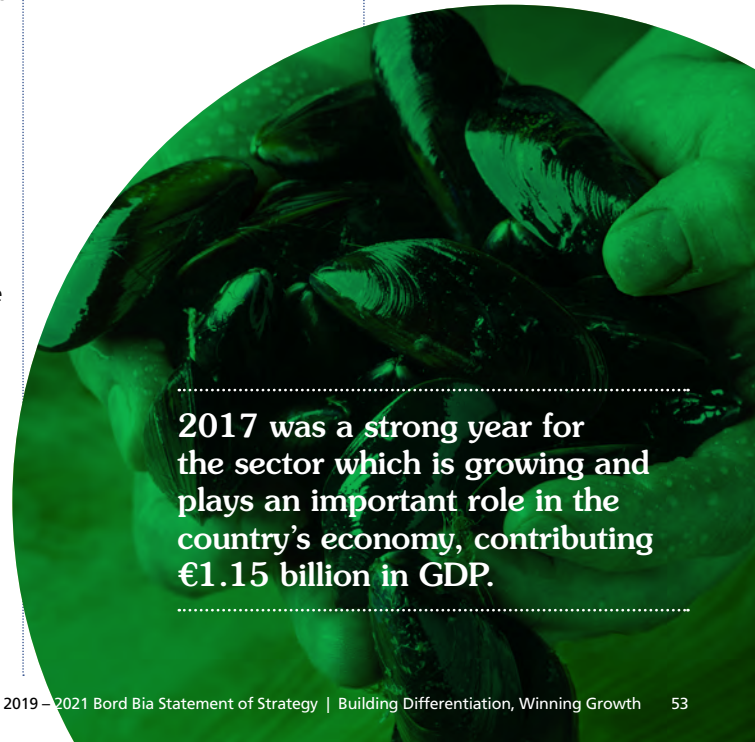
Seafood exports to China grew by 75%, with exports to Asia now accounting for an estimated 14% of export values in 2018. The main EU markets, namely France, Spain, UK, Italy and Germany continue to dominate seafood exports, accounting for around 60% percent of total export values.

Themes

- The Irish seafood sector is in a solid position to take advantage of the world's ever increasing appetite for seafood. The world is now eating more fish per person than ever before - approx. 20 kg a year – and this is expected to increase by 50% by 2030.
- Demand from Asia will continue to surge with its strong cultural preference for seafood.
- Combine this with the growing trend for health and wellness and the opportunities for seafood are significant.
- The established European markets offer potential for more value added opportunities by leveraging Origin Green and industry capabilities.

The key strategic initiatives on which Bord Bia will focus include:

- Building Exports in Growing Emerging Markets
  - Bord Bia, through its international office network, will continue to assist the Irish seafood sector in developing sales in a number of emerging seafood markets. Through 'deep dive' trade research in key priority markets, customer profiling, buyer-supplier contact events, in-store and online seafood promotions; trade awareness events and dedicated seafood 'Feet on the Street resources in key Asian markets, Bord Bia has been instrumental in assisting the Irish seafood sector establish a foothold in these markets in the last 5 years and will continue to develop opportunities in Asia for the seafood sector in 2019.
- To secure higher added value business in core markets
  - Irish seafood companies are already firmly established in the key markets in Europe, supplying a very broad range of products to the European consumer through the retail, foodservice, wholesale and manufacturing channels. The European markets of France, Spain, UK, Italy and Germany dominate seafood exports, accounting around 60% of export values. Bord Bia's strategy for these markets is to improve Ireland's value position, assisting the sector to identify more value added opportunities and to position Ireland as a supplier of premium, sustainably sourced seafood. Origin Green communication and the credentials of the Irish seafood industry in this regard are a key objective for Bord Bia's European office network, allowing the Irish industry to position itself as a sustainable producer with independently verified credentials.
- Build a vibrant home market
  - During the last 2 years, Bord Bia's main focus has been to raise awareness of the benefits of eating shellfish, notably Irish farmed mussels. Future campaigns will focus on driving sales of Irish seafood through multiple retail, foodservice and fishmonger outlets and will be supported by outdoor, radio, PR and an extensive social media campaign alongside retailer and foodservice toolkits providing in-store POS material to support sales. Irish retailers have reported sales uplifts in the region of 30-45% coinciding with campaigns.



2017 was a strong year for the sector which is growing and plays an important role in the country's economy, contributing €1.15 billion in GDP.

Small Business Sector

Small food and drink businesses are important contributors to the sustainability and future prosperity of the Irish economy underpinning the wider local community and the image of Ireland as a provider of high quality, innovative and sustainable food excellence.

The small business sector is defined by Bord Bia as businesses with an annual turnover of less than €3.5million. The sector is estimated to be worth between €300m-€450m in Ireland and is a diverse sector including meat, beer, dairy, coffee, tea and seafood. Small food & drink businesses are typically optimistic about the opportunities available to grow their businesses both domestically and in export markets.



The sector is estimated to be worth between €300m-€450m in Ireland and is a diverse sector including meat, beer, dairy, coffee, tea and seafood.



Themes:

- ***Pre-eminence of Real:*** driven by consumers looking for products and brands that have authentic, more transparent and honest origins. Because smallness is a proxy for real-ness, this sets up the sector for consumer relevance
- ***Responsible living:*** driven by sustainability and the caring for environment, particularly in relation to packaging. The personal commitment implicit in small businesses accentuates the sector's ability to leverage this space
- ***Health & Wellness:*** which is driving innovation in the sector but may also prove a longer term challenge for some product types
- ***Market Dynamics:*** the yet unknown impact of Brexit will be a catalyst for change in the sector. The market will continue to premiumise, be impacted by the growth in digital and be challenged by the relative scale of producers in the sector

The key strategic initiatives on which Bord Bia will focus include:

- ***Capability Building in Commercial Skills for Small Business:*** Focus on developing the commercial customer identification and management skills for entrepreneurs and small businesses.
- ***Consumer-led Innovation:*** Focus on creating an insight led innovation process, which will enable companies to be confident with their consumer led NPD
- ***Growing Small Businesses:*** Focus on supporting high-potential businesses develop their vision and proposition to accelerate their growth
- ***Supporting Businesses in Becoming Export-Ready:*** Developing export skills in small businesses ready to export to identify category driven opportunities
- ***Directing Small Businesses to optimal support:*** Supporting business to access the right supports, Bord Bia will create 'signposting' that will assist small business understand the assistance available across all State organisations

Alcohol Sector



Irish Whiskey has enjoyed a sustained growth period for more than 12 years, with compound annual growth rate of just over 9% globally, for the period. Sales in 2018 achieved almost 10.5m 9L cases. The most valuable market for Irish whiskey is the USA, where growth has sustained double digit figures year-on-year since 2010, and achieved sales values of more than €340m in that market in 2018. While projected trends remain extremely positive for the category, and investment in protecting and growing the US market will continue, the political environment in that market calls for a defensive exploration in order to diversify risk.

The global market for Irish cream Liqueur continues its upward trajectory, recovering from challenges faced during the recent recession. The category achieved sales of almost 7.9m cases in 2018, reflecting growth of 5%.

The Irish Gin category is enjoying very significant growth, with just two manufacturers in production in 2012, there are currently over 20 gin distilleries in the country. The growth in output is a direct result of the growth in demand for the product worldwide. Gin is trending in almost all markets globally, at the expense of vodka and in some cases, brown spirits, as cocktail bars appear in increasing numbers.

While still relatively small Poitin has had a revival in recent years. As the only spirit of true Irish origin it has potential to develop a unique marketing position.

It is estimated that there are more than 100 microbreweries operating in the Republic of Ireland, of which 72 are production microbreweries and at least 30 are brand owners that source all of their product from production microbreweries.

The category experienced a significant boom in production facilities since 2013, when there existed just 12 breweries. Signs of saturation on the domestic market are now clear however, and the Independent Craft Beer category is experiencing challenging times. The consumer market for craft beer in Ireland is finite and demand for craft here has not gone unnoticed by the multinationals and by imported brands. While sales in 2018 were expected to achieve €49m, the continued growth is not expected to sustain in a market this size, particularly with the level of imports available, and commanding as much as 90% of retail shelf space. Exports are growing in importance to the category as a result.

Themes

- Irish premium spirits are positioned to leverage the growth in increase in whiskey bars worldwide, an increase in cocktail consumption and a significant increase in consumer demand from emerging markets with an appetite for sought after premium imported products.
- Two contradictory trends to monitor; the legalization of marijuana in many US states and the anticipated impact on spirits consumption and the growth in demand globally for low-alcohol and no-alcohol adult beverages.
- The continuously increasing demand for craft beer is driven by a strong desire among the craft beer consumer, for 'local', the phenomena of craft going mainstream and continuous innovation in the category.

The key strategic initiatives on which Bord Bia will focus include:

- Focus resources for sector market development in the top 5 priority markets and channel hierarchy for spirits categories.
- Identify and address the knowledge gaps by drinks category and by company and actively assist with marketing strategy development and marketing strategy implementation through Dublin and overseas office network.
- Reduce dependence in key markets by developing exports to new, high potential geographies, simultaneously defending existing exports to those markets.
- Build awareness of whiskey in existing and emerging markets to drive a clearer understanding in terms of differentiation from category competitors.
- Finite growth in the domestic market for Irish craft beer and pursue export market development with intent.

Irish Whiskey has enjoyed a sustained growth period for more than 12 years, with compound annual growth rate of almost 9% for the period.

Bord Bia Market Prioritisation Project

Background

The combination of the Food Wise 2025 target to increase the value of food and drink exports by €6.5 billion over the next eight years combined with the uncertainty surrounding exports to United Kingdom in the light of the UK decision to leave the EU highlights the need for the agri-food sector to adopt a structured approach to market growth.

With Ireland currently exporting to 180 markets globally there is a need to identify those markets that offer the best potential for growth over the medium term.

Approach to Market Prioritisation

With that in mind Bord Bia, in partnership with DAFM, commissioned a market prioritisation project for meat, dairy, prepared consumer foods, beverages and seafood. The main objectives of the study were as follows:

- Examine the potential attractiveness of different markets by category
- Assess the potential for Ireland to supply them

The project was undertaken with the following expected outputs in mind:

- List of 15 'priority' markets by category based on anticipated growth
- Formalised methodology for future use
- Series of summary reports for prioritised markets

A summary report has been prepared for each of the 'top 15' markets across meat, dairy, prepared consumer foods, beverages and seafood outlining in more detail the dynamics of each market, competitor analysis, potential opportunities for Ireland and any barriers to be overcome. The focus for meat and dairy was to look at markets outside of Europe and for all sectors. The UK was excluded from the analysis.

Following the completion of the 15 summary reports for each sector, a further series of industry consultation took place to agree on a smaller group of markets to be examined in further detail to provide the depth of insights required to help companies identify potential leads, better understand the needs and requirements of customers and understanding the mechanics of doing business in the market.

This work is now complete in five markets for meat (Japan, South Korea, Malaysia, Vietnam and Mexico) and is well advanced for five dairy markets (Japan, South Korea, Indonesia, Philippines and Vietnam), while work is currently underway for Prepared Consumer Foods and Beverages.

The outputs of the market prioritisation study will also help inform the allocation of Bord Bia resources in terms of our route to market support services for client companies including market visits, trade missions, trade fairs, inward buyer visits and experts on-the-ground. It is hoped that it will also help inform client companies in their approach to identifying and developing new market opportunities.

Priorities markets by sector

Meat (Beef, Sheepmeat & Pigmeat)	Dairy	Prepared Consumer Foods	Beverages	Seafood
Australia	Algeria	Australia	Australia	Australia
Chile	Brazil	Belgium	Canada	Belgium
China	China	Canada	China	Canada
Hong Kong	Egypt	France	Czech Republic	Czech Republic
Indonesia	Indonesia	Germany	France	Denmark
Iran	Japan	Hong Kong	Germany	Finland
Japan	Malaysia	Japan	Italy	Hong Kong
Malaysia	Mexico	Kuwait	Japan	Indonesia
Mexico	Nigeria	Netherlands	Mexico	Israel
New Zealand	Philippines	Qatar	Netherlands	Kuwait
Singapore	Saudi Arabia	Saudi Arabia	Poland	Malaysia
South Korea	South Korea	South Korea	Russia	Saudi Arabia
Thailand	UAE	Sweden	Slovakia	Switzerland
UAE	United States	UAE	South Africa	UAE
Vietnam	Vietnam	United States	United States	United States

Notes:
1. The United Kingdom was excluded from the analysis
2. Meat and dairy analysis focussed on markets outside of the EU
3. Seafood list extends the Market Prioritisation work completed in South East Asia in 2016/17



Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board