Market Outlook for Irish Beef Sector

Joe Burke, Beef & Livestock Sector Manager

February 2018
Irish weekly finished cattle supplies (head)

6.5% Increase in 2017 Cattle Supplies

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Growing the success of Irish food & horticulture

Finished Cattle Supplies - Export Meat Plants
2015 - 2018(F)

Million head

2015 1.58
2016 1.64
2017 1.75

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Average Carcase Weights Decline

- Steers: 357.1 kg (2016), 352.6 kg (2017) -4.5kg decline
- Young Bulls: 368.3 kg (2016), 364.8 kg (2017) -3.5kg decline
- Heifers: 313.5 kg (2016), 311.7 kg (2017) -1.8kg decline
- Cows: 315.3 kg (2016), 313.1 kg (2017) -2.2kg decline
Calf Registrations up 1.3% in 2017

Source - ICBF / AIM
Calf Registrations by Breed 2017 vs ‘16

Source - AIM

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Irish Beef Exports 2017

**UK:** 283,000T  51%

**CONT. EU:** 240,000T  43%

**INTERNATIONAL:** 34,000T  6%

2.5 Billion  +5%

557,000T (cwe)  +4%

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Irish Beef Exports 2017 (tonnes cwe)

Source: CSO, Bord Bia Estimates

UK: +4%
France: -5%
Holland: -8%
Italy: +7%
Sweden: -19%
Germany: +2%
Spain: +10%
Denmark: +72%
Belgium: +9%
International: +37%

International: 34,000
Philippines: 19,000
Hong Kong: 3,800
Switzerland: 2,900
US: 2,200
Ghana: 1,900
Israel: 800
W/e. 28/01: Irish R3 steer €3.88 vs. UK R3 steer €4.15, Continental EU R3 YB €3.93

In Italy, R3 young bull price: €4.33/kg, Spain: €3.94, France: €3.92, Germany €4.06
W/e. 27th Jan: GB R3 steers average £3.67 @ 87.8p = €4.18/kg  
(Source: AHDB)
Currency Exchange Rates

Value of Euro in Sterling terms

Peak in Aug ‘17
€1: £0.923

Average for 2017
€1: £0.877

2nd Feb 2018
€1: £0.878

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Irish Food Board
EU beef production trend 2017 – 2018

EU beef production increased by 1.6% last year. Slight further increase forecast: +0.4%

Source: EU Commission beef forecast working group
Beef Consumption – Key Markets 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>1.2</td>
</tr>
<tr>
<td>Ireland</td>
<td>+2.6</td>
</tr>
<tr>
<td>France</td>
<td>-2.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>+1.5</td>
</tr>
<tr>
<td>Germany</td>
<td>+4.5</td>
</tr>
<tr>
<td>Italy</td>
<td>+0.9</td>
</tr>
<tr>
<td>Spain</td>
<td>+0.7</td>
</tr>
</tbody>
</table>

Source: Kantar Worldpanel, EU Beef Forecasting Group, Bord Bia
• Calf exports 40% higher, at 101,600 hd
• Weanlings & stores up 20%, to 59,200 hd
• Adult cattle grew by 17%, to 27,100 hd
## Live Cattle Exports 2017

Distribution of Live Exports from Ireland to w/e. 30th Dec.

<table>
<thead>
<tr>
<th>(head)</th>
<th>2016</th>
<th>2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>145,437</td>
<td>187,870</td>
<td>+30%</td>
</tr>
<tr>
<td>NI</td>
<td>24,531</td>
<td>26,073</td>
<td>+6%</td>
</tr>
<tr>
<td>GB</td>
<td>6,785</td>
<td>5,851</td>
<td>-14%</td>
</tr>
<tr>
<td>Italy</td>
<td>18,558</td>
<td>19,441</td>
<td>+5%</td>
</tr>
<tr>
<td>Spain</td>
<td>37,008</td>
<td>50,451</td>
<td>+36%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>27,041</td>
<td>41,848</td>
<td>+55%</td>
</tr>
<tr>
<td>Belgium</td>
<td>432</td>
<td>5,525</td>
<td>+1500%</td>
</tr>
<tr>
<td>Other EU</td>
<td>9,212</td>
<td>5,709</td>
<td>-38%</td>
</tr>
<tr>
<td>Turkey</td>
<td>19,269</td>
<td>30,562</td>
<td>+60%</td>
</tr>
<tr>
<td>Other int. mkt.s</td>
<td>2,601</td>
<td>2,410</td>
<td>-7%</td>
</tr>
</tbody>
</table>
Bord Bia Beef Focus 2018

1. Drive awareness and positioning to support increased sales:
   - **Britain**: Focus on “British and Irish” Beef commonality
   - **Germany**: Roll out new campaign around premium, natural, sustainable
   - **Netherlands**: Protect market position: animal welfare, sustainability & “raised at grass”
   - **Italy**: Develop our premium positioning based on taste, natural, sustainable production

2. Focus on converting growth & diversification opportunities in other European markets

3. Securing access and building new business in international markets
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THIS HAS DELIVERED STRONG PERFORMANCE

126,965 Website sessions

6,020,878 Social reach

17,874,321 Additional campaign reach – media, influencers, events

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Irish Beef Promotion Germany

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Customer Support (Promotions, Tastings, Trade Fairs, IBVs)

Media & PR & Bloggers

Digital / Social Media

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Italy
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EUROPEAN BEEF & LAMB
Excellence in Food Safety and Sustainability

Ireland
Knowledge Transfer Programme

Inward buyer & media study visit

East-meets-West winners trip

Trade Shows

SIAL CHINA (16-18 May ‘18)
Technical Seminar
FHC Show (13-15 Nov ‘18)

Seminars

Shanghai

Tokyo

CIMIE, (20-22 Sept)

FOODEX (7-10 March ‘18)
Tech Seminar x 2 (tbc)

Hong Kong

Tech Seminar & EMW Launch
(17 March 18)
East-meets-West (18 May ‘18)

Bord Bia
Irish Food Board

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New Marketing Strategy for the Irish Meat Sector

**Background**: Beef Marketing Strategy (2008-) based on Premiumisation & Differentiation

*Positive outcomes*: more & better customers/exports increased

**Significant challenges**: Brexit, access to markets, trade deals, changing consumer trends, environmental concerns, animal welfare, Food Wise 2025 targets

**Stakeholder engagement (steering group & individual meetings)**
- Provide strategic guidance to the Irish meat sector
- Ensure the support model from Bord Bia delivers its services effectively in the context of this strategy
Other key activities for 2018

- Market Prioritisation Study
- Insight into GMO & Grass Fed: trade buyers & consumers
- Strategy for Origin Green phase-2:
  - Protect integrity
  - Stay ahead of competitors
  - Drive impact for stakeholders / in-market
- OG Sustainable Producer Awards 2018
- Marketplace International
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February 2018