Soft Fruit Seminar 2018

Teagasc Ashtown

Presentation to the Irish Soft Fruit Sector

Lorcan Bourke

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

This is us …how do we survive ?

The Thinking House

BORD BIA INSIGHT CENTRE

Understand the fruit market….

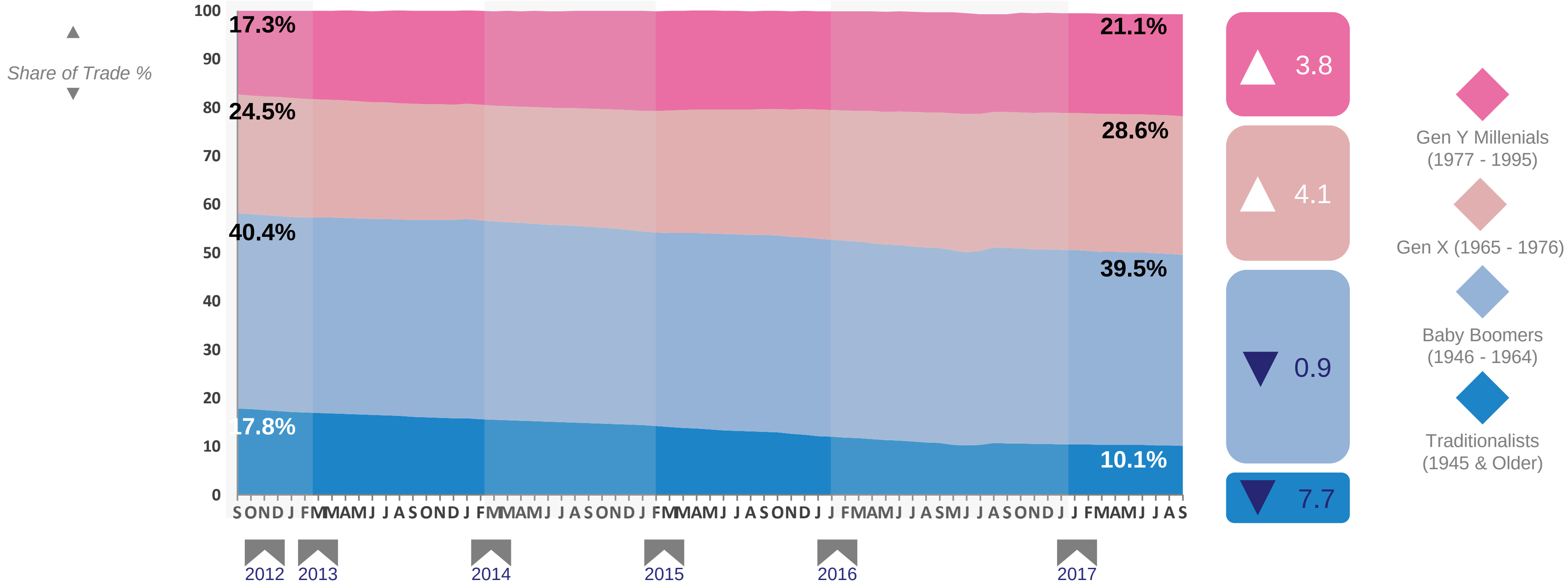
Kantar Worldpanel

Meet the ‘new’ Irish consumer

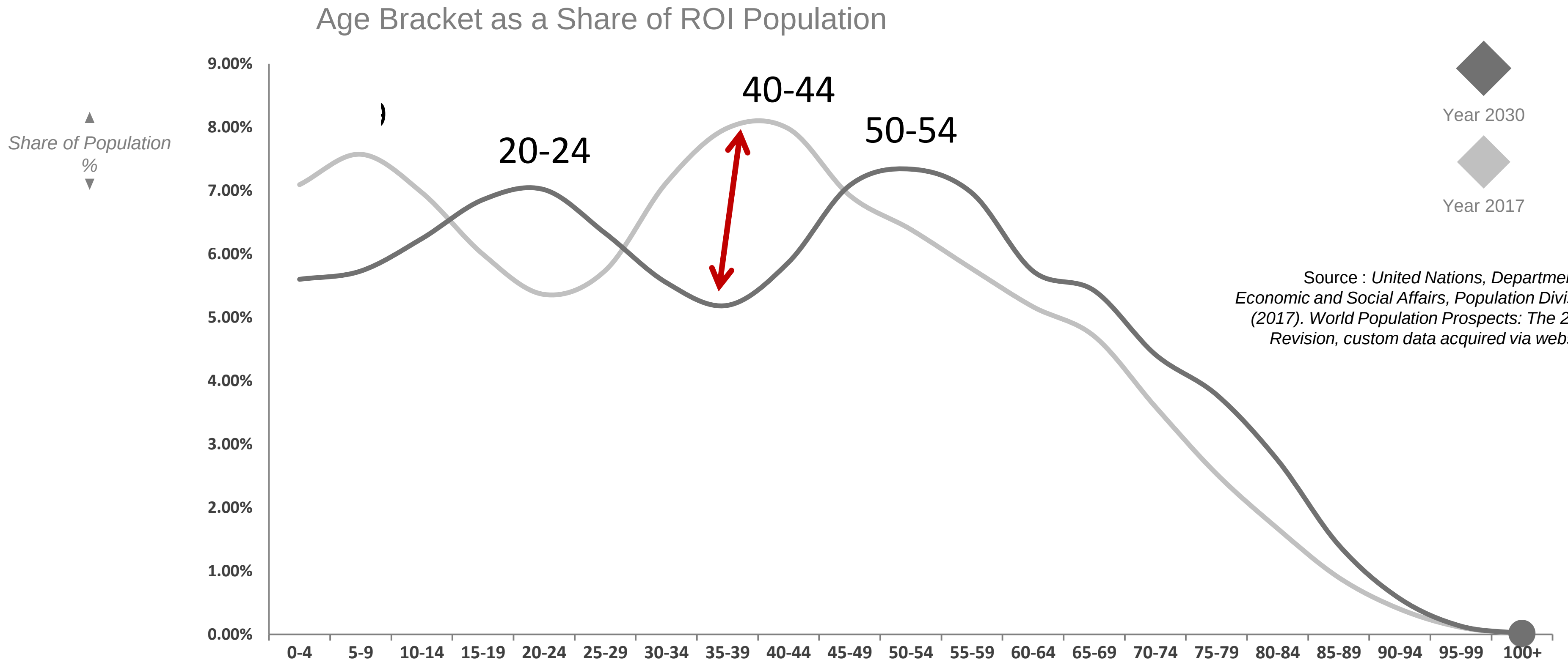
Who are you?

Traditionalist?	Baby Boomer?	Gen X?	Gen Y Millennial?
Born in 1945 or before!	**Born between 1946 - 1964**	**Born between 1965 - 1976**	**Born between 1977 - 1995**
			

Baby Boomers account for most spend in Grocery. Growth is through Younger Generations



DECLINING BIRTH RATE AS GEN X BECOME THE DECISION MAKERS



Source : *United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, custom data acquired via website.*

"I look out for Health & Beauty products with Added Benefits"

Late to the Party:
Over a quarter of trips between 5pm – 9pm!

"I have little time to myself!"

Trolley & Indulge Missions most important!

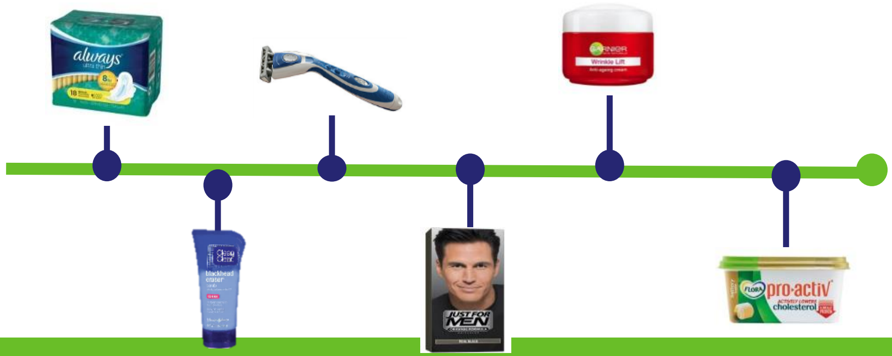
Millennials
(1977 - 1995)
21.1%

▲ +3.8

There are two factors that influence our purchasing!

Lifestage

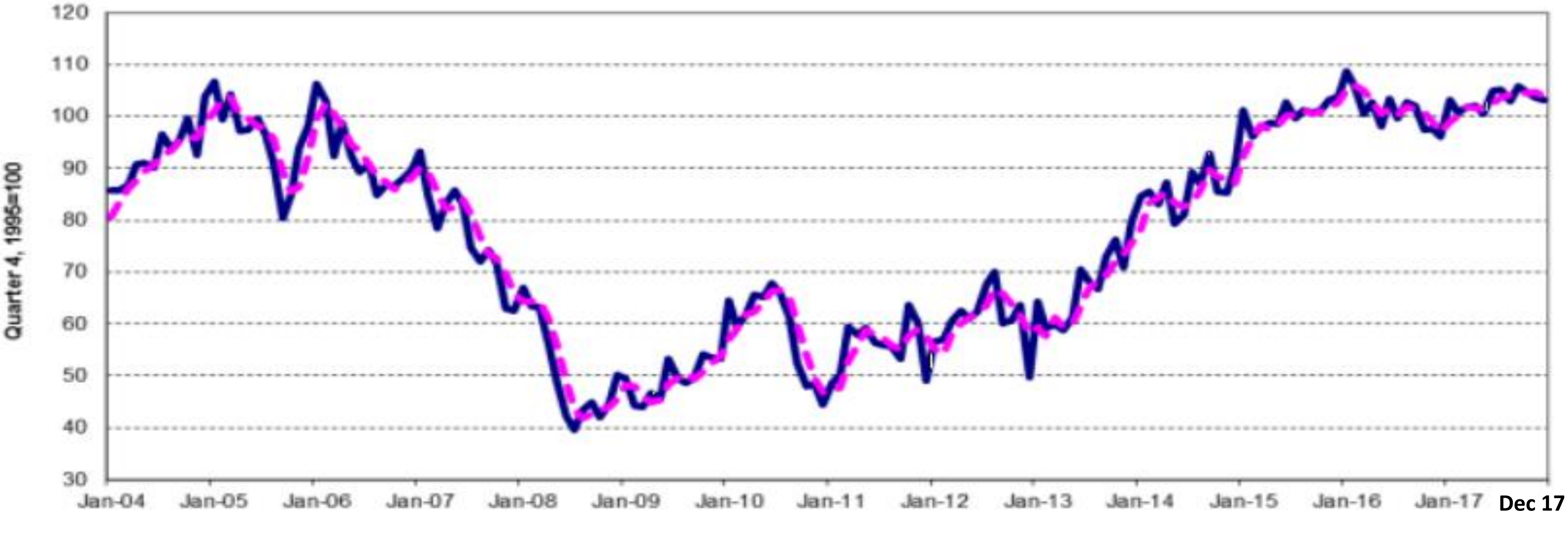
‘I change what I consume over time’



Cohort

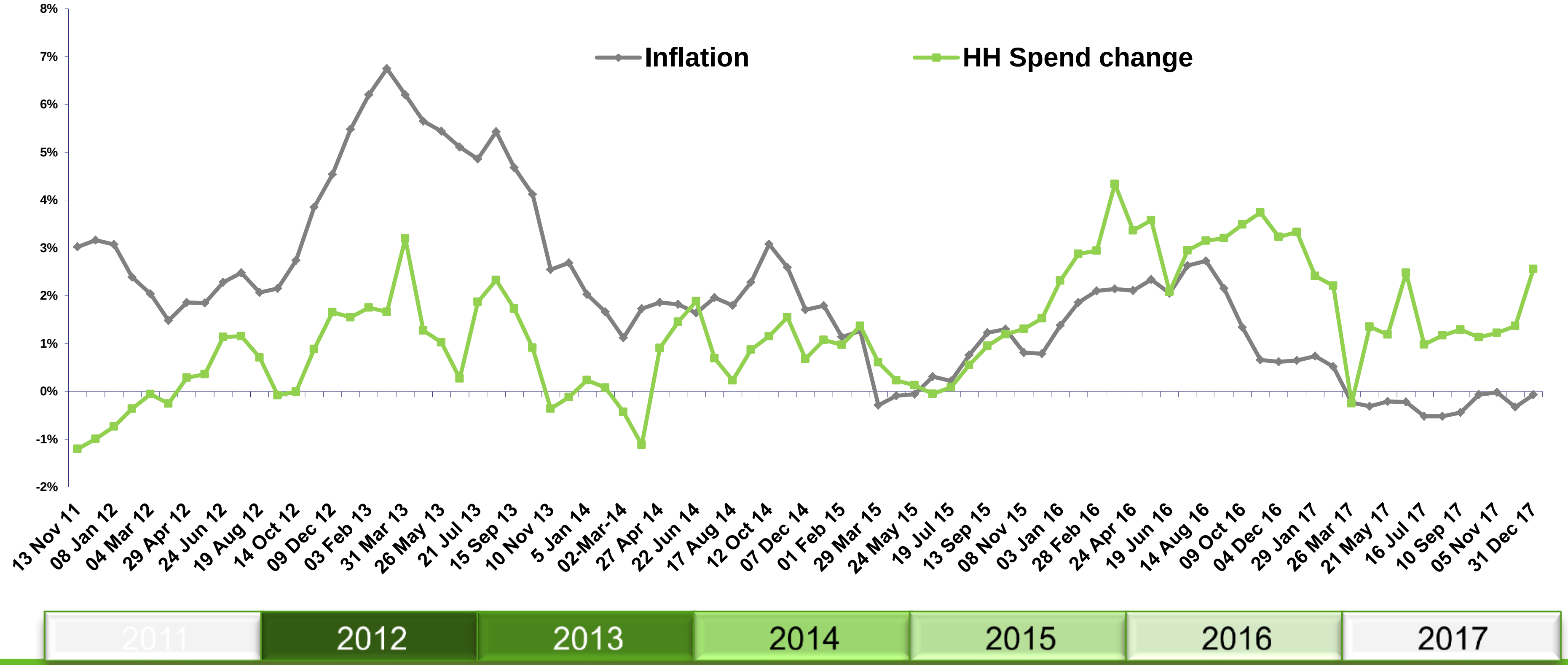
‘I carry this behaviour with me’ Combination of Heritage & Learned Behaviour

Consumer sentiment is back at pre-recession levels



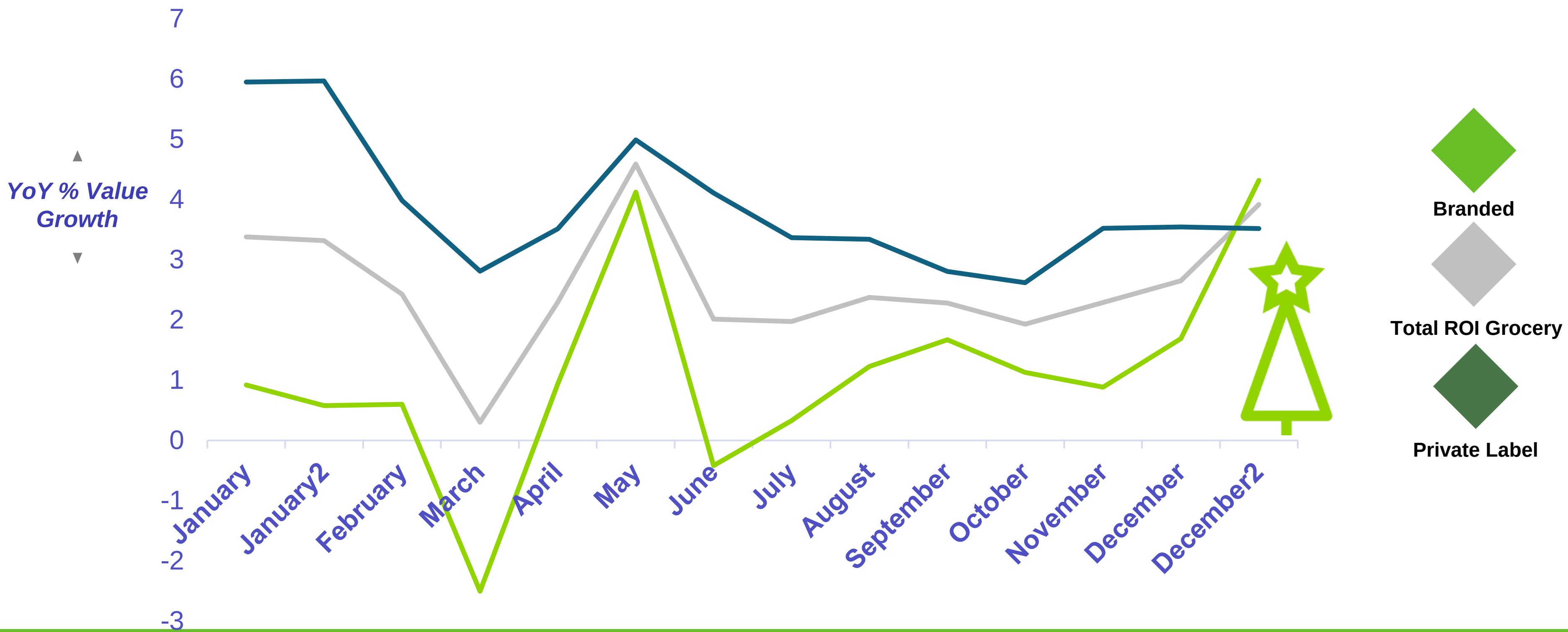
Source: ESRI Consumer Sentiment Index

Growth is coming through volume purchasing not inflation



Source: Kantar Worldpanel Ireland (ROI)
Grocery inflation across 38,000 items

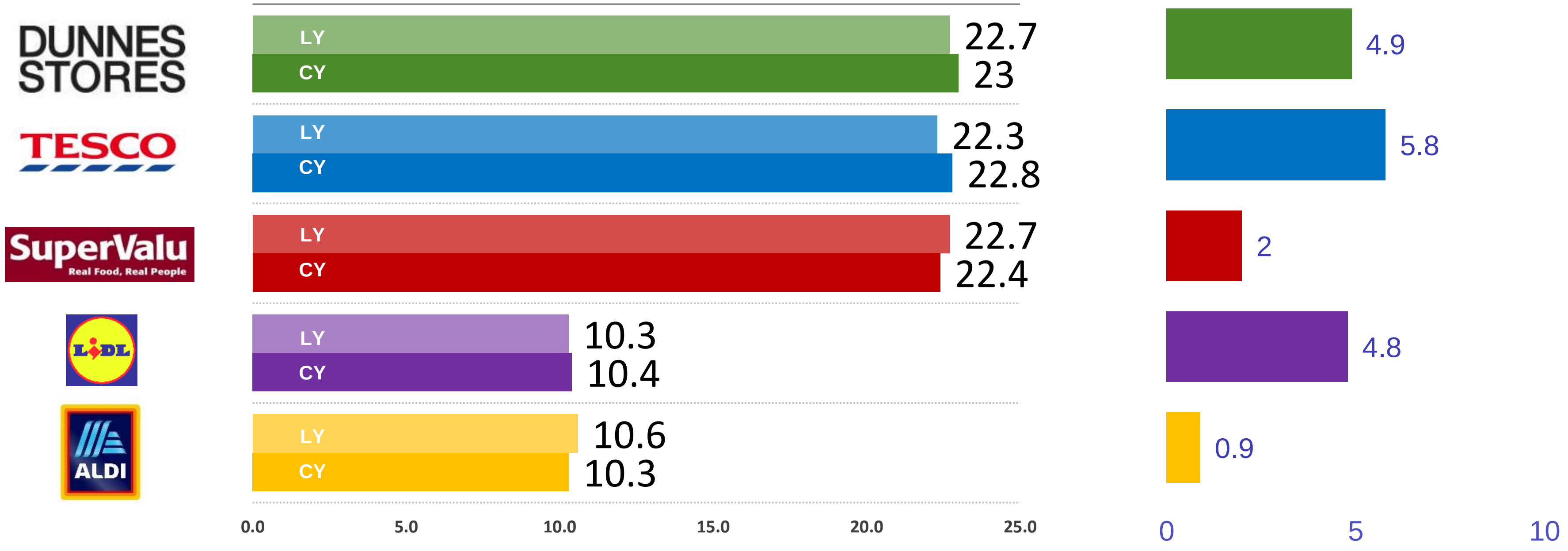
Brands growing ahead of PL for the first time in 2017



Kantar Worldpanel Total Grocery, 8we 31st Dec 2017 vs 8we 1st Jan 2016

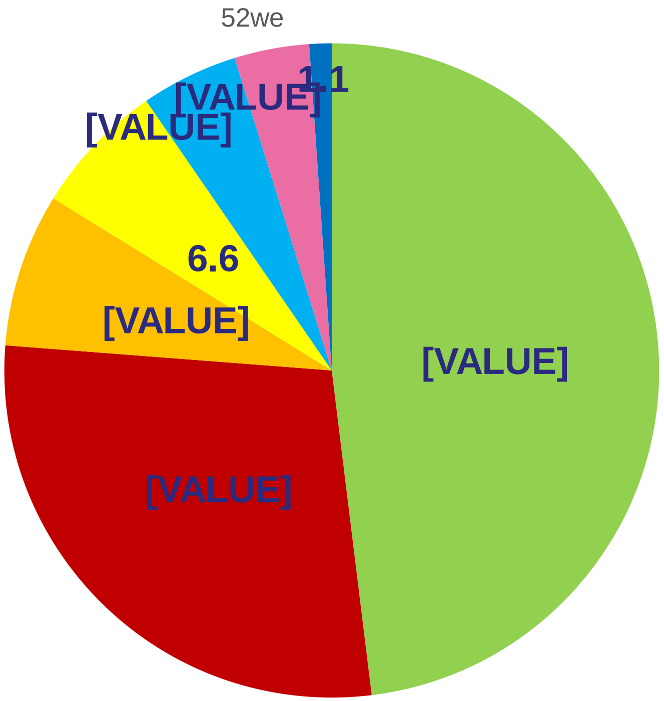
Dunnes in top spot with all retailers in sales growth

12w Total Grocery – Retailer Shares and YoY contribution



Source: Kantar Worldpanel 12 w/e to 31st December 2017

Fresh & Chilled accounts for 48% of grocery sales, ambient is the second biggest category at 28%



Fresh & Chilled	+€130m
Ambient Grocery	+€88m
Alcohol	+€5.8m
Household	+€8.4m
Frozen	+€29m
Toiletries	+€208k
Healthcare	-€2.2m

KANTAR WORLDPANEL: DATA TO 1st January 2017

Irish consumers are treating themselves more in 2017 as <u>indulgent</u> categories are driving growth

KWP Total Grocery Data 52 weeks to Dec31st 2017 – growth +4% within Top Markets

Total Fresh Produce

Veg is in decline of -2.1%, and Fruit is in growth of 4.8%

52 week Total Grocery

Vegetables
€788m -2.1%

Fruit
€732m +4.8%

Fresh Beef
€507m +5.6%

Wine
€440m +1.3%

Milk
€33.0m +3%

CSD's
€164m +5.4%

Fresh Poultry & Game
€329m +5.5%

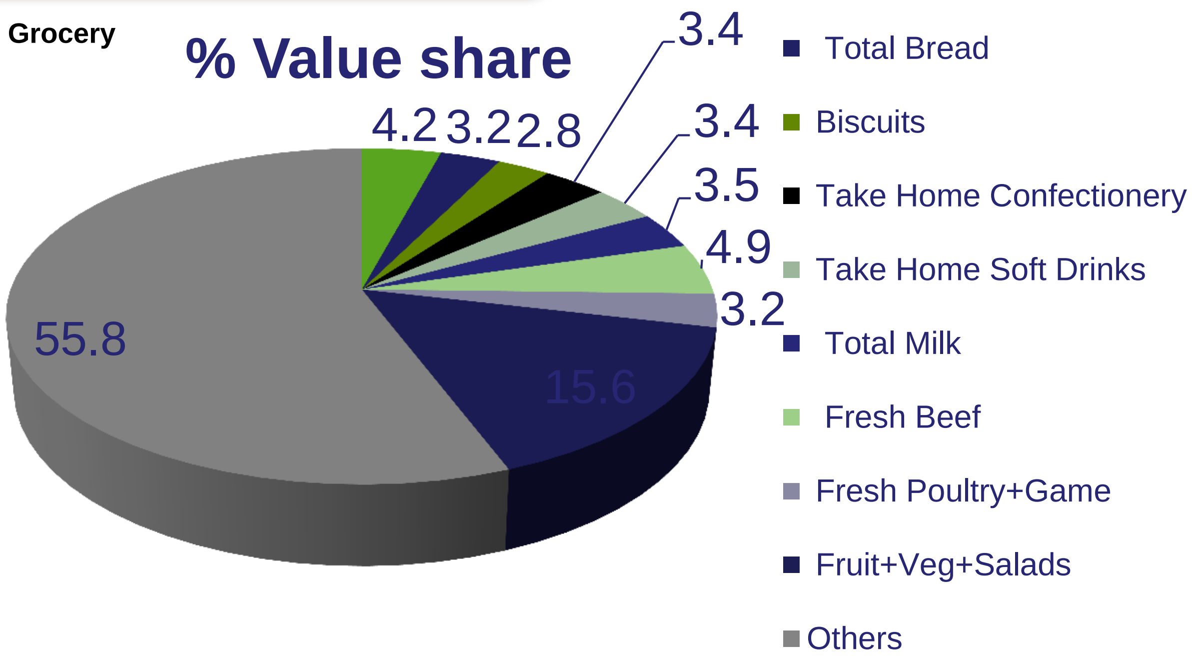
Bread
€329m +3.5%

Confectionery
€350m -6.6%

Biscuits
€292m +1.2

Combined, Fruit & Vegetables account for 15.6% of total grocery spend in Ireland.

52 week Total Grocery

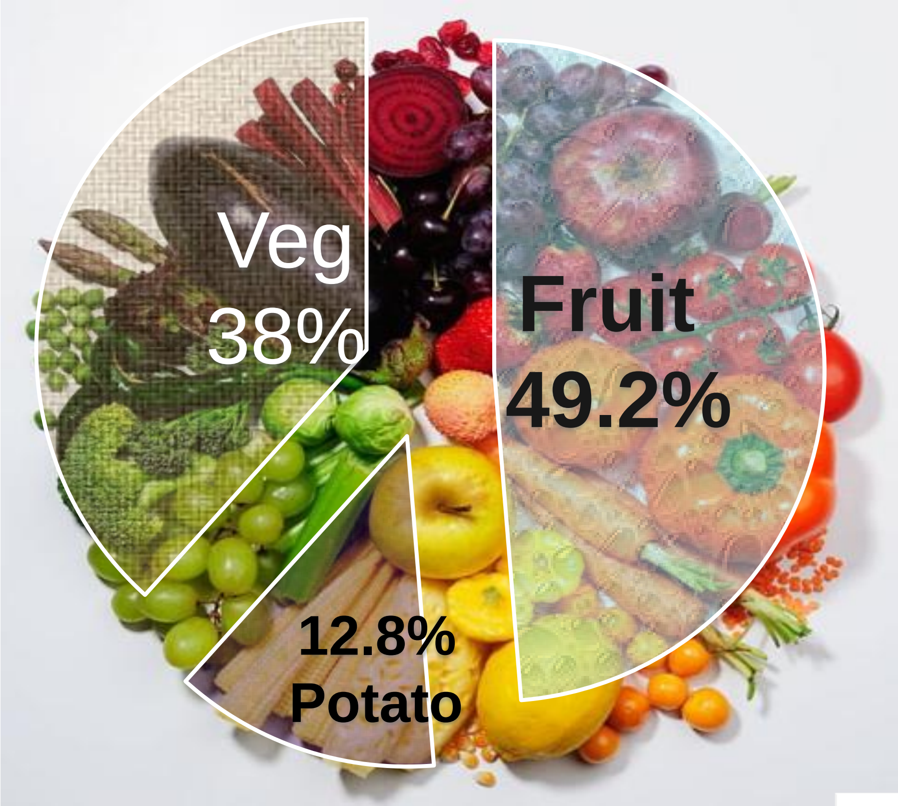


Kantar Worldpanel Data to 10th Sept 2017

Market Share 52 w/e Value Share

€ 1.5Bn

Spend and YoY Change



Total Fruit:
€35m (+4.9%)

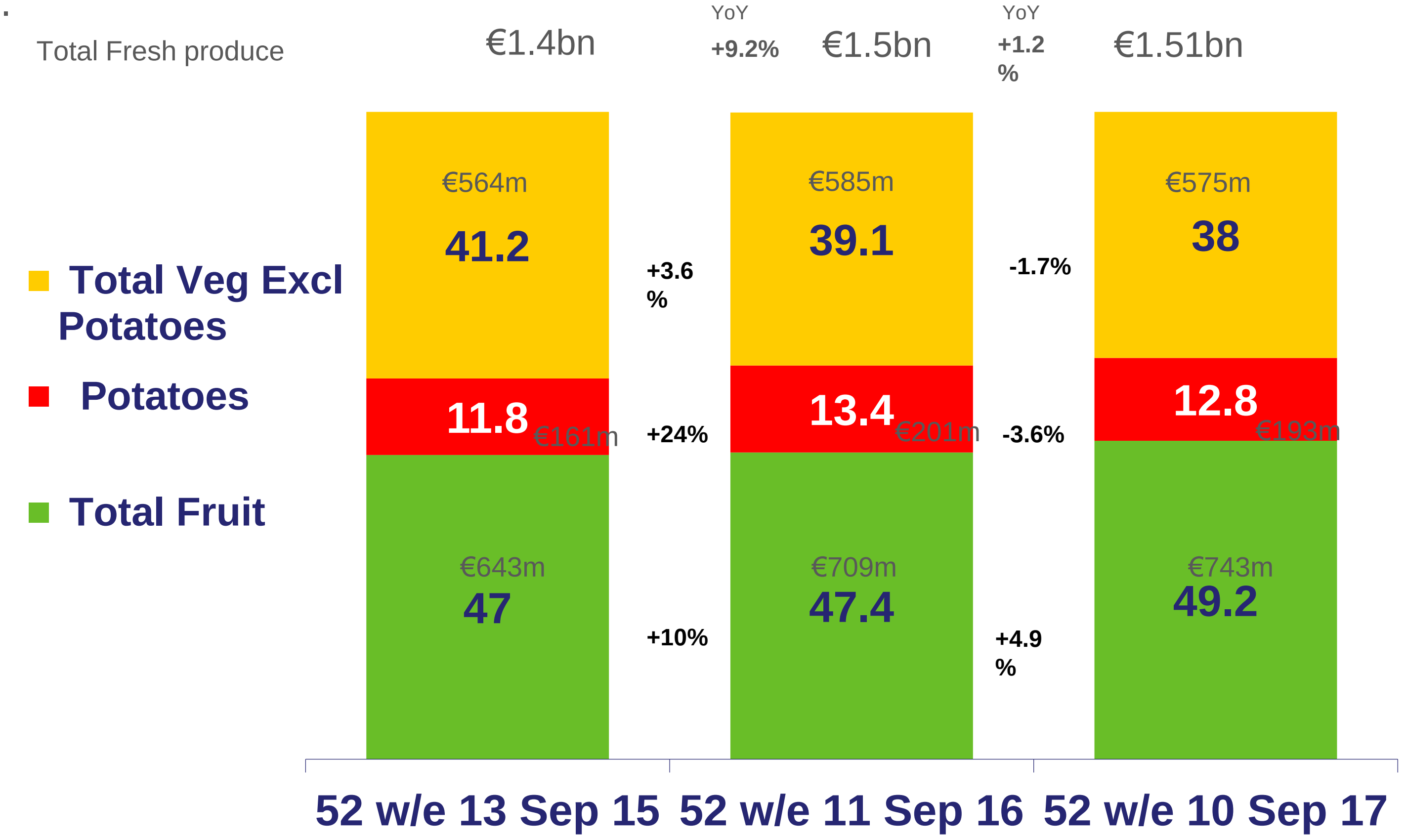
Total Veg:
(Excl Potato
€10m (-1.7%)

Total Potato:
€7.3m (-3.6%)

Kantar Worldpanel Data to 10th Sept 2017

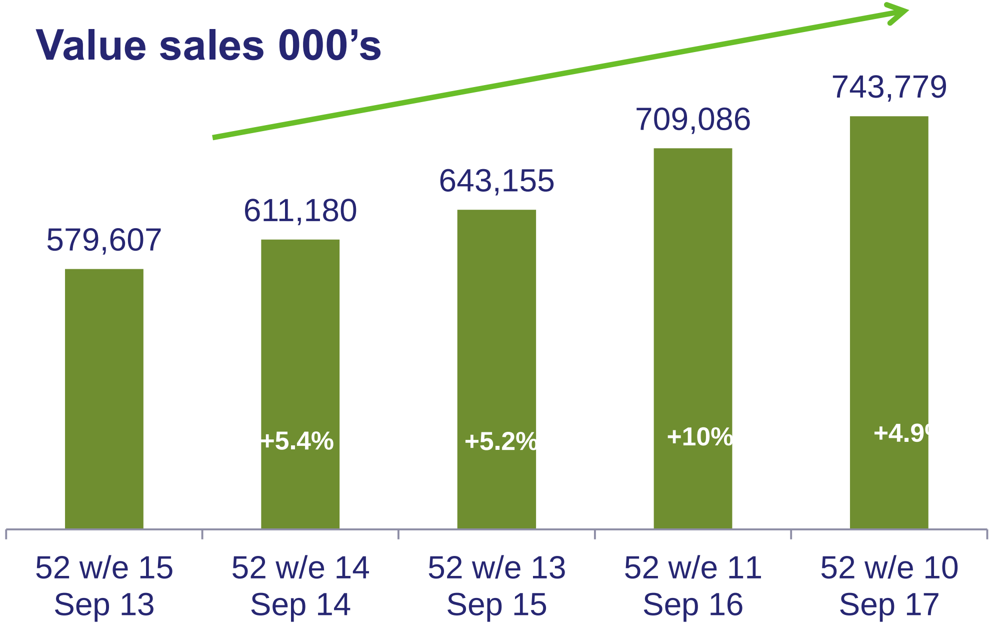
Total Fresh Produce sector split – Value

Fruit is the only sector to continue seeing growth this period.



Kantar Worldpanel Data to 10th Sept 2017

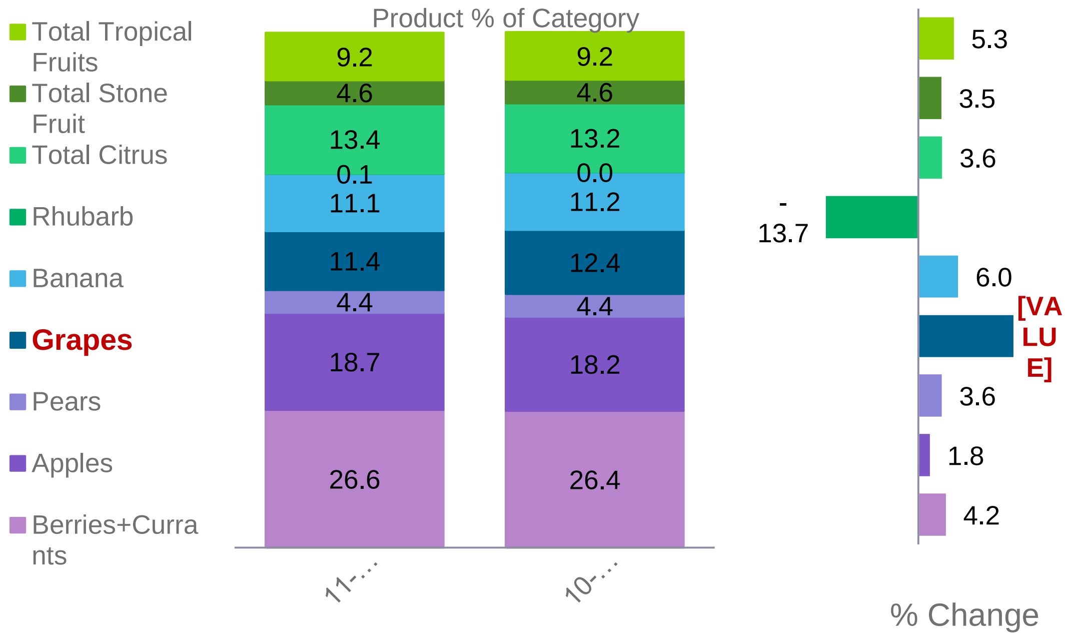
Fruit – Yearly growth consistently strong over past number of years



Kantar Worldpanel Data to 10th Sept 2017

Fruit Sub-segments – Value Share

Spend (€000) | Total Market | 52 w/e

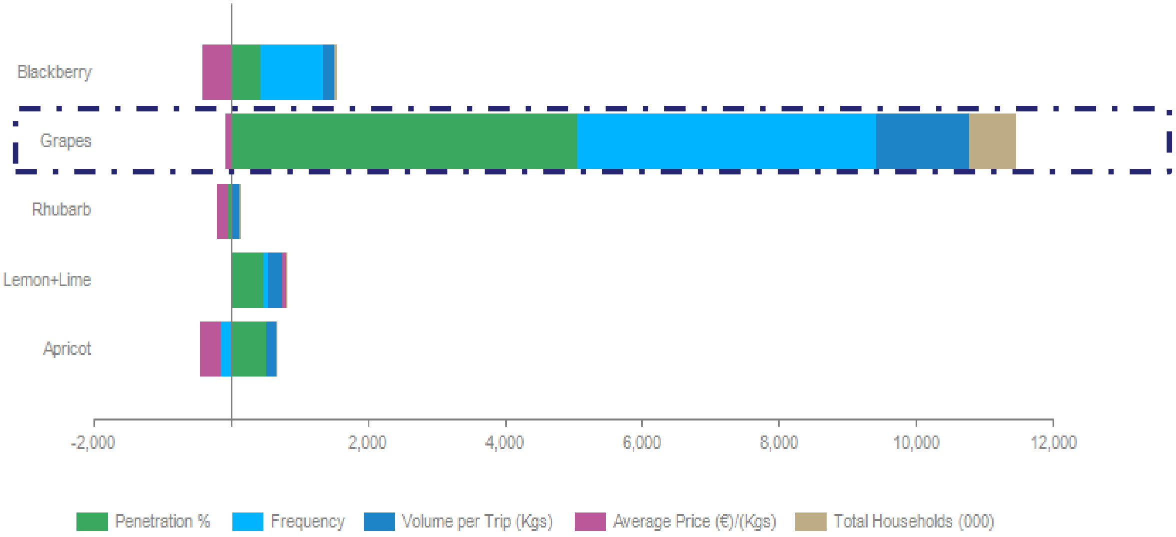


Kantar Worldpanel Data to 10th Sept 2017

What's driving the key winners? Penetration, volume and frequency

10-Sep-17 vs. Previous Year

Total Market | 52 w/e | Previous Year

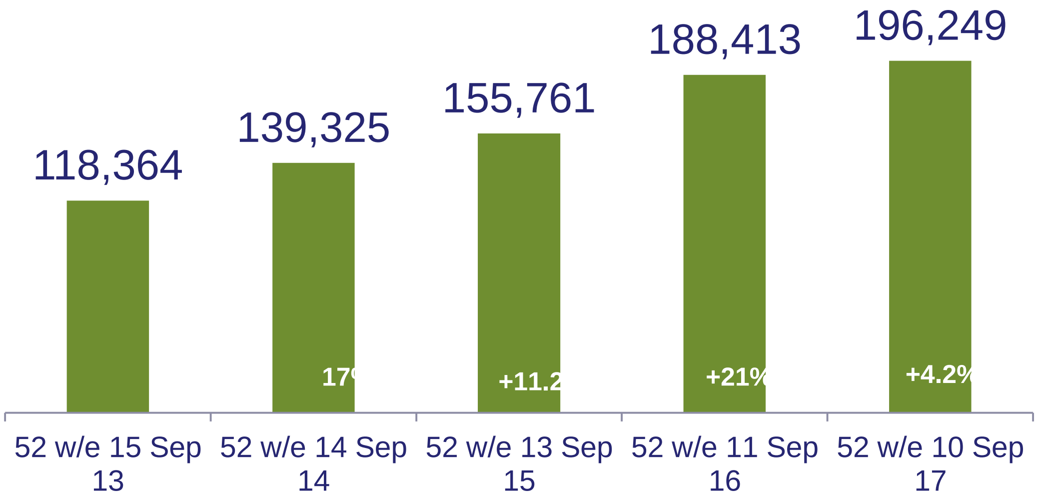


Kantar Worldpanel Data to 10th Sept 2017

Berries

Berries - Strong yearly growth over a number of years

Value sales 000’s



Kantar Worldpanel Data to 10th Sept 2017

key measures data table

IE - Fruit

Actual | Total Outlets | 52 w/e

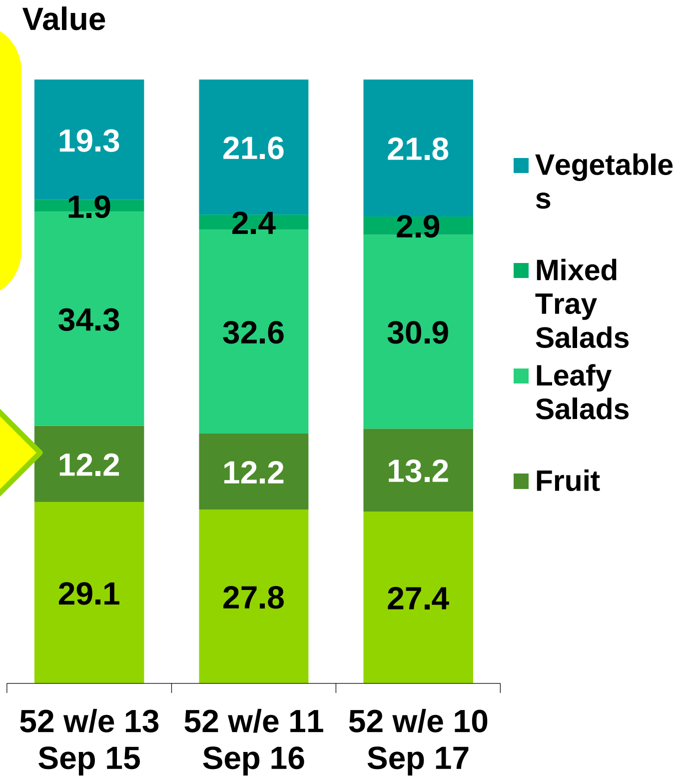
		Berries+Currants	Strawberry	Blueberry	Raspberry	Blackberry	Other Berries
27-Mar-16	Spend (€000)	172,983	80,110	48,545	30,890	4,709	8,730
	Volume (000 Kgs)	14,048	8,501	3,045	1,621	271	610
26-Mar-17	Spend (€000)	193,641	90,830	52,843	34,889	5,943	9,136
	Volume (000 Kgs)	15,694	9,650	3,252	1,811	349	632
25-Mar-18	Spend (€000)	207,576	95,714	59,380	36,171	6,636	9,676
	Volume (000 Kgs)	17,757	10,441	4,133	2,014	440	730

Kantar Worldpanel: Most recent data on Berries & Currants market

TOTAL PREPARED FRUIT &VEG– SECTOR SHARE

Leafy salads lose value share, but remain number one, similarly Chilled salads lose volume share but maintain the volume leaders.

Prepared F&V Market worth €119m - Fruit salads €16m



The top 3 retailers perform well in strawberries. Lidl over indexes in Raspberries when we look at Volume

‘The’ Industry Opportunity – Increase Consumption Levels Given the Positive ‘Health & Wellbeing’ Trends

3.5 portions

An effective doubling of consumption

5-a-day

7-a-day

Eat 7 a Day and live well

Overview of fresh produce consumption behaviour – Past 3 days
Base: All respondents

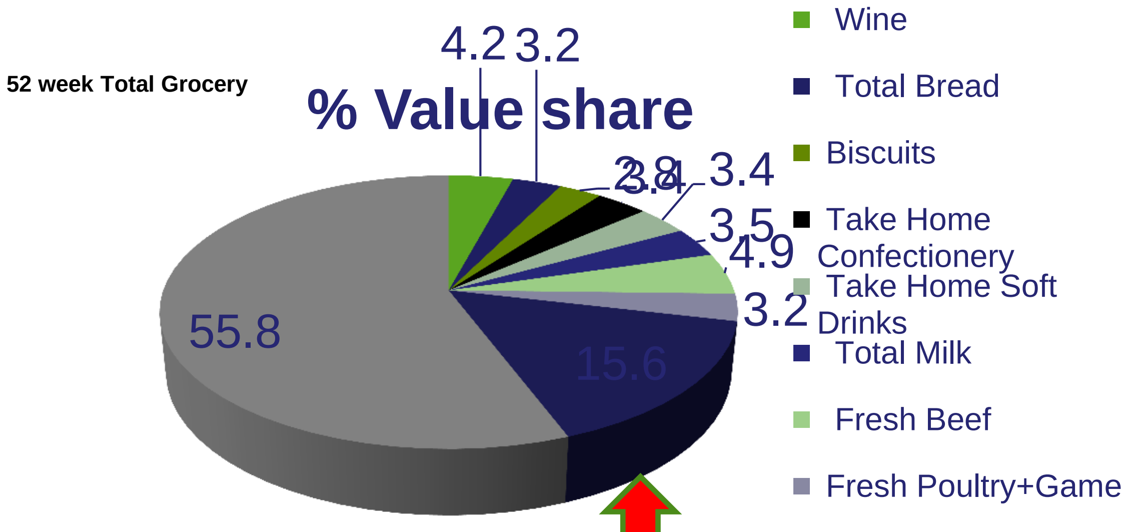
	EAT AT ALL AT...			
	BREAKFAST	SNACKING	LUNCH	DINNER
Fresh...	%	%	%	%
Fruit	45	68	39	23
Vegetables	7	12	47	78
Potatoes	3	2	19	65
Salad	3	7	47	27

OPPORTUNITIES FOR GROWTH IN THE IRISH FRESH PRODUCE CATEGORY

1. Health and Wellness in relation to Nutrition /Diet ~ functionality of food re; body image
2. Meal Occasions – across the day breakfast, ‘snacking culture’, lunch, dinner, supper/evening
3. Convenience
4. Value Added & ‘Ready-to-Eat’ concepts
5. Taste
6. Caring Demographics “Social Conscience”: Safe Food, Clean Environment & Sustainable production. Millennials/Centennials seek truth around authenticity around origin, naturalness and traceability in the fresh produce supply chain
7. Direct selling locally produced/fresh harvested [+/- Organic status]
8. Marketing Irish Provenance [Irish brands & labels, packaging formats, product USP, colour]
9. Foodservice – strong growth rates
10. (Generic) Promotion of Health Benefits and Usage (recipes) – EU funded campaigns

1. Health & Wellness Trend: Increased Consumer Interest in Eating Healthier

1. Combined, Fruit & Vegetables account for 15.6% of total grocery spend in Ireland. There exists a positive public view of fruit & vegetables in the diet with predicted strong growth rates for the category



Fresh produce 'slice of the pie' will only increase in the future

Kantar Worldpanel Data to 10th Sept 2017

2. Broaden the Usage of Fruit ‘ n’ Veg across all Meal Occasions

Overview of fresh produce consumption behaviour – Past 3 days
Base: All respondents

Huge gaps in fresh produce consumption across all meal occasions….. Points to habitual consumption and knowledge gaps

	EAT AT ALL AT...			
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Fresh...	%	%	%	%
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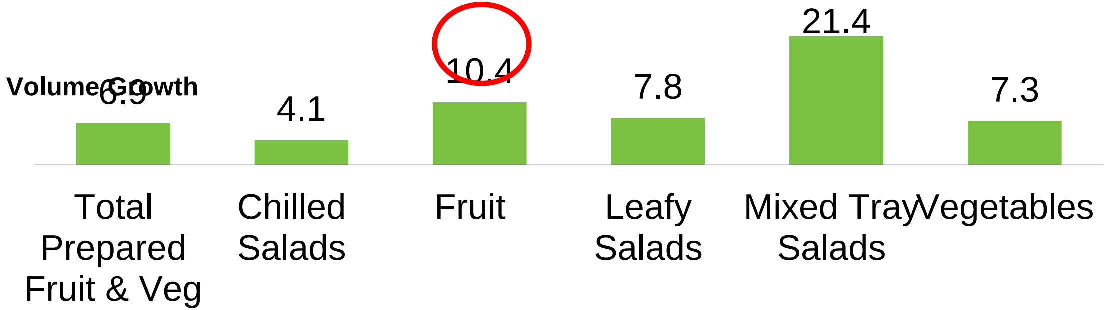
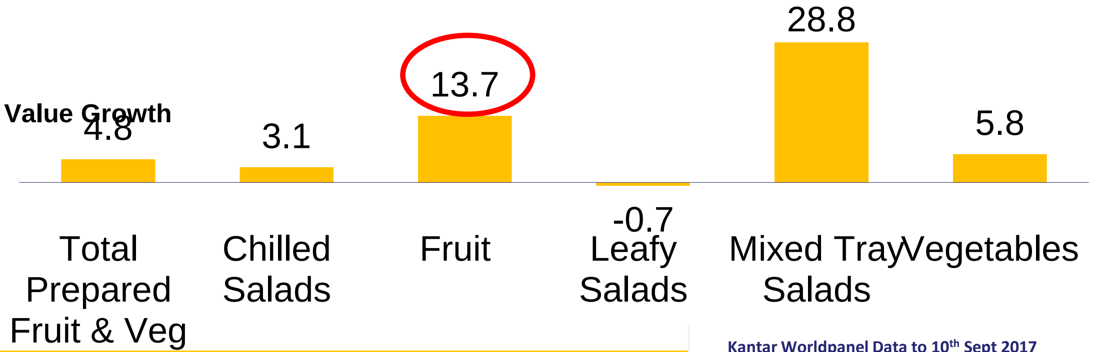
Example: Usage of Fruit ‘ n’ Veg Across as for Healthy Snacking…

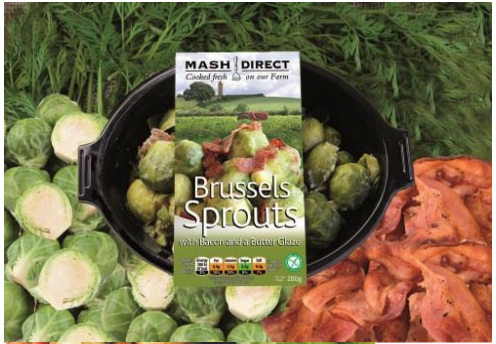
3. CONVENIENCE: PREPARED FRUIT &VEG SALADS – IS IN STRONG SECTOR GROWTH (+7% volume yoy)

- Mixed tray Salads are seeing the strongest growth in both Value and Volume terms





Kantar Worldpanel Data to 10th Sept 2017



MASH DIRECT
Cooked fresh on our Farm

4. Value Added 'Ready to Eat' veg – e.g. carrots in the USA

5. Taste & Combinations of Flavours – identify what's uniquely Irish and promote it as such

Example: Success of the Rooster potato – consumers buying a 'bag of Roosters' (Irish grown) not potatoes

6. Millennials/Centennials (Generation Z) seek truth around origin, naturalness re; the fresh produce supply chain

7. Direct selling locally produced/freshly harvested: In retail & foodservice facilitated by on-line channels/technology & ‘Destination’ Shopping

8. Marketing Irish Provenance – tell your own story!


THE LITTLE
MILK Co
ORGANIC IRISH CHEDDAR
Vintage

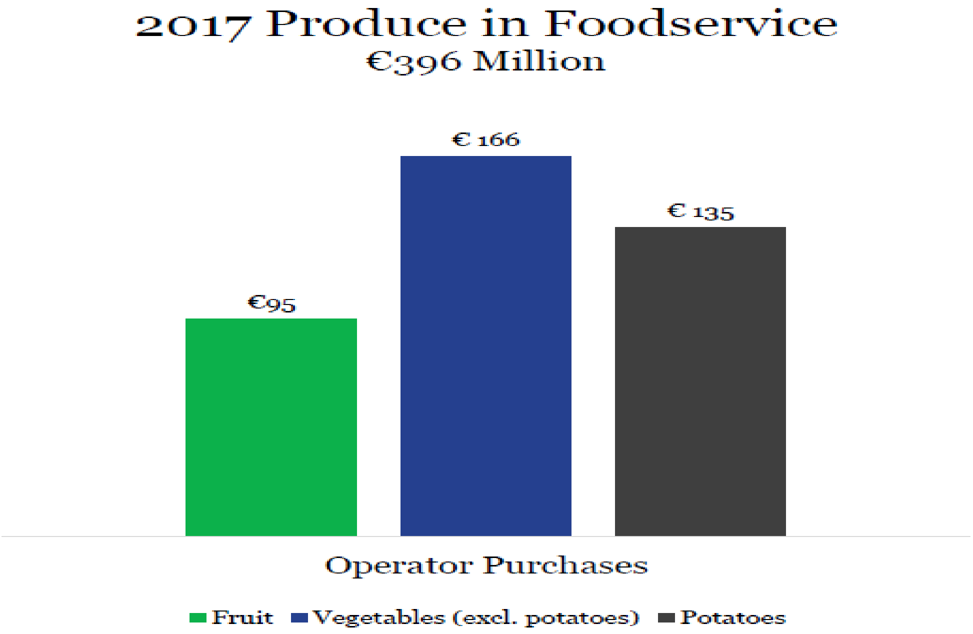

CASHEL BLUE

9. Global Foodservice Growing at 5.6% p.a.

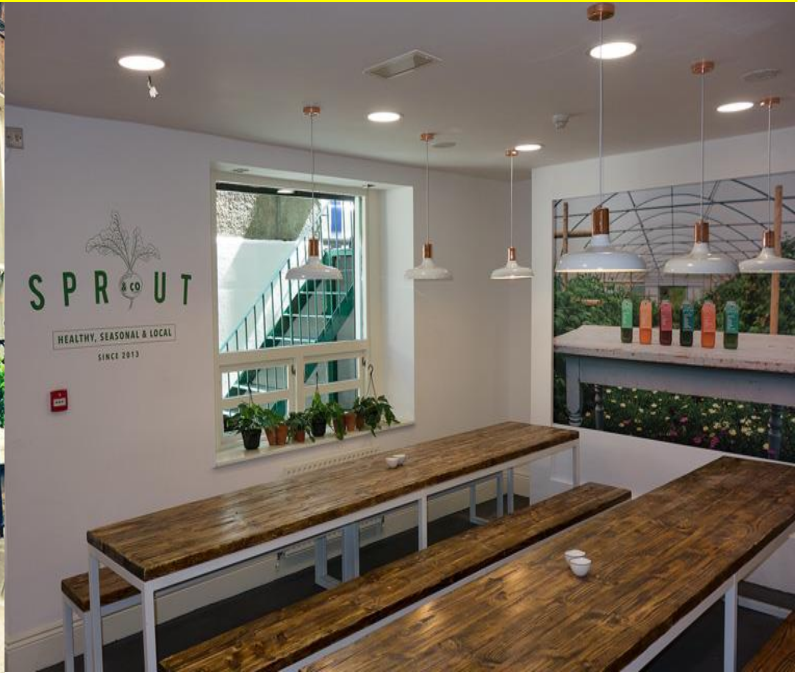
2017 Value & Purchase

Operators are estimated to spend €396 million on fruit and vegetables

Total produce purchases in the island of Ireland amount to €396 million, with fruit accounting for 24% of purchases, vegetables (excluding potatoes) accounting for 42% and potatoes 34% of operator purchases.



Healthy, Seasonal & Local (Irish) – a USP in foodservice



10. Generic Promotion

Eat 7 a Day and live well

Food Dudes

Incredible Edibles™

EU Supported Produce Campaigns

Quality & Sustainabilty

BORD BIA
QUALITY
ASSURANCE SCHEME
ORIGIN-IRELAND

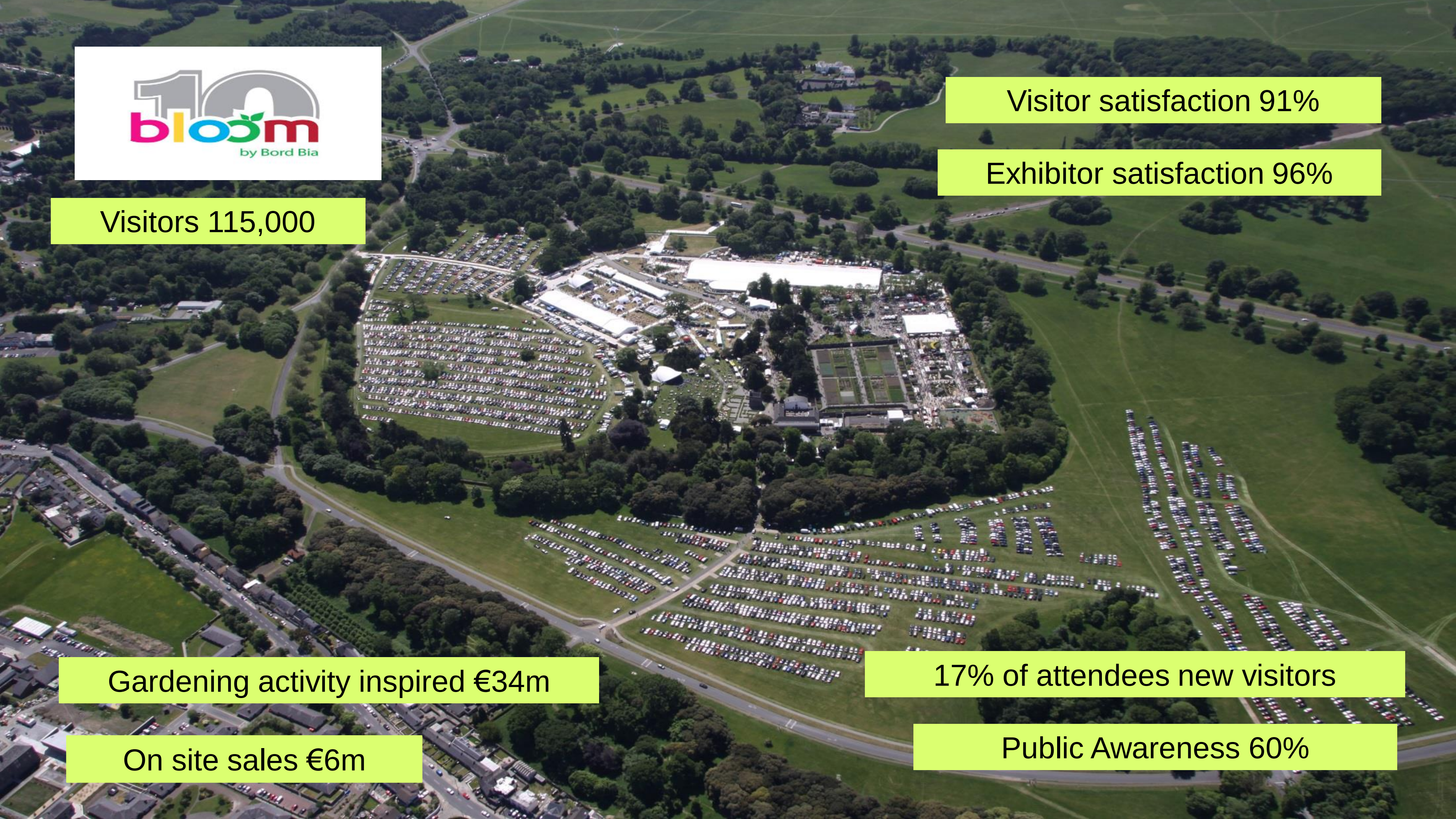
Origin
Green
IRELAND

SECTOR ACTIVITIES: ‘National Strawberry Week’ evolves to ‘Celebrate Strawberry Week’

CELEBRATE STRAWBERRY WEEK

New logo & sticker

Video & Social Media Development / Posting



Visitors 115,000

Visitor satisfaction 91%

Exhibitor satisfaction 96%

Gardening activity inspired €34m

On site sales €6m

17% of attendees new visitors

Public Awareness 60%

Bloom Strawberry Garden – the show was visited by 115,000 people

Eat 7-a-day Promotion in the Food Village at Bloom

Food Dudes programme

- Aim to increase sustained fruit & veg consumption
- Target primary school children
- Provision of F&V portions with support measures (rewards/role models)
- Over 826 Schools and 125,000 school children participating in the current school year
- Complete in June 2018
- New Programme model will follow
- Supported by DAFM & EU Funding

Incredible Edibles: 1300 Schools & 65,000 Pupils