

Export Performance and Prospects Report
2023 – 2024

FUTURE FOCUSED

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FOREWORD

Exports exceed €16 billion for second year

Following record increases in value and volume in 2022 (+22%), Irish food, drink and horticulture exports totalled €16.3 billion (-4%) last year. Overall, exports retained the majority of the 2022 gain, however the industry faced challenges on input costs and shifting global commodity demands. Primary producers were impacted by severe weather conditions throughout 2023, while the cost-of-living crisis reduced consumer spending in certain export markets and is reflected in the overall export performance.

A challenging operating environment

Before considering the wider economic circumstances, it is important to reflect on the conditions in which farmers and producers have operated during the past 12 months.

Wet and dry early spring months gave way to difficult growth conditions in early summer, followed by heavy rainfall throughout the autumn. This created harvesting challenges and more difficult grazing conditions. Consequently, yields and outputs have been affected across the industry.

Inflation continued to play a significant role last year. According to the IMF, inflation in developed economies will gradually start to ease this year. However, it expects elevated inflation to persist in many regions. While this forecast is positive, the cumulative impact of inflation on consumers and businesses has been, and continues to be, significant. Inflation in the Euro area is expected to be approximately 5.6% for 2023, with food inflation accounting for almost 40% of the total.

Despite these headwinds, global economic growth is projected to only lower marginally in 2024. Whilst a marginal increase in growth is forecast across Europe, the combination of inflation and interest rates will affect consumer sentiment and spending power.



Jim O'Toole
Chief Executive

FOREWORD

Business sentiment remains positive

Despite the business environment and operating challenges, it is positive to see that the majority of Irish food and drink exporters remain optimistic about achieving growth in 2024. Confidence in European and Americas markets are strongest, with almost 70% of exporters believing some level of expansion can be achieved in these territories.

This confidence level is despite the fact that more than half of these businesses (which collectively make up over €11 billion of export sales), feel that their competitiveness has been negatively impacted in the past 12 months. The cost of labour, ongoing cost inflation, residual energy price concerns, and geopolitical tensions are key risks to competitiveness.

Delivering on strategy

“To keep a consistent vision is to keep a steady course.”
Source: Bord Bia Statement of Strategy 2022-2024

Despite market volatilities and uncertainties in recent years, Bord Bia has remained firmly focussed on its purpose, which is to bring Ireland’s outstanding food, drink and horticulture to the world, thus enabling growth and sustainability of producers.

Sustainability is at the heart of the industry’s journey and more than a decade after it was established, Origin Green is still the world’s only national food and drink sustainability programme. But to retain our position as a global leader in this space, we all must redouble our collective efforts.

Consumer requirements in relation to how food is farmed and produced are rapidly changing, despite the current focus on cost and inflation. Bord Bia programmes such as Origin Green and our Sustainable Quality Assurance Schemes must therefore continue to evolve to meet and exceed those requirements, and to help the industry produce in an even more sustainable manner.

Continuing our focus on sustainability can give Irish food, drink and horticulture exporters a competitive advantage in an increasingly uncertain global marketplace.

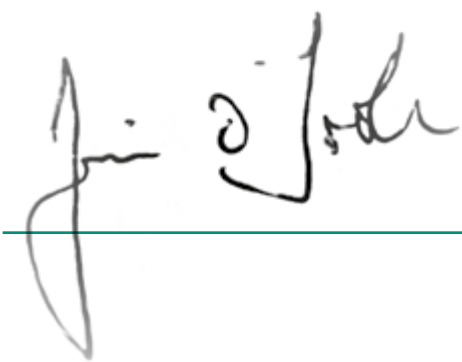
The producer occupies a key position in discussions regarding sustainability, and consumers increasingly have a greater desire to see actions, rather than targets.

Looking ahead

Later this year, Bord Bia will be launching a new four-year strategy. In devising that strategy, we look to the future with optimism, despite ongoing challenges and uncertainty. We intend to maintain our steady course and continue to build on our strengths in the area of sustainability.

Through collaborative partnerships with farmers, manufacturers, and the wider agri-food sector, we can work together to establish a sustainable food system that can provide nourishment for an increasing global population, while at the same time respecting ecological limits and safeguarding livelihoods.

We will do this not just to meet consumers’ demands and Government targets - but most importantly, because of our unwavering commitment to a viable sustainable Irish agri-food sector for generations to come.



Jim O’Toole
Chief Executive

EXPORT PERFORMANCE 2023

The value of Irish food and drink exports for 2023 was €16.3 billion, a four percent decline on the 2022 figure while representing a rise of 24% since 2019.



-4%

€16.3 billion:
Value of Irish food and drink exports in 2023

This performance was achieved in a year which saw ongoing significant inflation at a consumer level, albeit to a lesser extent than the highs seen in 2022. The cumulative impact occurred at a time when pandemic support payments were brought to an end, and savings built up in prior years were already eroded.

Within the trade sectors however, there was significant downward pressure on prices, most notably in dairy, which accounts for almost 40% of overall exports. The drop in value of dairy exports (down eight percent) was due to unit prices of exports coming under pressure from spring onwards. The drinks and seafood sectors also recorded

declines, albeit to a much lesser extent. Meat and livestock export values remained comparable with 2022 at €4.2 billion. Prepared Consumer Food (PCF) exports achieved growth of seven percent as the sector managed to pass through a lag in additional costs from 2022.

Exports of non-edible agri-food sector goods are estimated by the Department of Agriculture, Food and the Marine (DAFM) at €2.3 billion in 2023. Adding this estimate to the Bord Bia export figures (food, drink and horticulture), which are the focus of this report, indicates that total agri-food sector exports in 2023 amounted to €18.5 billion, down 3% year-on-year (YOY).

DAIRY



€6.3
BILLION

8%
DECREASE

Exports are estimated at €6.3 billion, a decline of 8% on 2022, but remained 22% ahead of 2021. A combined increase of 6% in the value of cheese, specialised nutritional powders and yoghurt helped to partially offset the overall decline.

MEAT AND LIVESTOCK



€4.2
BILLION

1%
DECREASE

Meat and livestock exports were largely stable in 2023 at an estimated €4.2 billion. Increases in beef, poultry and live exports, which were up 2%, offset lower sheepmeat and pigmeat exports.

PREPARED CONSUMER FOODS



€3.1
BILLION

7%
INCREASE

PCF exports recorded a 7% increase in value, building on the 16% increase achieved in 2022. The UK remains the largest market accounting for almost two thirds of export value. However, the EU's share has increased by more than five percentage points over the last decade.

IRISH FOOD, DRINK
AND HORTICULTURE
EXPORTS IN 2023

DRINK



€1.8
BILLION

8%
DECREASE

Drink exports declined by 8% in 2023, largely due to headwinds faced by spirits in key markets.

Beer and cider exports recorded a strong performance, both increasing by 11%. Beer exports were 8% ahead of pre-Covid-19 levels.

SEAFOOD



€552
MILLION

14%
DECREASE

Exports of pelagics accounted for two thirds of the decline, falling by almost one third despite a 25% increase in unit prices.

Value-added seafood exports were 3% lower in 2023. However, export values remained 19% ahead of 2021.

HORTICULTURE AND CEREALS



€295
MILLION

6%
DECREASE

Exports of horticulture and cereals recorded a 6% decline in 2023, with the UK accounting for 92% of exports.

Mushroom exports continue to be the most important subcategory, accounting for almost half of exports for this category.

DESTINATION OF EXPORTS

The sector continues to focus on securing the widest range of options, in terms of both geographical markets and sales channels.

This reflects its efforts to premiumise the highest proportion of output possible. This is helped by Ireland’s strong reputation and established customer relationships, particularly in the UK and EU markets.

European Union

Exports to the EU saw a slight decline on 2022 of 2% at €5.8 billion. However, the share of total exports destined for the EU remained at around 36% for the second consecutive year compared to 31% prior to the Brexit referendum.

France, Germany and Netherlands account for almost 60% of exports to the EU. The combined value of exports to these markets stood at an estimated €3.4 billion, down by 7% relative to 2022 reflecting lower dairy values.



The share of exports destined for the EU remained at around 36% for the second consecutive year

An increase in trade with Poland for dairy, and to a lesser extent carbonated beverages and value-added beef, resulted in exports increasing to €265 million, an increase of 34%.

As mentioned in last year’s report the EU remains a target market for diversification by the PCF sector. This development was again evident in 2023 with PCF exports increasing by 21% or €146 million to the region.

United Kingdom

The UK is still the largest single destination for Irish food, drink and horticulture exports. However, inflation continues to affect demand in the UK and trade uncertainty concerns, though reduced, have not disappeared. The share of total exports destined for the United Kingdom in 2023 is estimated at 34%, up two percentage points on 2022. But as shown in the line graph, this is still lower than the levels seen prior to the Brexit referendum. Trade was valued at an estimated €5.6 billion. This increase in trade during 2023 largely reflected higher meat and livestock, drink and PCF exports, which jumped by a combined €250 million.

Bord Bia continues to invest heavily in supporting client companies to navigate the trading environment with workshops on UK trading requirements, combined with the delivery of a number of insight studies to identify opportunities for growth across different categories.

International Markets

In 2023, 30% of exports in value terms were destined for international markets (outside of the EU and UK). This represents a drop of two percentage points on 2022 levels. The total value of trade stood at an estimated €4.9 billion, a drop of 10% on a year earlier.

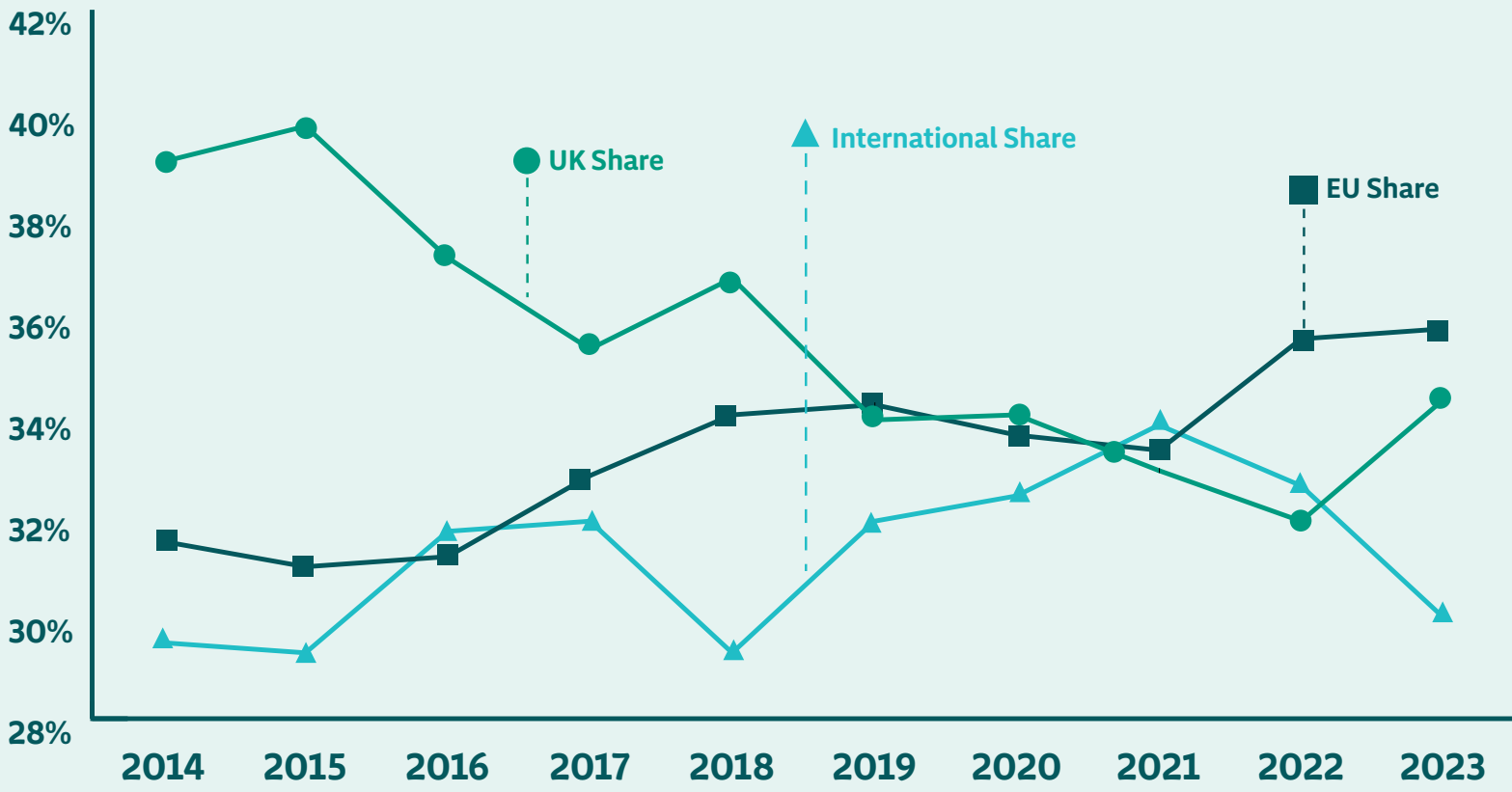
This decline reflects reduced trade to North America with drink exports to this region (mostly whiskey) estimated to be down by almost 25%. This is believed to be due to a number of different factors, including a build-up of stock in the market in 2022 to mitigate supply and trading challenges through Covid-19; and importers and distributors reluctant to hold stock which meant less quantities being shipped.

However, the outlook for the North American market for Irish whiskey is expected to see growth in both value and volume terms in the short and medium term (IWSR, 2023e).

Exports to Asia were lower across most categories, most notably dairy and pigmeat down by 3% and 24% respectively. The resumption of beef exports to China for much of the year (before being suspended towards the end of 2023) helped provide support to beef exports to this region by partly offsetting a decline in beef exports to Japan and the Philippines.

Dairy exports to Africa are estimated to have declined by 16% or €135 million to just over €700 million in 2023 reflecting lower Fat Filled Milk Powder (FFMP) trade. This was partly offset by increased exports of butter to Morocco and South Africa, and higher cheese exports to Libya and Egypt.

Percentage share of exports to the EU, UK and International markets



Source: Bord Bia and CSO



EXPORTER SENTIMENT

In November 2023, Bord Bia conducted a short pulse check with the leadership of major food, drink and horticulture exporters to help understand current sentiment towards growth in 2024.

Over 50 companies participated with a combined export value of €11.7 billion (or 72% of total food, drink and horticulture exports).

Overall, the expectation for growth in 2024 is positive, with over 73% of companies expecting to see some expansion, and only 10% concerned that the outlook is towards contraction. However, when weighted for scale, a number of larger companies indicated stable export revenues in the year to come.



73%

Companies
positive
for growth

€11.7

BILLION

50 companies,
estimated
export value

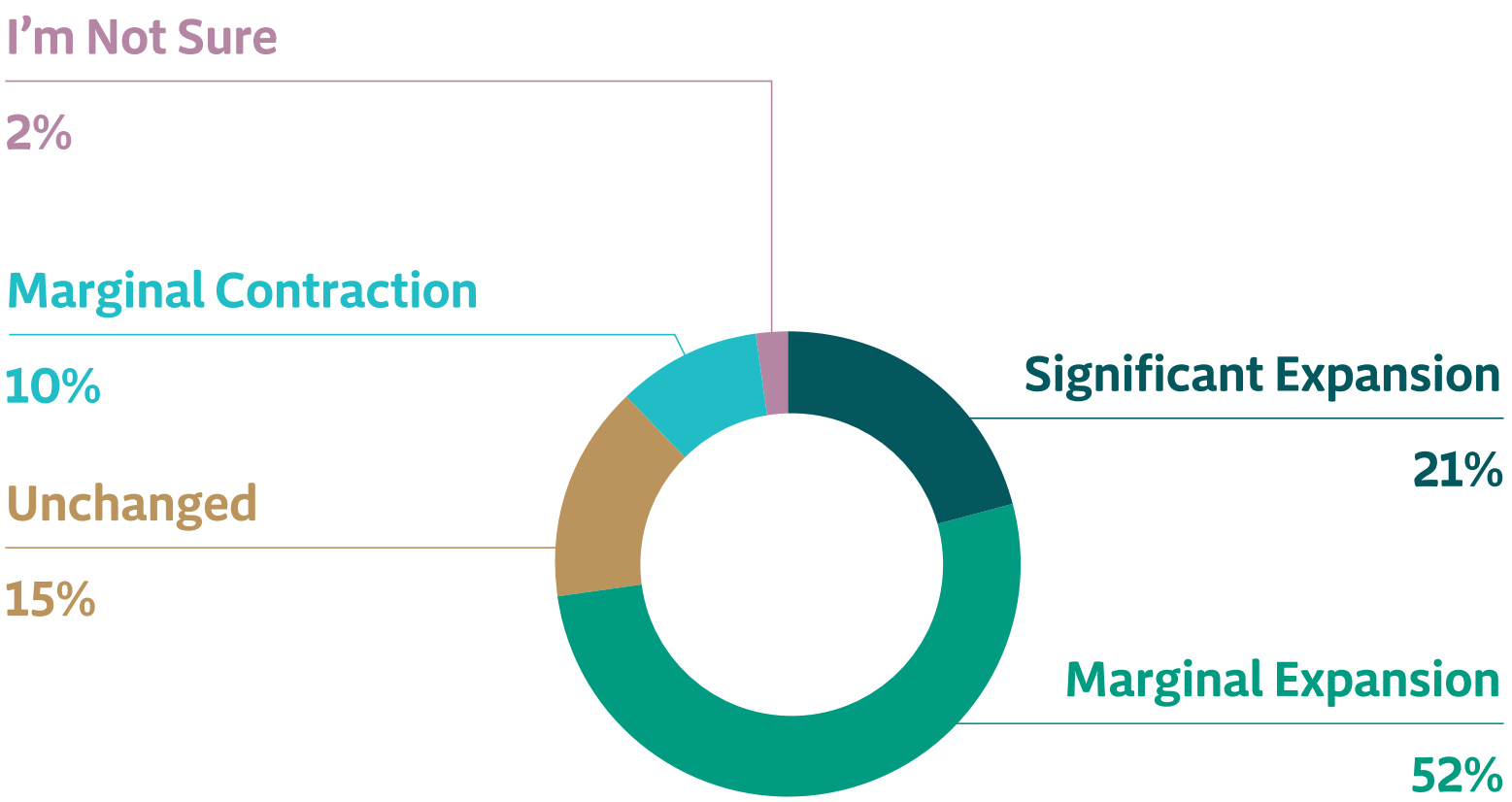
Growth and markets

Looking to the source of growth, for those companies working in particular regions, the strongest confidence for export expansion was in Europe and the Americas at 68% each. This was followed by the UK at 63%, followed by Asia (52%) and the Middle East and North Africa (MENA) at 42%.

A quarter of companies operating in each region felt they would maintain business levels, with the exception of MENA where this rose to 46%. Europe was considered to be the most likely region to offer export maintenance or growth overall (94%), followed closely by the Americas.

Expected export growth

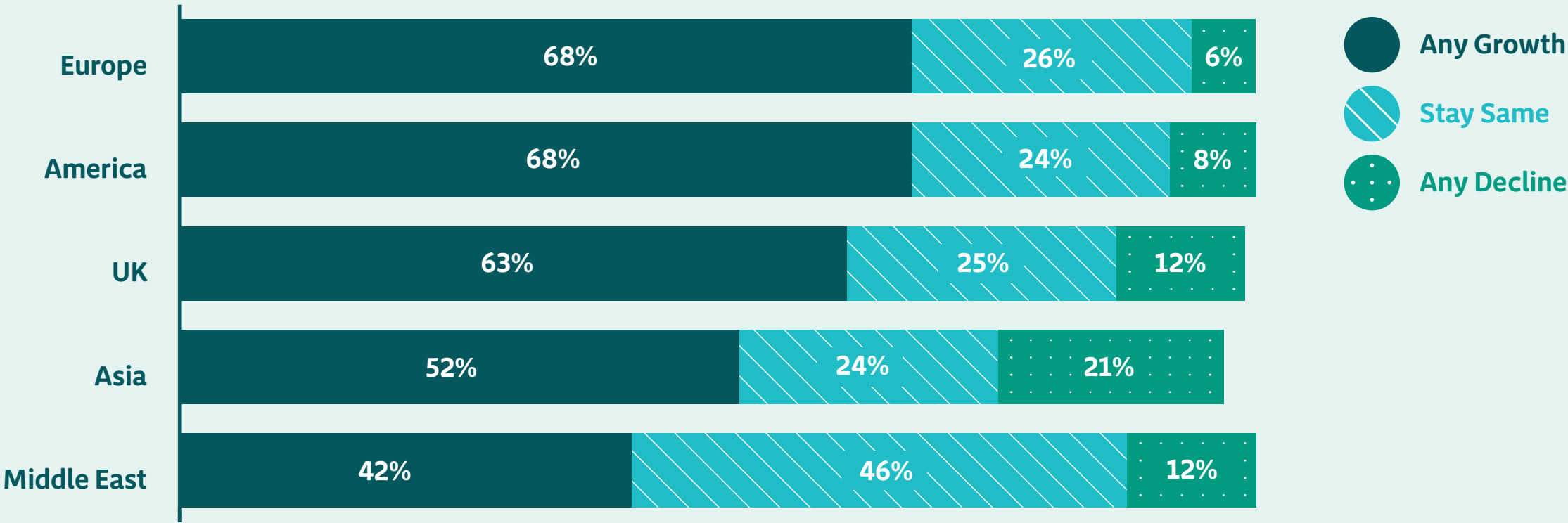
Question: Allowing for all factors, including inflation and deflation, how do you expect your company’s export growth revenue to behave in 2024?



Bord Bia Export Sentiment Pulse Check, November 2023

Expected market growth

Question: How would you rate your 2024 growth expectation based on the regions you exported to in 2023?



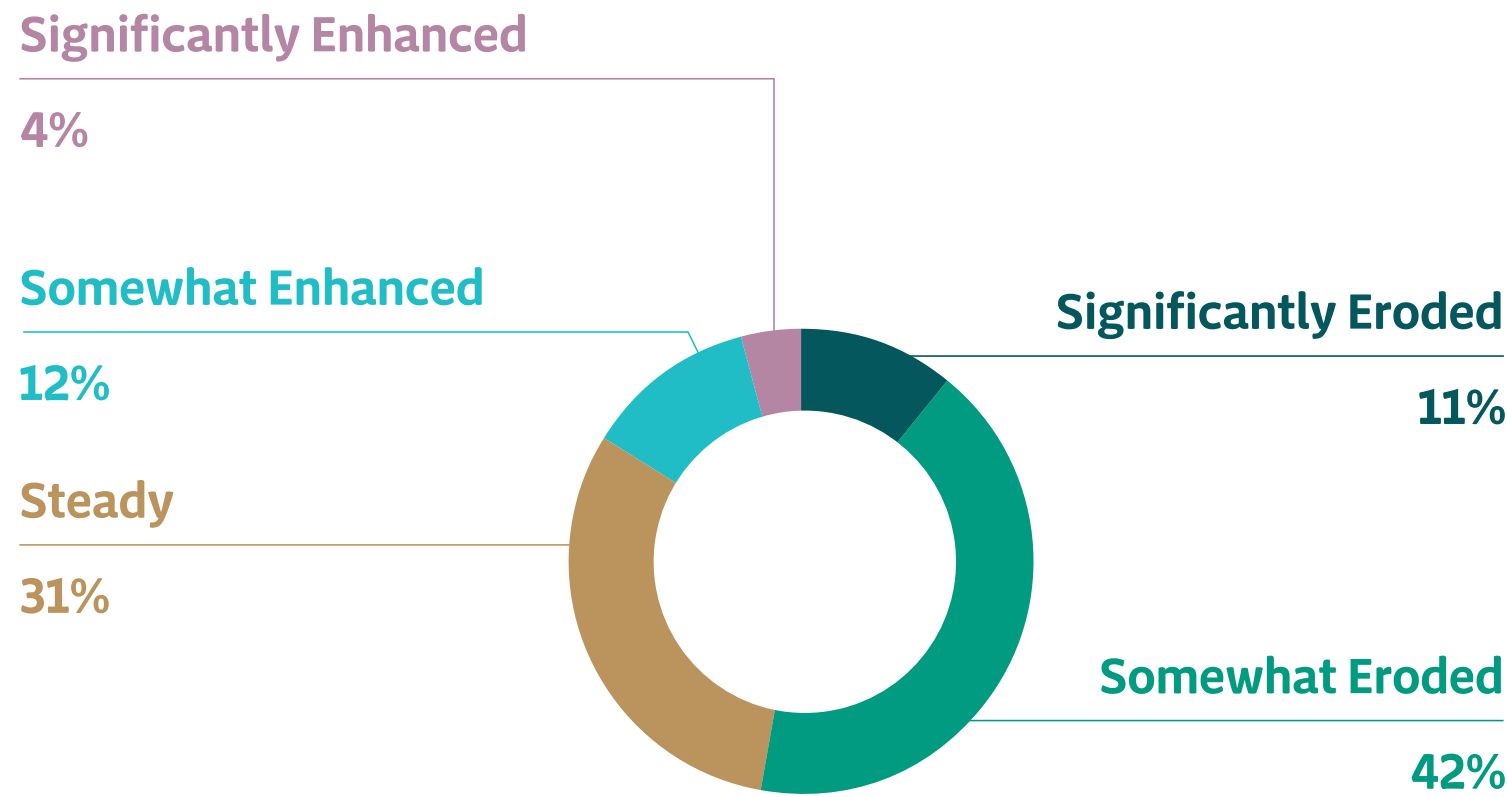
Bord Bia Export Sentiment Pulse Check, November 2023

Competitiveness

In terms of how well companies are placed to deliver on these growth ambitions, there is clear concern on competitiveness erosion over the past two years in particular. More than half of companies feel they have lost competitiveness in the past 12 months, and this rises to 60% when they consider their current position versus 2022.

In both scenarios, the majority of companies in these cohorts tended toward marginal erosion, rather than significant. 10% of companies felt the position had been somewhat enhanced during the period, and these tended to have smaller export values.

Question: How would you rate your company’s competitiveness going into 2024, vs. 2023?



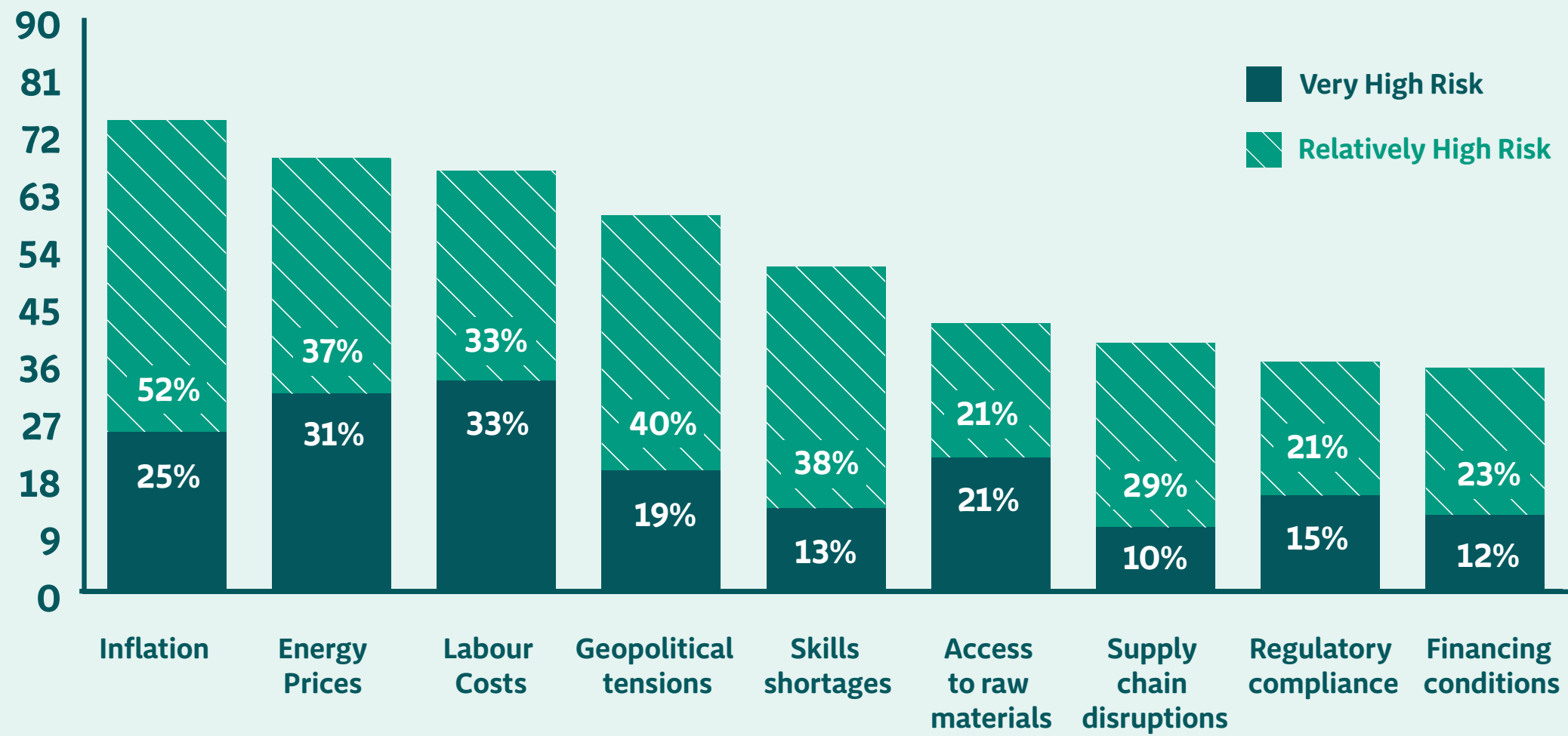
Bord Bia Export Sentiment Pulse Check, November 2023

Risks of competitiveness

This reported loss in competitiveness is attributed to energy prices and cost inflation, with 79% and 67% of companies respectively calling it out as high impact. These are followed by labour costs, and geopolitical tensions, with four in ten companies classing them as high impact.

Looking forward to 2024, to understand what factors are deemed the greatest risk to competitiveness, we can see that energy has dropped significantly and labour costs come out just ahead of it. One third of companies class labour cost as very high risk, a further 33% classing it as relatively high risk.

Question: To what extent would you consider each of the following aspects a risk to your company’s business competitiveness?



Bord Bia Export Sentiment Pulse Check, November 2023

**MACROECONOMIC ENVIRONMENT:
COMPETITIVENESS CHALLENGES PERSIST**

The market environment for Irish food, drink and horticulture exporters continues to be characterised by uncertainty with competitive challenges emerging more strongly as 2023 progressed.

This reflected the drive to limit consumer price inflation at the time when input prices continue to run ahead of historical levels. When combined with the expectation that economic growth will remain slow in most global regions, it suggests that the market environment for Irish exporters will remain challenged in 2024.



Expectation that economic growth will remain slow in most global regions in 2024.

Tentative economic growth anticipated

Economic growth projections for 2023 and 2024 point to slow and uneven growth globally with overall growth remaining below long-term averages in many regions. Geopolitical challenges seem set to persist, a gradual correction in baseline inflation, higher interest rates and commodity price volatility all point to ongoing uncertainty over the course of 2024.

Projections from the International Monetary Fund (IMF) indicate that growth in more advanced economies and the EU will be at a slower rate relative to their counterparts in the Middle East, Central Asia and developing economies (IMF, 2023a).

GDP growth in the euro area is projected to stand at less than 1% in 2023 before showing a modest acceleration during 2024 (IMF, 2023a). However, growth seems set to take time to return to historical averages.



GDP growth in the euro area is projected to stand at less than 1% in 2023 before showing a modest acceleration during 2024 (IMF, 2023a).

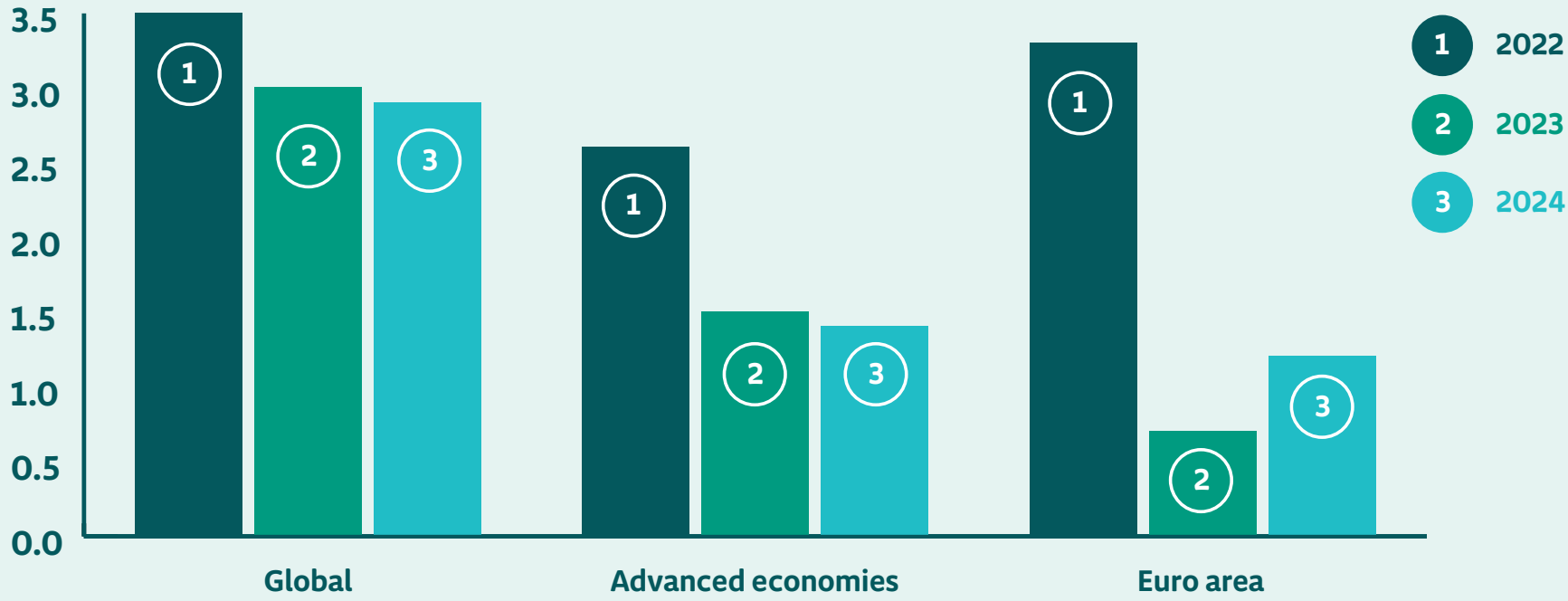
Inflationary pressure slow to ease

According to the IMF, inflation in developed economies will gradually start to ease post 2023. However, it expects elevated inflation to persist in many regions with the Middle East to remain in double digit territory until 2025 (IMF, 2023b). While inflation is expected to ease, the cumulative impact on consumers and businesses is significant.

Inflation in the euro area is expected to reach 5.6% in 2023 with food inflation accounting for almost 40% of price increases at consumer level (European Central Bank, 2023a). The European Central Bank expects the declining trend in food price inflation to continue in 2024 and 2025. Although labour cost developments and potential upward pressure from adverse weather effects could still fuel food inflation (European Central Bank, 2023b).

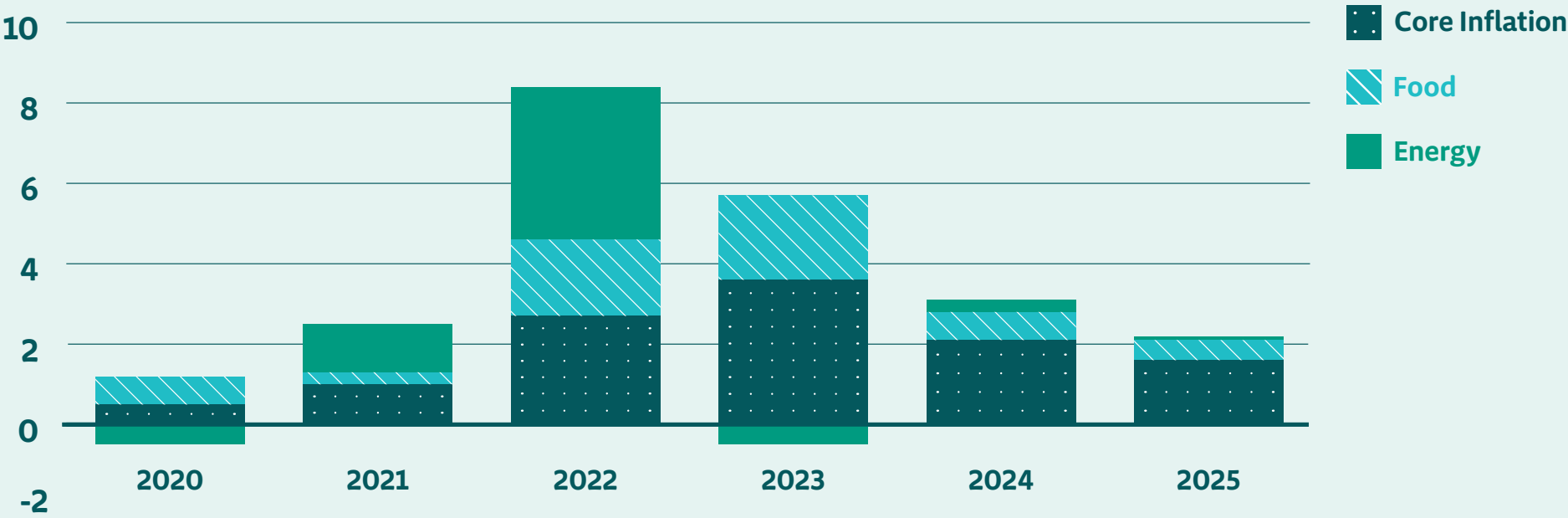
The cumulative impact of inflation since 2020 is considerable. Based on current forecasts from the IMF, EU consumers in 2026 would need to spend an additional 33% to purchase a similar basket of goods relative to 2019. This suggests that consumer’s budgets that are already strained are unlikely to see significant relief in the short to medium term (IMF, 2023a).

GDP growth, 2022 - 2024 (%)



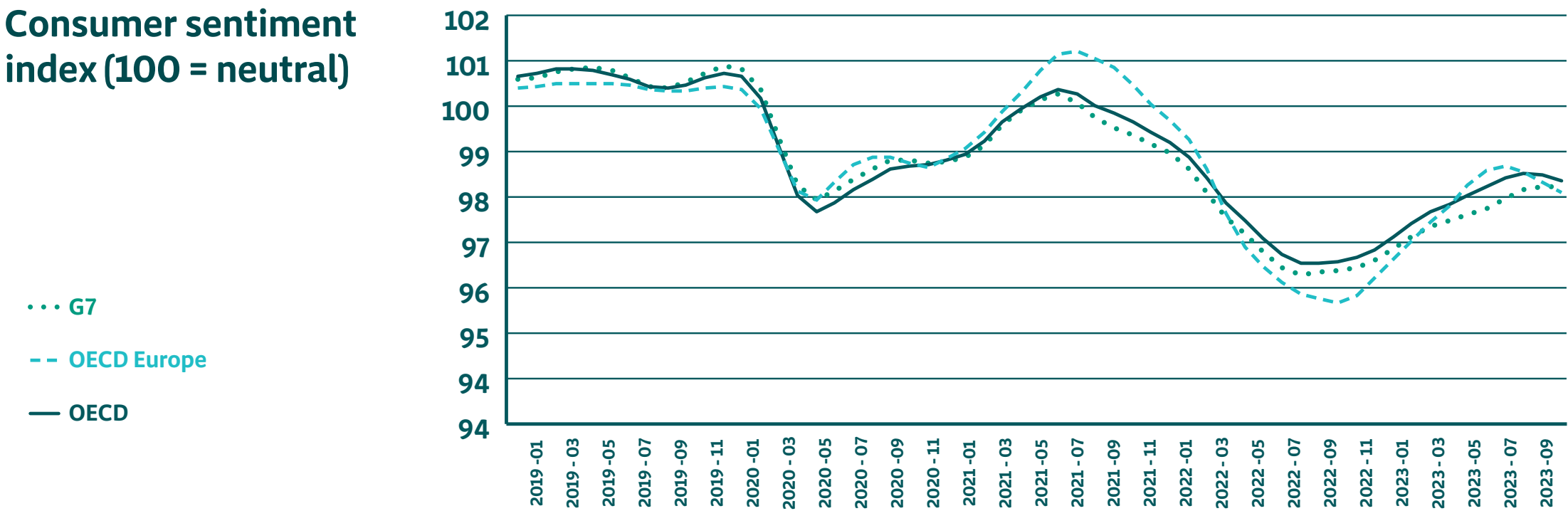
Source: IMF 2023

Euro area inflation



Source: European Central Bank - (European Central Bank, 2023b)

Consumer sentiment index (100 = neutral)



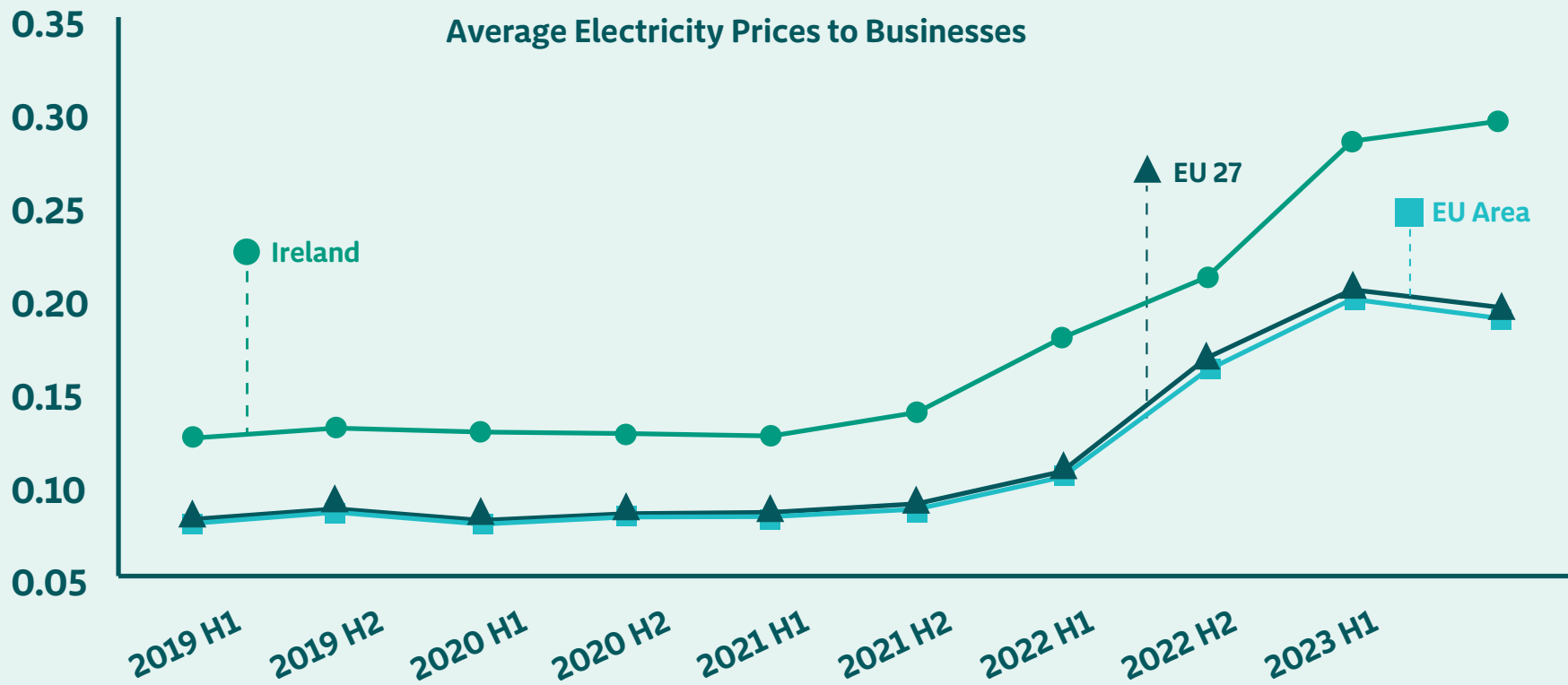
Source: OECD

Consumer sentiment showing tentative signs of improvement

According to the Organisation for Economic Co-Operation and Development (OECD), consumer sentiment in many regions has improved. However, the indicator remains in negative territory fuelled by cost-of-living concerns and tentative economic growth prospects (OECD, 2023). The consumer sentiment index from the OECD suggests a recovery across key global regions in late 2022 and early 2023 before levelling off.

This highlights an ongoing sense of cautiousness among consumers as they choose to save and consume less where possible and opt to delay expenditure on major purchases (OECD, 2023). This sentiment seems set to be slow to improve in the period ahead.

Electricity prices



Source: Eurostat

Some input price relief but costs remain elevated

Input costs in Ireland have stabilised or declined relative to 2022, with the Irish agricultural input price index down 12% in September 2023 compared with the same month last year (CSO, 2023a). Trends have varied by inputs, with fertiliser costs down 45% in September 2023 vs. 12 months previously (CSO, 2023a). However, Irish fertiliser prices still remain at high levels, with Urea prices up 38% compared with September 2019, while animal feed prices are also 37% higher over the same period (CSO, 2023b). Electricity prices for farm use increased by almost a quarter between September 2022 and September 2023 (CSO, 2023a).

For businesses, electricity costs increased by 40% in H1 2023, compared with 12 months previously. Irish prices have continued to increase whereas the trend in other EU member states has been a stabilisation or decline in these costs in recent months (Eurostat, 2023a). Hence, price increases that may have been secured previously will be important to protect. In addition, oil and gas prices have also witnessed renewed volatility. This is evidenced with Federal Reserve Bank of St Louis displaying an oil price volatility index increasing by more than 50% by early November when compared to mid-September prior to the intensifying of conflict in the Middle East (Federal Reserve Bank of St Louis, 2023).

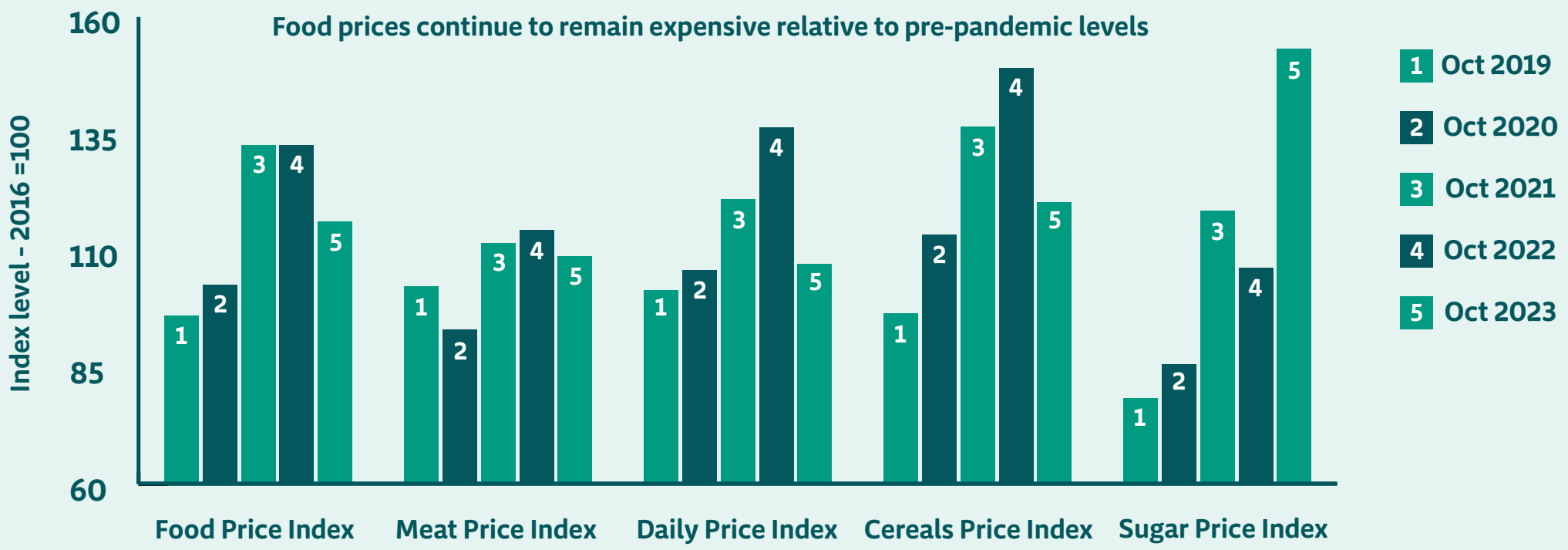
Food prices are stabilising, but risks remain

Overall, 2023 has been a year that has seen prices for commodities decline. However, these declines came off exceptional high prices in 2022 and in most cases have yet to return to pre Covid-19 levels. This is evidenced by the FAO food price index which peaked in March 2022 and for the year as a whole averaged 143.7, which is more than a third above the average for the previous decade (FAO 2023).

While 2023 has seen the index decline to 116, the theme is not consistent across all commodities. The sugar index remains stubbornly high at almost 160 while dairy and grains have declined substantially. However, the fundamentals that resulted in these declines could see an upward reversal in 2024. For instance import demand for dairy has shown signs of recovery. Tighter supplies of some commodities have brought a halt to declines in prices in some products for now (FAO, 2023).

The World Bank’s latest commodity outlook report highlighted that the global economy is in a better position to cope with a major oil price shock than that of the 1970’s. However, an escalation of conflict in the Middle East on top of disruptions from the Ukraine conflict could push food prices into uncharted waters. It could also contribute to increased volatility in prices for oil and agricultural commodities and thus intensify global food insecurity (The World Bank, 2023).

Food prices



Source: FAO

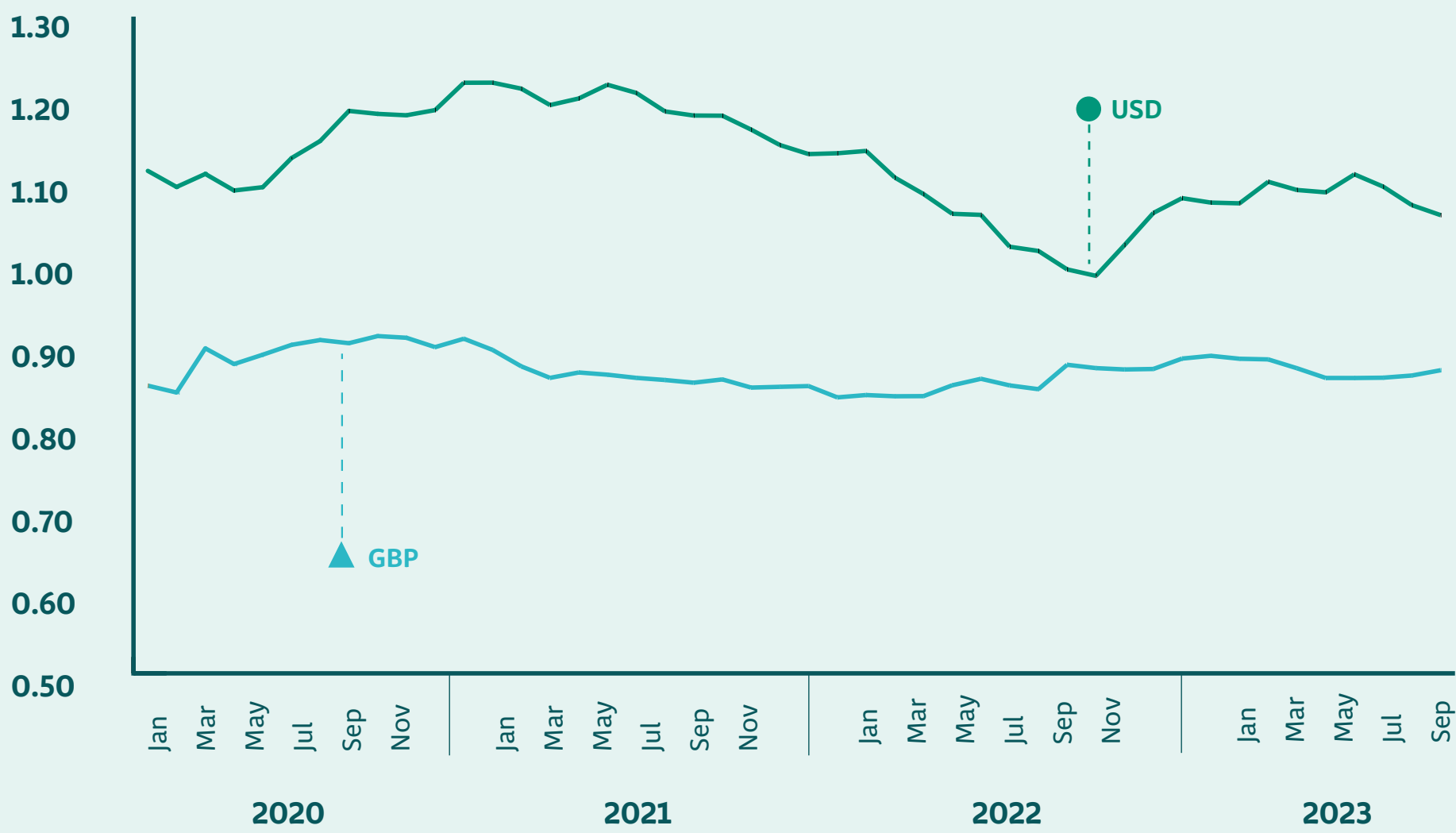


Euro competitiveness challenges

Comparing exchange rate data from the Irish Central Bank, the euro has strengthened against a number of key currencies during 2023. This follows a relatively weak performance in 2022. Up to early November 2023, the euro strengthened by 2% relative to Sterling and 3% relative to the US dollar compared to a year earlier. It was 9% stronger relative to the Chinese Yen (Irish Central Bank, 2023).

With global economic uncertainty set to persist in 2024, the euro is expected to remain strong. This will help in terms of inputs such as oil but negatively influence exporter competitiveness.

Euro exchange rate, 2020 to date (€1 =)



Source: centralbank.ie

+2%



In 2023, the euro strengthened by 2% relative to Sterling and 3% relative to the US dollar compared to a year earlier.



KEY MARKET PERSPECTIVE: UK



The UK economy avoided a technical recession in 2023. The economic impacts of events such as Brexit, Covid-19, war in Ukraine and the subsequent inflation spike are reported to be fading.

However full recovery still seems far off, and growth remains subdued. The Bank of England has downgraded its economic growth forecasts for 2024 to almost zero (Bank of England, 2023). UK inflation fell from a peak of 11% in 2022 to 6.7% in September 2023. However, food price inflation was still running at more than 12% (ONS, 2023).

“It’s likely to be some time before living standards recover to pre Covid-19 levels (IGD, 2023). While the UK grocery market continues to invest heavily in delivering value for consumers, the British Retail Consortium has stated that retailers must now also focus on helping consumers live more sustainable lives despite the cost-of-living crisis. In the medium-term, sustainability will become as important to the market as inflation is in the short-term.”

Donal Denvir, Bord Bia Manager, UK Office.

KEY MARKET PERSPECTIVE: CHINA



Economic growth in China is projected to fall to around 4% in 2024 (IMF, 2023). One of the biggest risks to the Chinese economic recovery is the ongoing financial challenges arising from its real estate sector.

The main pillar of China's economic recovery to date has been consumption of services, most notably tourism and education. Retail sales of services are up almost 20% in August 2023 compared with 12 months earlier (Economist Intelligence Unit, 2023). Unlike most other countries, inflation in China has been quite low at less than 1% in 2023, with projections suggesting a modest rise to below 2% in 2024 (IMF, 2023b).

“The post lockdown splurge was short lived in China. With a slow economy and wobbling house prices, the middle class cut back on eating out and spending big. However, China is eating more beef, dairy, and seafood as consumers seek high quality sources of nutrition. Health and premiumisation are two core trends, creating long term opportunities for Irish food products and ingredients.”

Conor O’Sullivan, Bord Bia Manager, China Office.

KEY MARKET PERSPECTIVE: US

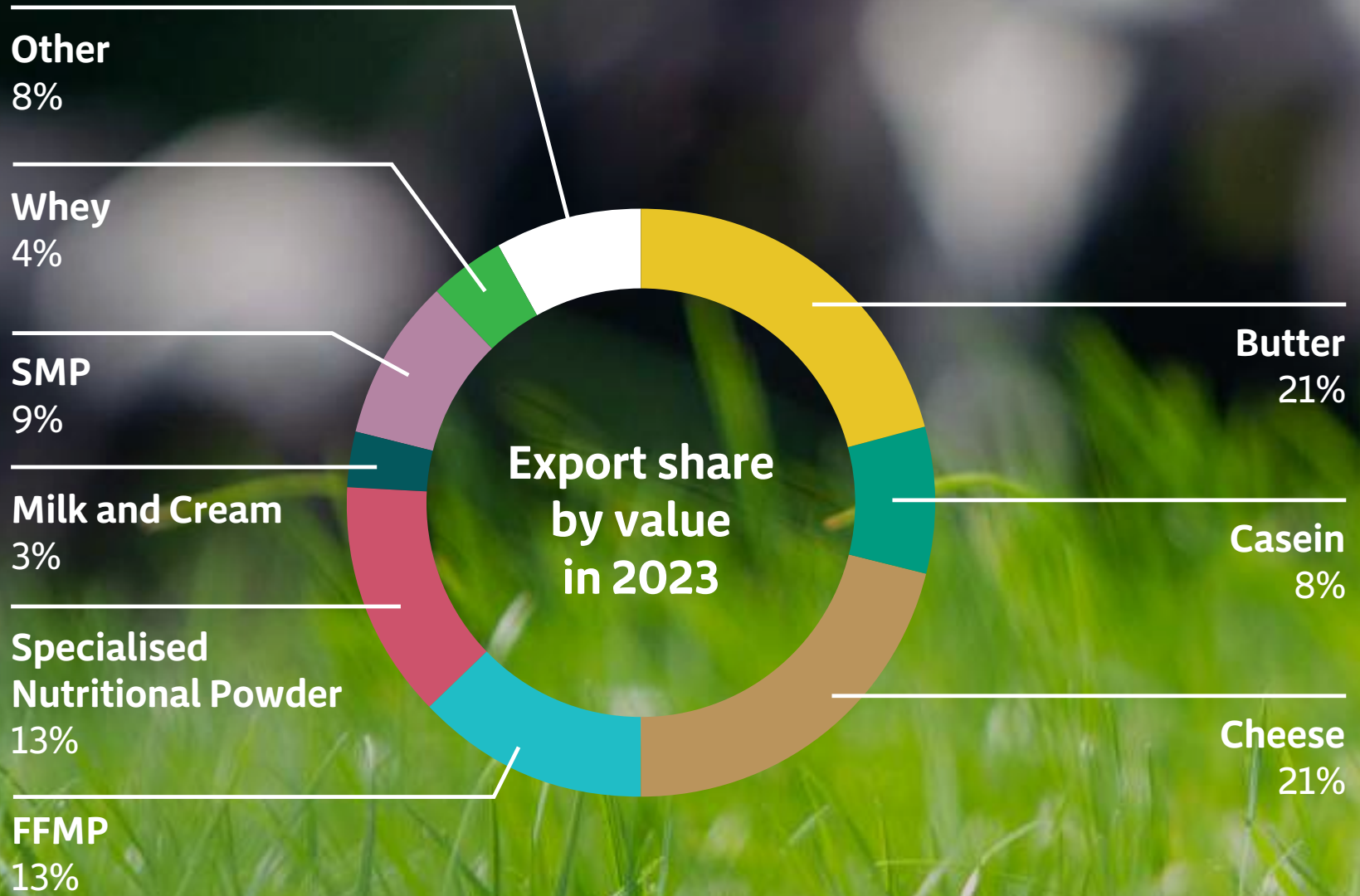


The US economy is expected to grow by 1.6% in 2024. This represents an upward revision in the prospects for the US economy reflecting stronger business growth and resilient consumption growth as the labour market remains tight (IMF, 2023b). Consumer spending remains robust, rising by 3.4% over the past 12 months. Inflation although significantly down from its June 2022 peak, currently stands at 3.7% (The White House, 2023). The potential for interest rates hikes and increasing gasoline prices all continue to weigh heavily on U.S. consumers’ minds (CNBC, 2023) with consumer confidence showing a slight fall in recent months (OECD, 2023).

“US retailers’ strategies are focused strongly on omni-channel shopping. Increased personalised promotional mechanics, broader ranges in growth categories like organic, and private label, combined with in-store dining and technological improvements, are also evident. US foodservice sales eased during 2023 reflecting inflationary pressures. Those segments considered best placed to succeed in 2024 are quick service and fast casual.”

Henry Horkan, Bord Bia Manager, North America.

DAIRY



DAIRY EXPORTS IN 2023

€6.3
BILLION

8%
DECREASE

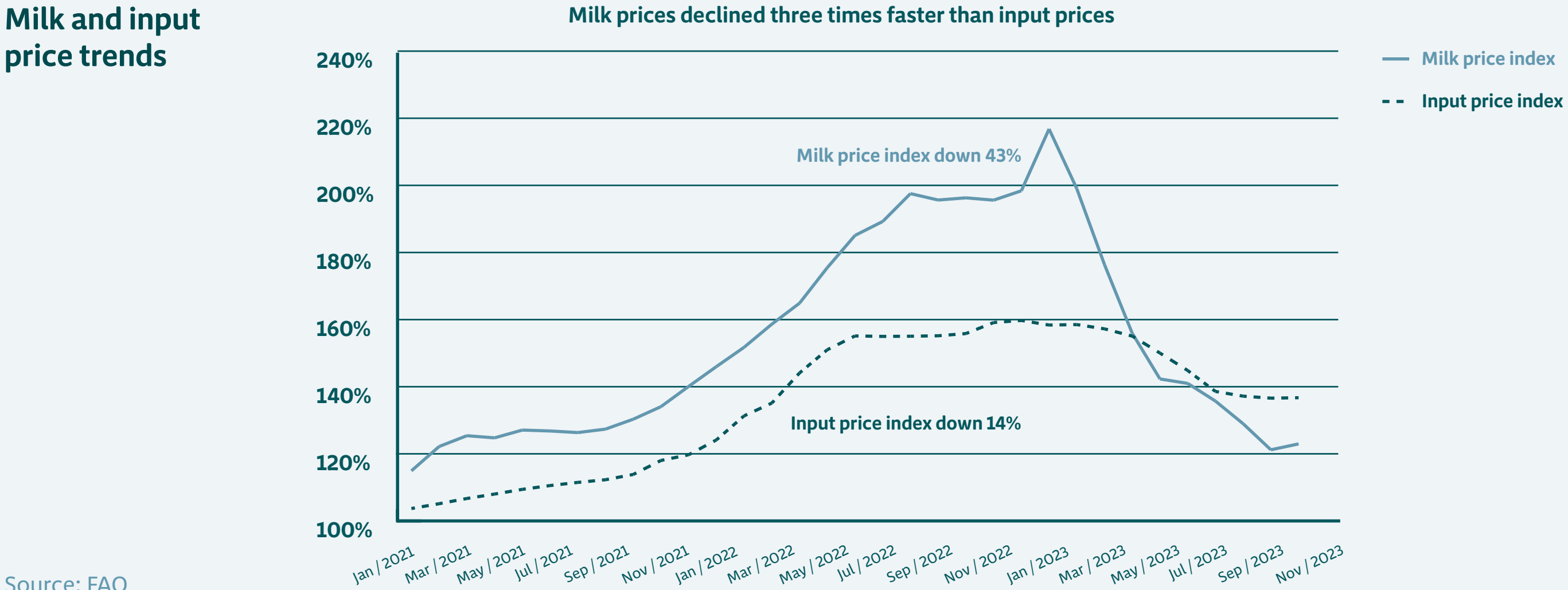
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EXPORT MARKETS SERVED

OVERALL PERFORMANCE

Irish dairy exports were valued at an estimated €6.3 billion in 2023, representing a value decline of almost 8%.

Milk collections in Ireland declined by near to 2% on 2022 levels to approximately 8.7 billion litres. This is the first year Irish milk supply has declined since production quotas were lifted in 2015. Challenging weather in the early summer months limited grass-growth and was followed by heavy rainfall throughout the autumn which led to difficult grazing conditions.

Milk and input price trends



High farm-gate prices in the second half of 2022 boosted milk volumes during the final months of the year. With 2023 milk prices up to 20 cents per litre behind, milk supply for these months followed the seasonal average more closely. From a value perspective the strong pricing available in global markets throughout the second half of 2022, and the contracts written during that period, were reflected in the value of transactions in the first quarter of 2023. This masked underlying demand issues at the time and insulated trade values from the rapidly decreasing prices quoted. According to Eurostat, EU butter prices fell below €4,500 per tonne in September 2023, a sharp contrast to the period between June and October of 2022 when prices over €7,000/tonne were available (EU Commission, 2023b).

The equivalent high to low range for cheese and Skim Milk Powder (SMP) prices on a year-on-year basis showed differences of 25% and 40% respectively (EU Commission, 2023b). These three categories account for over 45% of Irish dairy export volumes and reflect the key challenges for Irish dairy exports during the year gone by. From a market perspective the widespread price decline meant that all priority regions were challenged from a value perspective. The dairy market showed more positive sentiment in the final quarter of the year which indicates some positivity heading into 2024.

GLOBAL SUPPLY DEVELOPMENTS

Global milk supply grew by 1% in 2023 with Europe, New Zealand and the US all increasing output, with Argentina the only major exporter showing lower production.

China continues to grow its milk pool, registering growth of around 2%, albeit slowing versus the higher growth rates of over 8% in both 2021 and 2022 (StoneX, 2023).



+1%

Global milk supply grew by 1% in 2023

Within Europe, deficits in France (down almost 3%), Ireland, and Italy (down 2%) were countered by modest growth (up 1-2%) across Denmark, Germany, Netherlands and Poland (GIRA, 2023a).

It is estimated that imported traded global volumes declined by less than 1% in 2023 (StoneX, 2023).

The world’s largest dairy importer, China, saw its overall demand for 2023 fall slightly behind 2022 levels at just under 16.5 million tonnes. Indonesia, Japan, Thailand and South Korea all reduced their imports by between 5% and 15% in 2023, whereas import demand increased for Mexico, Algeria and the United States (StoneX, 2023).

TRENDS BY KEY PRODUCTS

BUTTER



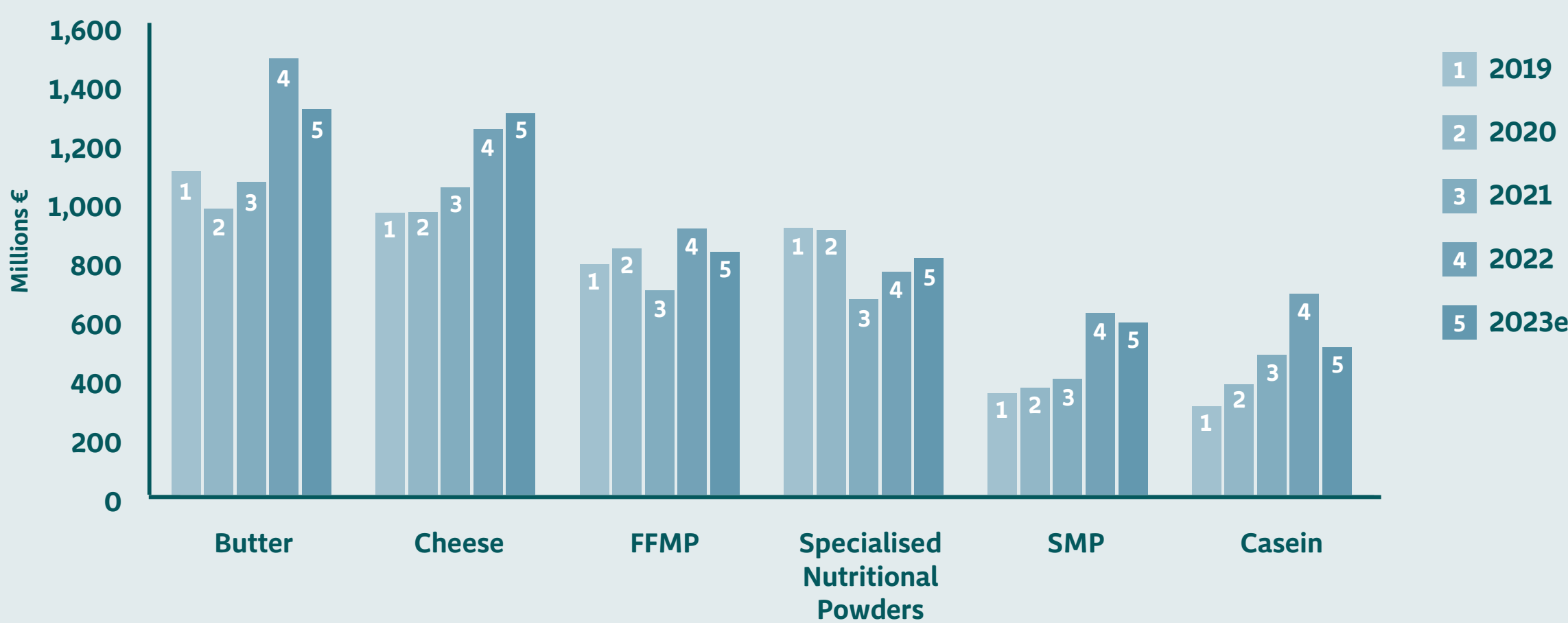
€1.3
BILLION

12%
DECREASE

Irish butter exports decreased by an estimated €175 million in 2023 to reach €1.3 billion, down 12% on 2022 levels. The EU Milk Market Observatory reported a range of €4,380 - €5,740 per tonne for 2023, significantly behind 2022 prices (EU Commission, 2023b).

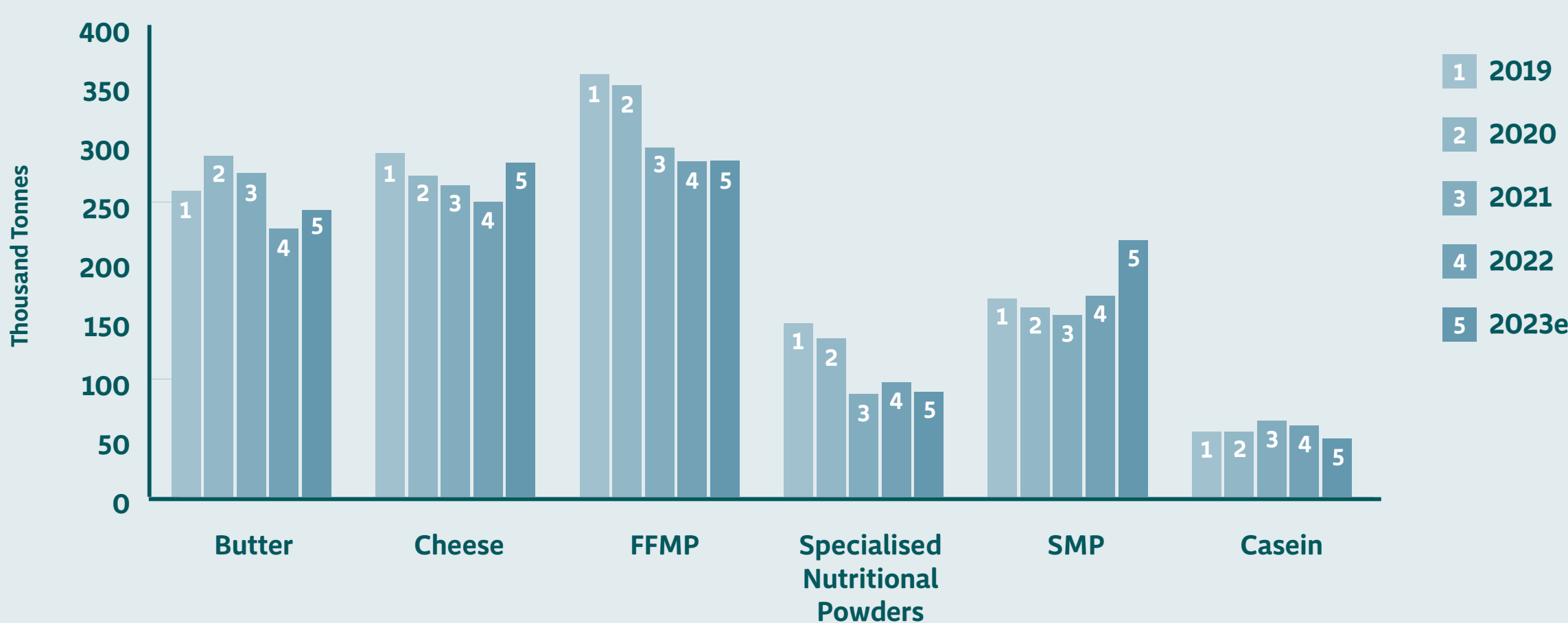
German retail butter volumes declined by 5%, while the lower cost margarines category grew by 4%, indicating some trading down by shoppers. Estimates indicate that UK per capita butter consumption has dropped by 6% in 2023 to below three kg per capita for the first time since 2019 (GIRA, 2023b).

Dairy exports by subcategory: Value



Source: Bord Bia and CSO

Dairy exports by subcategory: Volume



Source: Bord Bia and CSO

TRENDS BY KEY PRODUCTS

CHEESE



€1.3
BILLION

4%
INCREASE

Cheese exports increased by around €55 million in 2023 to approximately €1.3 billion, a rise of 4% on 2022’s figures. Market values were relatively robust with average weekly European prices of approximately €3,900 per tonne during the year, only 8% behind 2022 prices and well ahead of the five-year average of €3,330 per tonne.

GIRA estimate that UK cheese consumption grew by approximately 2% in 2023 (GIRA, 2023c). Overall, Irish export volumes to the UK grew by over 15% in 2023. North American import demand was challenged with domestic production of cheese in the US estimated to have grown by less than 2% (StoneX, 2023). Volumes to the Middle East and North African markets returned to growth in 2023 with double digit increases into the key regional markets of Egypt, Libya and Saudi Arabia.

FAT FILLED MILK POWDER (FFMP)



€825
MILLION

9%
DECREASE

Exports of FFMP decreased by around €80 million in 2023 to an estimated €825 million, a 9% decline on 2022.

Key influencing factors included affordability challenges in west African markets of Ghana, Nigeria, Senegal and Mali as overall volumes to Africa declined by approximately 25% versus 2022.

SPECIALISED NUTRITIONAL POWDERS



€800
MILLION

6%
INCREASE

Exports of specialised nutritional powders increased by around €45 million in 2023 to stand at €800 million, a rise of 6% on 2022’s figures.

The increase in exports to North America recorded in 2022 was retained and China’s sourcing from Ireland looks to have returned to 2021 levels after supply chain challenges in 2022.

TRENDS BY KEY PRODUCTS



Casein contributed most to the overall dairy category decline in 2023 with exports valued at an estimated €500 million, a €185 million drop on 2022 levels.

The key driver was a significant devaluation in unit prices compared with prices available in 2022, in part attributable to a focus on moving high price inventory through businesses as quickly as possible.



Skim Milk Powder (SMP) export volumes exceeded 2022 levels with significant stocks released in the first half of the year. However, value declined by more than €30 million to an estimated €585 million.



Whole Milk Powder (WMP) exports grew by 4% in 2023 to reach a value of €220 million. Latin America contributed to some of this increase where better affordability and lower availability from Argentina were key influencing factors.

The EU whey price dropped to €640 per tonne in August 2023. This is close to half the levels seen in 2022 and when coupled with lower volumes (down 12%) meant the value of Irish exports from this category fell by €90 million to an estimated €250 million.



Yoghurt exports performed strongly in 2023 at a value of €25 million.



PERFORMANCE BY DESTINATION



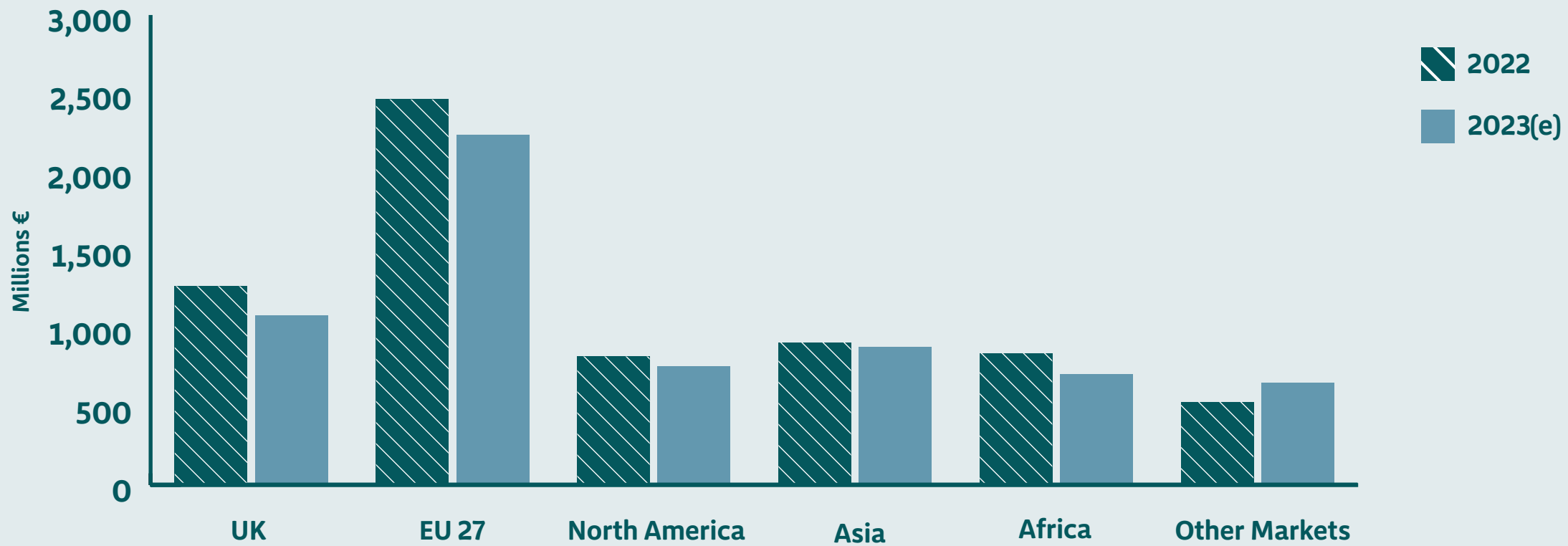
DAIRY EXPORTS TO EU

9%
DECREASE

VALUE OF

€2.2
BILLION

Dairy exports by region



Source: Bord Bia and CSO

Dairy exports to the EU declined by 9% to a value of €2.2 billion, accounting for 35% of exports. Butter exports to Germany contributed to the decline although across the category lower exports were reported to the other key markets of Netherlands and France.

Exports to the UK declined by 15% to a value of €1.1 billion, with the UK’s share of Irish dairy exports standing at around 17% in value terms. The value of butter exports were lower than 2022, while cheese and yoghurt exports to this region performed well.

Exports to North America declined by 8% to a value of €750 million, accounting for 12% of exports. A decline in casein and cheese exports were recorded, however, Irish butter exports to the United States continues to increase, with growth of more than 10% seen in the first nine months in the year compared with the same period in 2022.

PERFORMANCE BY DESTINATION

Dairy exports to Asia declined by 3% to an estimated value of €880 million, accounting for 14% of exports. Exports to China were marginally lower in 2023 with specialised nutritional powders, casein and the milk and cream category in line with, or slightly ahead of, 2022 demand levels. However, lower trade on whey and SMP resulted in a drop of 5% to a final market value of €420 million.

Exports to Southeast Asia were mixed with growth in Indonesia and Thailand, countered by declines in Singapore, Vietnam, and Malaysia.

Africa declined by 16% to €705 million, accounting for 11% of exports. Performance varied by region, with higher exports recorded to North Africa which helped to partially offset the decline to West African markets.

The value of dairy exports to the Middle East grew by 24% to reach €390 million, accounting for 6% of all exports. Retail sales in Saudi Arabia were a key driver, while additional trade with Iraq and United Arab Emirates also provided a boost to exports to this region.



PROSPECTS FOR 2024

From an Irish dairy output perspective, favourable weather and/or improved milk prices could help boost milk volumes compared to 2023.

However, challenges regarding the impact of nitrates changes on stocking rates, accompanied by expensive land rental costs create some uncertainty from a milk production perspective as we head into 2024.



Globally, it is likely that there will be a modest increase in output from the main exporting regions (Rabobank, 2023a) and (StoneX, 2023). On the demand side most commentators are predicting modest import growth of 2% reflecting uncertainty around economic growth and affordability (StoneX, 2023). Domestic production in China is predicted to rise again by around 2% in 2024. However, even with increased availability of locally produced dairy products, the market would still need to import almost 17 million tonnes of dairy products according to StoneX (StoneX, 2023). Demand for imported butter is predicted to increase by up to 5% in the UK (GIRA, 2023b). Per capita consumption of butter and cheese in the US is trending positively, with a forecast growth of 6% and 1% respectively (GIRA, 2023c).

Affordability impacted on consumption negatively in the first half of 2023 as retailers, manufacturers and foodservice operators were all seeking to recoup their higher input costs via consumer price rises. With most of these price increases believed to be worked through the supply chain, lower on-shelf prices should attract consumers back to the dairy category during the course of 2024. Outside of trading, 2024 looks to be a pivotal year in terms of the sector’s requirements as part of the National Climate Action Plan commitments and the Fifth Nitrates Action Programme.

MEAT AND LIVESTOCK

MEAT AND LIVESTOCK
EXPORTS IN 2023

€4.2
BILLION

1%
DECREASE

90
EXPORT MARKETS SERVED

Live exports
6%

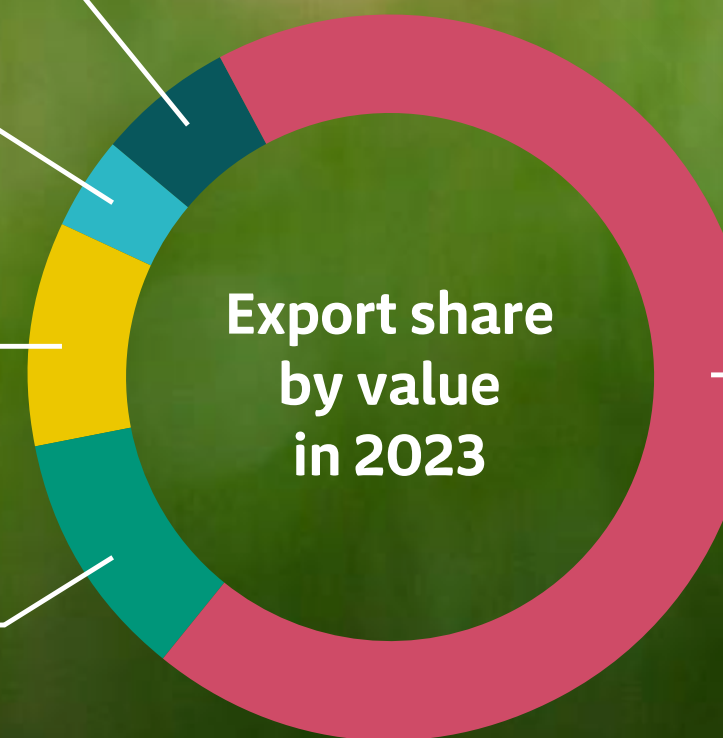
Poultry
4%

Sheepmeat
11%

Pigmeat
11%

Export share
by value
in 2023

Beef including offals
68%



OVERALL PERFORMANCE

Meat and Livestock sector exports in 2023 recorded a value of approximately €4.2 billion, down less than 1% when compared with the prior year.

An increase in the value of exports for beef and live animals, up 2% and 9% respectively, largely offset a significant decline in the value of pigmeat exports.



The performance in beef is attributed to higher average unit pricing across the year, offsetting a decline in volumes due to lower throughput and carcass weights. Pigmeat exports declined by nearly €70 million, however improved pricing helped to partially offset a larger decline in export volumes as a result of lower pig throughput across the year.

To a lesser extent sheepmeat exports also saw a decline in value, down 7% on the prior year, which was driven by a decline in pricing with volumes marginally higher.

BEEF
OVERALL PERFORMANCE

The total value of primary beef exports in 2023 is estimated at €2.7 billion, an increase of 2% over last year. Beef offals were valued at €140 million, up 3%.

Value-added beef exports, which are accounted for within the Prepared Consumer Food (PCF) sector, increased to €255 million, up 7%.



Cattle throughput is estimated to have decreased by more than 2% or 40,000 head at Irish meat plants, contributing to a 3% decrease in the volume exported (489,000 tonnes). Beef supplies were impacted by lower carcase weights, which were down by an estimated 3%, resulting from reduced animal performance due to poorer grass quality for most of the summer period, and lower concentrate feed usage.

The UK was the strongest market for Irish beef in 2023, with primary exports growing by 10% in value and nearly 6% in volume terms during the first half of the year (Bord Bia, 2023a). Trade was helped by tight prime cattle supplies in Britain (AHDB, 2023a).

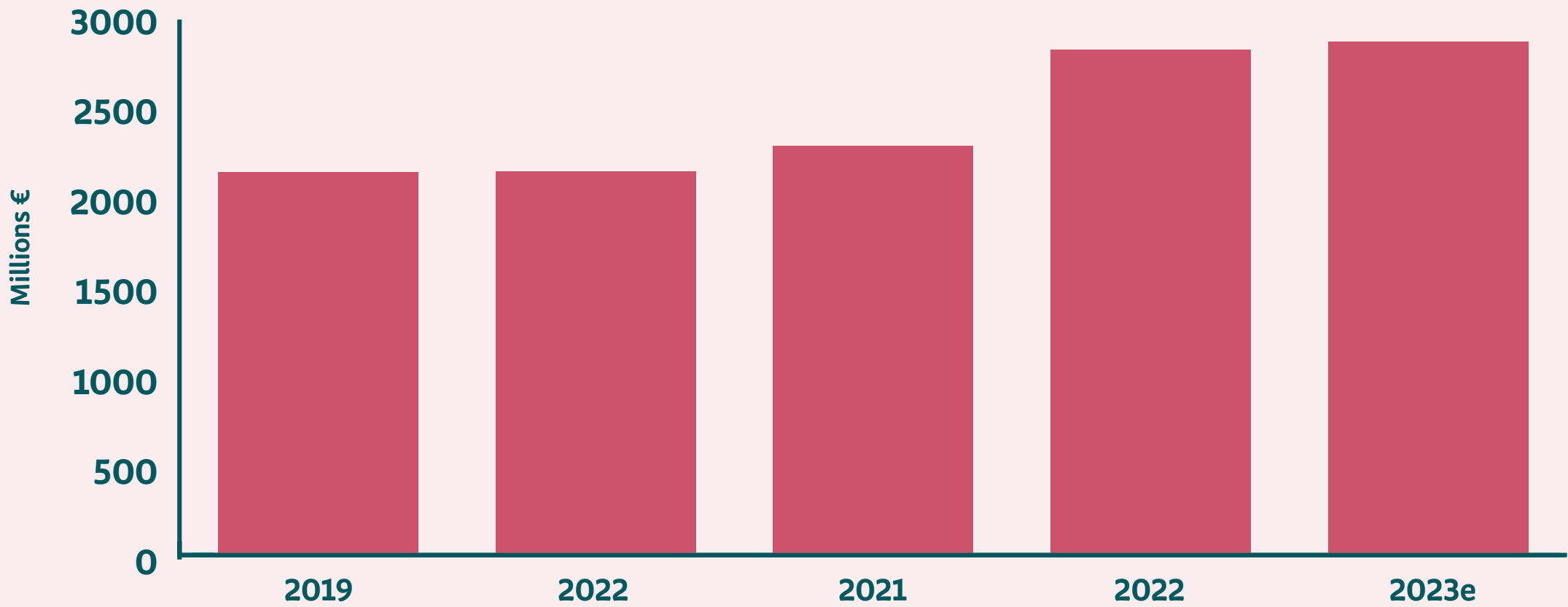
BEEF
OVERALL PERFORMANCE

While, EU beef production remained tight in 2023, the inflationary impact on consumption moderated demand for beef, with consumers turning to lower cost proteins. Demand for manufacturing beef, which had underpinned high beef prices throughout the UK and Europe in 2022, eased in 2023, partially due to the fact that stocks had been rebuilt post Covid-19 but also as a result of weaker retail demand for burgers and grilling products due to poor weather during the summer season.

Despite this, lower cattle availability has kept average EU young bull prices marginally above last year at €4.97 per kg versus €4.96 per kg in 2022 (EU Commission, 2023a). By comparison, Irish R3 steer prices averaged €4.96 per kg for the year, which represented a 4% improvement year-on-year.

The European Commission estimate that beef consumption across the EU decreased by less than 1% to just under 10kg per capita, while beef imports to the EU declined by an estimated 2% to 346,000 tonnes (EU Commission, 2023c).

Beef exports including offal



Source: Bord Bia and CSO



BEEF

PERFORMANCE BY DESTINATION

UK MARKET REPRESENTS

47%

TOTAL EXPORT VALUE

UK EXPORTS VALUE

€1.3

BILLION

UK

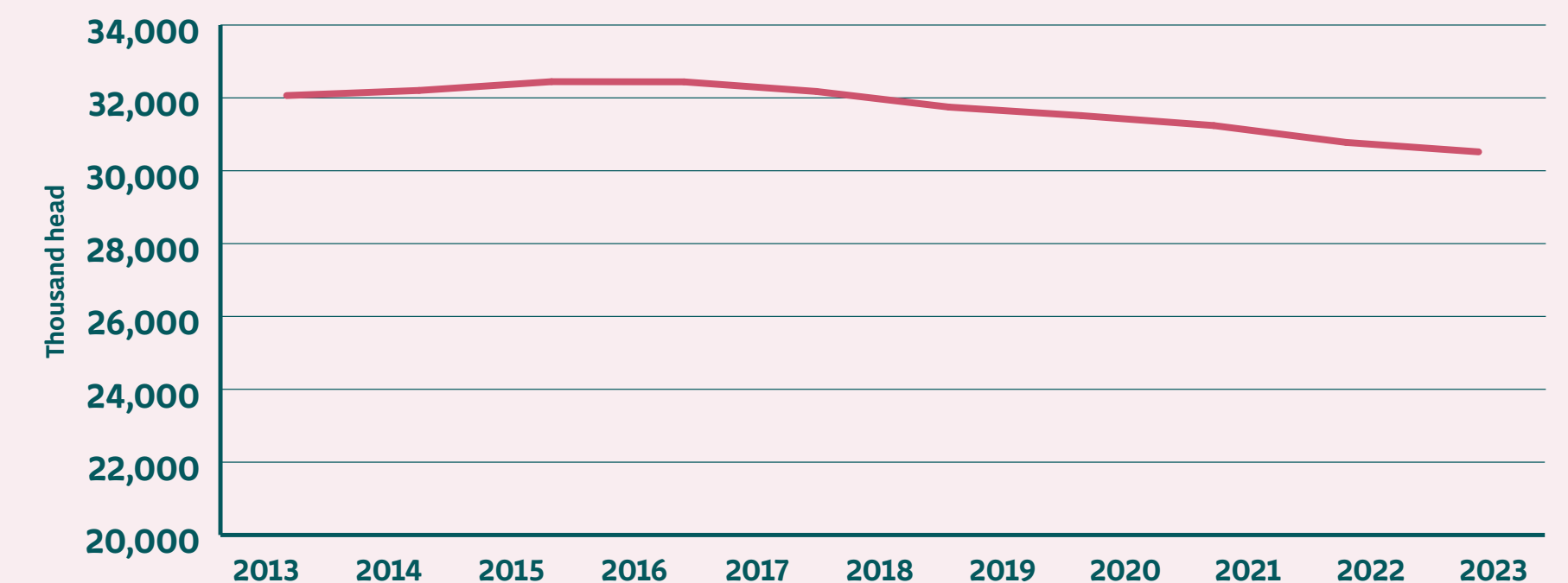
The value of exports of Irish beef to the UK increased by 10% to reach an estimated €1.3 billion.

The UK market accounted for 47% of Irish exports in value terms, up from 44% in 2022. Domestic beef supplies remained tight throughout the year resulting in a reduction of less than 2% in supplies. Partly as a result of the scarcity of British cattle, prices paid for R3 steers in the UK increased by an average of 7.5% in 2023, to the equivalent of €5.50 per kg.

Overall, UK beef imports in the first half of the year declined by 7% in value terms (IHS Markit, 2023). However, demand for beef meeting specifications of the large retail and foodservice customers remained strong, maintaining demand for Irish beef.

The foodservice channel enjoyed continued growth with 6% higher beef volumes, according to AHDB (AHDB, 2023c). Burgers in dine-in and quick service restaurants were the driver of foodservice growth (AHDB, 2023b).

Retail sales were impacted by reduced consumer spending power and continued price increases, with volumes contracting by an estimated 1%. The decline was most evident in the more expensive cuts such as steaks and roasts, which were four and six percent lower respectively, while mince sales increased marginally (AHDB, 2023c). During the second half of the year there was an improvement in primary beef sales at retail, indicating that consumers were seeking greater value and cooking from scratch (AHDB, 2023c).



Source: Eurostat

BEEF
PERFORMANCE BY DESTINATION

Europe

Irish beef exports to continental European markets were slightly lower at an estimated €1.3 billion in 2023, accounting for 48% of the overall value of this trade.

Beef supplies across many markets remained tight, most notably in Italy, France, Sweden, Poland and Spain by between one and three percent (Gira, 2023d). EU average cattle prices peaked during July when the European average young bull price reached €5.21 per kg and were up by more than €0.30 per kg over a year earlier (European Commission, 2023a).

Demand remained strong for forequarter, mince and manufacturing beef while higher value cuts such as steaks were in lesser demand as the cost-of-living crisis impacted on purchasing behaviour.

Bord Bia’s Meat Shopper Insight Tracker monitors consumer’s meat purchasing behaviour across seven of our main markets. The study found that in the third quarter of 2023, 72% of consumers say they considered purchasing beef which represents an improvement relative to earlier in 2023. However, an average of just 40% of these shopping occasions resulted in beef being purchased. While consumers aspire to buy more beef in the future, the primary reason provided for not making the actual purchase is that beef was considered ‘too expensive’ against other meal options (Bord Bia, 2023c).

International

Irish beef exports to international markets are estimated to have declined by 24% to €128 million, representing a 5% share of total Irish beef exports in value terms.

This decline reflected relatively high prices in the UK and Europe, while prices on international markets moderated for the most part. Australian beef prices in early November stood at just over €2.58 per kg compared to prices over €4.46 per kg a year earlier (EU Commission, 2023e), which has impacted on our competitive position, especially in Asian markets. Demand from Japan and the Philippines was also below 2022 levels.

Meanwhile exports to China reached over €25 million in value when the market re-opened between April and October 2023, prior to exports being suspended from November 2023 onwards. Exports to Hong Kong developed positively, growing by 52% to reach almost €12 million.

Value-added beef

In addition to primary beef, value-added beef contributed a further €255 million in 2023. This represented an increase of 7%.

This subcategory is an opportunity to meet the growing consumer demand for meal solutions, and increase the value from traditionally lower priced cuts and trimmings. It consists of products such as value-added ingredients for foodservice and manufacturing channels, and products such as burgers for retail and foodservice.

Demand from the sector was strong at the beginning of the year however, poor summer weather across Britain and Europe resulted in subdued demand for grilling products. As a result there was some build up in stock levels and less sell through in the latter part of the year. Key markets for exports during 2023 included the UK, with sales up 1% to €125 million. Sales to the EU-27 in total increased by 13% to €130 million, with France and Germany - two of the main markets - both increasing by 2% to over €30 million and €10 million respectively.

BEEF
PROSPECTS FOR 2024

The outlook for beef exports remains somewhat uncertain for 2024.

Global and EU supplies look set to remain well balanced, however the impact of cost-of-living factors and consumer sentiment on beef purchasing behaviour will remain a critical factor in determining price developments.



The EU beef herd is forecast by the EU Commission to decline by a further 1% in 2024 (EU Commission, 2023d), with reductions likely across several markets, including France, Spain, Italy and Germany. UK supplies are expected to show a small decrease in 2024 (USDA, 2023).

In global terms, beef supplies are forecast by the USDA to decrease marginally, largely driven by a decline in the US herd where the decline could be more than 10% (USDA, 2023). Lower production is also projected for Brazil, Argentina and Canada. Import demand globally, is projected to reduce marginally with growth coming mainly from the US,

while Asian markets could be slightly weaker in terms of import demand, according to the USDA (USDA, 2023).

Some growth in EU imports is forecast by the EU Commission as foodservice demand normalises, and the domestic European production continues to shrink. However, most of the growth will be accounted for by product from the UK, which is now the EU’s main import source (EU Commission, 2023d).

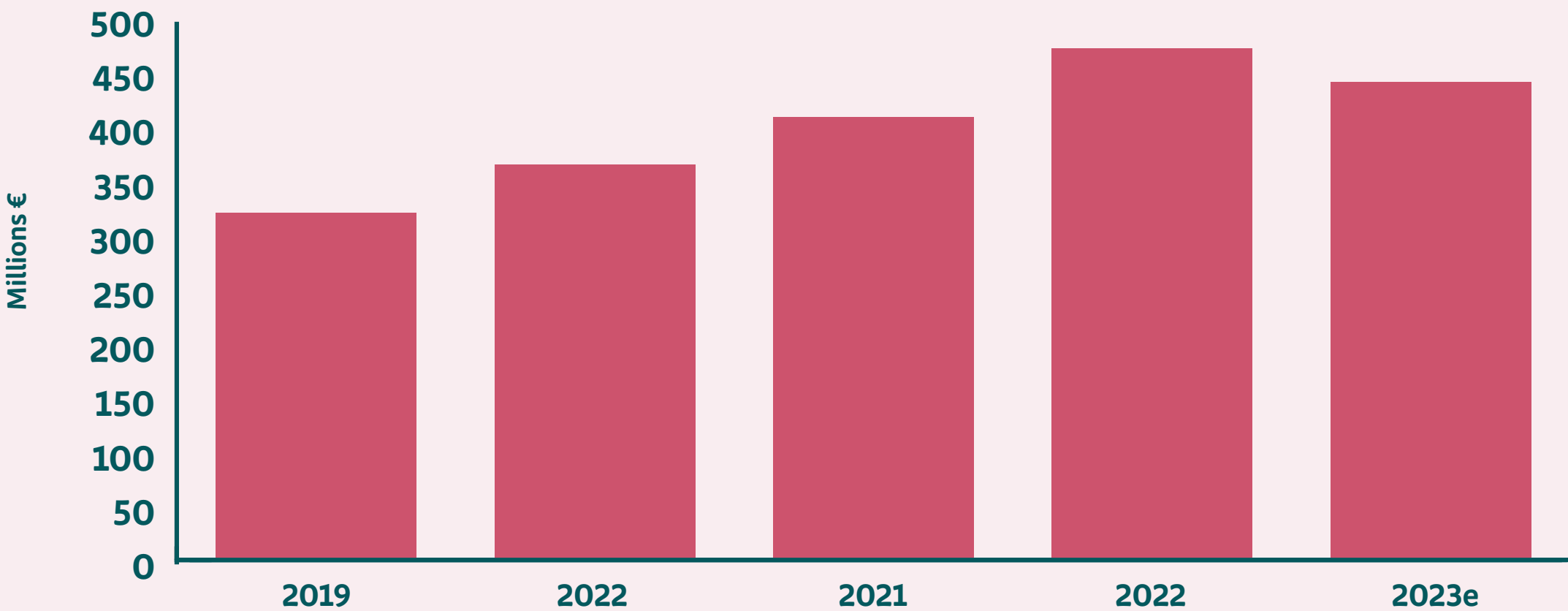
Some relaxation in the cost-of-living crisis is expected in 2024 which could help demand for Irish beef as a consistent source of high-quality beef with strong sustainability credentials and consumer appeal.

SHEEPMEAT
OVERALL PERFORMANCE

Irish sheepmeat exports were valued at over €440 million during 2023, a 7% decline. This follows year-on-year growth since 2014.

With the volume of sheepmeat exports holding relatively stable during 2023 at 77,000 tonnes, the decline in value sales is a direct result of a much more challenging trading environment for Irish sheepmeat.

Sheepmeat export
value trends



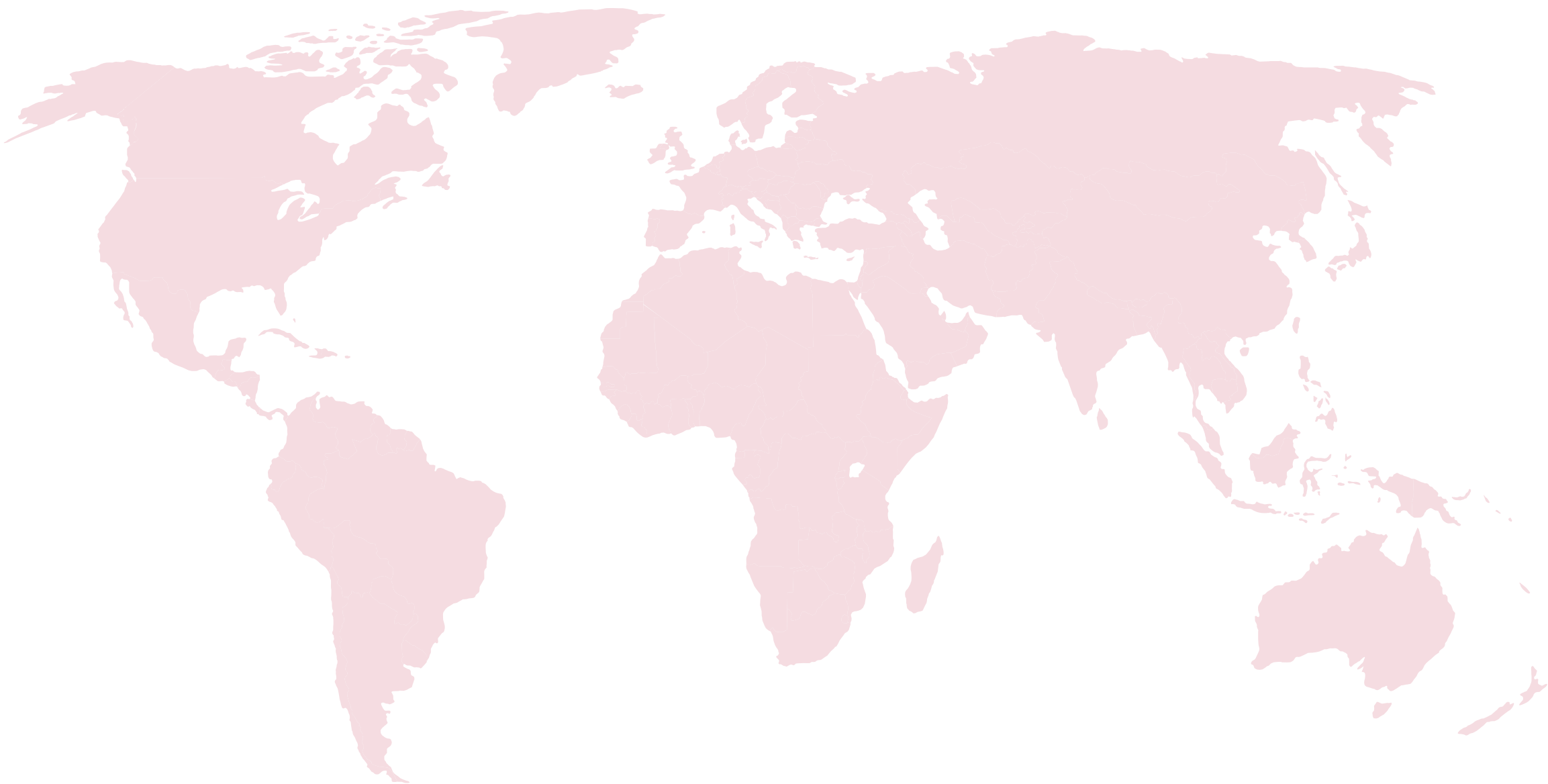
Source: Bord Bia and CSO

Shifts in global demand combined with increased production in the southern hemisphere and a notable increase in the availability of UK sheepmeat in our key export markets, all created challenges for Irish exporters.

A larger carryover of hoggets into 2023 boosted Irish sheepmeat production in the first half of the year, with the increased supplies putting some downward pressure on the deadweight trade. As we moved into the second half of 2023, lamb supplies for processing tightened significantly and helped keep a floor under the lamb trade with prices operating in line with the corresponding period in 2022.

The tighter supplies of lambs for processing in the second half of the year, combined with lower carcase weights, offset the higher production in the first half of the year. Higher input costs and difficult production conditions affected the quality of lambs presented for processing in 2023, which contributed to the reduction in the value of sheepmeat exports.

SHEEPMEAT
PERFORMANCE BY DESTINATION



The EU market remained the primary outlet for Irish sheepmeat, accounting for almost three quarters of sheepmeat exports in both value and volume terms. Exports to the region were valued at €325 million, a 7% decline from year earlier levels.

France remains the largest market with exports valued at €135 million, back 9% on 2022 levels. There were also declines in the value of exports to Germany, Sweden, Belgium and Italy.

The higher price point of lamb relative to other proteins left it more exposed to the impacts of high levels of inflation in many of our key export markets. On a more positive note, key lamb export markets have indicated some signs of stabilisation in lamb consumption during the second half of 2023 (Bord Bia, 2023b). Lamb benefits from the important religious and cultural role it holds with European consumers which helps to provide some stability in overall consumption.

The latest EU short term outlook indicates stable per capita consumption - up 0.8% - within the trading bloc (EU Commission, 2023c).

Sheepmeat exports to the UK were valued at €70 million, a 7% decline from year earlier levels. Export market share in value terms however has remained constant at 16%. Exports of sheepmeat to international markets were valued at €45 million, back marginally from 2022 levels. Exports to Switzerland have held steady and accounted for more than two thirds of all Irish sheepmeat traded internationally. There was some growth in the value of exports to Asian markets including Hong Kong and the Philippines, while exports to Canada were more subdued.

SHEEPMEAT
PROSPECTS FOR 2024

The outlook for the Irish sheepmeat sector remains challenging with the impact of inflation in key export markets affecting lamb demand.

Profitability issues and challenging production conditions on Irish farms in 2023 have impacted on producer confidence, with a further decrease in ewe numbers expected in 2024. A higher carryover of 2023 born sheep into 2024 for processing should keep export volumes stable in the first half of the year. Although initial forecasts indicate tighter supplies from Q3 2024 onwards.



On a global level, China continues to have a strong impact on the sheepmeat market due to the sheer volume of product it imports. Import volumes of sheepmeat into China improved in the second half of 2023 and this is expected to continue into 2024. However, it is worth noting that the returns available are much more competitive which impacts on the value of the trade. The US also remains a significant importer of sheepmeat, albeit at lower volumes and values than previous years.

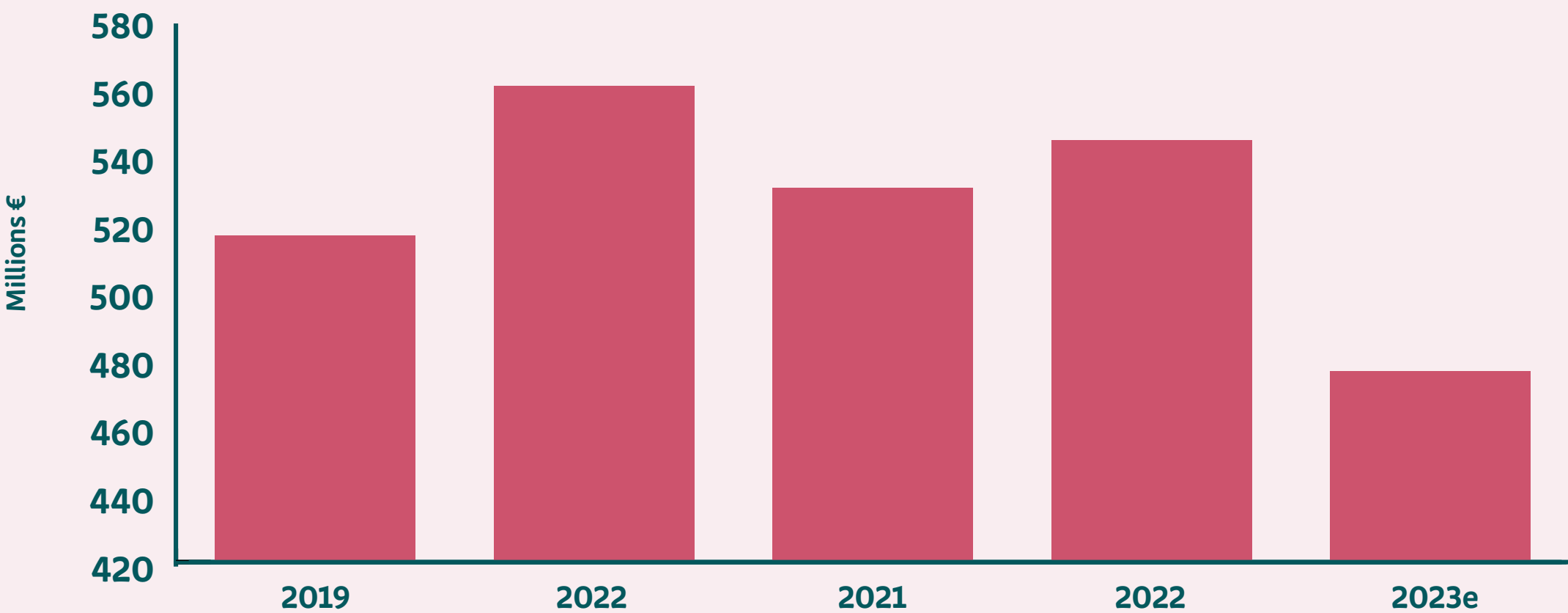
Sheepmeat production in Australia is expected to remain strong in 2024 with New Zealand output also holding steady (MLA, 2023) and (Beef and Lamb New Zealand, 2023). With weaker returns from the Chinese and US markets however, there is potential for more Southern Hemisphere product to be exported to higher value markets such as the EU and the UK, which could continue to impact the competitiveness of Irish lamb in these markets during 2024.

PIGMEAT
OVERALL PERFORMANCE

Irish pig producers reacted similarly to their European counterparts by reducing their average holding size over the last 18 months.

This impacted on output levels during 2023, with the volume of Irish pigmeat exports (excl. value-added pigmeat) 20% lower than 2022 levels at 189,000 tonnes. Equivalent export values were almost 13% lower at €475 million, despite higher unit pricing offsetting the significant reduction in export volumes as the year progressed.

Irish primary pigmeat
export value trends



Source: Bord Bia and CSO

Changes in international market demand combined with higher costs of production over the last number of years has challenged the EU pigmeat supply chain.

Across Europe, producers responded to low producer prices, rising animal welfare issues and environmental concerns by reducing their holding size in key regions.



PIGMEAT
OVERALL PERFORMANCE

According to the CSO, Irish pigmeat production fell by almost 11% to just over 224,000 tonnes for the first nine months of 2023 compared to prior year levels, reflecting a decrease in both pig supplies and carcase weights (CSO, 2023c). For the last quarter of 2023, Irish pigmeat production remained tight as producers took a cautious approach to expanding production against a backdrop of ongoing high relative production costs.

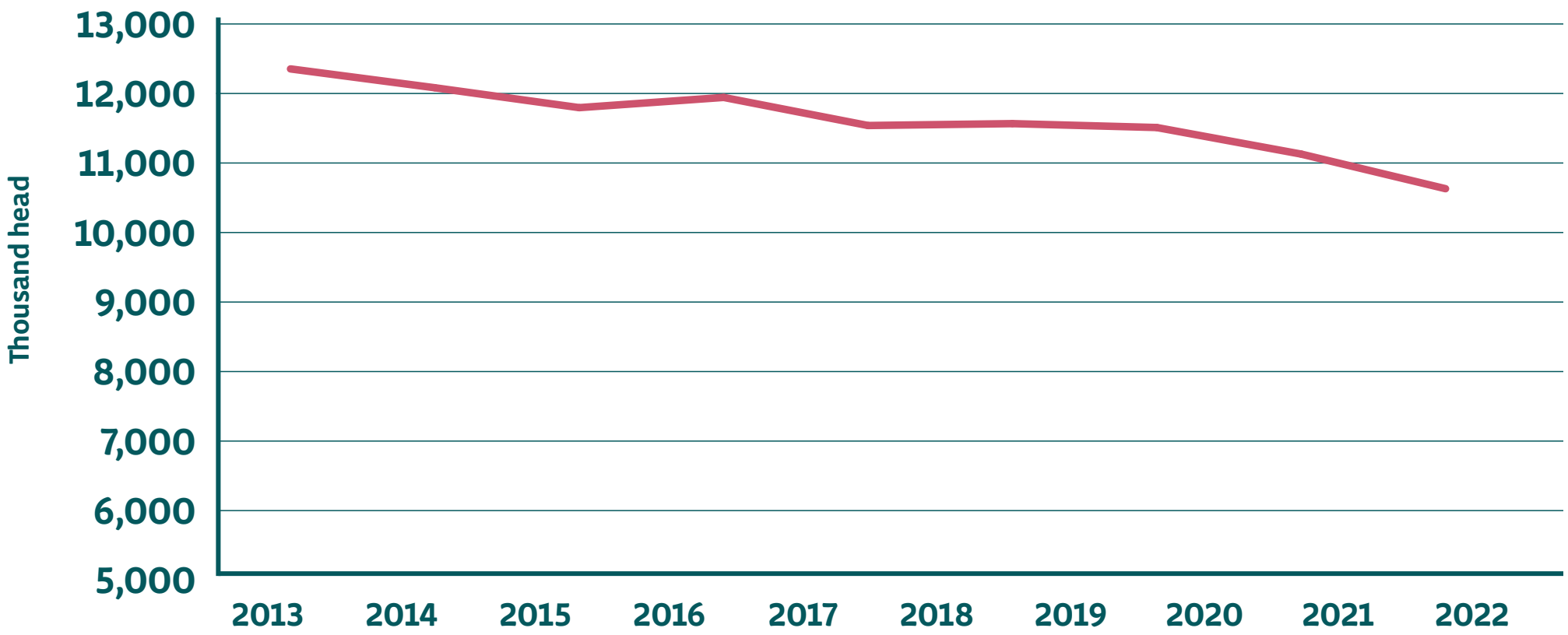
Despite EU pig prices breaking record levels during 2023, pig producers across the EU continued to exit the industry. The June 2023 Livestock Census showed a decline of 2% or 233,000 head compared to prior year levels. Significant pig producing member states such as Germany, France, the Netherlands, Poland and Denmark recorded lower numbers (Eurostat, 2023b). This reflects producers taking a more cautious attitude to expanding production, especially against a backdrop of legacy debt from the cost of production crisis.

In Northern Europe, higher animal welfare and environmental standards are forcing some producers to exit the industry (Rabobank, 2023c). However, some increase in the Spanish and Italian pig breeding herd helped to partially offset the ongoing decline in European numbers (Eurostat, 2023b).

Following on from the record EU pig producer prices that were set during the second half of 2022 in response to tighter supplies, 2023 saw continued strong prices, with Irish prices hitting record highs of €2.24 per kg deadweight excluding VAT by the end of August, although some decline in pig pricing was reported during the last quarter of 2023 (Bord Bia, 2023).

EU breeding
pig numbers

Source: Eurostat



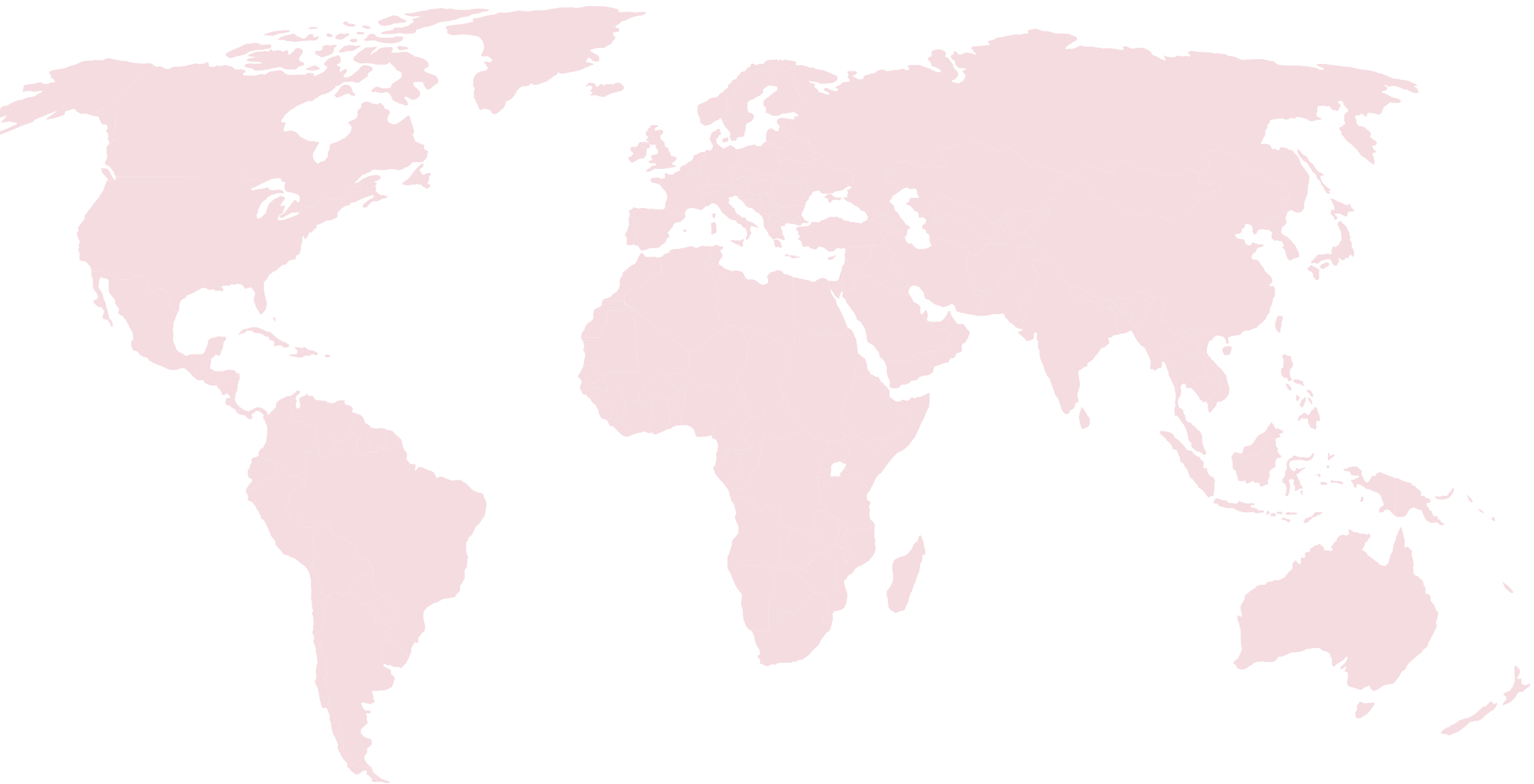
Value-added pigmeat

Total value-added pigmeat exports increased by approximately 2% to €420 million. The UK continues to be the key destination, accounting for 70% of total exports, despite the slowdown in shipments to this market.

This market is particularly important for cooked bacon, toppings and ingredients, which service the quick service and manufacturing channels. The UK market remained challenging due to the ongoing cost-of-living crisis and inflationary impact. As a result, discretionary spending is challenged, as consumers continue to trade down.

European markets showed a strong performance, with the value of these exports rising by 26% to almost €100 million, and now accounting for almost 23% of total exports. France, Germany, Spain and Denmark remain critical markets for this sector; however, good growth is coming from other markets, such as Italy, Belgium, and Portugal.

PIGMEAT
PERFORMANCE BY DESTINATION



Shipments of Irish pigmeat to international markets fell during 2023 with these markets now accounting for 52% of exports compared to 64% during 2022.

This reflects weak demand across the Asian region, with exports to China, Japan, the Philippines, and South Korea impacted by weak import demand levels as EU pigmeat suppliers were less competitive relative to the US and Brazil. In addition, due to the pattern of lower Northern American prices throughout the year, shipments of pigmeat to this region were back by 45% to €20 million.

Compensating for lower international demand, exports to the UK increased by 41% to approximately €133 million reflecting extremely tight UK supplies.

Irish pigmeat shipments to EU markets were 7% lower at €94 million.



PIGMEAT
PROSPECTS FOR 2024

Global pigmeat production is forecast to remain unchanged in 2024, with lower output in China anticipated to offset increases in Brazil, Vietnam and the United States.



Chinese production levels are forecast to fall by 1% to 56 million tonnes. Whilst the USDA is reporting higher American production, some industry analysts believe that a significant production correction is facing their industry on the back of prolonged losses (Gensus Genetics, 2023).

The EU pig industry continues to readjust from weak domestic consumption, and a lack of new markets to replace China by aligning production with lower demand levels.

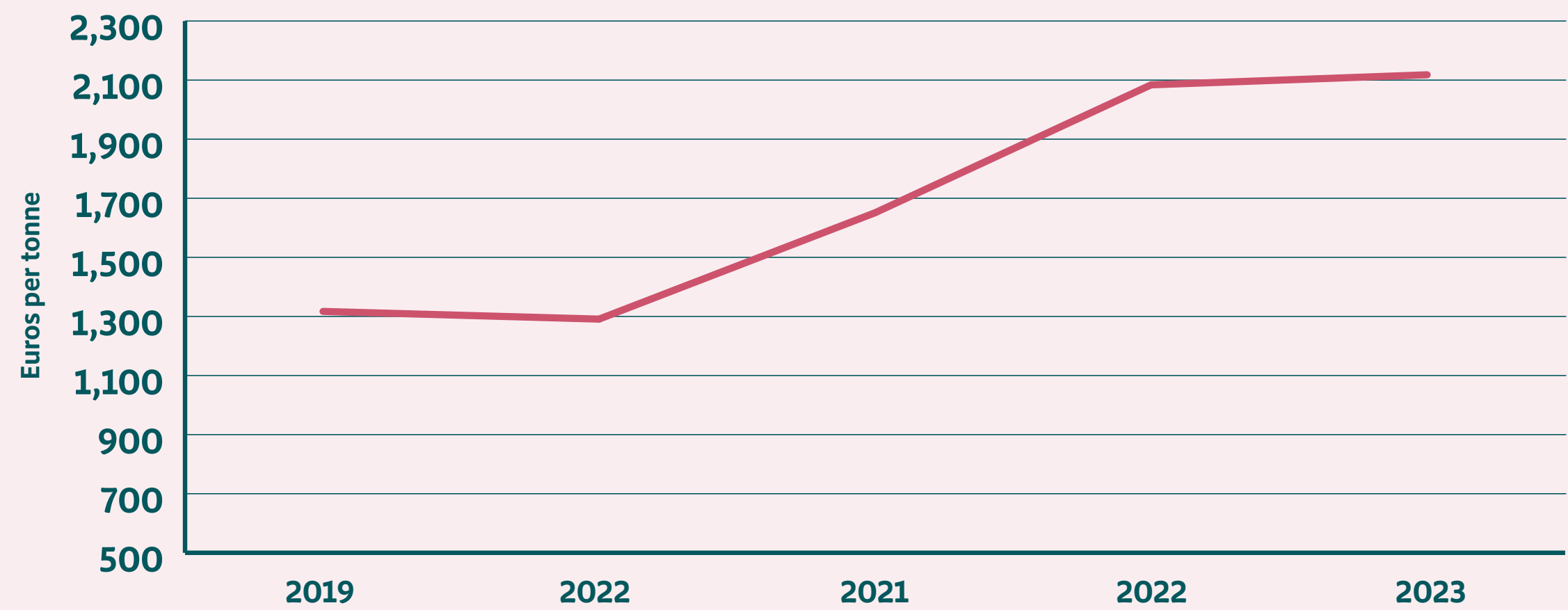
EU pigmeat production is expected to increase marginally (EU Commission, 2023d). EU production in 2024, is expected to be around 10% lower than 2021, reflecting the structural changes that are occurring which is putting significant downward pressure on production.

Irish pigmeat production is expected to gradually recover from the first quarter of 2024, reflecting some recovery in the pig breeding herd on the back of higher prices and some downward readjustment in production costs.

POULTRY
OVERALL PERFORMANCE

Overall, Irish primary poultry exports increased by approximately 7% to over €170 million during 2023, helped by stronger poultry supplies and slightly higher unit pricing.

Price per
tonne of Irish
poultry exports



Source: Bord Bia and CSO

The global poultry industry consolidated during 2023 despite weak global economic growth and higher consumer prices. The decline in feed prices helped boost output as the year progressed while global demand improved as consumer pricing showed signs of tapering off.

However, major operational challenges related to high costs and the impacts of Avian Influenza (AI) are keeping production growth relatively low (Rabobank, 2023b).



IRISH POULTRY PRODUCTION INCREASES

The Irish poultry industry benefitted from firm demand, combined with lower disease pressure in the sector. Poultry throughput levels up to the end of October were running 4% higher at 95 million head compared to prior year levels (Eurostat, 2023c).

For the main subcategory, chicken, output increased by almost 3% to 85 million head (Department of Agriculture, Food and the Marine, 2023). This reflects firm demand, with more dark chicken being sold on the Irish market as price sensitive consumers continue to seek value.

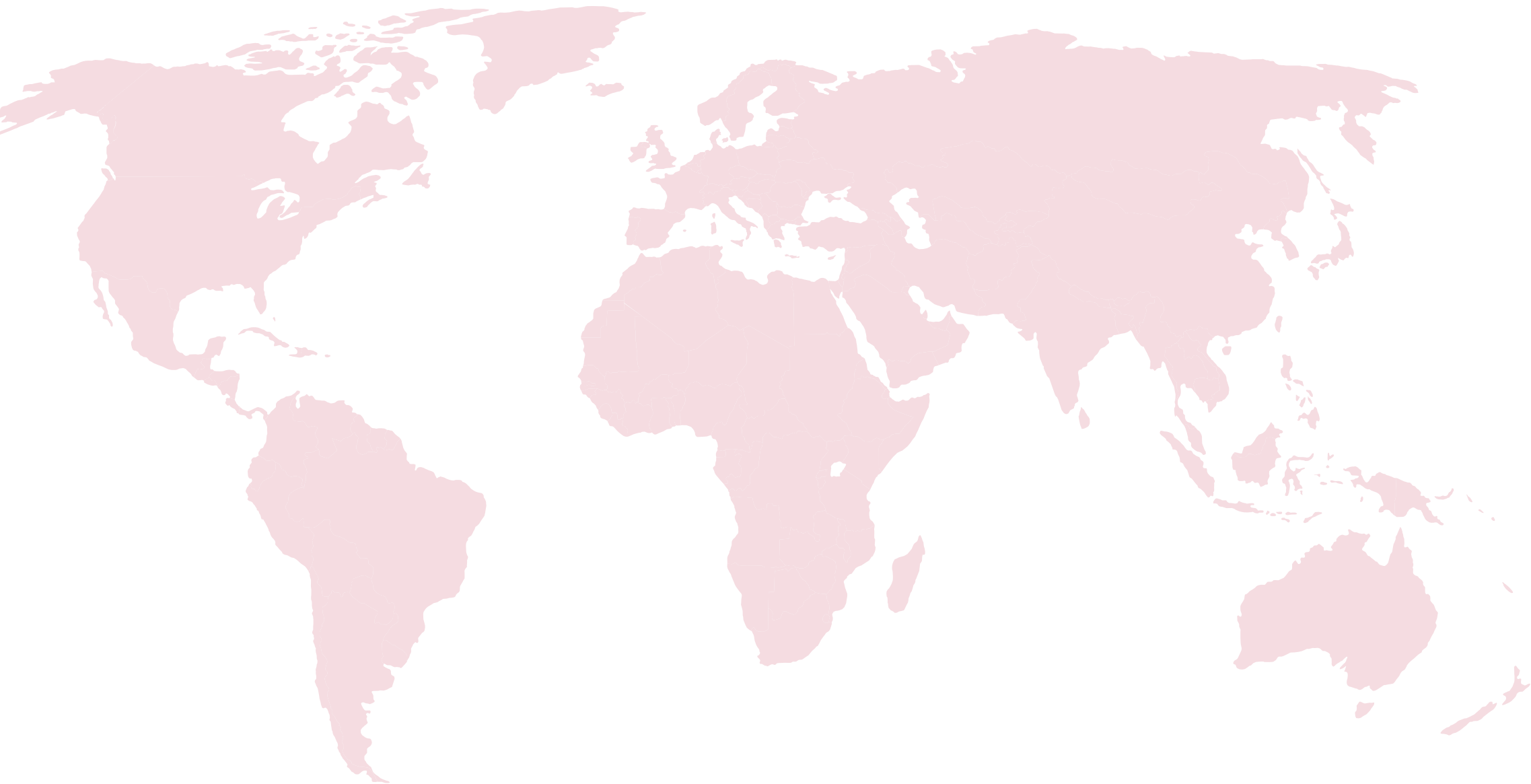


According to Kantar Worldpanel, Irish consumer spend on dark chicken meat rose by 36% to €45 million during the 52-week period ending October 29th, 2023 (Kantar Ireland, 2023). Whilst poultry meat is the most competitively positioned meat protein, there has been significant price inflation in this category. According to Kantar data, Irish poultry retail prices increased by almost 12% for the latest 52-week period (Kantar Ireland, 2023).

High Pathogenic Avian Influenza (HPAI) affected the duck industry during 2022, however a strong recovery was evident in 2023 (Department of Agriculture, Food and the Marine, 2023).

In Europe, production growth across the region continues to be impacted by HPAI, especially in France and central Europe, and the increased prevalence towards slow-growing chicken, particularly in the Netherlands. Despite strong seasonal demand for chicken, there has been disciplined industry growth as producers remain cautious against the threat of HPAI and geopolitical tensions that could cause another spike in production costs.

POULTRY
PERFORMANCE BY DESTINATION



Increased poultry shipments to the EU helped to offset lower exports to the UK region. Key markets within Europe include the Netherlands, France, Denmark and Germany.

The Spanish market continues to show strong growth reflecting the penetration of the retail channel for dark poultry meat products, with exports more than doubling to almost nine million euros during the year. Elsewhere, poultry shipments to international markets were 19% higher at over €36 million.

Market access conditions to South Africa improved during the year, and exports also increased to other African markets such as Guinea, Ghana, and Benin.

Value-added poultry

Shipments of value-added poultry increased by 1% to €200 million during the year, with approximately 85% of these exports destined for the UK market.

This will leave value-added poultry to the UK 2% lower at €170 million. This market is particularly important for cooked chicken suppliers who provide value-added chicken ingredients that are used in the further manufacturing channel and the limited-service restaurant channel. This reflected inflationary challenges in this market.

However, exports to the EU increased by 23% to €30 million, with strong performances recorded in the Netherlands, Germany and France.

POULTRY
PROSPECTS FOR 2024

The outlook for the global poultry industry will be helped by improving demand and lower costs in 2024.

Europe’s market conditions look positive, but the industry faces pressure from rising imports, especially increased chicken imports from the Ukraine which jumped by 78% for the year to July (IHS Markit, 2023).



European consumer spending is expected to come under further pressure. This squeeze on spending is likely to cause further switching into the chicken category, with pork pricing expected to remain at elevated levels (Rabobank, 2023b).
HPAI remains a concern for the global poultry industry, and now that the virus has spread to most regions, increased global risk for production and trade will be evident (USDA, 2023).

If commercial flocks in any of the three key Brazilian producing regions are impacted, then the effect on global markets could be significant for the animal protein sector.

LIVE EXPORTS
OVERALL PERFORMANCE

The trading of live animals internationally continues to provide an important alternative market for the Irish livestock industry with exports valued at an estimated €265 million during 2023, an increase of 13%.

Cattle exports account for most of the live export trade. With 332,000 animals exported, valued at €190 million. The number of cattle traded increased by 14% when compared to 2022 levels, a trend primarily driven by very strong levels of calf exports.

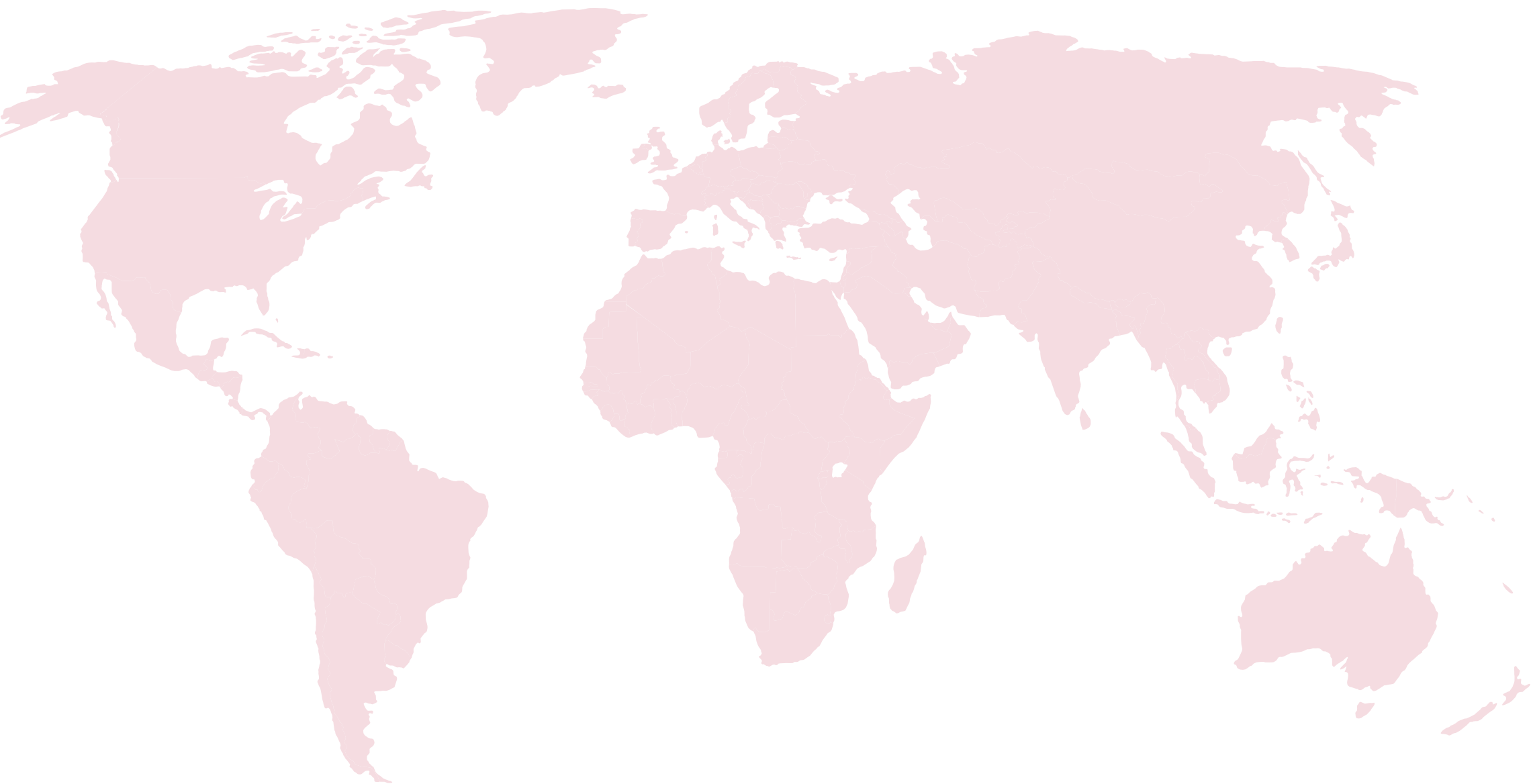


There were also 365,000 pigs exported during 2023, primarily to Northern Ireland. This is back almost 10% from the 400,000 pigs exported the previous year and is reflective of notable declines in the Irish pig herd and lower availability of pigs for export. An improvement in deadweight pork prices has meant the export value of pigs held steady at €75 million despite the lower levels of export. Live sheep exports totalled 20,000 head in 2023 and accounted for approximately three million euros of export revenue.

Tighter cattle supplies in mainland Europe, combined with the positive reputation of Irish livestock with existing customers, contributed to a 20% increase in calf export numbers.

The Netherlands was the strongest market for dairy male calves in 2023 with 110,000 calves traded to the region, accounting for more than half of all Irish calf exports. Meanwhile Spain has also remained an important market for both dairy and beef sired calves with 60,000 calves exported. Eastern Europe has been a growing market in 2023 for older, stronger calves destined for beef production.

LIVE EXPORTS
PERFORMANCE BY DESTINATION



NORTHERN IRELAND REPRESENTS

59%
OF EXPORTS

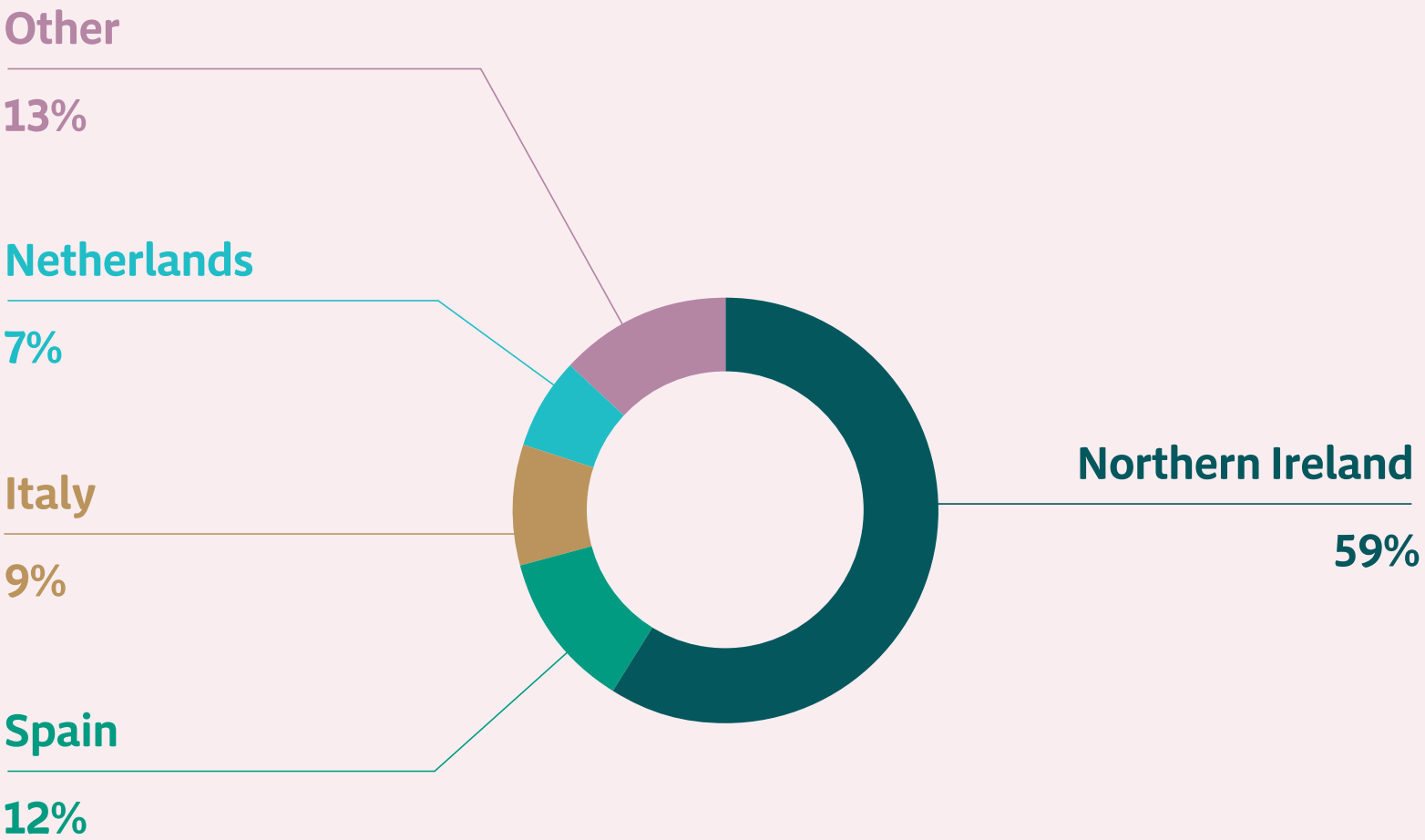
NORTHERN IRELAND LIVE EXPORTS

8%
INCREASE

Tighter cattle supplies in key markets contributed to higher demand for Irish weanling and store cattle in mainland Europe, with some increase in activity in international markets in the second half of 2023 also contributing to a positive export performance for the category.

Trade with Northern Ireland for both finished cattle and those for further production also recorded an improvement in the second half of 2023. Tighter cattle supplies in the UK, a favourable exchange rate, and a growing price differential between Irish and UK deadweight cattle prices all provided some increased positivity in this trade.

Share of live exports value by destination, 2023



Source:
The Department
of Agriculture, Food
and the Marine

LIVE EXPORTS
PROSPECTS FOR 2024

The live trading of animals remains under intense scrutiny at both a local and European level. The longer-term future of the unweaned calf trade will be impacted by the proposed changes to EU Transport legislation.

However, despite this the short-term outlook for calf exports in 2024 remains fairly positive with firm forward demand from customers in key markets including the Netherlands, Spain and Italy.



The outlook for older categories of cattle also remains positive in the short term with tighter domestic cattle supplies expected in many European markets including Spain, Italy, Greece and Eastern Europe. Supply outlooks also remain subdued in Northern Ireland which is expected to drive stable demand for Irish cattle during 2024.

PREPARED CONSUMER FOODS

PREPARED CONSUMER
FOODS EXPORTS IN 2023

€3.1
BILLION

7%
INCREASE

139
EXPORT MARKETS SERVED

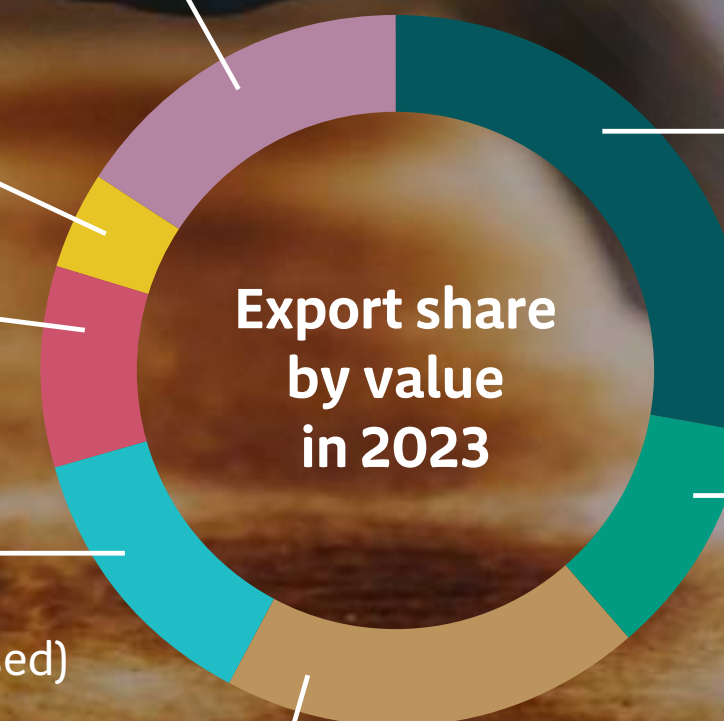
Other
16%

Cereal Based
4%

Beverages
(Juice and Carbonated)
9%

Confectionery
(Chocolate and Sugar Based)
14%

Meal Solutions
19%



Value-Added Meat
28%

Bakery
(Biscuits, Bakery
and Sweet Bakery)
10%

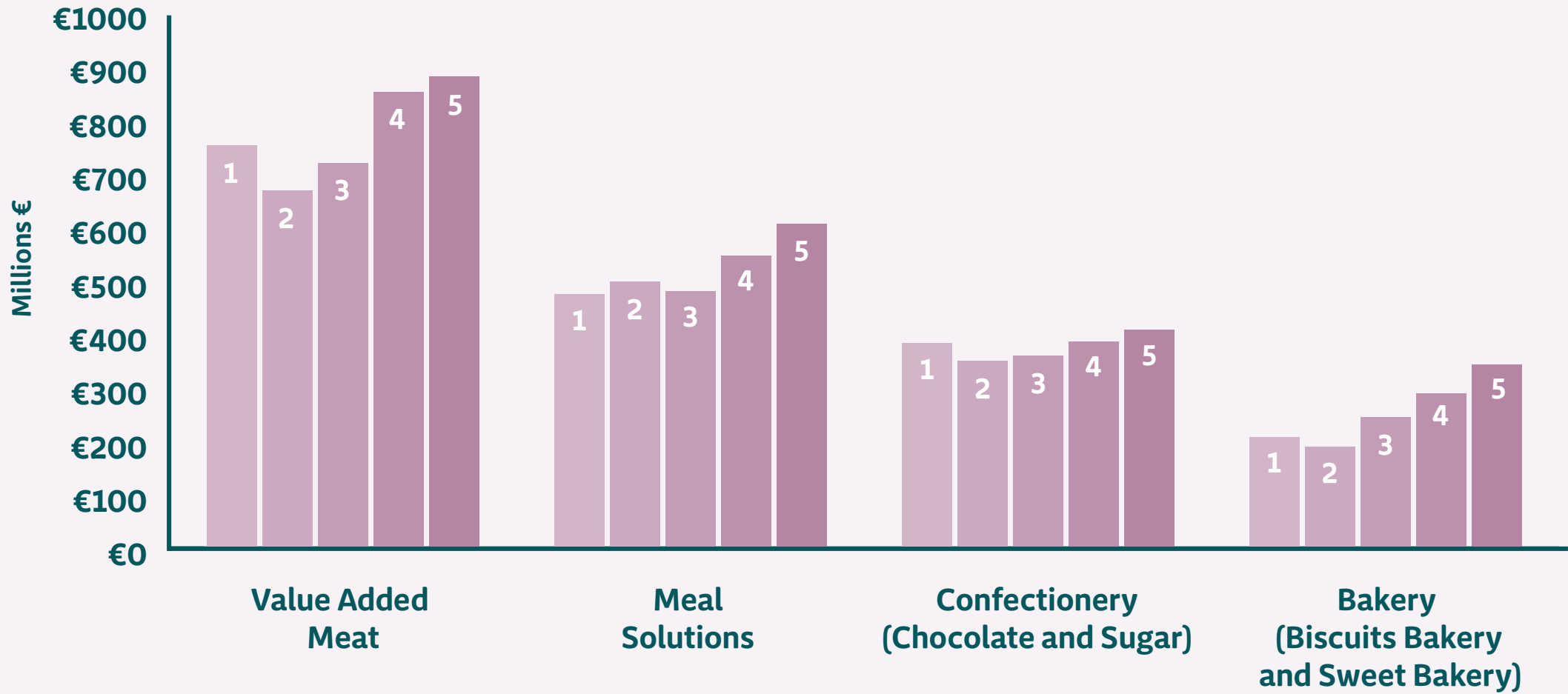
OVERALL PERFORMANCE

The Prepared Consumer Foods (PCF) sector continued to show its resilience in 2023 with the value of exports up 7% to reach €3.1 billion.

Value increases were seen across the core categories, most notably meal solutions at €600 million up 11%; bakery at €315 million up 10%; drinks (carbonated and juice) at €285 million up 10% and confectionery (chocolate and sugar) at €430 million up 12%. In a clear nod to market conditions and the cost-of-living crisis experienced in priority markets, especially the UK, volume growth was muted.

Main categories of Irish PCF exports

- 1 2019
- 2 2020
- 3 2021
- 4 2022
- 5 2023e



Source: Bord Bia and CSO

The year started with a level of market optimism on the back of 2022 where there was buoyant demand from the UK and Europe. However, inflation dominated the trading environment at both consumer and customer level. In March 2023, the UK saw an all-time peak of grocery inflation of 17.5% (Kantar UK, 2023a), before slowing to single digits for the first time in 16 months by year end (Kantar UK, 2023b). As the year progressed this made for a tough trading environment as Irish suppliers found themselves under increased pressure for price renegotiations while from a manufacturing perspective, there was a little experience of deflation with energy and labour driving manufacturing costs. Consumers used a range of tactics to manage their budgets including trading down, switching to frozen, purchasing on promotion and engaging in loyalty schemes.



OVERALL PERFORMANCE

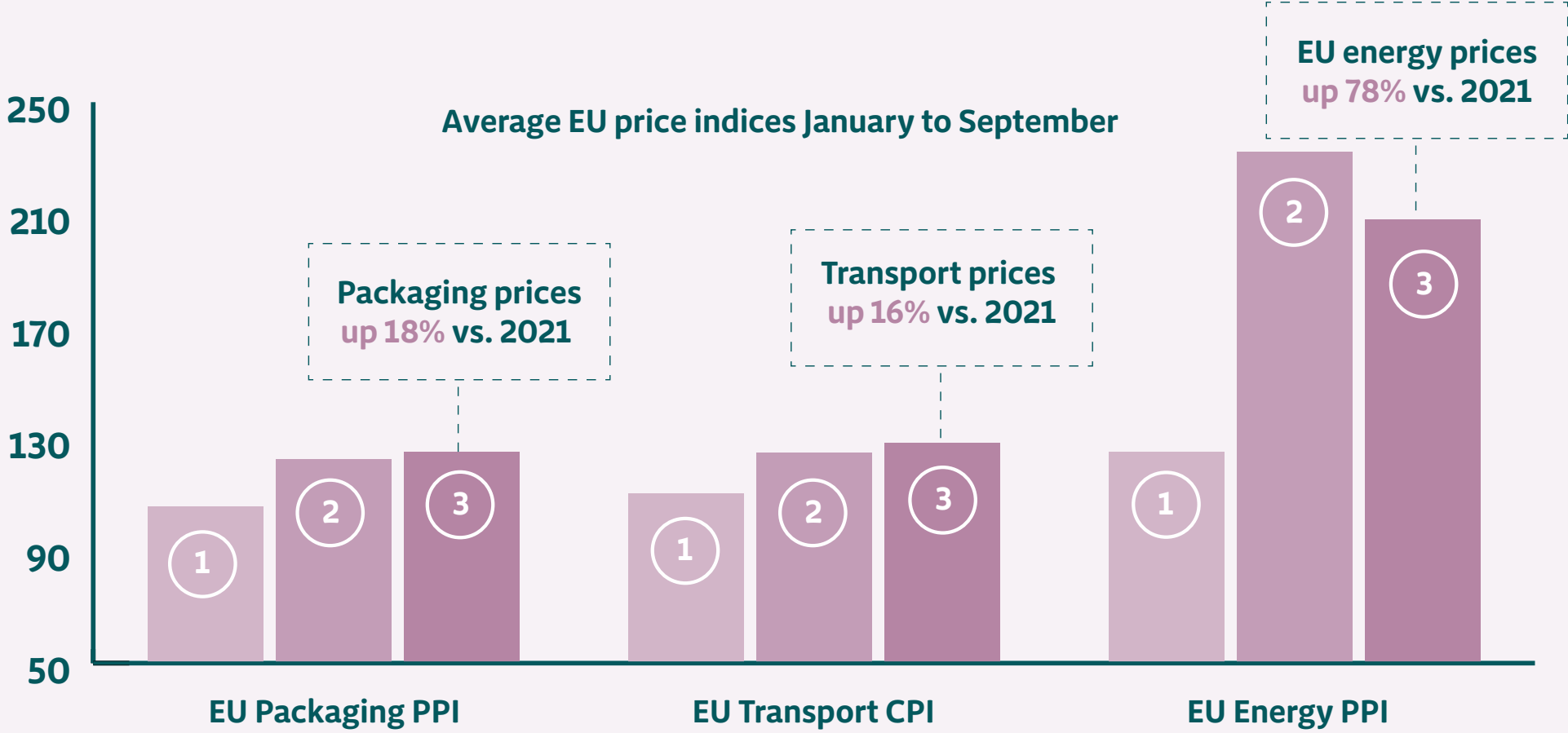
Foodservice faced many of the same issues as the retail channel such as lower skills, labour shortages, higher wages, and unprecedented inflation and uncertainty. Foodservice consumers continued to eat out but traded down and found other ways to manage their spend such as reduced order sizes. The landscape was especially competitive as operators competed with each other and with retailers to capture market share via portion sizes, discounts, technology, delivery and superior customer experience. Therefore, while Irish exporters held value as best as possible, volumes came under pressure.

The 2023 performance was ultimately defined by constrained consumer spending and a competitive environment putting pressure on companies to manage margin and volume. Those companies that aligned and partnered with customers to respond to the market have seen, and will continue to see, growth pathways.



EU input price indices

- 1 January - September 2021
- 2 January - September 2022
- 3 January - September 2023



Source: Eurostat

TRENDS BY KEY PRODUCTS

BAKERY (BREAD, SWEET BAKERY AND BISCUITS)



€315
MILLION

10%
INCREASE

At a macro level, bakery had a strong 2023 in terms of export growth, with much of the opportunity coming from the UK market, which continues to account for over 90% of Irish bakery exports across bread, sweet bakery and baked goods.

Values were up by an estimated 10% to €315 million, while volumes saw a mid single digit rise. This was driven by a combination of new business and range extensions with existing customers. However, margin pressures endured throughout the year with uncertainty around flour prices, and increases in sugar, slowing the appetite for new business.

Shifting focus from UK bakeries has opened new business for Irish exporters in the market who now benefit from a network of full penetration across the retail channel, as well as a growing portfolio of top-tier foodservice and manufacturing customers.

Consumer-led innovation across product, format and degree of finish have further secured the position of leading Irish bakeries in the UK market.

While exports to regions outside of the UK are all in single digit percentages, growth is strong and reflective of the rising demand for seasonal premium offerings, and free-from alternatives.

Elasticity of demand varies significantly across the sector and polarisation has started to emerge with ranges in the middle ground being squeezed by a combination of those seeking to trade up for more premium, restaurant quality offerings and trading down to save money.



90%

The UK market continues to account for 90% of Irish bakery exports.

TRENDS BY KEY PRODUCTS

MEAL SOLUTIONS



€600
MILLION

11%
INCREASE

Meal solutions, now worth 19% of total PCF exports, saw an increase of 11% to reach an estimated €600 million, primarily driven by higher prices. The UK market, particularly the retail frozen channel, is the most significant destination for meal solutions, accounting for almost 70% of exports. The frozen channel in the UK, albeit in slight volume decline, performed strongly versus other categories and continues to appeal to consumers seeking affordable, long-lasting items.

Covid-19 and the cost-of-living crisis have driven frozen penetration, and it remains to be seen if this impact influences long-term behaviour. Trading down was evident, with a strong performance from private label. Irish exporters are well established in the UK market, particularly in frozen prepared foods. In 2023, the sector demonstrated its resilience again as it continued to deliver compelling category propositions and impactful promotional activity. Operational excellence has long been a trait of this sector, and it remains even more important given the cost-based challenges that currently exist.

European markets account for 23% of meal solution exports, with a strong performance in 2023 with Germany, Belgium and Spain driving growth. This performance reflects the strength of this sector, the product appeal across markets, and their ability to tap into international networks.



19%

Meal solutions is now worth 19% of total PCF exports

TRENDS BY KEY PRODUCTS

CARBONATED DRINKS AND JUICES



€285
MILLION

10%
INCREASE

Given the rise in cost of key inputs such as fruit, sugar, and packaging formats, especially glass, the beverage sector has shown particular resilience. Export values were up by an estimated 10% to €285 million, while also showing some volume growth.

The beverage portfolio represents one of the more diversified of the PCF categories, with 48% of exports going to non-UK destinations. Competitive offerings for the retail channel as well as steady growth for Ready to Drink (RTD) have seen growth in the continental markets.



48%

The beverage portfolio represents one of the more diversified of the PCF categories, with 48% of exports going to non-UK destinations.

TRENDS BY KEY PRODUCTS

CHOCOLATE AND SWEET CONFECTIONERY



€430
MILLION

14%
OF TOTAL PCF EXPORTS

Combined chocolate and sugar confectionery was valued at €430 million and represents 14% of total PCF exports. The performance of the category was mixed in 2023. Sugar confectionery reached €135 million, an increase of 16% on 2022, while also showing strong volume increases. This is a robust performance for the sector considering the price inflation on key ingredients. It reflects solid innovations made by the sector that have carved out enduring differentiation, and strong better-for-you claims in a category that is coming under increasing regulatory pressures.

The performance of chocolate confectionery was more muted with value up 10% to reach €295 million, while volume was static. The soft launch of High Fat Salt or Sugar (HFSS) regulations amongst key customers in the UK market, has reduced visibility of chocolate at key selling points on the calendar. However, exporters continued to find new business and growth in more premium and speciality channels.



- Chocolate confectionery
€295 million, an increase of 10%.
- Sugar confectionery
€135 million, an increase of 16%.

TRENDS BY KEY PRODUCTS

VALUE-ADDED MEATS



€880
MILLION

3%
INCREASE

Value-added meat exports were estimated at €880 million in 2023, an increase of 3%. The subcategory is split 48%, 29% and 23% respectively for pigmeat, beef and poultry.

Value-added pigmeat

Total value-added pigmeat exports increased by approximately 2% to €420 million. The UK continues to be the key destination, accounting for 70% of total exports, despite the slowdown in shipments to this market. This market is particularly important for cooked bacon, toppings and ingredients, which service the quick service and the manufacturing channels. The UK market remained challenging due to the ongoing cost-of-living crisis and inflationary impact. As a result, discretionary spending is challenged, as consumers continue to trade down. European markets showed a strong performance, with the value of these exports rising by 26% to almost €100 million, and now accounting for almost 23% of exports. France, Germany, Spain and Denmark remain critical markets for this sector; however, good growth is coming from other markets, such as Italy, Belgium, and Portugal, with value-added pigmeat significantly contributing to this.

This demonstrates the continued diversification efforts by the sector through increased sales of cooked ribs in the retail channel, cooked pigmeat toppings for pizza and sandwich categories across the fast casual and quick service channel. Although small, international markets are still a focus for continued growth plans for the sector, with demand for value added pigmeat ingredients especially strong in key target International markets.

Value-added beef

Value-added beef exports reached €255 million in 2023, an increase of 7%. This subcategory is an opportunity to meet the growing consumer demand for meal solutions and increase the value from traditionally lower priced cuts and trimmings. It consists of products such as value-added ingredients for foodservice and manufacturing channels and products such as burgers for retail and foodservice. Demand from the sector was strong at the beginning of the year however, poor summer weather across Britain and Europe resulted in subdued demand for grilling products and as a result there has been some build-up in stock levels and less sell through in the latter part of the year.

TRENDS BY KEY PRODUCTS

VALUE-ADDED MEATS

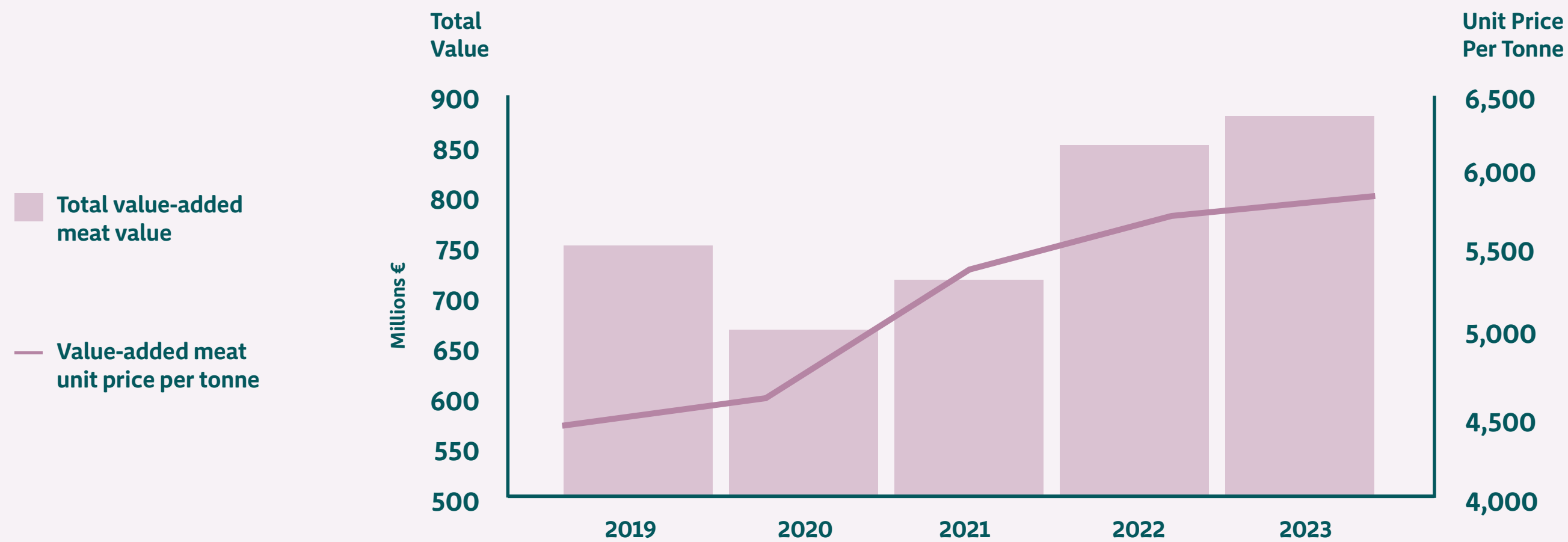
Key markets for exports during 2023 included the UK, with sales up 1% to €125 million. Sales to the EU-27 in total increased by 13% to €130 million, with France and Germany, two of the main markets, both increasing by 2% to over €30 million and €10 million respectively.

Value-added poultry

Shipments of value-added poultry increased by 1% to €200 million during the year, with approximately 85% of these exports destined for the UK market. This will leave value-added poultry to the UK 2% lower at €170 million. This market is particularly important for cooked chicken suppliers who provide value-added chicken ingredients that are used in the further manufacturing channel and the limited-service restaurant channel. This performance also reflected inflationary challenges in this market.

Exports to the EU increased by 23% to €30 million, with strong performances recorded in the Netherlands, Germany and France.

Value-added meat export trends



Source: Bord Bia and CSO

PERFORMANCE BY DESTINATION

The UK continued to be the most important market accounting for 64% of exports. Exports to Northern Ireland and Great Britain were valued at €523 million and €1.5 billion respectively to total €2 billion for the UK market, representing a value increase of 1%.

The UK market, particularly in the second half of the year, started to show the effect of the cost-of-living crisis on shopper behaviour. Discounters benefited from the inflationary context, as their market share increased to 18% (Kantar UK, 2023b). Private label enjoyed a strong year, however with slowing inflation, brands showed the first signs of closing the gap in the latter part of 2023.

The EU accounted for 27% of exports and was valued at €843 million, an increase of 21%. The Netherlands was the largest market valued at €145 million representing a decline of 13% on 2022. Categories such as chocolate confectionery, meal solutions, juices and bread that had all gained ground in the previous two years, saw value declines in 2023. Volumes appear stable, which highlights the pressure on prices during the year.

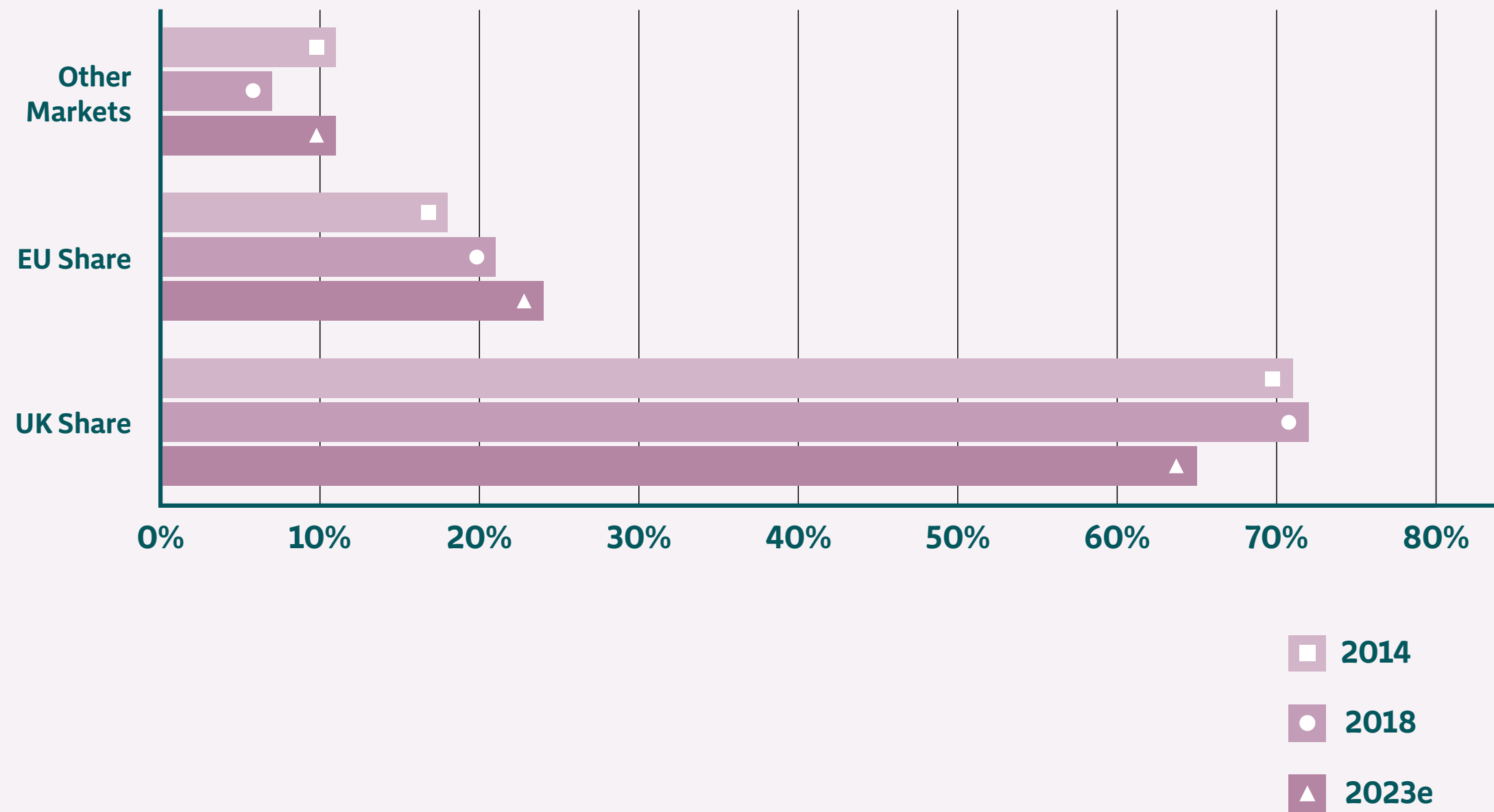
Germany was the second largest EU export market for PCF, with exports valued at €138 million an increase of 23%. There was low single digit volume growth despite the level of inflation experienced in Germany. Meal solutions, juices, sweet bakery and sugar confectionery all saw value growth. France and Spain were the next two largest market valued at €119 million and €74 million respectively.

The United States was the largest market outside of Europe, accounting for 4% of exports. The market was valued at €117 million, an increase of 23%. This performance reflects the dedication of Irish exporters to this market over a long period of time combined with a buoyant economy not seen in the UK and EU markets.

UK ACCOUNTS FOR
64%
OF PCF EXPORTS

91% of PCF exports in 2023 were destined for the UK and the EU.

PCF export destination evolution 2014 to 2023



Source: Bord Bia and CSO

PROSPECTS FOR 2024

Looking to 2024, it seems likely that the sector will continue to be challenged by uncertainty in ingredients and energy costs. The resilience demonstrated by the sector over recent years will be required again as further price adjustments are likely at consumer level.

Attracting talent at all levels will continue to be front of mind for consumer food companies. While the sector pays well above the minimum wage, the increase in minimum wage (and other benefits) will put further pressure on the sector to attract staff.



This combined with the housing crisis will continue to see companies spending more time and resources on staffing, adding to concerns about the competitiveness of the sector in our export markets.

The economic outlook for the UK will perhaps have the biggest impact on the performance of the consumer food sector in 2024. Inflation is expected to fall throughout 2024 (IMF, 2023b) and it is hoped the cost-of-living crisis will ease and volumes will improve, albeit this will take time.

The trade outlook for the year ahead is cautious, given that price increases secured with large customers in the main markets have been absorbed and yet to be fully passed on to consumers.

It is assumed these price increases will be passed on in 2024 and will subsequently drive an element of downtrading within categories, and drive a further focus on price and quality.

Performance in 2024 will also be heavily influenced by the ability of the sector to utilise their business capabilities to drive growth such as consumer driven innovation, delivering sustainable supply chains, and partnering with customers to deliver greater efficiencies through technology.

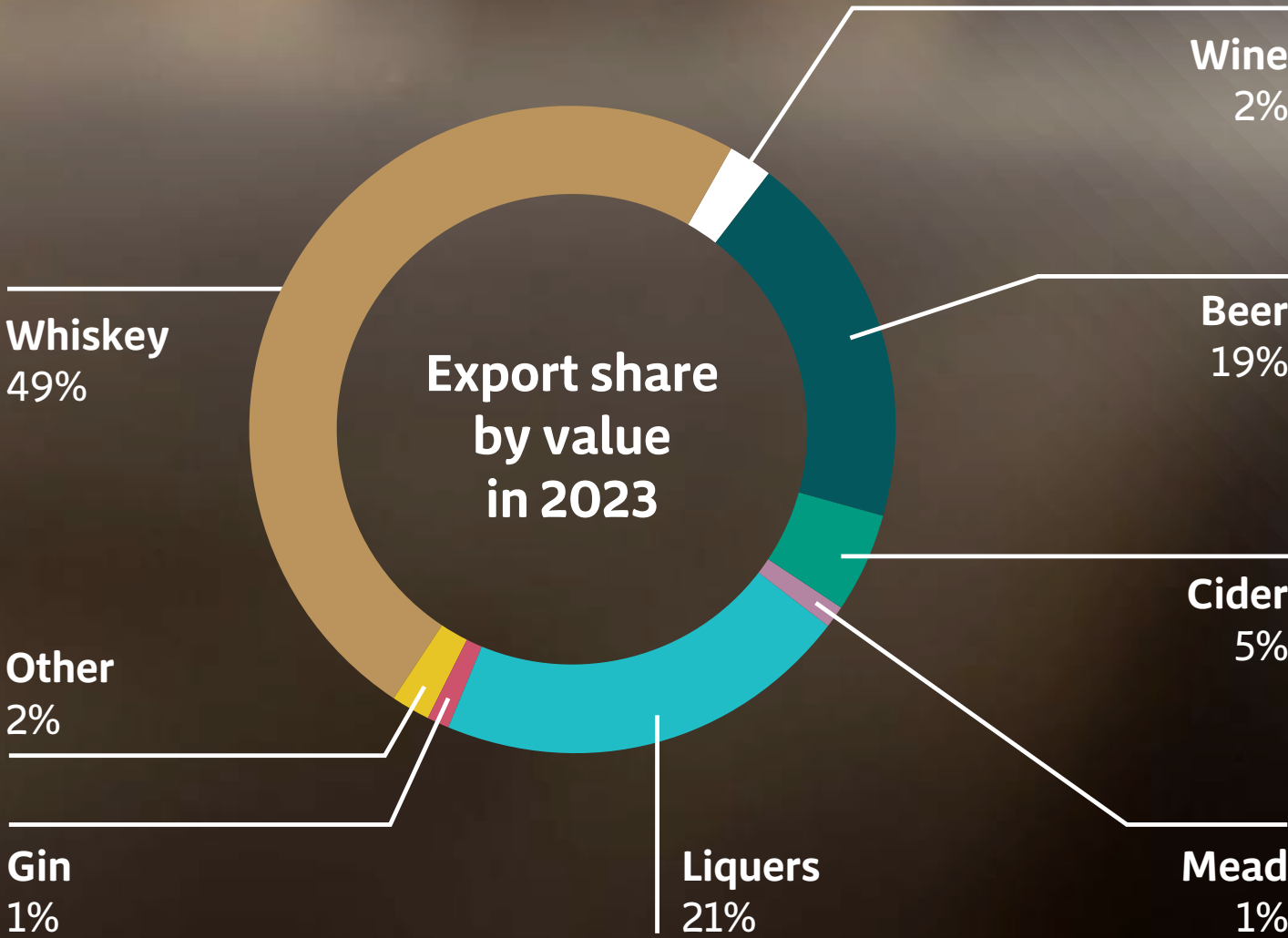
DRINK

DRINK EXPORTS IN 2023

€1.8
BILLION

8%
DECREASE

119
EXPORT MARKETS SERVED



OVERALL PERFORMANCE

Total drink exports for 2023 were estimated to be approximately €1.8 billion. This represents a Compound Annual Growth Rate (CAGR) of 3.4% from 2021 levels despite a difficult year in 2023 (down 8%), emphasising the strength of the post Covid-19 recovery in Irish drink exports.

Irish whiskey exports were back by 14%, at €875 million, and Irish cream liqueurs were back by 9% at €370 million. However, Irish whiskey exports are still in positive CAGR growth since 2021, up 1.5%. Additionally, beer exports grew strongly by 11% to reach €330 million.



One of the key factors for Irish drink exports in 2023 was a decline in value of exports to the key market of North America. Total drink exports to North America were down by approximately 26% overall.

The fall in exports of both Irish whiskey and Irish cream liqueur in particular to North America are due to a number of factors which culminated in 2023. There was a build-up of stock in the market in 2022 to mitigate supply and trading challenges through the Covid-19 period, as the market started to open up. There was also a deceleration in depletion rate in the first half of 2023, as consumers felt the squeeze of higher inflation and increased interest rates.

The final factor affecting exports was the cost of credit. With interest rates in the US at 5.5%, importers and distributors were reluctant to hold stock at previous levels.

Despite these setbacks, a record 15 million nine-litre cases of Irish whiskey were sold globally in 2022 and this figure has remained steady in 2023 (IWSR 2023a). Exports to the EU increased by 11% overall to €490 million, and the UK has seen strong growth with exports up by 19% to €335 million. Key emerging markets also continue to perform well for Irish drink exports including Nigeria (+6%), Czech Republic (+14%) and Poland (+3%) which highlights the growing global footprint of Irish drink.

TRENDS BY KEY PRODUCTS

WHISKEY



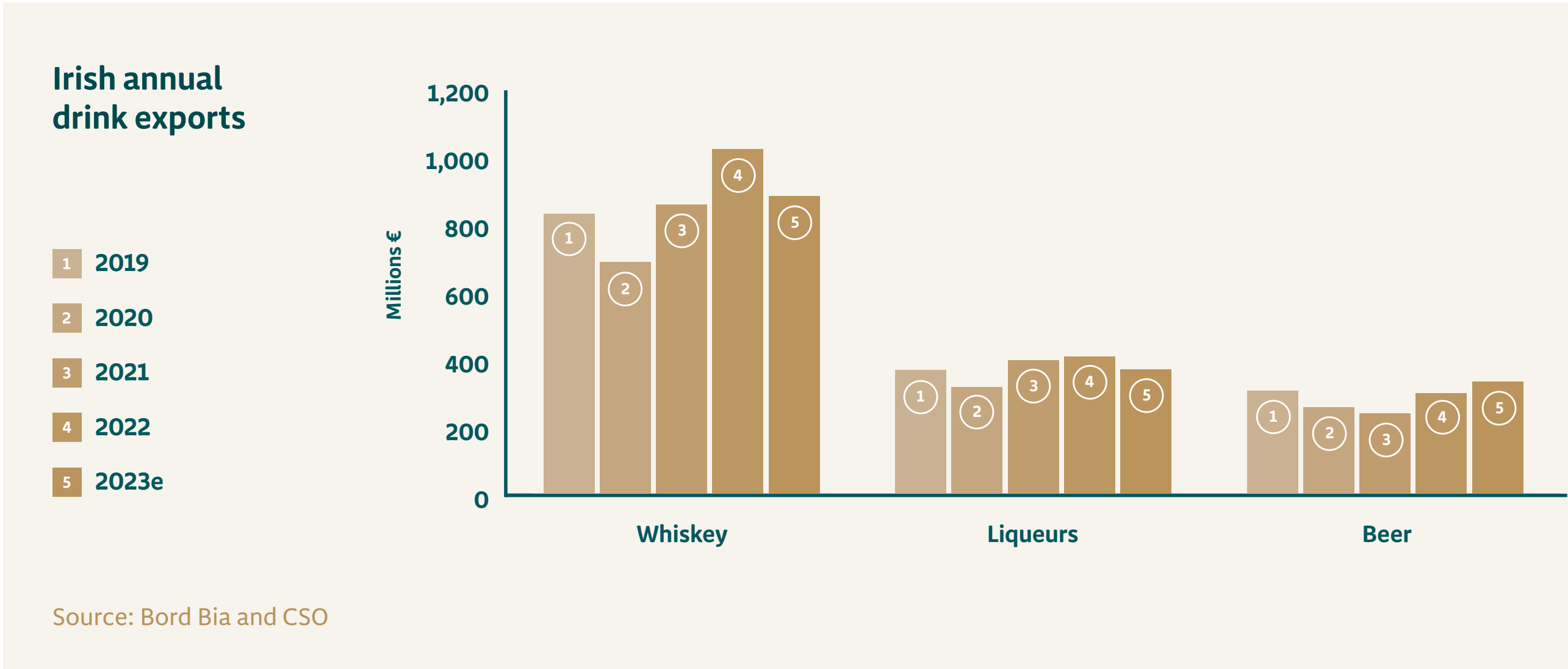
€875
MILLION

14%
DECREASE

Irish whiskey exports in 2023 totalled €875 million (down 14%) and remains the key drink export category representing 50% of total value. Exports were disproportionately affected by a decline in shipments to the US.

However, this was offset by strong growth in other key export regions such as the EU, which increased by 17% to €285 million, and exports to the UK were 38% higher at approximately €65 million. Emerging global markets such as Nigeria up 59%, Poland up 21%, Singapore up 55% and South Korea up 11% continue to grow for Irish whiskey.

Approximately 91% of Irish whiskey retail sales in the US sit within the premium and above price bands (IWSR 2023e) and the category has benefitted in recent years from global premiumisation. The latest analysis from IWSR (IWSR, 2023c), suggests that premiumisation and drinking ‘less but better’ is continuing as a trend globally which is benefitting Irish whiskey producers. However, some slowdown in this trend is likely, partly due to a squeeze on incomes from on-going inflation and higher interest rates in key export markets.



TRENDS BY KEY PRODUCTS

CREAM LIQUEUR



€370
MILLION

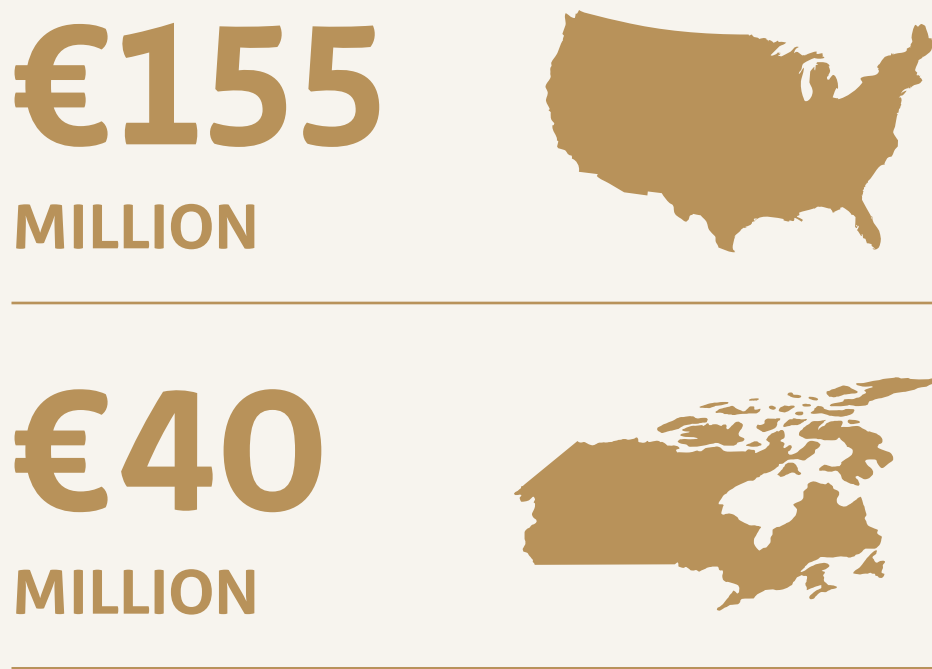
9%
DECREASE

Irish cream liqueur exports fell by 9% to €370 million. The fall in exports was primarily due to a decline in export values to North America and the EU.

Similar to Irish whiskey exports, there was a surge in Irish cream liqueur exports towards the end of 2022 which led to high volumes of stock in the market. This mostly affected products within the standard price band, which are traditionally ordered in bulk more regularly than premium lines of Irish cream liqueur. This is reflected in the decline of 26% in the volume of Irish cream liqueur exports.

Key export markets for the category in 2023 were the US which totalled €155 million, Canada at €40 million, and Germany which totalled €20 million. Export values to the US were down by almost 4% with sales to Canada and Germany declining by 28% and 7% respectively. There was growth in some emerging markets across Europe including Czech Republic, which more than doubled.

Exports to the UK, a traditionally strong market for Irish cream liqueur, also eased by 20% in 2023.



Key export markets for the category in 2023 were in North America. The US totalled €155 million and Canada totalled €40 million.

TRENDS BY KEY PRODUCTS

BEER



€330
MILLION

11%
INCREASE

Irish beer exports increased by 11% to reach an estimated €330 million. This builds on the recovery in beer exports in 2022 with exports now exceeding 2019 levels by 8%, emphasising the resilience of the Irish beer sector. Exports to the UK were well ahead of 2022, rising by 26% to almost €160 million.

Key EU markets performed very strongly with exports to France increasing to €40 million up 59%; Germany to €15 million up 14%, Belgium to €15 million up 15%, and Italy to €10 million up 25%.

Exports to the North American market were back by 11% totalling €65 million on the back of strong growth in 2022.



€160
MILLION

26%
INCREASE



Exports to the UK were well ahead of 2022, rising by 26% to almost €160 million.

TRENDS BY KEY PRODUCTS

CIDER



€80
MILLION

11%
INCREASE

Irish cider exports recorded another strong year in 2023 increasing by 11% to reach €80 million. The UK is the key export market for the category, accounting for 90% of overall exports.

GIN



€20
MILLION

20%
DECREASE

Irish gin experienced a slowdown in exports following five consecutive years of strong growth as Ireland established itself as a global producer in the category.

Overall, Irish gin exports totalled €20 million in 2023 representing a decline of 20%. The category faced the same issues as other spirits, particularly in the key US market. One key growth market for gin in 2023 was the UK which increased by 82% to approach three million euros. There was also strong growth recorded in France, Germany, Italy and Turkey.

82%
INCREASE

One key growth market for gin in 2023 was the UK which increased by 82% to approach €3 million.



PERFORMANCE BY DESTINATION



NORTH AMERICA REPRESENTS

40%

TOTAL EXPORT VALUE

DRINK EXPORTS TO EU IN 2023

11% **€490m**

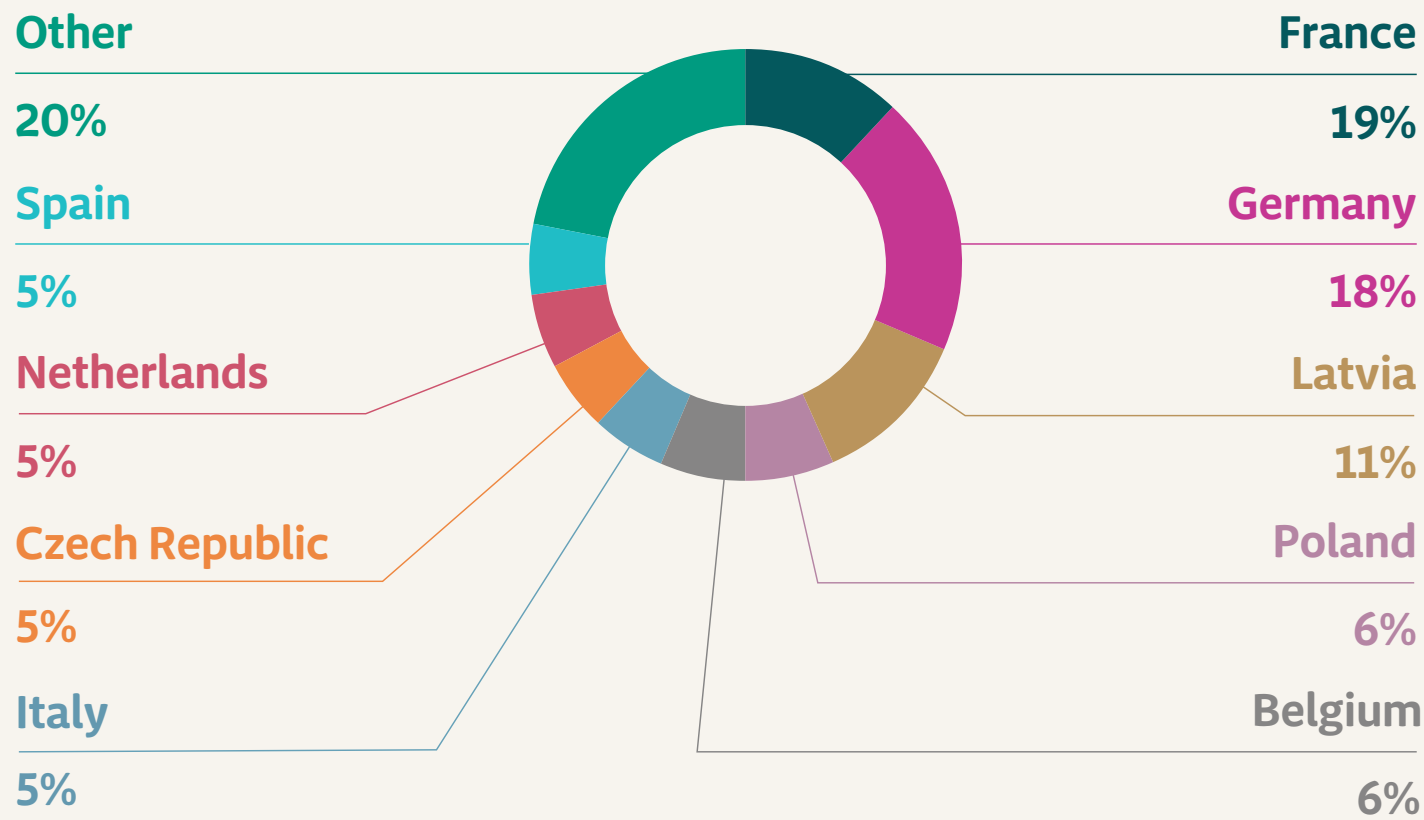
INCREASE EXPORT VALUE

Despite a tough year, North America continues to be the key export market for Irish drink representing 40% of the total export value.

Following a difficult period since 2019, established EU markets returned to growth up 11% to €490 million. The UK showed strong growth with exports up by 19% to €340 million. Markets such as Germany and France showed growth of 22% to €90 million and 27% to €95 million respectively.

Key emerging markets also continue to perform well for Irish drink exports including Nigeria, Czech Republic and Poland which highlights the growing global footprint of Irish drink.

EU markets for drinks exports 2023



Source: Bord Bia and CSO

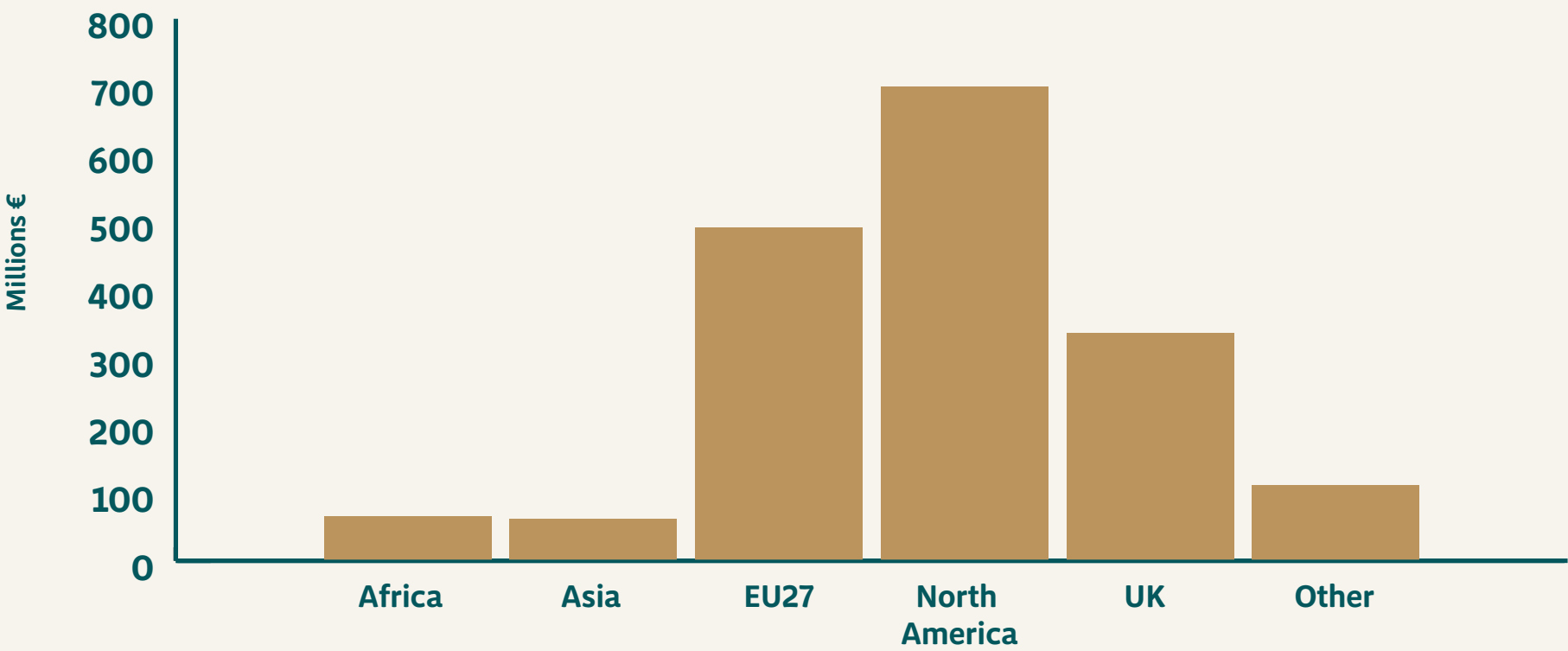
PERFORMANCE BY DESTINATION

Asian markets such as Hong Kong (up 10%) grew strongly in 2023 which present further opportunities for growth. Exports to India and Japan slowed in 2023 but are expected to recover in 2024 as more Irish drink brands secure greater distribution.

South Africa remains the strongest export market by value within Africa for Irish drink. Despite only a modest growth in exports of 2%, total exports to the market amounted to nearly €50 million. Despite strong growth in whiskey exports to Nigeria, exports of other categories such as gin and Irish cream liqueur have declined, but recovery is expected in these categories as more Irish exporters continue to enter the market.

The Global Travel Retail channel, a key channel for premium spirits, continues to recover steadily. IWSR expects sales in the channel to return to 2019 levels by 2025 (IWSR, 2023d). Global e-commerce sales have begun to flatten after a surge over recent years as pre Covid-19 buying habits continue to re-establish themselves, but further growth is expected in the US and China (IWSR 2023e).

Value of Irish
drink exports
Regional split



Source: Bord Bia and CSO



PROSPECTS FOR 2024

Overall, prospects for Irish drink exports in 2024 are positive. Export performance to North America should recover with a return to growth as the stock position unwinds and depletions grow again.

As the key export market for Irish drink, this recovery will contribute heavily to overall export values.



Established EU markets, such as Germany and France will continue to grow and will be supplemented by emerging EU markets such as Poland, Czech Republic and Belgium where there is still headroom for growth as the Irish category establishes itself.

This growth however may come at a slower pace than in 2023, due to a squeeze on consumer spending in key markets because of high inflation across the continent.

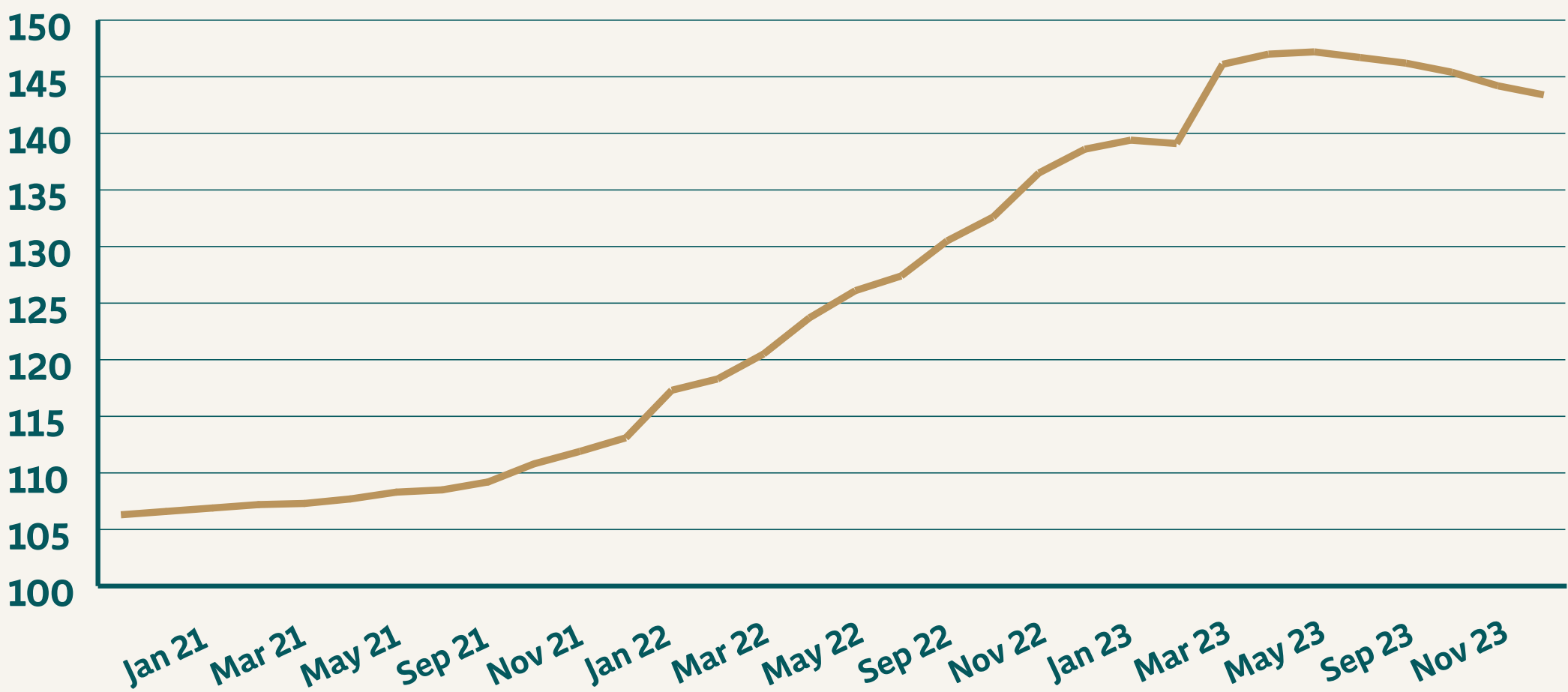
Global emerging markets such as India, Nigeria and Singapore are expected to grow as more Irish exporters enter the market and awareness of Irish drink grows amongst consumers. Establishment of the Irish category in these markets should also lead to an increase in interest in neighbouring markets throughout the regions of Africa and Asia. The growth of beer exports is expected to continue in key EU markets and recover in the North American market.

PROSPECTS FOR 2024

As is the case with other sectors, the operating environment in 2024 could prove challenging due to continued high inflation, which could weaken consumer purchasing power. Glass prices also remain a challenge. Although prices steadied in 2023, they are still higher on average than in previous years. These factors in addition to further geopolitical and macroeconomic uncertainty add to the challenges.

Despite the challenges, the overall prospects for the sector remain positive for 2024 and beyond given its strong position in the premium segment of key export markets. Existing and emerging exporters are investing heavily to secure sustainable growth over the medium to long term.

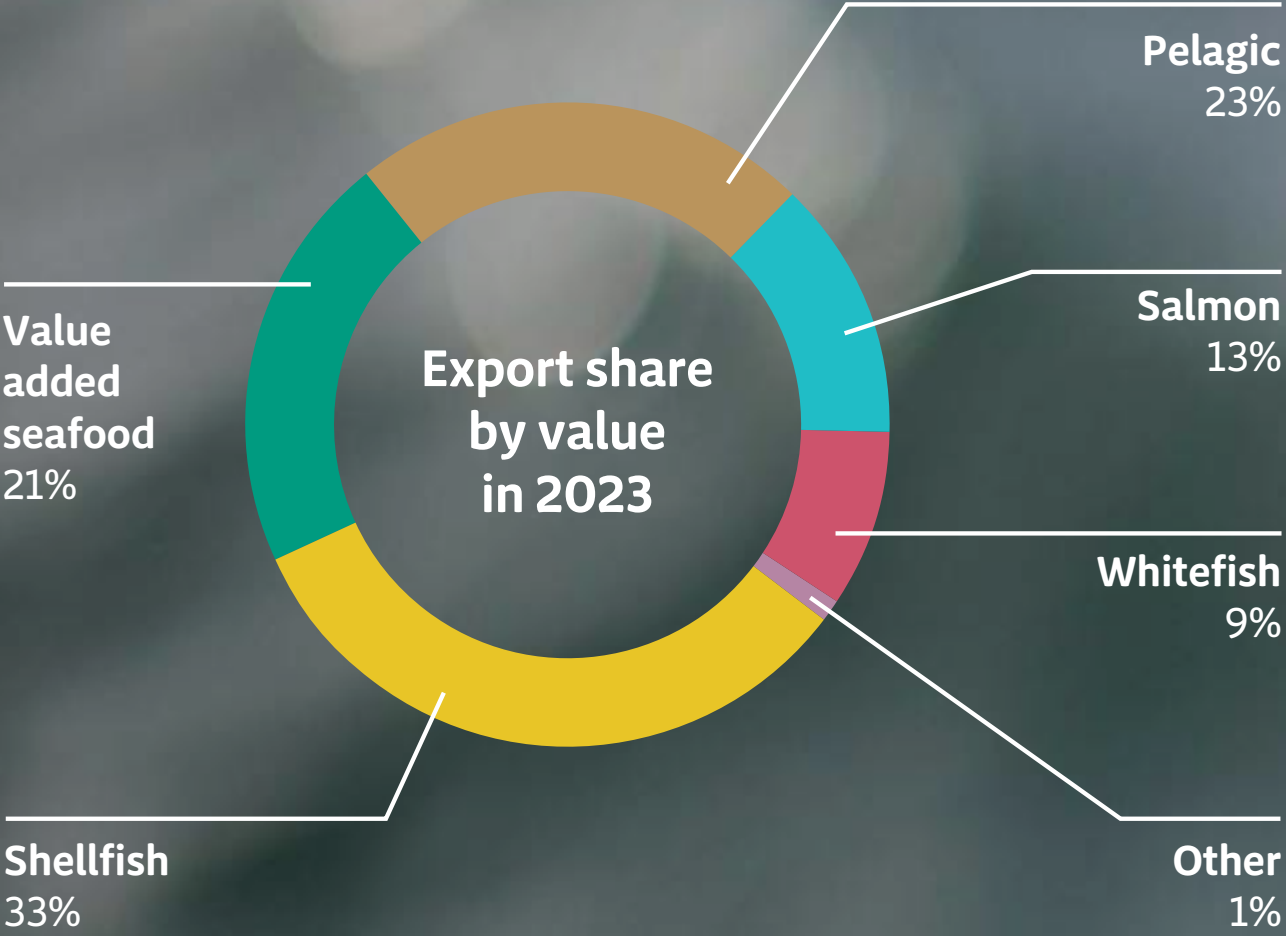
EU glass price index



Source: Eurostat



SEAFOOD



SEAFOOD EXPORTS IN 2023

€550
MILLION

14%
DECREASE

69
EXPORT MARKETS SERVED

OVERALL PERFORMANCE

Overall primary seafood exports were estimated at €435 million in 2023. Value-added seafood products were slightly lower at €115 million.

Combined overall seafood exports were €550 million, which represents a decline in value of 14% over 2022. Declines in pelagic and salmon exports were largely responsible for the reduction while shellfish exports also fell by around 7%. Whitefish exports showed modest growth in value.

PRIMARY SEAFOOD EXPORTS

€435
MILLION



TRENDS BY KEY PRODUCTS

PELAGICS AND FRESHWATER

€200 MILLION

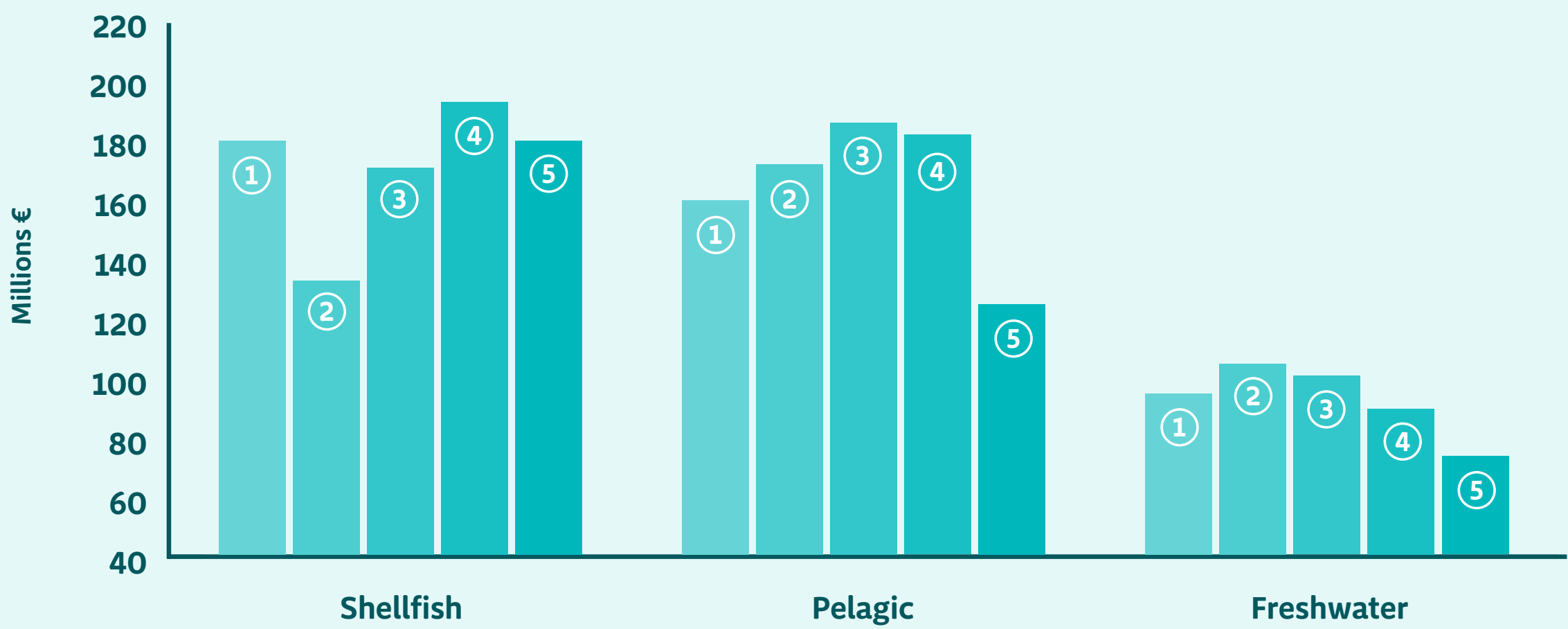
During 2023 the value of pelagic exports declined by an estimated 31% to €125 million, reflecting a drop of 45% in volumes compared with 2022.

The value of salmon exports declined by 19% to €75 million, reflecting a reduction of over 30% in volume. Salmon exports were adversely affected by biological issues in 2022, which impacted on export volumes in 2023. However, demand and prices remained firm.

The fall in pelagic exports was due in part to another cut of 5% in the mackerel quota because of the Trade and Cooperation Agreement (TCA)(European Movement Ireland, 2021), a declining quota for horse mackerel and a reduction in foreign landings. UK vessels are now required to land 50% of their catch into UK ports which leaves less volume for Irish processors to access.

Annual value seafood exports by subcategory

- 1 2019
- 2 2020
- 3 2021
- 4 2022
- 5 2023e



Source: Bord Bia and CSO



TRENDS BY KEY PRODUCTS



Shellfish exports were stable in volume and back 7% in value reflecting a slight weakening in unit prices, especially for higher value species due to ongoing cost-of-living crisis across key export markets.

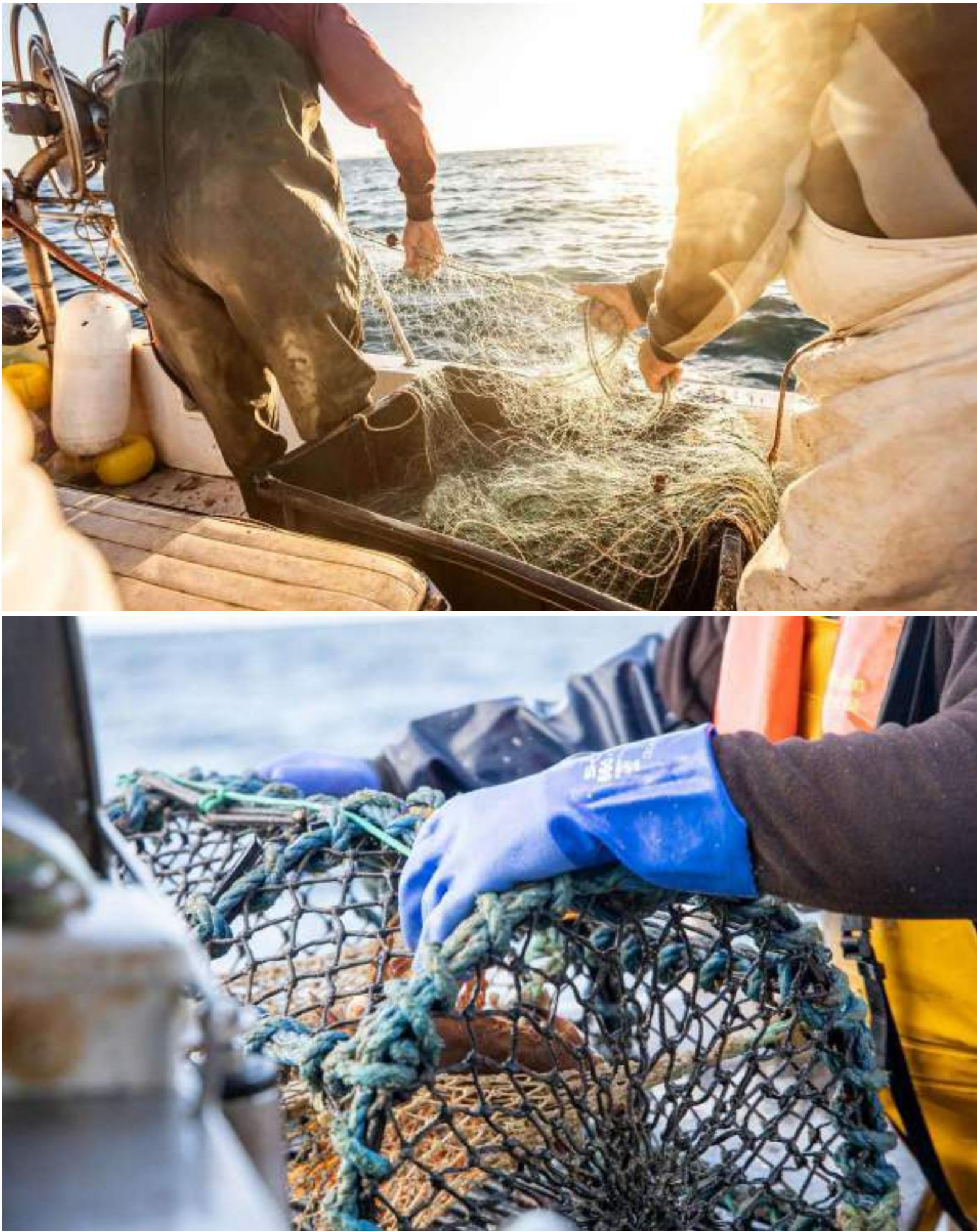


Whitefish exports were ahead in value at an estimated €50 million reflecting higher volumes offsetting weaker unit prices in key export destinations.

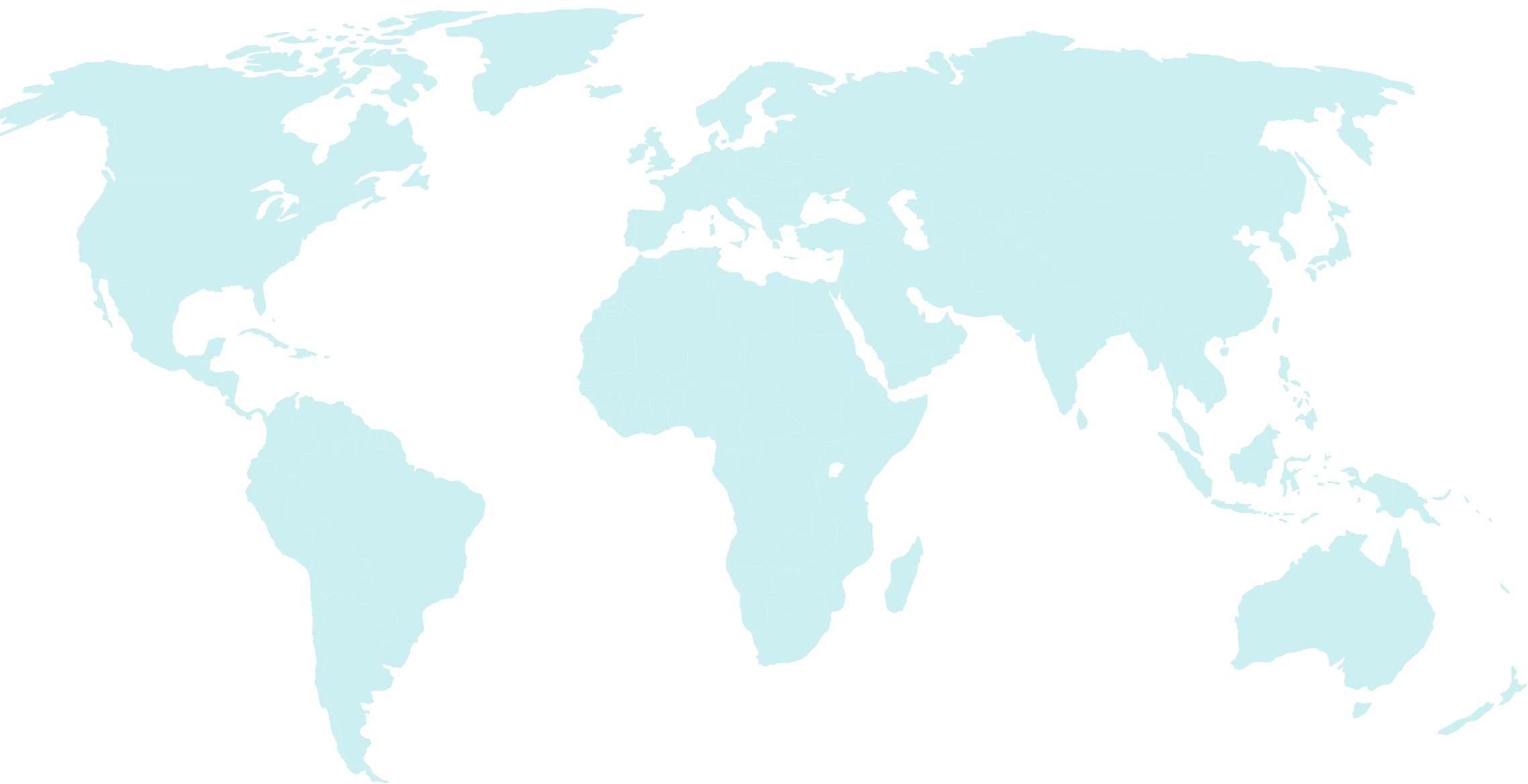


Exports of value-added seafood products were slightly lower at €115 million but remain over 15% ahead of 2021 levels. We see this as a pause in the trend of recent years where there has been strong growth in value-added products, such as consumer ready, cooked, ready to cook/ready to eat or smoked seafood products.

The core region for value-added seafood exports is the EU 27 which accounts for more than 70% of value-added exports. The UK market accounts for an estimated 16% of exports in this category and showed strong value and volume growth during 2023. Exports of value-added seafood to Asia fell during the year. However, the industry is investing heavily in value-added propositions through utilisation of the Brexit Adjustment Reserve (BAR) fund, and we expect value-added seafood exports to resume their growth in 2024 and beyond.



PERFORMANCE BY DESTINATION



NIGERIA REPRESENTS

34%

OF PELAGIC EXPORTS

ITALY, FRANCE AND SPAIN
ACCOUNTED FOR

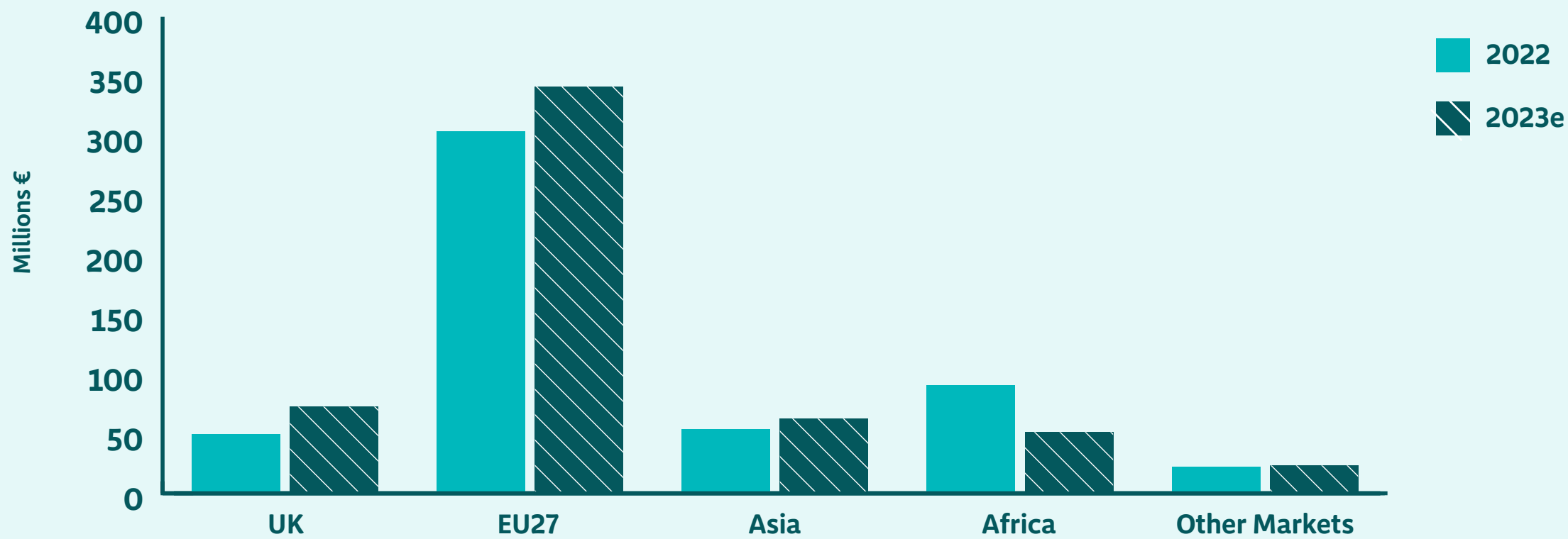
65%

OF SHELLFISH EXPORTS

Nigeria’s currency crisis (Reuters, 2023) has also created challenging market conditions for Irish exporters. However, Nigeria continues to be the dominant export market for Irish pelagics and accounted for 34% of total Irish pelagic exports in 2023.

Japan accounted for 12% of Irish pelagic exports followed by France at over 6% of total sales. Significant declines in pelagic exports were recorded to other markets in Africa such as Ghana and Egypt, whilst the Chinese market was difficult due to the general economic slowdown and cost-of-living pressures. The demand for Irish frozen blue whiting in China has also reduced in recent years.

Seafood exports by region 2023 vs. 2022



Source: Bord Bia and CSO

PERFORMANCE BY DESTINATION

The key markets for organic Irish salmon in 2023 were France, Poland, Northern Ireland, Germany and Great Britain. Lower volumes led to reduced exports across these markets except for Northern Ireland despite unit prices increasing, reflecting the continued strength of demand for Irish organic salmon across key markets. The organic salmon market remains buoyant however, but ongoing challenges remain around supply and new entrants into the organic market.

The core shellfish markets are within the EU with Italy, France and Spain between them accounting for nearly 65% of total export values. These markets were challenging in 2023 with sluggish demand, leading to double digit reductions in export values. On a positive note, there was a recovery in exports to Asian markets with China recording an increase of more than 10% in export values and exports to South Korea increasing strongly. Good performances were also recorded in Hong Kong and Vietnam in 2023.

In some export markets, the cost of shellfish versus other proteins is limiting further value growth and we see this continuing into 2024. Higher summer temperatures with increased sales of salads are also reported to have impacted on consumption of higher priced fish.

Demand for Irish whitefish was strong in our key export markets in 2023 although prices softened in comparison to the previous year with volumes running ahead of value across all key markets. Spain, France, Northern Ireland and Belgium were the key markets, all recording positive value and volume growth. Exports to Great Britain declined significantly during this period but this may be because of exports going to Northern Ireland instead and then being re-exported to Britain.

10%

INCREASE



There was a recovery in exports to Asian markets with China recording an increase of more than 10% in export values.



PROSPECTS FOR 2024

This year looks set to be another challenging year for the seafood sector. Despite some welcome extra allocation of pelagic quota, the overall mackerel quota will still fall by a further 2-3% in 2024. As a result, the pelagic sector will remain more dependent on foreign landings to boost supply.

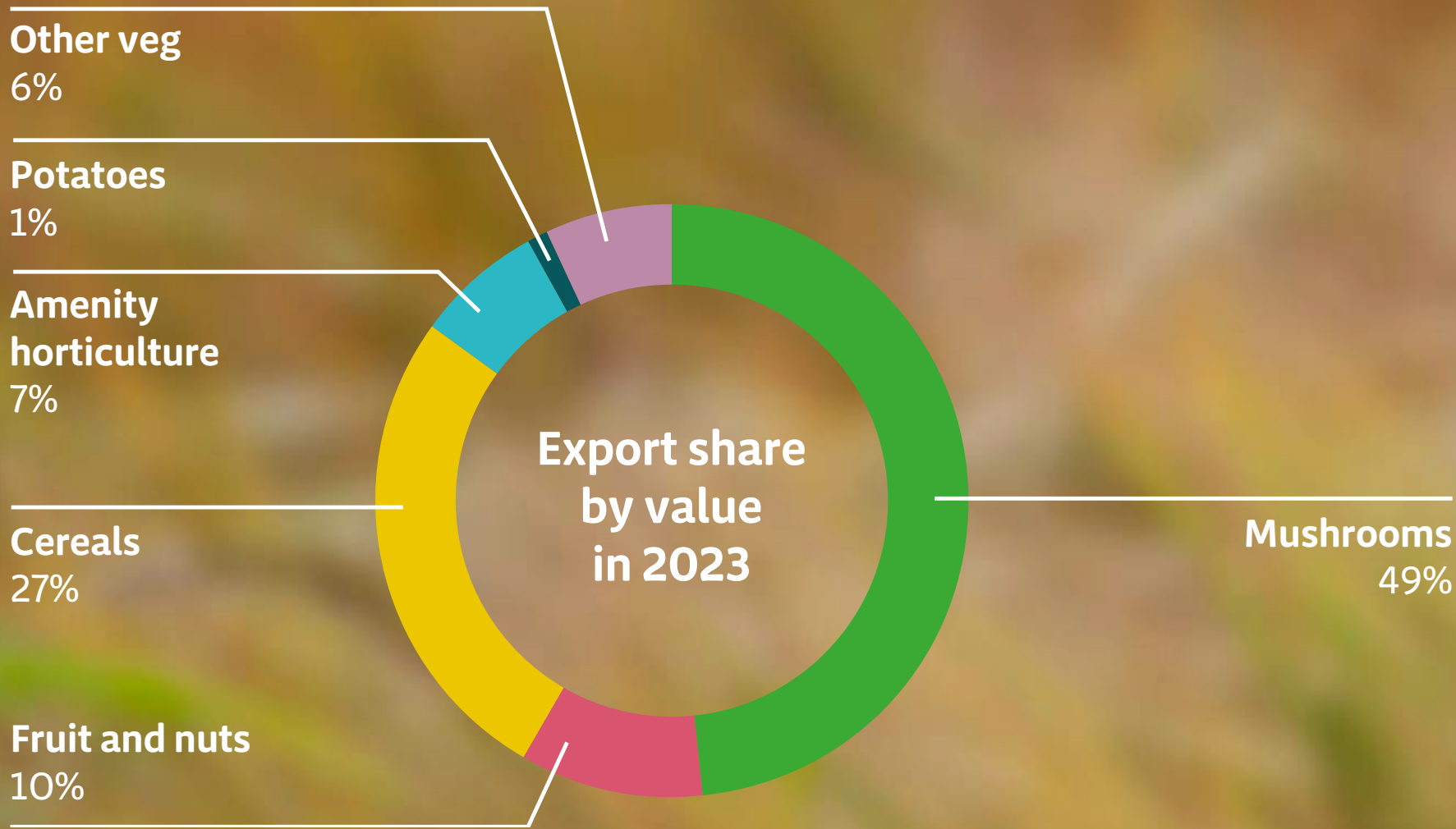
However, recent investments in value-added pelagic capability including IQF boneless mackerel fillets, and portions, is welcome news and should help to drive the value of exports in 2024.



Prospects for Irish organic salmon are more positive as output is forecast to increase in 2024 (BIM, 2023). Nonetheless, the sector will need to continue to promote the benefits of Irish organic salmon to its trade and consumer base in the face of growing competition from other countries including Norway and Scotland. Shellfish volumes seem set to be stable although unit prices may not replicate the increases of recent years due to a squeeze on consumer spending and the availability of cheaper proteins.

The news that exports of live crab to China can resume in 2024 is a welcome development. The recovery in China and strong growth in demand in emerging markets such as Vietnam will also help exports. Finally, the whitefish sector should be reasonably stable on the back of a solid year in 2023. Investments by this sector into more value-added, ready to eat/ready to cook formats will help export value and open new markets and channels.

HORTICULTURE AND CEREALS



HORTICULTURE AND
CEREALS EXPORTS IN 2023

€295
MILLION

6%
DECREASE

UK ACCOUNTS FOR
92%
VALUE OF EXPORTS

OVERALL PERFORMANCE

Total horticulture and cereals exports were valued at €295 million in 2023, representing a 6% year on year decline. Mushrooms account for almost 50% of total export value.

The mushroom sector had a reasonable year in the UK, the main market for Irish mushrooms, where sales increased in value despite lower volumes, reflecting price increases achieved during the year.



MUSHROOMS ACCOUNT FOR
50%
TOTAL EXPORT VALUE

The sector is performing slightly behind the overall vegetable category in value and volume terms. However, it was not subject to the same weather disruptions in 2023 as other produce due to their production taking place in a controlled environment.

Amenity exports declined marginally in 2023, though exports to Northern Ireland grew. Plant and foliage sales were steady, while daffodil exports were in decline.

There is still a heightened interest in gardening in the UK, and export opportunities remain in Northern Ireland. The UK market is again the main market for Irish exports. Sales to all markets were valued at €19 million in 2023.

TRENDS BY KEY PRODUCTS

MUSHROOMS



€145
MILLION

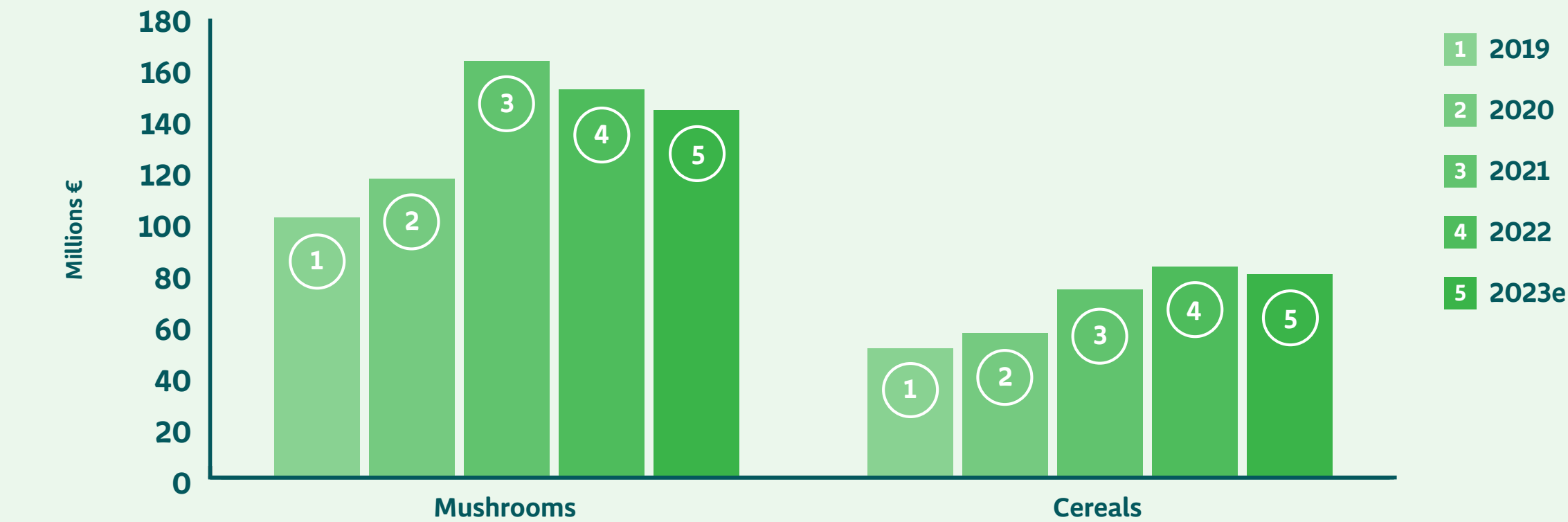
6%
DECREASE

The biggest factor affecting the mushrooms sector in 2023 was the noticeable slowdown in the UK economy. This led to a greater search for value amongst consumers and within the fresh produce category led to consumers simplifying their purchases, buying only two to four fresh fruit and vegetables in their weekly shop (Kantar UK, 2023c). However, the sector has proved resilient to these challenges, with the volume of exports declining by only 6% year on year. Rising prices have helped producers to maintain their margins.

Brown mushrooms continue to grow in popularity and were the biggest contributors to the growth of the market. Sliced mushrooms have also seen an upsurge in demand, albeit from a small base, driven by convenience and price point. There may be more opportunities in loose, as shoppers avoid plastic packaging, and purchase smaller amounts, while organic mushrooms struggled, due to higher prices (Kantar UK, 2023). Across the sector, labour availability remains a challenge.

UK market
The UK remained the most important market for mushrooms. In relation to amenity Northern Ireland garden centres have traditionally relied on UK nurseries for their supplies, however the new Brexit-related arrangements mean that sales to Northern Ireland for Great Britain nurseries involves extra paperwork and logistical issues. There are opportunities in Northern Ireland for nurseries across the board, including niche suppliers.

Annual mushroom and cereal exports



Source: Bord Bia and CSO

TRENDS BY KEY PRODUCTS

CEREALS



€80
MILLION

4%
DECREASE

In 2023 the cereal growing area of 268,000ha was estimated to be down by more than 6%. Total cereal production was estimated at just under two million tonnes which is a decrease of 20% on 2022. The yields for all cereals were below the five-year averages. The reduced area and very challenging weather conditions during the year were key contributing factors to this outcome. Higher costs, lower yields and prices has resulted in a very challenging year for the tillage sector (Teagasc, 2023a) and (Teagasc, 2023b).

The key market for cereals produced is the domestic market and for animal feed but there is an important element supplied into the food and beverage market. In 2023, the value of cereal exports was estimated at €80 million which is a value decrease of 4% year on year, with exports primarily destined for Northern Ireland.

The decline in value emerged as the year progressed with the first half of 2023 continuing to show value growth (January to September values up 11% despite drop of 2% in volumes). The combination of lower cereal area, reduced yields and declining European commodity prices reduced values in the second half.

Overall, maize remains the main export category with malt exports performing well. Both oats and barley volumes were lower leading to a fall in value of their exports. The value of wheat exports was stable helped by increased volumes from the 2022 harvest.



27%

VALUE OF EXPORTS

Cereals account for 27% of total Horticulture and Cereals exports.

PROSPECTS FOR 2024

The outlook for 2024 for the mushroom sector is positive, provided the sector manages to stay on top of costs and achieve some further price increases.

There is a longstanding relationship between the industry and UK retailers, built on the quality of mushrooms supplied, and good service. In addition, Irish companies are positioning themselves as premium suppliers with innovative vitamin enhanced mushrooms.



Kantar sales figures show that ‘pre-families’ and ‘young families’ consumer groups have continued to reduce the volume they purchase. General trends currently show that consumers’ need for enjoyment and practicality have remained far more resilient through the cost-of-living crisis (Kantar UK, 2023). Working from home is seen as continuing opportunity for growth in sales, and there are some indications in the last three months of the year that basket size and trips are growing.

Prospects for the amenity sector are reasonable, with sales for 2024 likely to increase. Consumers in the UK are faced by rising prices, which may affect demand.

However, exports of plants to Northern Ireland are likely to increase, and Irish nurseries will be looking to increase exports due to softening demand in the domestic market.

Prospects for foliage sales remain positive, and the continental demand for Irish exports continues to grow. Ireland’s disease-free status continues to be a selling point for the industry while the cost and availability of growing mediums will continue to be a major challenge for this sector.

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