FOCUS:
DAIRY AND INGREDIENTS

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Welcome to the final edition of Irishfood for 2014.
As we look to 2015 there is one thing on everybody’s lips – the end of EU dairy quotas.
There is hardly a man, woman or child in Ireland that hasn’t heard the news of dairy quotas ending. With a 50 per cent increase in output expected over the next five years, it will have a significant impact on the future of the sector and the economy in general.
The industry has been keenly preparing for the increase, exploring new markets, products and innovations. The Minister for Agriculture, Food and the Marine, Simon Coveney recently led a trade mission to China, which is earmarked as an important trade partner for Ireland’s dairy sector into the future. A number of important announcements for Ireland’s leading dairy processors were made during the five-day visit, including product launches and Memorandums of Understanding. We cover these announcements in detail on page 10.
An important element in Ireland’s dairy success is its role in the infant milk formula category. Three of the world’s biggest infant nutrition companies – Abbott, Wyeth and Danone – operate manufacturing facilities in Ireland. Ireland currently produces approximately 10 per cent of globally traded infant formula. This is a remarkable achievement for a small Atlantic island country situated at the edge of Europe.
Key to Ireland’s global success in the dairy market is its focus on premiumisation. Speaking to Irishfood, Enterprise Ireland explains that R&D will continue to drive success in value-added dairy solutions.
As always, we have the latest consumer trend reports, which show increasing opportunities in the foodservice sector and a growing importance of technology in consumer decision making, as well as the latest news from Ireland’s agri-food industry.
Enjoy!

Oonagh O’Mahony
Editor

Follow Irishfood on Twitter @IrishFoodMag for more updates on Ireland’s agri-food and drinks industry.
Pigmeat producer, Oakpark invests in capabilities for continued export success.

Ireland’s Ministerial-led trade mission to China results in key agreements for Ireland.

Premium beef and lamb exporter, John Stone, scored a recent coup in Dubai when the renowned Atlantis The Palm Hotel held a month-long Irish food festival.

Jose Cuervo buys Bushmills

Kerry reaffirms outlook for full year

New Chairman appointed at Lakeland Dairies

Beef farmers awarded for leading the way on sustainability

Sustainable Farm Initiative

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Aquamin.
Alo Duffy of Corbrack, Ballybay, Co. Monaghan, has been appointed Chairman of Lakeland Dairies Co-operative Society Ltd, one of Ireland’s leading dairy processing co-operatives. Alo was first elected to the Board of Lakeland Dairies in 2010 and succeeds Pádraig Young who has retired from the Board, having served with distinction as a Board member since 2006 and Chairman since 2008. Following Pádraig’s retirement, Anthony Leddy of Milltown, Belturbet, Co. Cavan, has been elected to the Board, representing the Co-operative’s Cavan North constituency.

Lakeland operates across 15 counties on a cross-border basis, processing over 800 million litres of milk annually into a range of value-added dairy foodservice products and food ingredients that are exported worldwide.

An interim management statement from Kerry Group shows a 2.4 per cent increase in continuing business for the nine months to September 30, 2014. This growth is led by its ingredients and flavours business, which was up 3.6 per cent. In line with the business momentum reported at the half-year stage, the Group’s trading margin performance continued to improve in the period and the Group said it expects to deliver 7 per cent to 9 per cent growth in adjusted earnings per share for the full year. The Asia Pacific market delivered excellent results in the period, despite relatively weak market conditions in some regional developed markets. Dairy technologies performed well across regional developing markets and culinary systems achieved good growth in Asia. However, meat technologies were adversely impacted by sectoral issues in Australia and New Zealand. Business in the Americas continued to achieve good growth for Kerry, in particular through all-natural, clean-label and nutritional solutions. Beverage systems and flavours again delivered good growth across American markets and in Latin American markets. Meanwhile, the EMEA market proved challenging due to currency fluctuations and geopolitical issues. However, continuing business volumes increased slightly by 0.1 percent with beverage systems and flavours and dairy systems performing well.

The Minister for Agriculture, Food and the Marine, Simon Coveney, recently presented four leading beef farmers with awards in recognition of their exemplary role in sustainable beef production as part of The Origin Green Beef Sustainability Awards. Speaking at the presentation of the awards, Minister Coveney said: “The Irish food industry has identified sustainability as a strong point of differentiation on the global market, a vision that is being articulated through the Origin Green brand. Credible, measurable proof points are crucial however, and our beef farmers are at the forefront in helping our food industry to achieve this ambitious plan. These awards acknowledge those farmers who are leading the way by highlighting the link between environmental sustainability and efficient beef production at farm level.” Twelve farms demonstrating strong sustainability credentials with regard to carbon footprint, biodiversity and water management were shortlisted for the awards. The shortlisted farmers were selected from the members of Bord Bia’s Quality Assurance Scheme, which includes over 43,000 beef farms. The final winners were decided following farm visits by the judging panel.

The winners were:

**Suckler to beef category:** Jonathan Greene, Levitstown, Maganany, Athy, Co. Kildare
**Suckler to weanling/store category:** Tim Joyce, Ballinvoher, Turloughmore, Co. Galway
**Weanling/store to beef category:** Pat Murray, Pallas, Gorey, Co. Wexford
**Dairy calf to beef category:** William Morrow, Demesne, Raphoe, Co. Donegal
SUSTAINABLE FARM INITIATIVE

Teagasc and Glanbia Ingredients Ireland (GII) have announced details of a new Sustainable Farm initiative at Kildalton College, the largest agricultural college in the country, which is operated by Teagasc. The Kildalton Open Source Sustainable Farm initiative will measure success across four key pillars with economic sustainability underpinning all four. These pillars are: resource-use efficiency – water, energy and nutrients; land management – to maintain and develop biodiversity; animal welfare; and health and safety. Progress in each of these important areas will be benchmarked globally and measured against target on an annualised basis. The farm will be used to demonstrate best practices, which will ensure sustainable farming systems into the future.

The first development by the Kildalton Open Source Sustainable Farm is testing the application of a number of useful tools for farmers such as The Carbon Navigator – the online system that supports farmers and their advisers in reducing the carbon intensity of dairy or beef farms. GII has prioritised sustainability as a key focus for its business with the introduction of its Open Source sustainability and quality assurance programme launched earlier this year, whereby all 4,500 farmer suppliers will be audited to comply with core sustainability benchmarks.

"We are delighted to announce the Open Source Sustainable Farm Initiative with Teagasc," said Jim Bergin, CEO of GII. "GII has made considerable strides in realising our comparative advantages in sustainability. Sustainable principles are at the heart of what makes us different on the global dairy stage and it's a strategic imperative for us to drive future development and growth in this area. Through this new partnership with Teagasc, we are confident that we can bring real learnings and efficiencies from sustainable farming thus ensuring it is relevant to our farmer suppliers".

Teagasc Director Professor Gerry Boyle said: “Irish agriculture is demonstrating its environmental sustainability. The Kildalton Open Source farm, with support from Glanbia Ingredients Ireland, will showcase best practices in producing food in a sustainable way, not just to the next generation of farmers but also to the consumers of Irish food products both at home and on international markets.”

This new programme is the eighth in a series of joint initiatives between the two organisations stretching back to the early 1990s. Earlier this month, Teagasc and GII launched a new Joint Farm Development Programme designed to assist participating GII dairy farmers to achieve profitable and sustainable expansion in the post-quota era.

JOSE CUERVO BUYS BUSHMILLS

Family-owned multinational drinks company Jose Cuervo has agreed to purchase the Old Bushmills Distillery Company Limited, including the Bushmills Irish Whiskey brand from Diageo.

“We are proud to announce our agreement to acquire 100 per cent of Bushmills. This is the most important purchase made by Cuervo in its entire history,” stated Juan Domingo Beckmann, Jose Cuervo CEO. “This is a very exciting time for both Bushmills Irish Whiskey and Jose Cuervo. We see this acquisition as a fantastic opportunity to continue to nurture and grow the Bushmills Irish Whiskey brand globally, underpinned by the strong expertise and focus of Jose Cuervo as one of the world’s leading drinks corporations.”

Colin O’Brien, Operations Director, Diageo said Bushmills is a brand built on great history, heritage and passionate people and has been a cherished part of Diageo for more than nine years. “During this time we have invested over £80 million to build capacity, infrastructure and maturing inventory at the distillery, which has supported the continued growth of the brand. We are immensely proud of these achievements, and, while we recognise that today’s announcement does represent a change for Bushmills, we are confident that Jose Cuervo – a company with a proven commitment to its people and to valuing the history and heritage of its brands – will continue to nurture Bushmills in the future.”
Allan Morris, Managing Director of John Stone, says the event in the Atlantis The Palm was a result of ongoing discussions between the company and the hotel. “We had, after a number of years, convinced the Atlantis The Palm that they should really be doing something with us. So, they agreed to do an event with us in their brasserie restaurant, which is quite a big restaurant, and that they would promote a pop-restaurant focusing on Irish foods for the entire month of November. That’s a bit of a coup, to be honest. So, we set to work about how we would make it special for The Palm so they might do it again in future years.”

John Stone approached a number of Irish companies, including Cooleeney Cheese, Kelly Oysters and Mullaghmore Lobsters, that operate in the Middle East through Fine Foods Eire to participate in the event. However, Allan says, the Atlantis wanted more. So, John Stone invited celebrity Irish chef Neven Maguire, owner of MacNean House and Restaurant, to create a chef’s table and menu of Irish foods for Atlantis The Palm customers.

“The opportunity arose as Neven uses our dry-aged beef here in Ireland. We contacted Neven and asked him if he would come down and help with a chef’s table and menu for both guest and some of our customers, he agreed. We took him to a number of our customers in the Middle East where he filmed for his television programme: Home Chef, and cooked with them. So, it was great for Neven and great for John Stone having him in the market with us for four days.”

Chef’s choice

John Stone also welcomed leading chefs from the Middle East to a dinner in Zuma restaurant in Dubai, with Neven as the guest of honour. “There was a lot of exchanging of ideas about Irish food at that table,” says Allan. Commenting on John Stone’s business with Zuma, Allan says it was another coup for the company to get a listing with the restaurant. “Zuma is the most famous and exciting stand-alone restaurants in Dubai and the best restaurant in terms of awards won for both chef and restaurant. “Zuma is the most famous restaurant in Dubai and the best restaurant in terms of awards won for both chef and restaurant. “Zuma is the most famous restaurant in Dubai and the best restaurant in terms of awards won for both chef and restaurant. “Zuma is the most famous restaurant in Dubai and the best restaurant in terms of awards won for both chef and restaurant. “Zuma is the most famous restaurant in Dubai and the best restaurant in terms of awards won for both chef and restaurant. “Zuma is the most famous restaurant in Dubai and the best restaurant in terms of awards won for both chef and restaurant.

Allan explains that Irish beef offers consumers a point of differentiation from a health and wellness perspective, which is particularly important in developed economies where obesity in on the rise. “Irish beef has a lot to offer in terms of nutritional value, its low-fat content.
and its high-mineral offering, and more importantly it has less saturated fat than grain-fed beef. That has been highlighted by Zuma in that they have said that women are some of the biggest customers they have in the Middle East market. They love the fact that our product tastes great and that it is healthy.” Allan adds that, as awareness grows around diet and wellness and the significant difference between grass-fed and grain-fed beef, combined with John Stone’s dry-age ethos, it has something different to offer consumers. “They can still enjoy beef that they love to eat but in a healthier and tastier version.”

When it comes to choosing its meat, Allan says John Stone has strict criteria. “At John Stone we look for the best that Irish beef has to offer. We are looking for marbling – which we get from particular types of grass-fed beef animals and particular types of farmers – animals that are under 30 months of age, good shape and confirmation. We are fortunate with our partners Kepak, that we have the opportunity to cherry-pick the finest beef from their plants under the strict selection criteria we have developed. Also, we are dealing with a number of other Irish processors that we are partnering with to select beef from and offering that into the marketplace. It’s real co-operation because we believe we have the brand, the process and a product that we can offer the marketplace. Other meat processors know that if they have the correct product I’m interested in, we can do business together successfully.”

Global outlook
As well as growing its reach in the Middle East, John Stone has had success closer to home in Europe in countries such as Sweden, Switzerland, Germany, Denmark and Holland. “Europe is our home and we take over four decades of experience in dry aging beef and share them in our new emerging markets.” Further afield, John Stone is listed in Hong Kong, Singapore and will begin exporting Japan in the first quarter of 2015. “We are looking at many different markets. John Stone is interested in four- and five-star restaurants and steak houses all over the world.”

More recently, John Stone has been looking to the US market and it recently agreed distribution in that marketplace, which will commence once final approval is made from the US Department of Agriculture for Irish beef generally – an agreement that is expected shortly. “On a global scale, John Stone sees itself as the leader in consistent dry-aged, premium Irish beef offer in the global marketplace. We focus on selecting and aging prime beef. It’s our passion and this, combined with four decades’ experience, gives our customers the assurance they need in this demanding level of dining. The diner who enjoys beef certainly enjoys what we have to offer.”

Sheepmeat
John Stone also operates a sheepmeat business internationally and Allan says the business has been progressing well. “The marketplace in the gastronomy world has been dominated by Australian and New Zealand product. The Australian and New Zealand product has been quite uniform in size and shape but, due to the increase in weight of their domestic flock, it’s moving the product into the weight range that Ireland is currently at.” With carcass weights on a par, Allan says Irish product offers a clearer differentiation based on taste and quality. “Irish product is grass-fed, is out all year and we have so many different variants, from Connemara to Kerry, to the east coast that, so, in terms of a flavour profile versus the other lambs we really have something to offer. It can’t be denied that Irish lamb verses Australian or New Zealand lamb is a far superior product in terms of taste and texture.”

2015
Allan says John Stone is excited about 2015 with new markets opening up and building on existing markets. “We are excited about the future. We have a lot to do in terms of the US market opening and building our current markets. We also have the Sirha exhibition in Lyon in France in January 2015 building on the success of Ireland being the beef sponsor of the Bocuse d’Or two years ago. Gulfood will take place in February 2015 so the first quarter of the year is busy and we will look to build on the success of 2014. Obviously, we will look to continue growth in all our markets around the world.”
MINISTERIAL-LED TRADE MISSION DELIVERS RESULTS FOR IRISH EXPORTS.

The Minister for Agriculture, Food and the Marine, Simon Coveney recently concluded a five-day trade mission to China. The trade mission saw the Minister visit five cities, with 37 delegates from agri-food and agri-service companies, with 50 trade promotion meetings and events during the week. The Minister described the trade mission as hugely successful.

“I am delighted with the progress made this week across a range of sectors and the opportunity to showcase Ireland’s world-class food and drink products and services to a huge and expanding market like China. The opportunity presented by the Chinese market is staggering.

“Since my previous visit here two years ago, China has risen to become our sixth biggest export market, with values trebling over the last three years to reach €390 million last year and expected to reach €500 million this year. I expect this will continue to rise as demand grows and there is an increasing awareness of Ireland and the quality of our products.”

Beef breakthrough

The Minister held a number of political meetings during his visit to China and made positive progress with regard to access for Irish beef in the market. “We have had a significant breakthrough on beef, with a firm commitment from the Chinese Quarantine and Inspection Service (AQSIQ) to carry out a formal inspection visit in Ireland in early December. My Department has already begun an intensive engagement with the Chinese authorities and with Irish industry on the planning for this inspection visit,” the Minister noted.

Dairy deliveries

On the dairy front, the week saw a number of events marking strategic partnerships between Irish and Chinese dairy companies, which are now resulting in dairy produce that is manufactured in Ireland on sale on Chinese supermarket shelves.

During his visit, the Minister hosted a major Ireland-China dairy seminar in Beijing aimed at raising awareness of Ireland as a premium-dairy producer for Chinese buyers and consumers. The event built on the successful audit of Irish dairy plants in April of this year where Ireland achieved 100 per cent compliance with the Chinese requirements, and every company that applied for access was accepted. Irish dairy exports to China were worth over €270 million in 2013, which was up some 100 per cent in just two years and
represents a growing slice of Ireland’s dairy exports, which reached €3.1 billion last year. The Minister said it was very much about building on Ireland’s existing strong dairy trade with China and exploring where future collaboration might occur.

The event also saw the signing of a cooperation agreement between Bord Bia and the China Dairy Industry Association. Welcoming the agreement Aidan Cotter, Bord Bia Chief Executive, commented: “This marks another key progression for the Irish dairy industry and Bord Bia as we continue to build key trade relationships in China.” The delegates also heard how Bord Bia, on behalf of the Irish food and drink industry, has conducted in excess of 300 hours of consumer research in the Chinese market. Aidan added that the conference provided an invaluable opportunity to meet face to face with China’s most influential dairy players. “It also provided the ideal platform to share our recent research findings, which will help guide the industry, and Bord Bia, with regard to the optimum messaging for sharing the story of Origin Green, Ireland’s sustainability programme, with Chinese customers.”

**On the shelf**

During the trade mission, Glanbia plc launched its branded Avonmore milk on the Chinese market. The Minister joined Siobhan Talbot, Group CEO of Glanbia and Mr Zheng, Managing Director of Milkmore, a local distributor and retailer of dairy products in China, which is manufactured at Abbott’s facility in Cootehill, Co. Cavan.

The product is being produced in a new factory in Co. Monaghan, which was developed with the support of Enterprise Ireland.

Irish food and drink companies are increasingly competing with, and in many cases leapfrogging, traditional brick-and-mortar retail formats and we recognise the value in building partnerships with Tmall.com as the leader in the industry.”

**Seafood**

The trade mission coincided with the China Seafood and Fisheries Expo. The Irish pavilion, organised by Bord Bia, included representatives from a record 11 Irish seafood companies. The Expo is the largest trade show in China with in excess of 25,000 visitors from over 100 countries. Traditionally, the Chinese market has been important for the Irish seafood industry, predominantly for the sale of pelagic species. However, in the last three years, significant effort has been invested by Irish processors and Bord Bia to identify and develop opportunities for premium shellfish in this growing market for seafood, notably for shellfish.

Furthermore, in 2014, Bord Bia worked closely with the Irish industry to assist with the launch of boarfish into the Chinese market. Benefitting from a very substantial quota of 88,000 tonnes, Bord Bia has undertaken trade research and promotions in the Chinese market to identify customers for this new species and to educate the trade and consumers on boarfish and its unique selling points.

Tmall

The Minister also met with representatives of Tmall.com, the world’s largest online retailer, with over 400 million registered users and more than 100 million unique daily visitors. A major Irish-themed sales promotion is planned to coincide with the global St Patrick’s Day celebrations in March 2015. The Minister commented: “Our partnership with the world’s largest B2C e-commerce platform represents an excellent opportunity to raise awareness of sustainably produced, premium Irish food and beverages with the web-savvy Chinese consumer. Witnessing double-digit, year-on-year growth, online sales channels are increasingly competing with, and in many cases leapfrogging, traditional brick-and-mortar retail formats and we recognise the value in building partnerships with Tmall.com as the leader in the industry.”
Bringing the unique taste of Irish dairy to the world
Focus
Dairy & Ingredients
Total European milk production is forecast to increase by 7 per cent, or approximately 10 billion litres, post-quota. Ireland hopes to make a huge splash in that increase, as the industry’s Food Harvest 2020 strategy report envisages milk production increasing by 50 per cent over five years.

Ireland’s grass-based farming system currently involves 300 days of outdoor grazing with approximately 18,000 farmers producing 5.4 billion litres. The new target will see that number increase to 7.4 billion litres.

Ireland’s target will be a challenge on many fronts, but an achievable one, explains Tara McCarthy, Director of Bord Bia’s Food and Beverage Division.

“It is a very challenging target but if you look back at when quota was originally imposed, Ireland was producing five billion litres of milk at that point, and so was New Zealand,” says Tara.

“Ireland today is still producing a similar amount, while New Zealand is producing 20 billion litres. So, given how extensive our production is, this target is seen as absolutely achievable.”

Dairy currently accounts for more than 30 per cent of Ireland’s €10 billion food and drinks exports and that figure will rise. One hundred per cent of Ireland’s additional milk production will be exported mostly as
butter, cheese, milk powders and infant milk formula.

“We are a global hub for infant milk formula, with three of the top four companies in the world located in Ireland, and 10 per cent of global infant milk formula coming from here,” says Tara.

That is why Bord Bia’s sights are firmly set on the Chinese market. Irish dairy exports to China were worth over €270 million in 2013, a 100 per cent increase in just two years.

Research

Bord Bia has been carrying out extensive research in China, as well as in Europe and Saudi Arabia, over the past 12 months, to ensure that markets are encouraged to buy Irish once quotas are lifted.

The research comes under the umbrella of Bord Bia’s sustainability initiative, Origin Green, but with a specific dairy remit, and with industry support and funding of €1 million.

Sustainability remains at the core of the Origin Green dairy initiative, and it was essential for Bord Bia to ascertain how different markets understand or interpret sustainability, ensuring that Ireland’s message is communicated accordingly.

Ethnographic research in the Chinese market included 24 home visits, 14 store visits and 300 hours in the field. It revealed that Chinese consumers value Ireland’s clean environment, its fresh air and water, and its food safety.

Messaging

“When you show them pictures of people breathing fresh air, they envy that lifestyle,” explains Tara.

“Chinese consumers also want modernity and they also value heritage. So, we are trying to tap into that by giving them our philosophy of food, which is all about our clean environment and our commitment to that clean environment, about our dairy heritage, our inter-generational farming families, and also our commitment to the future and modernity.”

When it comes to encouraging markets to think and buy Irish dairy, one message will not suffice, says Tara.

“We have a different emphasis on our message when we communicate in Europe for example, because they have a strong expectation of us already. What they are looking for from us is a guaranteed supply and a continuation of our good work on sustainability.

“In Saudi Arabia they are looking for commitment to the marketplace. So, we want to show them that we are long-term players with that commitment, and they already know about our grass-based production.”

End of quotas

Work is well underway to ensure that milk producers will be on target to meet the 50 per cent increase, says Tara.

“The co-ops have all done research on their farmer members and each has received strong forecasts as to where the production will come from, in what timeframe, what their farmers’ plans are and what their investment is.”

A number of the country’s largest co-ops, including Dairygold, Glanbia and Kerrygold, have invested significantly to deal with that new production.

“One hundred per cent of that extra output is going to be exported and what we have been spending the last 12 months doing is trying to understand and research as many markets as we can to make sure that there are homes for that product.”

Bord Bia is confident that Ireland’s 18,000 farmers will have subscribed to its Sustainable Dairy Assurance Scheme (SDAS), which is being driven by the country’s co-ops.

“The dairy co-ops are signing up their farmers to the SDAS and the majority of co-ops have signed up to that. It is going to take time.

“We are working on an 18-month cycle and we are employing a lot of quality assurance auditors to ensure that it happens. “

Bord Bia is also looking at other markets, including Africa, although not as part of the Origin Green Dairy initiative initially. “Africa is going to be a home for a lot of dairy products and we are doing a lot of trade research in Africa at the moment.

“Our key communication priorities are Europe, because we already have a lot of good traction in that market, infant formula in China, and then third is Saudi Arabia and that region.”

“Thirty seven per cent of our exports will be going to Europe. So, we need to make sure that we are communicating to that group of customers as to why they should have preference for Irish suppliers. But we expect that it will be the East and Middle East that will take the extra milk products,” says Tara.

Joint ventures

Commenting on the prevalence of joint venture opportunities, Tara says: “Joint ventures are becoming more prevalent, for example Beingmate and Kerrygold, and Avonmore and Bright Foods in China.

“When the customer wants to secure their supply they are entering into these partnerships and the challenge for Ireland is to ensure that they find the right partners.”

To create awareness of Ireland’s dairy industry, Bord Bia commenced a European marketing campaign in November targeting the UK, France, Spain, the Netherlands and Switzerland. It is currently working on creating a Chinese campaign based on the research it has done so far.
In a major policy statement to a recent dairy conference in Dublin, the CEO of Bord Bia outlined his organisation’s hopes and plans for the years ahead. Aidan Cotter explained that the Irish dairy sector is already the single largest component of Ireland’s food and drink exports, accounting for 37 per cent of the total last year. He went on to reinforce the opportunities presented for Irish dairy production when quotas are abolished next year. “As the dairy sector begins to realise the opportunities now opening up, it is set to dominate total export revenues by the end of this decade. And it is well positioned to do so in that it has an international marketing footprint that is truly global.”

Almost 40 per cent of Irish dairy exports go to external EU markets. Irish dairy products were exported to 140 countries in 2013.

Aidan added that the pull of international markets has been notable in recent years. “Moreover, when we look at the distribution of our dairy exports among those international markets, we see further evidence of the broad base of its footprint, with the focus in particular on Asia, Africa and the Middle East, which last year accounted for 80 per cent of the industry’s exports to international markets.”

But the most striking trend of all, as the Bord Bia Chief explained, “is the sustained growth in exports to China, which, in 2013, for the first time, became Ireland’s second largest market after the UK, driven largely by infant formula, which last year accounted for more than two thirds of our total dairy exports to that market”.

Middle-class consumers

Aidan looked closely at the main drivers of the global demand for food. “Population is one factor, at 7.3 billion now, it will reach just over eight billion by 2025. Today, 54 per cent live in cities, in 10 years that will rise to 58 per cent, driven almost entirely by Asia and Africa, and will grow to 66 per cent by 2050 when the world is set to house 9.6 billion people.”

Urbanisation, Aidan noted, is associated with the growth in the middle classes, the people with buying power, with changing lifestyles and shifting dietary habits toward more protein-based foods.
and dairy products. That is really driving growth in the global demand for food. According to the OECD, some three billion more people will join the middle classes over this and the next decade. Taking the 10-year time horizon, that’s an extra 1.5 billion people, with buying power, the equivalent of the creation of a market three times the size of the European Union today. The Bord Bia CEO gave his audience an extraordinary statistic. “Asia and Africa are already home to three out of every four people in the world today, with Africa in particular set to grow its population to account for almost one in every four in 10 years’ time.”

Part of the reason the population is growing, and a major feature of demographic change in the developed world, Aidan explained, is that people are living longer. As they live longer, they recognise the link between diet and health, they want to feel better, look better, and lead an active and healthy lifestyle. “Health and wellness are the biggest long-term drivers of change in food markets today and those who can leverage those effectively through nutrition are those who will ultimately prevail in the marketplace.”

The Irish marketer pointed out the opportunity for the dairy industry to continue to position itself in the health and wellness segment of the market. “The opportunity has never been clearer, and as the pendulum moves in public perception and the role of protein in healthy aging is increasingly recognised, the opportunity just continues to grow.”

Food challenges

Aidan noted that the drivers of growth in the demand for food are relentless, yet they are being met by new supply challenges that didn’t exist before. He listed falling rates of growth in productivity, climate change, unpredictable weather events and volatility, a world facing water scarcity, when agriculture requires 70 per cent of it for irrigation, a fixed land supply and the competing use of it for fuel as well as for food, as compelling restrictions on the growth in food supply in the years ahead.

Dairy demand growth

As outlined by Aidan, there is a projected annual average growth rate of 2.4 per cent in the global consumption of dairy products over the next 10 years. “The highest growth rates are projected for Asia, China and India in particular, and Africa where populations and middle classes are expanding fastest.”

Also notable, Aidan said, is that the annual growth rate in production is set to moderate from 2.2 per cent over the last 10 years, to 1.9 per cent over the next 10, with the OECD/FAO noting limitations of land and water in Asia and developing regions, which account for almost 80 per cent of the growth in global milk production.

World dairy prices

FAO and OECD projections to 2023 project that average dairy product prices will continue to remain well above historic levels over the forecast period. The Bord Bia CEO summed up the market opportunities for Ireland in the years ahead. “By any measure, the medium-term prospects for dairy remain positive and Ireland, with its international focus and presence in the regions of the world where demand is growing fastest, is well positioned to benefit.”

Earlier this year, Bord Bia undertook an evaluation among key customers in three target regions to assess buyer priorities, perceptions about the positioning of Ireland and its dairy industry, and the role of sustainability in light of the earlier launch of Origin Green and the Sustainable Dairy Assurance Scheme. “A common thread running throughout our research was the emphasis placed on security of supply, with some referring to the need to move towards long-term agreements. In this context, the growth potential opening up in Ireland has been a source of keen interest by customers. Similarly, the perception of cost competitiveness and the potential of Ireland based on its grass-based production systems were seen as clear strengths. In Europe, price and quality are the primary drivers of choice, yet managing volatility is an issue frequently cited as a concern for buyers.”

Interestingly, the survey showed that emphasis on price and quality – and Ireland is perceived to be strong on quality – does not provide a basis for differentiation and the creation of value. However, sustainability does. In Europe, some 85 per cent of the businesses interviewed recognise the growing role of sustainability. In China it is food safety, quality and traceability that are at the forefront of people’s minds. Aidan pointed out the critical need for an understanding and insight into the use of Irish dairy ingredients and products by consumers if the industry is to add value and differentiate the Irish dairy offering. The Consumer Insight Team in Bord Bia has been working with industry to build these insights through ethnographic consumer research.

Reputation

Aidan was clear about building and enhancing reputation. “This is a world in which reputation is everything and in a competitive dairy marketplace where countries compete a country’s reputation is critical. Origin Green shows what the Irish dairy industry stands for, a unique programme that is a world first, a key differentiator, and a programme that informs not just our reputation, but also the reputations of our customers. As we seek to exploit the many opportunities that exist and will now open up in the marketplace, this is one opportunity we can leverage together.”
Hi Europe 2014

All the trends reports talk about the growing consumer demand for healthy food products that contain natural flavours and colours, natural ingredients and health-benefit led ingredients. This year’s Hi Europe, December 2-4 in Amsterdam, is an opportunity to display the range of product on offer to satisfy that demand. Six Irish companies are attending this year’s event, exhibiting a range of ingredients and expertise to more than 8,000 food and beverage professionals specialising in developing new products for this booming consumer sector.

Atlantia Food Clinical Trials Ltd is a world-class dynamic company providing clinical studies expertise for the food, beverage and supplements sector. Atlantia delivers a comprehensive end-to-end solution for human intervention studies in functional ingredients in foods and beverages, nutraceuticals, medical foods, dietary supplements and infant formula. It works with some of Europe’s leading scientists across a variety of partner institutions and provides its clients with a range of options based on their clinical research and validation needs. It can manage all aspects of trials from protocol design right through to recruitment, execution, data analysis and report/dossier preparation or simply provide the specific elements of a trial that a company may require. Atlantia has a highly flexible structure, with capabilities right across the spectrum of functional food and beverage categories, such as dairy, probiotics, proteins, infant-specific foods, vitamins/minerals and medical foods. It has extensive clinical expertise, in the areas of: digestive health; sports performance; healthy ageing; nutrient uptake; mental health (stress, cognition); cardiovascular health; bone health; immune health; infant-specific nutrition; etc. It has a dedicated team of project managers, research nurses and clinical assistants involved in running clinical trials, and has a subject databases of: healthy volunteers; elderly subjects with mild GI conditions; and athletes, now in excess of 10,000. With its experience and flawless track record, Atlantia Food Clinical Trials is dedicated to providing all of its clients with an exceptional level of service and expertise.

Carbery Ingredients is an international, nutritional ingredients company, headquartered in Cork, Ireland, with production, R&D and marketing capabilities in Europe, the US and Asia. With its market-leading Optipep whey hydrolysate range, Carbery is working towards unlocking new opportunities for its customers in performance nutrition, weight management and healthy ageing. Part of the Food for Health Ireland (FHI) consortium, Carbery is at the leading edge of milk-based bioactive ingredient science. The company owns flavour specialist Synergy, whose flavour science experts collaborate with Carbery’s researchers to offer a unique taste and application capability plus extensive expertise of protein-based products for developed and emerging markets.
Glanbia Global Ingredients produces nutritional and functional ingredient solutions for the international food, beverage, supplement, and nutrition industries. Its ingredient solutions offer a range of benefits from sports performance to immunity support to cardiovascular health. Every solution is quality assured and backed by the company’s applications know-how. Glanbia Global Ingredients is one of the key drivers of growth for Glanbia plc – a global performance nutrition and ingredients group headquartered in Ireland – which has leading market positions in cheese, whey proteins, sports nutrition and micronutrient premixes. Glanbia products are sold in over 130 countries worldwide. It employs 5,000 people across 20 countries. Shares are listed on the Irish and London stock exchanges (symbol: GLB). Glanbia has two core business segments called Global Performance Nutrition and Global Ingredients. The other key growth platform is its Performance Nutrition division, which has leading global sports nutrition brands: BSN, ON, Nuntamino and Isolpure. This reflects that Glanbia has two well-established nutritional platforms that cover both B2C and B2B nutritional products and solutions. The first platform is the Group’s global sports nutrition brand family. The second platform spans large-scale US cheese manufacturing and value-added nutritional ingredient solutions incorporating ingredient technologies and customised premix solutions.

Kerry Group is a world leader in food ingredients and flavours serving the food and beverage industry, and a leading supplier of added-value brands and customer-branded foods to the Irish and UK markets. Founded in 1972, the company has developed organically, and employs over 24,000 people throughout the whole company through its manufacturing, sales, technology and application centres across Europe, North America, South America, Australia, New Zealand and Asian markets. The company supplies its products to more than 140 countries worldwide, and has a current market capitalisation in excess of €8 billion on the Dublin and London stock markets. Kerry’s Ingredients and Flavours division develops, manufactures and delivers technology-based ingredients and taste solutions and pharma, nutritional and functional ingredients for the food, beverage and pharmaceutical markets.

Established in 1992, Marigot Ltd is a functional marine ingredients company. Its range of marine minerals includes Aquamin, which is derived from one unique raw material, the red algae Lithothamnion species. With a distinct composition, which includes calcium, magnesium and 74 trace-minerals, Aquamin can be used in foods, drinks, and dietary supplements where it is proven to deliver clear bone, joint and digestive health benefits. According to the company, independent clinical trials published in international peer-reviewed journals have supported its research in the marine-mineral nutrition sector. The company has three manufacturing facilities, with an international network of exclusive agents and distribution partners serving the needs of local markets. Marigot is dedicated to sustainability, harvesting only mature, calcified seaweed, and leaving ‘live’, young seaweed untouched. Harvests of this sustainable material ingredient are carefully planned, controlled and monitored by Marigot, to ensure timely harvesting to protect the natural ecosystem.

Willows Ingredients Ltd is an Irish-based, family-owned distributor of raw materials for the food, healthcare, sport and animal nutrition industries. The company represents overseas manufacturers of products sold in the UK, European and US markets. Willows works closely with customers offering a high level of client service, coupled with fast, accurate and reliable responses. The company imports product from countries including China, India, the US, South America, Turkey, Israel and Europe. In addition, Willows Ingredients has local suppliers and customers based in Ireland and the UK. A growing SME, the organisation is based in Co. Wicklow and employs nine people in Ireland and two in the UK. Willows Ingredients Ltd is accredited to the following quality systems: FEMAS, ISO 9001:2008, HMFA, and AIC, FDA.
A taste of something new

WITH TASTE A KEY DIFFERENTIATOR FOR NUTRITIONAL PRODUCTS, CARBERY WILL UNVEIL ITS NEW TASTE PLATFORM AT HIE 2014.

Headquartered in Ireland, international food ingredients, flavours and cheese manufacturer, Carbery and its flavour division, Synergy, will unveil ‘Taste for Performance’, a collaborative protein and flavour platform, at this year’s Health Ingredients Europe (HiE) show.

The company says its latest collaborative research into the sensory analysis of various protein sources, which was undertaken with North Carolina State University, has provided Carbery and Synergy experts with a deeper understanding of how proteins bind and interact with flavour compounds. Carbery explains that these insights enable the development of superior flavour profiles in protein-based formulations.

Noel Corcoran, Sales and Marketing Director, Carbery Food Ingredients says great taste has become a primary differentiator in the success of products and especially nutritional products. “Carbery’s food ingredients portfolio includes dairy-derived ingredients such as whey protein concentrates, isolates and hydrolysates, which, alongside the taste capabilities of Synergy, provide formulators with an unequalled ability to develop a range of products that deliver the required functionalities in terms of performance and taste.”

During this year’s event, protein and flavour experts from Carbery and Synergy will be on hand to explain how the characteristics of different protein sources behave in application and how flavour science is applied to achieve the best possible taste. “Carbery’s flavour division, Synergy, will be showcasing its expertise in flavouring nutritional applications through a series of market-specific prototypes including solutions for pre- and post-workout and weight management, as well as supplements for consumers over 50,” says Noel.

“In particular, the market for pre-workout products is fast expanding. In line with this, Synergy will demonstrate a refreshing grapefruit flavour, as part of a new spray dried range, designed to deliver intense flavour in even the most challenging pre-workout bases. In addition, the company will showcase a delicious chocolate-cookie flavour incorporated into a protein pudding prototype. The pudding format offers an alternative and convenient way to consume protein and is ideal for weight management and sports nutrition consumers.”

Ongoing R&D

Carbery is committed to ongoing investment in its R&D and technical capabilities, working across a broad portfolio of research initiatives. “Carbery works on a wide range of research projects and clinical studies as part of its science-driven innovation platform,” explains Noel.

“Working specifically with customers on key areas of research pertinent to their goals enables us to get closer to our customers and provide the cutting-edge solutions they need. A current example is that we are investigating the complex mechanisms by which bioactive peptides found in whey protein hydrolysates may modify insulin sensitivity. There is evidence to suggest that food and beverages can be supplemented with such peptides to create functional foods and beverages that may help control glucose levels and promote insulin sensitivity.

“Continued investment in research is required to fully understand the role of peptides, but evidence to date is certainly revealing interesting and encouraging findings that dairy-derived bioactives have the potential to improve blood sugar control and lower the impact of type 2 diabetes and its complications.”

Furthermore, Carbery is also a member of Food for Health Ireland (FFHI), which sees leading academic and Government research organisations partnering with major dairy processors in Ireland to carry out research into functional dairy ingredients for commercialisation.
The Irish Dairy Board (IDB), Ireland’s largest dairy exporter, has announced a major product expansion into the Chinese market with the launch of Kerrygold Whole Milk and its new Kerrygold Chinese trade mark, 金凯利, pronounced ‘Jin Kai Li’.

This announcement is a key part in the IDB’s strategy to develop premium dairy products for international markets. The IDB exports dairy products to over 100 countries around the world and it views China as an immediate route to market for additional milk Irish farmers will produce when milk quotas are removed in April 2015.

The new product, Kerrygold Whole Milk, and trade mark were unveiled by the Minister for Agriculture, Food and the Marine, Simon Coveney at a ceremony in Beijing during a recent Irish trade mission to China.

Welcoming the announcement, the Minister said: “We are entering an exciting time for the Irish dairy sector as milk quotas are abolished from next April. The development of premium dairy products and the building of routes to markets, in particular in emerging dairy markets like China, are essential if we are to deliver on our objectives under Food Harvest 2020. IDB’s investment in China, and the entry of Kerrygold Whole Milk into the Chinese mass market, opens up considerable market opportunities for the additional milk we are expecting post 2015.”

Commenting on the announcement, IDB spokesperson Jeanne Kelly said it marked the IDB’s entry into the Chinese mass market. “We plan to make Kerrygold Whole Milk as widely available as possible by building a sustainable business...”
with national, regional and e-commerce retailers. There are few more significant countries than China in terms of opportunity for dairy growth and we see considerable potential to develop our business, not only in liquid milk, but also in cheese and butter.”

The Chinese liquid milk market is estimated to be worth €18 billion with an annual growth rate of over 10 per cent. Over 11 billion litres of liquid milk are consumed in China each year, compared with just 670 million litres in Ireland. Kerrygold will be marketed in China, as in most other countries, as a premium imported product. The premium segment of the milk market incorporates 28 per cent of milk volume and 45 per cent of the value of the market. It is estimated that this market segment includes over 186 million households in China. IDB China is a fully incorporated subsidiary of the IDB, which is headquartered in Ireland. It is registered in China as a WFOE (Wholly Foreign Owned Enterprise). The China team consists of 15 operations, marketing and sales staff based in Beijing, Shanghai and in HQ in Shenzhen. “We are looking to double those numbers by mid next year. So, that will give you a sense of our commitment to that market,” Jeanne says.

IDB China sells to over 1,000 retail outlets across China, Hong Kong, Malaysia and Singapore. It imports into China and distributes from its own warehouses to a range of direct and distributor customers, serving the biggest retailers such as Metro, Carrefour, Tesco, RT Mart, Vanguard and Auchan. It markets the full range of Kerrygold cheese and butters and now, Kerrygold Whole Milk.

**Brand positioning**

Jeanne explains that the introduction of Kerrygold Whole Milk will help to advance its other Kerrygold products in the market over time. “One of the first things that you see when you go into the supermarkets is dairy products and milk. So, if you can get your brand there in front of the consumer, once they come into the shop that is what they are seeing.”

The IDB has been exporting butter and cheese to the premium market in China since 2007. However, Jeanne explains, this is a relatively niche market. The IDB recognised that, in order to have mass appeal, build brand awareness and strengthen Kerrygold’s overall recognition in China, it would need to grow in the mass market of premium dairy products. “To get real reach in the market and enter the mass market, we felt that it wouldn’t be with butter or cheese initially and that we had to target the premium milk liquid milk market. “So, we had to look at a format that would be suitable to the consumer. That’s why we launched the small, 250ml version, because that’s how it is consumed in China. Then we had to look at the brand positioning.”

Jeanne explains that the three words of the new trademark stand for quality. “Jin represents treasure and gold; kai – is a song of triumph and happiness; and Li – means quality and premium advantage. They are three words that are commonly used in the Chinese language that all together represent premium and quality.” Jeanne continues: “We are looking to build Kerrygold brand awareness in the popular, mass liquid milk market, and then we can start to build relationships with the consumer. And, as consumers start moving towards butters and cheeses and the westernising of diets progresses, there will be more awareness of the Kerrygold brand.”

**Chinese retail**

Kerrygold Whole Milk will be sold through major Chinese retailers, regional shopping networks and e-commerce retailers and supported by a marketing campaign, which, the IDB says, focuses on craftsmanship. According to the IDB, extensive consumer insight research found that Chinese shoppers responded positively to the image of Ireland as a pure, green island, with clean family farms, where the tradition of craftsmanship is married with the modern technology required to ensure high standards of safety and quality production.

Marketing investment will focus on in-store visibility and sampling programmes in addition to driving brand awareness through social media and search engine marketing.

**Infrastructure investment**

Furthermore, the IDB recently invested in its in-market infrastructure in China. With teams now in Beijing, Shanghai and Shenzhen, IDB China plans to double its ‘feet on the street’ by 2015.

“There is healthy growth in China, particularly from the premium end. We are looking to increase our reach in China with the introduction of Kerrygold milk in the mass market and we are actively looking at acquisitions and joint ventures that will help us increase our distribution and our product range within the premium market,” says Jeanne.

During the recent trade mission, the IDB also signed a Memorandum of Understanding (MOU) with Chinese dairy producer, Guangxi Royal Dairy. The IDB describes the agreement an important step in opening up routes to market for Irish dairy products in the key Chinese economy. Under the MOU, the two companies will explore developing new products for sale in the Chinese dairy market. Manufacturing of the products, the main ingredient of which will be Irish milk, will be based in both Ireland and China. The agreement also agrees collaboration in the areas of branding, logistics and distribution. “Partnerships such as this are key to building business in China. We are confident that this will be an important relationship for both the IDB and Guangxi Royal Dairy.”
A rising cream liqueur

UNITING TWO POWERHOUSES OF THE IRISH AGRI-FOOD INDUSTRY — IRISH DAIRY AND IRISH WHISKEY — COOLE SWAN CREAM LIQUEUR HAS ITS SIGHTS ON CONTINUED GROWTH.

Produced in Co. Cavan, Coole Swan uses fresh Irish cream combined with single malt Irish whiskey, white chocolate and vanilla. The family-owned business is seeing international growth for its product, with 70 per cent of sales now in international markets. Mary Sadlier, Chief Executive of Coole Swan, believes there is potential for this to continue to rise into the future and says she expects volumes to double in 2015.

Irish quality

Originally launched in 2007, Mary says that being Irish has helped the company in international markets. “People expect quality when they hear that you are Irish and Irish products are really well received.” However, Mary notes, it is more than a perception. Coole Swan uses 100 per cent natural products, with no caramel colouring or ‘bulking sugars’. “That’s why we chose white chocolate, because it is so sweet.” Mary explains that the white chocolate addition gives Coole Swan its unique colour and distinctive flavour. Mary says Coole Swan offers customers a unique taste experience. “It has a very clean finish on the palate,” she says. “You have an initial cream and white chocolate taste followed by the alcohol. It’s a very pleasant feeling in the mouth, and a lovely sensation of the warm alcohol at the back of your throat. It is not the overpowering sensation that can be associated with whiskey, instead it is what I think is the best part of alcohol, it’s the warm glow, which follows the explosion of cream and white chocolate.”

International markets

Mary says the company is well positioned to respond to growing international demand. It is currently exporting to the UK, Russia, the US, and mainland Europe. In 2015, Coole Swan expects another five markets to develop. In the US, Mary explains, there is the potential for eight states to open up, while Europe, she adds, offers great potential. Word of mouth has been a key driver for the family brand thus far, and feedback has been positive. Coole Swan also has an in-house chef that explores new, creative ways of using the product in cooking. He provides demonstrations to international chefs and mixologists about the range of ways in which Coole Swan can be used. Coole Swan produces a new booklet of recipes every six weeks, which is available for customers online. “We want to show how versatile it is,” Mary explains.

Honours

The product has been well received internationally, receiving multiple awards. In 2009, it won Best in Show Liqueur and Double Gold at the World Spirits Competition in San Francisco; as well as a Five-Star Rating, Highest Recommendation from F. Paul Pacult’s Spirit Journal; it was listed in the Top 50 Spirits 2009 and Best Buy December 2009 by Wine Enthusiast; received a Five-Star Supreme Rating and a Top 10 Spirits from BevX.com; and was listed in Massachusetts Beverage Business’ Hot Brands 2009. In 2013, Coole Swan was awarded the Or Medaillé from the Selections Mondiales des Spiritueux Canada. Most recently, Coole Swan was named the winner of Irish Liqueur category at the 2014 Irish Whiskey Awards (see page 38 for more).
R&D key to dairy success

ENTERPRISE IRELAND SEES R&D-DRIVEN, VALUE-ADDED DAIRY PRODUCTS AS THE KEY TO SUCCESS IN POST QUOTA ENVIRONMENT.

Ireland’s dairy industry is currently undergoing a dramatic period of infrastructural investment, as the processing sector prepares to handle an estimated 50 per cent increase in milk supply following the lifting of production quotas in April 2015.

In the past two years, major capital investments have been announced by leading processors, including Kerry Group, Dairygold, and Glanbia Ingredients Ireland Ltd, which is investing over 150 million in a new dairy processing facility that will produce 100,000 tonnes of dairy powder per annum and will be the first major greenfield standalone dairy investment in Ireland since quotas were introduced over 30 years ago.

The lifting of production quotas in April 2015, which is estimated to increase milk supply by 50 per cent (with volumes expected to rise from 5.5 billion litres currently to over 8 billion litres by 2020), presents a golden opportunity for the Irish industry to become a leading global dairy exporter, alongside New Zealand, the Netherlands and the US. Rosemary Sexton, manager of Enterprise Ireland’s Dairy Department, says the additional output resulting from the new processing capacity will focus entirely on export markets and has the capacity to be transformational for the Irish economy in terms of increased wealth and export revenues. The projected growth will result, not only in increased jobs in the farming and processing sectors, but also in thousands of new downstream jobs in the wider agri-business sector. This growth will have a positive impact also on the key infant formula manufacturing sector, which has three of the four main global producers located here.

Ireland is currently regarded as an efficient, cost-effective producer of high quality milk products. However, Enterprise Ireland says, this growth opportunity will have been wasted if the industry concentrates on just producing increased quantities of bulk commodity dairy products such as skim milk powder, butter and whole milk powder. Enterprise Ireland has been actively working with the processors to ensure that, allied to the increased capital expenditure that they are spending to process the extra volume, there is also a major focus on implementing Research and Development (R&D) programmes to ensure that products that can command better margins are developed.

Emphasis on R&D and innovation

In addition to encouraging and assisting individual dairy companies with their own in-house innovation programmes, Enterprise Ireland is also involved in ensuring that Ireland’s overall dairy R&D infrastructure meets highest international standards. This R&D infrastructure is a key part of Ireland’s attractiveness to...
global food companies. Irish universities like University College Dublin and University College Cork are noted centres of expertise in food science, food processing and agricultural science. Teagasc, Ireland’s national body for integrated research, advisory and training services to the agriculture and food industry, is also a source of collaborative and contract research, and hosts extensive facilities for pilot-scale and pre-commercial development and testing. A key Government and Enterprise Ireland investment in this area is the Food for Health Ireland (FHI) technology centre, a collaboration between Irish research institutions and leading Irish dairy companies. Its objective is to identify and commercialise new bioactives from milk and to develop new functional food ingredients and products. FHI is now entering its second five-year-term with a total budget of €19.2 million and will build on the results of the first phase, which identified 2,200 new components from milk, with a strong focus on commercialisation of the research results. In addition, Enterprise Ireland is working closely with the industry and other key sectoral stakeholders to develop and implement similar initiatives to further develop Ireland’s dairy innovation infrastructure.

Ireland’s claim to be a centre for food research, development and innovation received a huge boost with Kerry Group’s decision to locate its €100 million Global Innovation Centre in Ireland, with support from Enterprise Ireland. This will commence operations in early 2015, and will ultimately employ 900 people and will be a key reference site both for Kerry and for Ireland’s food industry.

Global markets

The large dairy companies that grew out of Ireland – particularly Kerry, Glanbia, Lakeland, Dairygold, and Carbery, as well as the Irish Dairy Board (IDB) – have established strong reputations in international markets, have long experience of trading globally, and have exported to markets as diverse as Africa, Asia and the Americas. More recently, there has been a major focus by some companies on the Chinese market in particular. Both Glanbia plc and the IDB have recently launched branded long-life liquid milk products for retail sale. These products will be heavily marketed to Chinese consumers, in conjunction with local partnerships. Enterprise Ireland is working with other players in the Chinese dairy sector to expand the number of such partnership deals.

Infant formula

Infant formula is a key segment of the dairy industry in Ireland. According to Rosemary, quality Irish ingredients have prompted three of the world’s top producers of infant milk formula – Danone, Abbott and Pfizer – to choose Ireland as a manufacturing base, from which they supply over 10 per cent of the world’s exports. Enterprise Ireland has the vision that Ireland will be the premier location to produce infant milk formula based on abundant safe ingredients, innovative competitive processing and ability to commercialise and leverage the world-class capability of the R&D infrastructure. It is working with the infant milk formula producers in Ireland to support their capacity, environmental capability and R&D agenda to deliver innovative sustainable products catering to the needs of global markets.

One of the primary objectives is to assist them in gaining recognition from their parent companies as strategic centres of excellence, thus consolidating their position in Ireland and securing the maximum level of investment from within their respective groups. Enterprise Ireland is also supporting the indigenous dairy processors as they move up the value chain in terms of sub-supply of infant milk formula raw materials. Many of these key investments will reinforce and build on this expertise by enabling the dairy companies manufacture dairy compounds and blends that can be incorporated in infant formula without the need for further processing by the formula companies.

A key milestone for the sector has been the launch by the Kerry Group this year of a branded ready-to-consume infant formula, which is manufactured at its facility in Charleville. It is marketed in the Chinese market under the Green Love brand in conjunction with local partner Beingmate. According to Enterprise Ireland, the attractiveness of participation in the infant milk formula sector for the Irish dairy companies is evidenced by the following facts:

- Infant milk formula markets are high growth, high margin, boast extremely high levels of loyalty, are highly resilient and are non-cyclical businesses.
- The global infant milk formula market is valued at €28 billion.
- Parents at all income levels in the developed world and increasingly, the emerging markets, are deeply brand-conscious with regard to infant milk formula.
- Brand loyalty elevates barriers to entry and effectively protects well-established and trusted companies from competitive forces. The high degree of brand loyalty stems from parents’ concern regarding product safety for their babies/young children.

In particular, the potential for growth in the Chinese market is huge. Product safety is a major issue in China, and Ireland is increasingly seen as a desirable place of origin for infant formula. Rosemary is very optimistic about the long-term prospects for the Irish dairy sector. She comments: “If Enterprise Ireland were to encapsulate its vision for the future, it would be that innovation, resulting in value-added products, will be the key to delivering long-term price stability and profitability to both the Irish dairy processors and their farmer suppliers in the post-2015, quota-less environment. Enterprise Ireland will be working closely with the dairy industry to achieve this.”
Jim Woulfe has worked for Dairygold for 35 years, which is longer than the company’s existence in its current formation. The dairy science graduate joined the milk processing division of Ballyclough Co-operative Creamery in 1979, and rose to the rank of Dairygold CEO in 2009. Addressing the annual Nuffield Farming Scholarships Trust conference, Jim identified three key components to successful leadership. “You could include components like being proactive, being committed, being results orientated and mental toughness, being disciplined and having political savvy. They are important parts but I have found that there are three essentials in the context of leadership. The area of compassion, character and vision.”

**Compassion** – Jim describes compassion as a love for the job, as an essential component of leadership. “When the alarm clock goes off every morning, what gets you out of bed, what sets the adrenaline going and the juices flowing for the day ahead? That’s where passion comes in.” He adds that compassion ensures there is no room for complacency in yourself or the organisation. “We should love to do what we do to the extent that we are always looking to improve ourselves and our teams.”

**Moral character** – Jim notes that leadership is about serving, and serving honestly. “We have shareholders, we have customers, we have employees and we have people who have invested in the business and we have people whose livelihoods are depending on the business. They are trusting in the leadership. So, there is a degree of obligation if you like and from that point of view it’s important that you don’t become arrogant, complacent or selfish.”

**Vision** – Jim believes it is incumbent in a good leader to present the guiding direction for an organisation. He says people measure the effectiveness of the leadership for its ability to bring the company from point A to point B.

Dairygold Co-operative Society Limited, Ireland’s largest farmer-owned dairy business and the country’s second largest dairy processor, was formed in 1990 with the merger of Ballyclough Co-operative Creamery Limited and Mitchelstown Co-operative Agricultural Society Limited. It is headquartered in Mitchelstown, Co. Cork and processes approximately 960 million litres of milk annually from its 3,000 milk suppliers. Dairygold has manufacturing facilities in Ireland, the UK and France, with sales operations in Germany and Spain.

Jim explains that when he began his career, there wasn’t a structured focus on development. “You put your hand up if you wanted to progress.” Jim says he put his hand up. He participated in a frontline management programme, asking for time-management support, which wasn’t the buzz word it is today. Jim continued to take advantage of the opportunities that were available to him, participating in a communications programme and, later, completing an executive development programme with the Irish Management Institute.

He continued to upskill, taking part in financial courses for the non-finance manager and Leadership for Growth, with Enterprise Ireland. “These were all personal learning, where I felt I needed to improve my skill set.” Meanwhile, Jim continued to progress...
within Dairygold, moving into a HR role in 1997 and becoming head of Dairygold’s agri division in 2002, before taking on the mantle of CEO in 2009.

**Becoming brilliant at the basics**

When Jim came to the helm, he says Dairygold’s bases were sound and a lot of efficiencies had been introduced. However, he adds, energy was being misdirected and needed to be refocused to push improvements within the company.

Jim says he took inspiration from Vince Lombardi, an American football player and coach, who is best known for being the head coach of the Green Bay Packers during the 1960s. Lombardi’s management approach, Jim notes, was not to dramatically change tactics. Instead, he says: “We are simply going to become brilliant at the basics.”

Jim says Dairygold, at the time, had lost sight of the basics and it was important for the leadership to refocus. “What I did was to look at the five or six different areas that are really important in the context of leadership.” Jim identified the areas of: communication; team building; establishing values; making sure there is a culture of performance throughout the organisation; and, finally, aligning the strategy with the various stakeholders.

“Communication was the first thing and I felt it was very important to share the message. Full engagement with stakeholders, listening, understanding and informing them of what is going on. Even if the message is bad.” Internally, Jim said it is important that employees are on the same page. Each year he takes time to meet people within the organisation to facilitate communication to ensure they have a clear picture and understanding about why certain decisions are being made. Jim adds that it is important to meet customers to understand their perception of the organisation.

Building the team and getting the right people in the right positions to make the difference. Each week Jim holds a meeting with key personnel, reviewing progress on challenges from the previous week and setting out targets for the week ahead. Jim says it is important that all areas of the business are represented at the meeting so that nobody is blind to what is happening elsewhere. Furthermore, he adds, it allows for the cross-fertilisation of ideas and solutions across departments.

Jim’s personal experience of ad-hoc professional development has encouraged him to “copper fasten” training and development within the organisation. Dairygold now works with undergraduates and graduates and encourages professional development through its Senior Leadership development programme. “That’s really important because people who have been 10 years in the organisation can become stale and we have to make sure that we have the talent in the organisation and we allow that talent to emerge.”

Jim continues: “We will support those who want to do an MSc in management or an MBA. That will unearth the talent that is within the organisation in terms of succession planning and giving confidence to people to take on new roles and to embrace change.”

Dairygold has also adopted a continuous improvement programme called Advance 2020. “That whole continuous improvement programme, Lean manufacturing, has been defining,” says Jim. Furthermore, 360° feedback has been introduced for the senior team, which is a peer-review process. Establishing a solid strategic direction, Jim adds was extremely significant, which is managed by Dairygold under three horizons:

1. **Building from the base up.** Making sure the fundamentals of the business are right.
2. **Once the balance sheet has been strengthened,** exploring opportunities for mergers, acquisitions, and joint ventures in the company’s core areas of expertise.
3. **Diversification into related areas in** non-core areas. Jim described this as “a wide funnel that is being narrowed down” as the company brings in new resources to explore opportunities in this area.

It’s all about getting results for Dairygold. The company is driven to achieve set targets and these are filtered throughout the division. Dairygold has adopted an internal system, which it calls GRID, that allows each individual within the company to assess their own performance in relation to the agreed targets. “We introduced this seven or eight years ago but to perfect it is an ongoing process. “The one thing I would say, is that having worked for almost 30 years without it there is no going back. In terms of making sure that everyone is focused about what is required, GRID is the mechanism that ensures it.” Jim concluded by quoting Lombardi once again. He said: “Leaders are made, they are not born. They are made from hard effort, which is the price that all of us must pay to achieve any goal that is worthwhile.”
Martin Crowe is a very proud fourth-generation farmer in Doon, Co. Limerick. He is proud to be carrying on a family heritage in farming and hopes that, one day, he will pass on the tradition to one of his five children. In the meantime, he says, it is his job to protect the farm, the land and the environment as best he can so they can inherit it the way it was meant to be. “My father got the farm from his father and improved it and I got it from him and I hope I’m improving it too. I hope that I will be able to pass it on in as good, or better, condition that I received it and that my children will be able to earn a living in a sustainable lifestyle on it in the future. We are only custodians of the land for the time we have it.”

He adds that Irish people have a strong connection with the land and that the concept of preserving, maintaining and sustaining farms for future generations has always been the way of life in Ireland. “Farmers have always had pride in their land and in being able to pass it on to the next generation as they got it. If you look back, sustainability has always been on Irish farms. Land is an important thing in the Irish psyche and farmers are always proud to be able to pass the farm on to the next generation.”

Now, however, there is a new way to measure and prove that sustainability as Bord Bia recently introduced the Sustainable Dairy Assurance Scheme (SDAS) as part of the nationwide sustainability programme Origin Green.

Global competition

Martin is conscious that Irish dairy is competing on a global scale and says that, as such, it needs key differentiators to market itself internationally. With that in mind, he welcomes Bord Bia’s recent introduction of the SDAS. “This is a further strong selling point for our product,” he says.

The SDAS builds on Bord Bia’s long-standing Quality Assurance (QA) schemes in which farmers, in addition to meeting legal requirements for food production, must meet a range of standards including: animal health; welfare and traceability; water and feed; pasture management; environmental management and farm safety. The SDAS is the first QA scheme to incorporate sustainability assessments from the outset. It is a rigorous, independently verified and internationally accredited standard (European Standard for Product Certification - ISO 17065: 2012). The scheme provides a uniform mechanism for recording and monitoring, at individual farm level, the sustainability of Irish dairy farming. It includes carbon footprint assessments.
Irish actress Saoirse Ronan has been involved in helping Bord Bia communicate the Origin Green message in international markets.

**Assessment**

As well as his dairy enterprise, Martin also keeps bulls for breeding and was already a member of the Beef Quality Assurance Scheme. He says his farm was very ready for assessment under the SDAS. Martin had his first assessment in May 2014 and scored well for his farm practices. However, he says, the assessment did highlight some areas where he could achieve greater efficiencies, such as water use on the farm. He will be assessed again in winter 2015, with assessments taking place every 18 months. Previously, he says, farms would have been assessed less frequently. Martin is a member of the Kerry Agribusiness co-op, which is where he was first introduced to the new scheme. He explains that Kerry encouraged its members to participate in the scheme and was supportive in helping farmers prepare for inspections.

As of September 2014, 43,500 beef farms have been carbon footprinted and by the end of 2015 most of the 18,000 dairy enterprises will have been assessed. Bord Bia says no other country anywhere in the world is carbon footprinting its farms on what is, in effect, a national scale and it is Bord Bia’s aim to have all dairy farms in Ireland signed up and participating in SDAS by 2016.

**Efficiencies**

Martin says the introduction of the SDAS has been broadly welcomed by his fellow dairy farmers who, he adds, recognise the need for calculating Ireland’s efficiencies and communicating those with the rest of the world. Commenting on Origin Green and its role in representing the work of Ireland’s dairy industry, Martin says: “It’s a unique selling point. It’s all about sustainability these days and we definitely have that product in Ireland. I think it’s a brilliant idea that we promote ourselves in that way. There’s a push on to reduce the carbon footprint but if we stop producing beef or dairy here it will be coming from somewhere else where there is a bigger carbon footprint in the production system. I think we have a very sustainable product here.”

**End is in sight**

The end of European dairy quotas is just around the corner and Martin says it will be a welcome change on his farm. He explains that he is in a position to increase his outputs without having to expand his dairy herd. However, nationally, there is an expected 50 per cent increase in dairy outputs by 2020 and Bord Bia says having the SDAS structure in place ahead of that increase is significant for the country. Commenting on the scheme’s introduction and role in the market, David Owens, Sector Manager Dairy Ingredients at Bord Bia says: “The SDAS and Origin Green provides the Irish dairy industry with a significant point of difference in an increasingly competitive marketplace.”
A world of sustainable dairy solutions

Glanbia Ingredients Ireland - the first Irish dairy company to receive the prestigious ‘Carbon Trust Standard’ award, a globally recognised certification for organisations that have measured, managed, and reduced their carbon footprint.

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'Smart' solutions in Irish dairy

Teagasc, the national body providing integrated research, advisory and training services to Ireland's agriculture and the food industry, defines smart ingredients as high-value, milk-protein based ingredients that have enhanced nutritional or physical properties for use in food products. These products will play an important role internationally in the future as worldwide demand for protein increases in line with a growing world population and an expanding middle class.

Teagasc believes Ireland is well positioned, particularly with the predicted increase in dairy output once quotas are abolished in April 2015, to deliver smart ingredient solutions to satisfy the growing need, much of which is coming from emerging economies with little or no history of dairy product consumption. As many of these emerging markets are located outside Europe, Dr Mark Fenelon, Head of Food Chemistry and Technology in Teagasc, explains that the most convenient means to deliver Irish milk to these distant markets is in dehydrated (spray dried) form. Teagasc’s food research programme at Moorepark has aligned itself with this need through the amalgamation of core scientific competencies such as protein chemistry, soft matter physics, food structuring, and dehydration/rehydration dynamics in order to engineer smart, protein-based powdered ingredients for export.

**Key functionalities**

Dr Fenelon explains that there are two key target functionalities for these smart ingredients: physical and nutritional. As well as nutritional qualities, from the physical perspective, he says, the ingredients must be designed with specific rehydration properties to allow reconstitution into large volume dairy foods e.g., soft cheese/yogurts, desserts, etc. These ingredients can also form the nutritional base for foods and beverages including infant formulas, dietary products, aged care products, protein bars, therapeutic and medical products including supplements.

Dr Fenelon says that the newer generation of high-protein based ingredients, such as milk-protein concentrates (MPCs) and caseins, are attractive for formulation in many foods and nutritional products because of the near-native state under which proteins are separated from milk, using relatively mild process conditions afforded by modern, large scale membrane filtration technologies. However, he adds, in order to fully exploit the benefits of the smart ingredient concept, greater focus is needed, during the design stage, on the final application of the ingredient, in order to modify the dispersion and hydration characteristics for use in products such as cheese or high protein bars.

**Industry potential**

Teagasc has identified a number of industry benefits from the evolution of smart ingredients within Ireland. As well as providing an outlet for the extra milk volume expected in the sector, smart ingredients present an opportunity to expand the current profile of products for export, with higher margin products in the mix. Furthermore, advances in technology will play a role in developing longer shelf life dairy powders for export. As well as providing industry solutions, Teagasc’s work in this area is also helping to keep Ireland at the forefront of dairy research through the development of expert competency groups to support the area of protein chemistry in relation to dehydration (spray drying) and rehydration science. Furthermore, ongoing research in this area will allow Ireland develop the know-how with the evolution of ‘subject matter experts’ in the area of dairy science and processing technology to provide sustainable human resources with the correct skillset for the growing dairy industry.
PRODUCT TECHNOLOGY INNOVATION UNDERPINNING SMART INGREDIENTS (Dr Phil Kelly)

Based on 45 years of membrane separations research at Moorepark, Teagasc is now capitalising on this expertise by creating a Centre for Membrane Applications Research in order to expedite process adaptations for the creation of ingredients with enhanced functionality. This facility considers opportunities for new membrane application in terms of membrane selection, operating conditions, performance characterisation, specialised support analysis and process integration.

Proven success

One area in which Irish dairy processors have had considerable success is the infant milk formula category. Ireland is home to three of the world’s biggest infant nutrition companies – Abbott, Wyeth and Danone and a fourth a more recent entrant to the sector, Kerry Group. In fact, the Wyeth facility in Askeaton is one of the largest infant milk formula (IMF) manufacturing plants in the world. Combined, Ireland’s dairy industry currently produces approximately 12 per cent of globally traded infant formula. Teagasc plays an important role in the on-going success of the IMF category, conducting strategically important research that helps to underpin the NPD capabilities of infant formula companies with respect to their manufacturing sites in Ireland. Its strategy is to conduct research involving dairy companies to support a three-way relationship between IMF companies, Teagasc as the research provider, and ingredient suppliers in an effort to accelerate the process of bringing innovative developments to the point of commercialisation. Dr Fenelon says commercialisation is the ultimate step in the process and is facilitated at Teagasc through the application of formulation science in conjunction with a processing platform that is uniquely customised for infant formula specification.

Dr Fenelon outlines that there are two technological features that predominate IMF manufacturing. These are product safety and the increasing desire to ‘humanise’ the IMF formulation so that it best resembles the composition of human breast milk. “Much has already been achieved technologically over the years and, indeed, an example here is the collaborative development, involving Teagasc, of an α-lactalbumin-enriched ingredient that is now commercially used in infant formula.” Dr Fenelon adds that there is an opportunity for the IMF industry to identify new technologies that would enable processing of ingredients at higher concentrations than are normally done. Reducing the amount of water, which must ultimately be removed by evaporation and drying, means more energy efficient and cost-effective production.

Evolving manufacturing processes

Teagasc is currently investigating the use of novel, steam-injection heating and mixing technology to re-engineer existing infant formula manufacturing processes in order to make them more competitive. This has seen the design of a new infant formula production process at Teagasc that is substantially shorter and more energy efficient than existing processes. Significantly, this process is capable of processing infant formulations at higher total solids (60 per cent) content than is currently practiced. Another area of research is investigating the potential of the milk fat globule membrane (MFGM) of bovine milk as an ingredient source for infant formula manufacture. Currently, commercially produced infant formula does not possess the antimicrobial activity of human breast milk. The MFGM contains many glycoproteins and oligosaccharides, which research suggests could play a role in antimicrobial defence in the neonate, explains Dr. Phil Kelly, Teagasc Food Research Centre. Teagasc researchers believe that much of the antibacterial activity of bovine MFGM is inadvertently destroyed during processing. They are exploring options to successfully exploit MFGM-rich ingredients and say this will represent one more key step in the ‘humanisation’ of bovine milk.

QUALITY ALONG THE SUPPLY CHAIN (Dr Phil Kelly)

Quality and Ireland’s ‘green’ image are equally important as functionality when promoting ingredients on international markets. Close research collaboration between Teagasc food, chemistry and technology researchers and their dairy-production colleagues is working towards optimisation of grass-based dietary feeding regimes in order to maintain ingredient quality in terms of composition and functionality.

International appeal

Mark says that the strength of knowledge at Teagasc in process technologies has attracted multinational companies, particularly those operating in the area of dairy ingredients and infant formula. Teagasc’s work in these areas has already resulted in commercially applicable outputs.

Teagasc is continuing its commitment to industry as it enters this new post-quota era, and is expanding its scientific capabilities in order to develop innovative solutions for the infant formula sector in Ireland. In addition, a number of scientifically important bioscience research projects within Teagasc further extend the range of competences sought by IMF manufacturers. This evolving axis, between chemistry- and bioscience-based research, is key to maintaining the role of Teagasc as a centre of excellence in IMF developments in Ireland. This is also complemented by Teagasc’s unique capacity to support IMF NPD needs throughout the whole quality chain, from milk production right through to the final reconstituted powder.
Oakpark Foods invests in the future

WITH NEW INVESTMENTS, EXPORT GROWTH AND TECHNOLOGY EXPANSION, THE FUTURE FOR OAKPARK FOODS IS LOOKING BRIGHT.

Oakpark Foods, located in Cahir, Co Tipperary, has just completed the latest phase of a major capital investment programme that has seen the company become one of Ireland’s leading pork and bacon processors. The company has focused on private label manufacturing and developed close partnerships with most of the supermarket multiples operating in this country. Oakpark has grown its export business similarly and now has a key presence on UK supermarket shelves.

Investment
This latest phase of investment has centred on maximising capacity while optimising efficiency and ensuring that quality control is top of the agenda. General manager David Brett is clear in defining the company’s strategy. “We are operating in an extremely competitive market where quality is number one and you don’t get out of the traps without BRC accreditation. Oakpark has BRC Grade A and we are members of the Bord Bia quality assurance system.”

Clearly price is extremely sensitive and Oakpark’s other main thrust has been on controlling unit cost. “We work to very demanding key performance indicators (KPIs) and our competitiveness is tested regularly when supermarkets put their entire pork and bacon lines out to tender. We have invested over €3 million in the past three years and always our sights are on minimising the cost of a packet of rashers or bacon joints on our customers’ shelf,” David says. He also says that the consumer is very demanding – on the one hand insisting on top quality and at the same time seeking value. “Our role is to deliver those two critical criteria consistently and on time while striving for improved efficiency in a tight margin environment,” he says.

Exports
Oakpark exports €10 million worth of bacon products to the UK every year and its products are now on supermarket shelves from Aberdeen to Southampton. Over 200,000 packs of fresh rashers leave the Cahir factory every week destined for supermarkets throughout the UK. John says that he has negotiated a new contract with a British major for Darfresh products, which has just been launched. “We are trying to develop an appreciation for Irish-sourced products in Britain and, this year, we will supply 2.5 million packs of rashers and 250,000kg of leg meat products, all from Irish quality-assured pork,” he says. Oakpark has won many awards for its products, most recently two Blas na hEireann awards and previously UK Grocer gold medals. These are important recognitions that assist the marketing efforts in Britain especially.

Traceability
Oakpark has just commissioned its new computerised traceability system. This was launched recently by Minister of State in the Department of Agriculture, Tom Hayes. The new system provides real-time stock control with full traceability as product moves from one department to another in the factory and David says that it provides a seamless, constant flow of information ensuring that customers get the right product at the correct price and on time.
Relevance: the secret to success

THE 2014 RDS GOLD MEDAL FOR INDUSTRY AND COMMERCE AWARD RECIPIENT OWEN KILLIAN, SAYS INDUSTRY RELEVANCE IS THE RECIPE FOR SUCCESS.

A native of Co Roscommon, Owen Killian is the founding Chief Executive of Aryzta Ag, the Irish-Swiss global food giant.

Leadership and growth in Aryzta

Under Killian’s leadership and vision, Aryzta has experienced exponential growth to become the world leader in the highly competitive frozen bakery sector with annual sales of over €3 billion. Killian’s interest in agriculture began in University College Dublin (UCD) where he studied agricultural science. From 1977 to 1988, Killian held various managerial roles at the Irish Agricultural Wholesale Society (IAWS) Ltd. He served as the head of food at the IAWS Group from 2001 and 2003 and focused on maximising the earnings stream from all food operations and developing future strategy for this sector across all markets. On October 1, 2003, Killian began his tenure as CEO of Aryzta. He is also Director of Maidstone Bakeries, non-Executive Chairman of Origin Enterprises, and Executive Director of Aryzta Ag.

Aryzta was originally founded as the Irish Co-Operative Agricultural Agency Society in January 1897 and renamed the Irish Agricultural Wholesale Society in December 1897. The IAWS bought Shamrock Foods in 1989, R&H Hall in 1990 and Cuisine de France in 1997. It went on to buy Delice de France in 1999, La Brea Bakery in 2001, Groupe Hubert in 2005 and Otis Spunkmeyer in 2006. In June 2007, it spun off its agribusiness activities as Origin Enterprises. It merged with Hiestand Holding AG in August 2008 and subsequently changed its name to Aryzta. It bought Honeytop Speciality Foods in 2011 and acquired the German frozen bakery goods manufacturer, Klemme AG in 2013 and both Pineridge Bakery in Canada and Cloverhill Bakery in the US in 2014. The combined consideration of these acquisitions was €730 million. Currently, Aryzta supplies some 78,000 customers globally. The massive success of the company...
under Owen Killian’s leadership is credited to staying relevant in the global market. “I wouldn’t be here except for the team I work with in Aryzta. When I started working in IAWS in 1977, Ireland had just entered the European stage and was thriving and enjoying prosperity in the agricultural market. Land property and car prices were falling and inflation was increasing – a classic bubble culture synonymous with the Celtic Tiger era. When the crash in 1982 occurred, we shed one third of our workforce in the first six months in 1983 and focused on our cash flow and retaining the businesses that were of relevance to our customers,” he says. “This enormous degree of urgency, sense of recovery and staying relevant has stayed with me. We are either relevant to our shareholders and our customers or we fail to survive. The hard-working staff at Aryzta is constantly improving the value of our company for our shareholders and customers and I am honoured to be associated with the company’s success. We give 15 per cent of our profit to shareholders, leaving 85 per cent for the company to re-invest, so we will continue to acquire in the future. The single most important thing I have learned in my tenure at Aryzta is how to remain relevant and this is the core focus for our company.”

Future for Ireland in global food markets

Owen says the fear of becoming irrelevant is always there. According to Owen, food production is so important to a world population of seven billion, soon to become nine billion. It is important to discuss how the role of science and technology influences food production and how Ireland should have more relevance in this industry. Irish food companies wishing to rapidly achieve scale in international markets need to stay relevant and take advantage of Ireland’s small, open economy on the periphery of Europe.

“Consumer patterns show the increasing pace with which the food industry must continuously expand on a global scale as consumption increases. I have no doubt that food will become more strategic than oil for world leaders in the future,” he says. “Economical development and prosperity is intrinsically linked to wealth creation with risk taking as an inherent component.

“After 38 years in this business, I am an unapologetic believer in the market economy. The price the consumer pays for our food determines what our customer pays us, what we can pay for ingredients, what our people can turn into food, and in turn what leads to our overall profit.”

Remaining at the forefront

Agri-food, fisheries and forestry represents Ireland’s largest indigenous industry employing some 150,000 people and an annual output of over €24 billion. Food Harvest 2020’s thematic focus for ‘Brand Ireland’ revolves around: smart, green, growth and identified a number of key recommendations for growth – new technologies, developing new working relationships within the food production chain and piloting new product streams. Owen says ideally there needs to be better land transfer methods in place for older farmers to retire and re-invest in the younger farmer population. Owen is adamant that new technologies available to the younger generations means their talent and versatility in the sophisticated digital world supersedes older generations’ experience and they will be the future for the agri-food industry. “We need to embrace the knowledge enterprise out there – science, medicine, technology and food industries – as it is essential that we are well-educated in these industries to ensure for a prosperous future. Climate change will also affect places like Ireland and China, with water shortages in the future, regarding grain-based food production, but hopefully these would be a long-time coming in the future,” he says.

Taking into consideration all of the challenges facing consumers in terms of spending power coupled with pressure on arable land and resources, and the push for more sustainable food production, according to Owen, the impact of volatility on Aryzta and other companies means it is important to work very closely with customers and producers, and find a fine-line balance to deal with price hikes and economic barriers that may occur in the future.

“Science and education is the only passport to a better way of life combined with a work ethic for a successful future,” Owen concludes.
Food industry experts gathered in Dublin recently to discuss the future of food production and consumption. The key message from the conference is that, globally, the biggest challenge is feeding a growing world population with ongoing resource restrictions.

Opening the event, the Minister for Agriculture, Food and the Marine, Simon Coveney said global food production will have to increase by 50 per cent over the next 50 years. “Where will Ireland fit into that?” The Minister said the reality is that agriculture is limited in terms of what it can achieve for green house gas (GHG) emissions but, referring to Ireland’s Origin Green sustainability programme, he added, that Ireland is doing more than any other country in the world to reduce emissions from agriculture. He explained that Ireland had demonstrated its efforts and progress on the basis of scientific evidence. “Agencies should take a lot of pride in what has been achieved. We are changing how the agri-food industry operates in terms of the carbon footprint.” He added that the commitment to sustainability resonated throughout the industry, right down to the grass roots. “Farmers understand that sustainable farming is more efficient and more efficiencies are more profitable.” The Minister concluded by saying that the future is bright for Ireland’s agri-food industry. He explained that Ireland’s reputation and skill in producing premium products would be a key differentiator in the global market. He pointed to successes to date in markets such as the US, China, and the Middle East, which hold further potential to increase exports of Irish agri-food products.

Power shifts

Speaking at the event, David McGee, Consulting Partners, PwC said the world is now at a pivot point, especially with regard to agri-food. He said Ireland was in a strong position, in terms of future projections, however, he said, there were globally challenges for the agri-food industry. David identified five key megatrends that are impacting on the global food environment. These are: resource scarcity and climate change; demographics; shift in economic power; technology; and urbanisation.

Both David and Brett Stuart, CEO and founder of Global AgriTrends, separately commented on the potential impact global population expansion could have on the world’s balance of power. David explained that the E7/countries (China, India, Brazil, Mexico, Russia, Indonesia and Turkey) now doing more trade with each other than the top seven economies. Meanwhile, Brett pointed out that from 2014 to 2030, there will be an additional one billion people in developing economies, while developed economies are only expected to increase by an estimated 50 million.

China is seen as a key influencer in future food demands. Brett Stuart explained that in 2014, the average US consumer has 18 per cent more GDP per capita than in 2000. However, the Chinese consumer has seen an 138 per cent increase in the same period. “What we are seeing is that these developing countries, particularly China are catching up. The growth rate of the developed world is very slow but...
in the developing countries, is very quick. When you think about this in relation to the commodities market, this means that every seven years the average Chinese consumer can pay twice as much for pork. So, what we are seeing is Chinese commodity prices are inflating much faster than the rest of the world."

**Differentiation in the market place**

The Minister, as well as Aidan Cotter, CEO of Bord Bia (the Irish Food Board) and Julie Sinnamon, CEO, Enterprise Ireland told the conference that Ireland should not compete in the commodities market on the basis of price. Instead, they pointed out, Ireland has a number of credentials that differentiate it in the global marketplace. Key to this differentiation is Origin Green and Ireland's commitment to sustainability. Aidan Cotter explained that the value of sustainability was beginning to gain greater recognition with the Dow Jones publishing indices based on sustainability since 1999. Furthermore, Ireland, the Minister said, would compete internationally on the basis of its premium offering. In her presentation, Julie Sinnamon outlined the ongoing investment being made in Ireland's agri-food industry. She said that, while Ireland was small on a global scale, its offering in terms of added-value solutions was key to its ongoing success and, she added, Ireland's success in the agri-food industry should be a role model for other industries. Julie highlighted Ireland's suite of capabilities that have assisted the advancement of the sector, including 15 technology centres, three of which are dedicated to food, as well as plans for two new centres dedicated to key food categories – meat and dairy. All of these capabilities, she explained, are helping Irish companies achieve scale in their businesses. Scale, Julie explained, can be achieved in a variety of ways, including acquisitions, organic growth, joint ventures and co-operation. She highlighted the success of Origin Green for its unification of the whole industry, from big brands to new entrants, that are benefitting from being under one umbrella brand for sustainability.

**Technology**

Technology is playing a role on both sides of the agri-food coin. From a consumer perspective, it is changing the way people engage with food, brands and retailers. From the producers' viewpoint, technology has the ability to harness more from harvests, according to Dr Frank O'Mara, Director of Research at Teagasc (the national body providing integrated research, advisory and training services to agriculture and the food industry). He explained that technology was bringing greater efficiencies to farming, as evidenced through the adoption of grass measurements on farms, automated milking and the impact of big data on animal breeding such as genomic selection. “Sexed semen will help to achieve the numbers needed in dairy cows to accommodate the planned dairy expansion,” said Dr O’Mara.

On the food side, Dr O’Mara highlighted successes to date for Teagasc, which developed a cheese technology platform that allows the manufacture of cheeses from reassembled milks formulated from dairy ingredients. The Irish Dairy Board (IDB) has licensed the platform for the development of white cheeses. Based on this technology, IDB has recently invested 20 million in Saudi Arabia, mainly relating to development of fresh white cheese and other cheese products for the local market.

For consumers, technology is generating greater knowledge around ingredients and brands and is allowing for more interaction between the brands and the end user than ever before. David McGee said that by 2020 wireless digital devices will outnumber people by seven to one. He added that 90 per cent of the world data has been created in the past two years. With that much information at consumers' fingertips it is important for brands and retailers to send clear messages to their consumers.
This year, the second annual Irish Whiskey Awards, which took place at Kilbeggan Distillery in Co. Westmeath recently, celebrated the diversity and quality of Irish Whiskey. Ireland’s whiskey category is currently enjoying unprecedented success with exports increasing by 220 per cent over the past 10 years to reach €350 million in value. There are currently four distilleries on the island of Ireland, with another 20 distillery projects in the pipeline.

The event, which was organised by the Celtic Whiskey Shop, showcased and honoured this rapidly growing indigenous Irish industry across 17 categories.

Broadening the category
The judging panel consisting of members from the Celtic Whiskey Club and the Irish Whiskey Society chose the winners based on blind tastings. Redbreast 21 Year Old Whiskey was awarded Overall Best Whiskey 2014. Following the success of the inaugural Irish Whiskey Awards in 2013, the number of categories increased from nine to 17 this year to include new awards for Best Irish Liqueur, Irish Whiskey Barrel Aged Craft Beer and four provincial awards for Irish Whiskey Bar of the Year.

“The standard and popularity of Irish Whiskey continues to rise and this is why it is important to honour those who are contributing to the huge growth in this sector in recent years,” said Ally Alpine, founder of the Irish Whiskey Awards.

Fastest growing exports
Aoife Keane, Head of the Irish Whiskey Association, which was established in 2014 to represent the rapidly expanding sector, was this year’s guest speaker.

Speaking at the awards she said: “Tonight we celebrate Irish whiskey – its high quality standards, its global reach and its local roots. Fifteen years ago, 1.5 million cases of Irish whiskey were being sold around the world and there were four distilleries on the island. Since then, Irish whiskey has been the fastest growing premium spirit category in the world, selling 6.2 million cases last year. This year, we have over 20 new distillery projects in the pipeline; 5,000 people are employed directly and indirectly and more than 500,000 tourists go through our visitor centres annually. Irish whiskey is one of Ireland’s fastest growing exports, experiencing 220 per cent growth in the last 10 years. We rightly aspire to regain our position as the largest whiskey category in the world.”

Irish Whiskey Awards

THE IRISH WHISKEY INDUSTRY RECENTLY RAISED A GLASS TO TOAST THE SUCCESS OF THE INDUSTRY AND TO HONOUR QUALITY IN THE CATEGORY.

Winners in the drinks categories for 2014 are:

- Overall Best Irish Whiskey 2014 – Redbreast 21 Year Old Whiskey
- Irish Single Pot Whiskey – Redbreast 21 Year Old Whiskey
- Irish Single Malt Whiskey (12 years & younger) – Jack Ryan 12 Year Old Whiskey
- Irish Single Malt Whiskey (13 years and older) – Teeling 21 Year Old Whiskey
- Irish Blended Whiskey (RRP of less than €60) – Powers 12 Year Old Whiskey
- Irish Blended Whiskey (RRP of more than €60) – Jameson Gold Reserve
- Irish Single Cask Whiskey – Celtic Cask Naoi
- Irish Cask Strength Whiskey – Redbreast Cask Strength
- Irish Single Grain Whiskey – Teeling Whiskey Single Grain
- Irish Pot Still – Teeling Whiskey Company Pot Still
- Irish Liqueur – Coole Swan
- Irish Whiskey Barrel Aged Irish Craft Beer – Franciscan Well Jameson Stout
Teagasc researchers partner with the industry to drive innovation in the agriculture and food sector. The Teagasc advisory network assists farmers to combine environmentally sensitive technical innovation with prudent business management, and Teagasc education courses equip future farmers to become lifelong innovators.

**Sustainable Agriculture**
- Reducing Greenhouse Gas Emissions
- Maintaining Clean Water
- Grass based Livestock Systems

**New Technologies**
- Breeding New Potato Varieties
- Satellite Mapping for Precision Farming
- Sexing semen for Animal Breeding

**Technology for the Food Sector**
- High Quality Gluten Free Breads
- Phage Therapy for Controlling MRSA
- New Product Development

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Industry

Food on the move

Leading transport businesses discuss the trends that are influencing on-the-go shoppers.

Europe's largest airline, Ryanair, and nationwide petrol station and forecourt company, Topaz, were among the companies offering expert insight into consumer needs and trends at the Dublin Food Chain conference: Food on the Move. Key personnel from Britvic and Bewleys also provided trends insights on the night.

Organised by Fingal Local Enterprise Office, as part of Fingal Enterprise Week 2014, in conjunction with Dublin Local Enterprise Offices, Bord Bia and the Irish Exporters Association, the event began with an afternoon Masterclass with leading food producers Keelings and Country Crest followed by a Producer Showcase of local food operators. Speaking to a full house of emerging Irish food producers, these two leading companies highlighted the trends and challenges facing their customers, which, in turn, impact on their purchasing decisions.

Dashboard dining

Derek Murphy, Food Services Manager at Topaz, explained that Topaz's core clients tend to be: male; time pushed; commuters; and high vis shoppers (this includes builders and tradespeople). He spoke about the company's need for innovative products that appeal to existing clients and also attract potential customers. ‘Dashboard dining’, Derek explained, is not fast food. However, it must be quickly attainable and easy to consume, without compromising on quality. Furthermore, he said, consumers are increasingly health conscious, so product offerings must also satisfy this growing priority.

Speaking about its potential customers, Derek explained that Millennials are a target market for the Topaz chain. This category are beginning to drive and are extremely food savvy, he explained, adding that if Topaz can find the right offering for Millennials now they are likely to remain customers for life. To achieve this, he says, Topaz must provide food offerings that will make it a destination outlet for food purchases.

With that in mind he says innovative products are important, including time-of-day specific solutions that will appeal to its key commuter and time-pushed customers. Being able to provide shoppers with new flavours or meal solutions is vital to keeping their interests piqued, he added, emphasising the importance of ingredients and the seasonality of products.

Feeding 86 million customers

In contrast to Topaz's need for innovative products, Eddie Wilson, Deputy Director of Personnel at Ryanair, spoke about the airline's need for products that will have broad appeal. Eddie stated that Buy on Board (BOB) dining is not destination dining, it is necessity and, therefore, specialist products have not proven successful.

He outlined the restrictive nature of providing food for air travel. He explained that Ryanair's BOB food cart is a very small and competitive space in which to sell a product, with limited cooking or chilling facilities on board. With that in mind, products need to be simple, with little additions needed, such as cutlery, sauces etc. High margin products are also a key component for Ryanair when selecting its BOB produce. Logistics is key, said Eddie, when it comes to supplying airline food products and that, with 69 bases across Europe, it is important for suppliers to have their systems in place to service all bases.

Despite the challenges, Eddie says that BOB dining is a fantastic opportunity for products that do make it onto the food cart as it puts a brand or product in the direct eyeline of shoppers. However, he emphasised, buyers at Ryanair need a very compelling reason to choose a BOB product because it will potentially mean removing another product due to space limitations.

Innovation

Also speaking at the event, Sharon Yourell Lawlor, Britvic Ireland, said that research carried out by the company in Ireland found that 51 per cent of consumers say they live their lives ‘on the go’ during the week, and 47 per cent at weekends. With such high figures for on-the-go lifestyles, there is a strong need for dining solutions that appeal to broader changing consumer trends.
The foodservice industry is globalising like never before, according to David Henkes, Vice President of Technomic. He was speaking at Bord Bia’s annual foodservice industry seminar in Dublin. Technomic worked with Bord Bia in researching its Foodservice Channel Insights Report, which reveals that the Irish foodservice market has grown from €6.07 billion in 2013 to €6.13 billion this year, with growth forecasts to almost €6.5 billion by the end of 2017.

According to Maureen Gahan, Bord Bia’s foodservice specialist, Ireland’s foodservice sector has continued to experience moderate improvements in 2014, with a positive outlook expected over the next few years. “Growth in consumer spending is predicted to be up 1.9 per cent on a compound annual growth basis through to 2017.”

The report found that demand for value and high quality casual dining, takeaway and food-to-go options is increasing. Quick service restaurants (fast food) is the fastest growing channel, reflecting a growing consumer need for value, convenience and customisation. Rising consumer expectations around home delivery, mobile technology and snack-sized meals are also driving changes in this channel. A focus on ‘snackable’ menu items and small plates is emerging, along with the need for alternative, portable food-to-go offerings.

**Global outlook**

David presented on global trends in the foodservice category, explaining that trends in Ireland are reflected internationally with research indicating that food quality continues to dominate foodservice channels and that diners’ expectations include health, entertainment and unique offerings when eating out, although price is still a key consideration.

In the US, approximately half of every dollar spent on food is spent out of home, while in the EU, the average is closer to 33c in every euro, with predictions that this will grow in line with the US model over time.

David explained that growth in the five biggest foodservice providers – McDonald’s, Starbucks, Subway, KFC and Burger King – is happening in international markets, with home markets remaining steady. International growth for these companies varies between 35 per cent and 82 per cent. He added that this growth is not limited to bigger operators with smaller companies beginning to see international growth, such as Nando’s, Quick, Costa Coffee, Paris Baguette, etc.

**Local in a global market**

David says there is an ongoing dichotomy as consumers are keen to sample new flavours and international food offerings but are also eager to eat and buy local products. “Consumers associate local with positive attributes such as natural, healthy, fresh, high quality, artisan, better and socially responsible.” He added that provenance and local offerings are a great way to compete in the category.

The healthy correlation with local produce is important, according to David, as healthy eating continues to resonate strongly with consumers. However, he explained, the understanding of what is a ‘healthy’ food has changed. Previously the word was associated with ‘what you can’t have’ and included concepts around low calorie, low fat, low saturated fats,
not tasting good and self-denial. Today, however, healthy foods enjoy more positive connotations and are associated with wholesale, natural, no preservatives, made-to-order, nutritious, better-forme, and moderation. David explained that, for the modern consumer, healthy does not mean compromising on taste or enjoyment.

The next battle ground
As incomes rise there is greater emphasis on food and dining as experiences to be enjoyed and shared. In established markets, David says, foodservice providers have to look at offering more from their existing business. He said this is evident in current market trends where foodservice operators are innovating their service to expand their daypart demand. Some tactics David outlined include: happy hour, late-night dining, snacking (afternoon grab and go) and breakfast. “Breakfast is fast becoming the next battle ground.” The breakfast market, David adds, is underdeveloped in all economies and presents a strong growth opportunity. “The mantra from consumers is to have food everywhere, food all the time.”

Fast casual
In mature markets, higher incomes are pushing the growing demand for premiumisation. For the consumer, according to David, premium means high quality and authentic. This could mean adopting ethnic ingredients or cooking methods, sourcing local goods and hand-crafted preparation. “The premiumisation really drives foodservice as a mature market reaches saturation. One of the segments that really capitalises on premium is a segment that we call fast casual. This is a segment that we are beginning to see emerge throughout mature foodservice markets. Fast casual is, essentially, upscaled fast food. It’s a non-traditional fast food.” David explained that fast casual dining should not compromise on quality and he outlined the 10 Fs of successful fast casual solutions: food quality; fine ingredients; ‘fitter’ wholesome food; fresh; first-rate décor; fair price; fast service; friendly employees; flexible offerings; and full-view preparation.

David believes the fast casual foodservice sector will begin to take market share from traditional foodservice offerings as the trend progresses.

Transparency
David said that transparency was a growing concern for all foodservice companies, from the biggest names to smaller operators, as well as the end consumer, who is looking for information about how the food is grown, produced or processed, as well as the sustainability initiatives that have been adopted. There is also a push towards fair pricing for living wages and that is being seen through the support of Fair Trade produce. David referenced US foodservice company Chipotle, which has the mantra: Food of Integrity. “It’s really a sustainability message. Food of Integrity means serving the most sustainably sourced food possible, while maintaining great taste, great tradition and great value. They support family farmers, they are looking for meat that has no antibiotics or hormones and they have very strict sourcing rules to maintain transparency throughout the supply chain.”

Customisation
Customisation is also on the up and, according to David, allowing the customer the option to create a customised product adds value. “About 51 per cent of customers globally say that customisation is important for creating good value but especially for women and for Millennials.”

David says customisation is evolving from the traditional sandwich bar into areas such as pizza. He referenced Blaze Pizza in the US, which allows customers to create their own pizza, which is then fast-fire cooked over an open flame in 180 seconds. “Three minutes to get a customised, high quality pizza, that is what is on trend with the consumer.”

Technology
“Technology is changing the game,” according to David. He said it began with mobile apps, but it is now progressing to the point where there are vending machines with built-in microwaves that will cook ready-meal options, as well as a pizza vending machine. He cited restaurants that are introducing self-serve stations, with digital menus and options of payment. McDonald’s is providing self-serve kiosks for customers to personalise their orders, as well as free wifi and comfortable chairs that encourage them to linger for longer.

Value
While foodservice is experiencing all of these changes, David said they all tie in with the consumer’s sense of value. However, he emphasised the need to look beyond value as purely a matter of price. “Value does have a price component but if you look at what is growing at the moment, it’s not just the cheapest options. So, value has to be more than price.” David said value is about the whole offer, the preparation, the taste, the uniqueness, the newness, as well the quality of the service. “You are not creating real value for the customer unless you are excelling in some of these other areas.”
Consumer Lifestyle Trends

Technology is not only impacting how consumers shop but also their food choices.

Bord Bia’s Consumer Lifestyles Trends programme has identified a number of trends that influence consumer decision making. The research from Bord Bia’s Consumer Insights and Innovation Team is designed to help Ireland’s food and drinks industry predict and prepare for consumers’ future needs and wants.

The latest instalment shows that, over the past 18 months, a number of trends and sub-trends have evolved, with some themes gaining strength and others waning, and new themes emerging. In particular, it found, technology is becoming increasingly important in consumer decision-making.

**Fluid lives**

Navigating busy lives and complex choices remains as important as ever for consumers, with changing work patterns and ongoing uncertainty regarding the future of the economy. Furthermore, consumers are increasingly mobile, with many living life ‘on the go’. Therefore, according to the Bord Bia report, consumers in the UK and Ireland continue to look for convenient solutions that integrate fluidly into their busy days.

The increased adoption of digital technologies and the growing data this generates, has created a dichotomy. On one hand, digital services allow growing convenience when people want it and where they want it. On the other, consumers increasingly look for services that help them manage the overwhelming information at their fingertips.

Convenience remains a key trend, with on-the-go lifestyles driving up demand for portable products that are simple to consume. However, the bar has been raised in terms of people’s expectations around what convenient food and drink solutions should deliver. Consumers do not want to compromise on healthy choices. They want to make guided choices and they want cues that make it easy to make the ‘good’ choice.

Consumers perceive eating well as a key way to manage physical and mental performance in order to achieve a peak performance in today’s
fast-paced world. In Italy, Noberasco launched Fruttime, a snack that is based on pure dried fruit. Packaged in small cubes, which don’t stick and don’t mess up hands like real fruit or other snacks, Fruttime enables healthy eating in a convenient format.

### Simple pleasures

Consumers have come to terms with the fact that budgeting is here to stay and simple, affordable indulgences remain important moments of escape. However, in an increasingly crowded marketplace, catching consumer attention is ever more challenging. Technology is a key driver, offering consumers greater insight into opportunities, options and offers, the Bord Bia report states.

Experiences that are special on multiple fronts, whether it is flavour, richness or packaging, are increasingly important. Consumers are also seeking enjoyment through play and novelty. Another sub-trend emerging, though less strongly than the desire for fun is the sense of co-creation and the enjoyment that comes from being part of the creative process. Meanwhile, there is a growing desire to make, maintain or deepen connections with others.

Therefore, creating immersive experiences that are fun and exciting to share with others is an important way brands and retailers can create differentiation.

Coca Cola’s 2013 Share a Coke with... campaign is a great example of this engagement. It focused on the experience of sharing and made this bond more personal and impactful through people being able to find a bottle with their own names. Coke’s Facebook page has grown by 870 per cent since the campaign launch, it has become the 23rd most-talked-about Facebook page in the world, highlighting how much the campaign itself was shared online.

### Responsible living

Declining trust in government and big businesses is putting pressure on companies to demonstrate a commitment to key areas of concern for consumers, such as the environment and society. Bord Bia’s report found that CSR initiatives designed to salvage corporate reputation are no longer enough and that there will be growing expectation on companies to showcase that their contribution to communities is an integral part of their business, not just an afterthought.

Consumers are increasingly aware of, and wish to limit, their impact on the environment, the earth’s resources and society. Trends around managing food waste are increasingly prevalent.

Some responses to these trends include Asda, Morrison’s and Mondelez’s support of the UK’s first social supermarket where people on low incomes can buy surplus goods for large discounts. In Korea, smart fridges keep food fresher for longer and tell consumers which items are about to go off. In Germany, Foodsharing is a mobile and computer app that enables people to share or exchange surplus food with each other for free. People can simply check on their app to learn what is available in their neighbourhood, including cooked meals and to connect with each other.

### Quest for health and wellness

According to the report, media coverage, as well as brand communications continues to draw attention to the importance of health and wellness. Increased knowledge around health, wellness and lifestyles means consumers want to have more control over their diet and, ultimately, their health.

Increased life expectancy, combined with the rising prevalence of lifestyle diseases and the growing pressure on healthcare resources are contributing to a desire to proactively prevent against future disease and illness through healthier choices. This is also being witnessed in child nutrition where the emphasis is on ensuring children get the best start in life through good choices.

Organic, raw, natural, are all growing in popularity, although consumers often find these terms are confusing and not very transparent. Furthermore, there is growing discussion around the use of chemicals in day-to-day products, including food, drink and cosmetics. This is driving growing consumer interest in products that are natural, minimally processed and can communicate these qualities in accessible and transparent language.

Furthermore, consumers are looking to get the best out of nature, looking for natural products that can help them respond to modern day ailments, as well as improving overall health.

However, the range of messages and information that is available is becoming overwhelming and people in the UK and Ireland are looking for tangible and personally relevant support to this information.

Products designed with special dietary needs in mind are now moving into the mainstream with a growing variety of categories, brands and innovations in free-from ranges.

Manufacturers are responding to the growing desire for more control over health and wellness in a number of ways. In the UK, Thrive Vitamins creates...
personal 28-day vitamin plans and sends daily pouches to customers. These personal plans are based on information completed in an individual survey, giving each consumer the vitamin combination that best suits his/her health and lifestyle needs, while taking away the difficulty of making the healthiest choices from the individual.

Gluten-free living has become a lifestyle choice, rather than a necessity and manufacturers and restaurants are responding with new product offerings. Base pizzeria in Dublin, for example, now offers gluten-free options, while Green Isle, manufacturers of Goodfella’s Pizza recently announced it is launching a new gluten-free pizza range.

Consumers in control
While the economic outlook is beginning to brighten, consumers are still feeling squeezed, with sluggish wage growth and rising food prices. This will see a continued consumer focus on value for money. The ongoing proliferation of technology means consumers have greater access to product information, which includes the rise of specialist advisers and peer reviews for all consumption matters. For example, Untappd is an app that connects beer lovers with vendors. The app can make smart recommendations based on the user's taste and his/her friends' tastes, making the selection of what the best choice is out of many small and niche brands.

Furthermore, consumers are connecting digitally to create networks where they can achieve better deals. The rise in online retailing has also seen the expansion of deals that encourage people to invite others in their networks to try discounts and benefits. UK retailers, Waitrose and Ocado now both offer generous discounts to people who can refer peers to shopping on their platforms.

Price is not the measure of value for today’s consumer, according to the report from Bord Bia. They are also in the market for exclusive and rare experiences as well as products that demonstrate tangible benefits and quality.

Keeping it real
Consumers are putting brands under greater scrutiny and now demand comprehensive transparency from the companies that they buy from. However, with the rising availability of product and service information competing for consumers’ attention, transparency stories must also engage with consumers, not just factually inform them.

Companies are communicating their transparency to consumers in a number of ways. McDonald's Australia introduced the Track My Macca app, which, using visually engaging GPS technology, allows consumers to find out information about the farmer who grew the key ingredients of the exact meal they are eating. Although the app gives precise information about the farmers, it does so through immersive and personalised storytelling rather than simply providing facts consumers don’t always engage with.

There is also a growing interest in national or local traditions, driving increased consumer excitement about products and services that, until the recent past, would not have been deemed aspirational or would have been considered of lower quality than global alternatives. Formerly overlooked traditions are becoming increasingly hip and a way for brands to build genuine connections with people.

Super Miss Sue is a new restaurant in Dublin that serves Irish seafood classics in a contemporary gin bar environment. It is part of a trend whereby more fish restaurants and stores are opening up in Ireland, offering less expensive fish like skate, ray and mackerel – fish that are widely available off the Irish coast but were previously deemed unfashionable.

Consumers continue to explore the unique properties of foods from different regions, however, brands are also increasingly celebrating specific locations of production themselves. The rising status of artisanal production and start-up culture are leading to specific locations of production gaining a growing role in enriching brand stories. Evidence of this can be seen in the Irish whiskey category, which is undergoing a strong revival with several breweries in the pipeline for Dublin's old distillery district, such as The Dublin Whiskey Company and Teelings Irish Whiskey, among others.
Aquamin, manufactured by natural ingredients producer Marigot, is a unique marine multi-mineral complex, providing bioactive calcium, magnesium and 72 other trace marine minerals, for the fortification of food, beverage and supplement products.

“Aquamin’s position in the food industry it is not just as a source of calcium,” says Jekaterina Kuikka, Business Development Manager, Marigot Ltd. “It is a highly bioavailable plant-origin multi-mineral for bones, joints and digestive health. We have four grades of Aquamin suitable for different applications, dietary supplements and for use in food and beverages.”

Jekaterina says functional ingredients have been a part of consumers’ diets for a long time. However, with advances in technology, the way in which these ingredients are being consumed has changed. “Ten years ago, functional ingredients were consumed as traditional supplementation in tablets and capsules but today, more and more, they are considered a basic food fortification as preventive aid.”

Sustainable farming
The raw material used in the production of Aquamin is the Lithothamnion seaweed species, which is farmed in the Westfjords of Iceland. “Marigot (ISM) operates an extensive sustainability management programme that is supported by the Icelandic Marine Institute, local government, environmental authorities and organic-certification bodies,” says Jekaterina. “We do this to guarantee the natural regeneration of our unique mineral source and all components of the surrounding ecosystems. Only calcified, mature seaweed is harvested about 10 meters away from the growing zone using vacuum dredging boat, each deposit is divided into grids and is systematically harvested in a specific order monitored through GPS tracking before moving onto the next grid area.”

Marigot also produces Aquamin MG, a marine magnesium product, which is sourced off the Irish coast. It is available in two grades, Aquamin MG – for dietary supplements in powders and food fortification – and Aquamin MG TG for capsules and tablets.

Headquartered in Cork, Marigot employees 53 people and supplies marine minerals to over 40 countries worldwide. Jekaterina says Marigot lists many industry leading supplement and food producers among its customers. “Aquamin has gained a very high reputation within our customer base and we expect more growth in food fortification in the future.”

Marine-derived
Jekaterina explains that marine-origin minerals have a different physical make up and structure to other mineral sources. She says they have a high, open and active surface area compared to rock-mined minerals. “Additionally, presence of trace elements that occur naturally in the sea could explain higher bioavailability and other unique properties. For example Aquamin has shown rare biochemical functionality not only for healthy bone formation but also anti-inflammatory activity what is effective for pain and stiffness reduction for osteoarthritis.”

Marigot has conducted extensive research on the benefits of Aquamin in human health. “Marigot has 28 peer reviewed publications to support bone, joints and digestion health.

“In my opinion the most effective studies on human model were done on post-menopausal women and athletes, which showed that Aquamin works to depress parathyroid hormone (PHT) activity in the long-term, preventing bone degradation.

“Furthermore, we have strong evidence that Aquamin outperforms glucosamine in osteoarthritis.”
Dry Age Matured

All John Stone beef is matured using traditional dry ageing. Three decades of experience has taught us that this produces the best results.

Dry ageing adds exceptional tenderness, depths of flavour and texture to the meat. Our butchers’ unrivalled experience and understanding of our customers’ high expectations mean they can hand select every cut of meat at its peak.

Storing our beef in this way is an expensive process, with up to 20% lost in weight and trim loss. This concentrates flavour in the meat and natural fats, to give our beef its rich and distinctive taste. This process has earned John Stone our reputation of the brand standard in Dry Aged Beef.

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Ireland, on its way to becoming a world leader in sustainability

Ireland is a country supremely well suited to sustainability. Our climate is temperate; our lush, green countryside is perfect for farming; our seas are teeming with fish. Generations of Irish producers have benefited from these natural resources, and carefully passed them on.

Now Ireland has a Sustainability Charter to help Irish food and drink suppliers plan their individual journeys towards sustainability.

When you buy food and drink from these Irish suppliers, you’ll know it’s produced hand in hand with nature, you’ll know it’s Origin Green.

To find out more visit www.origingreen.ie