

New Bord Bia Report Reveals Ireland's Out of Home Food Market Reaches Record €7.5billion
~ 300 industry representatives attend Bord Bia's Foodservice Seminar ~

Images to be issued by Fennell Photography XXXX
Infographic of the foodservice market attached in editable PDF

Wednesday, 2nd November 2016: Bord Bia published a report on the Irish foodservice sector at its annual industry seminar at the AVIVA stadium in Dublin today. The foodservice market has grown to a record €7.5 billion in 2016, and is forecasted to grow to over €9 billion by 2020. Foodservice or "out of home" describes all food consumed out of home, from restaurants, hotels, coffee shops and bars to workplace catering, hospitals, education and vending. *(A market breakdown is included in Notes to Editor)* This market has benefited from better than anticipated economic growth, buoyant consumer confidence, a strong domestic and international tourist market (including business tourism), an unemployment rate that is now less than 8%, and the continuation of 9% VAT for hospitality.

Some 300 Irish food suppliers and foodservice trade buyers gathered for Bord Bia's largest foodservice event to date. Speaking at today's seminar, Bord Bia's foodservice specialist, Maureen Gahan said, *"It has been a bumper year for foodservice in Ireland. Despite the uncertainty that BREXIT brings, we are still in the enviable position of being the fastest growing economy within the EU. The foodservice market has witnessed an annual growth rate of over 5% per year over the past number of years, with both consumer and business tourist numbers fuelling major growth in urban centres."*

Foodservice Market in Ireland

Nearly 35% of consumer spend is found in Quick Service Restaurants, which comprises traditional and more upmarket fast food outlets, along with the growing area of food-to-go. Pubs account for 18% of consumer spend (excluding alcohol), with food-led pubs seeing the biggest return. Strongest growth is occurring in the coffee shop segment, although from a small base. Other segments are showing significant improvement, notably leisure and travel, which are positively impacted by growing tourism business and spending on leisure activities.

Some trends highlighted in the in-depth report into the "out of home" food and drink market found that:

- Despite that fact that foodservice can be associated with a space that consumers crave indulgence, **health and authenticity** continue to experience growing consumer demand. Increasingly operators are focused on broadly defined 'healthy' offerings. This may not necessarily mean lower fat or lower calories, but rather more on the types of ingredients, the transparency of the menu and how much of a menu item can be described as 'natural'. Quick Service restaurants have been a target for criticism regarding the national focus on obesity and health concerns. The potential mandatory inclusion of calorie counts on menus as well as a tax on sugar sweetened drinks coming into effect in 2018 will put pressure on these outlets to consider healthier menu items that are cohesive with their offering.
- Operators speak about **value**, but not necessarily in terms of price only. Many feel that consumers are willing to spend money on higher quality food and beverage items and refer to 'fair' prices as opposed to the lowest price. Value creation tends to focus on maximizing the customer experience.

- **Provenance** is still very much on trend, with a need from consumers to know who they're supporting. Food with a story is something that operators increasingly market to their customers and where the food or beverage comes from is increasingly viewed as a critical determinant as to the quality of the item.
- There has been a strong focus on hiring chefs and others with culinary experience in an effort to create a better offer for the consumer. This **greater culinary expression** trend is true across all foodservice channels – hotels, full service restaurants, quick service restaurants and workplace caterers are all focused on elevating the culinary role. Ethnic food operations continue to proliferate the market, matching the consumer taste for non-domestic menu offerings.

Seminar Maximises Business Opportunities

This year, for the first time, Bord Bia introduced a 'Producer Showcase' to the seminar where almost 100 foodservice trade buyers had the opportunity to meet with 40 Irish food and drink producers in a 'Farmers Market'-style environment. The showcase facilitated business development with existing and potential customers and is one of a series of activities arranged by Bord Bia to help Irish food and drink producers maintain and grow business on the domestic market.

At the seminar chaired by entrepreneur and business man, Bobby Kerr, delegates heard from Amanda Roche Kelly, Managing Director of JUST EAT, Ireland's leading online takeaway delivery service connecting over 1,800 restaurants with customers, who amplified consumers' appetite for online technology and delivery, as well as a growing interest in a broader range of cuisine types including Ethnic and Asian. Other speakers included, Louise O'Donohue of the Penny Loaf, an Offaly based family bakery that has participated on Bord Bia's foodservice business programmes, who shared her experience operating in Ireland and the UK, and Michelle Fennell from Musgrave MarketPlace who provided an insight into the future of Cash and Carry, while market data and trends were delivered by speakers from Technomic and MCA. (See agenda in Notes to Editor)

Maureen Gahan commented, "Today's event is proof that foodservice in Ireland offers major opportunities for suppliers offering innovative products and solutions to meet changing consumer needs. It's important for suppliers to access available insights in order to make informed decisions that will allow them to grow their business." Bord Bia also published its Irish Foodservice Market Directory today, which includes detailed profiles of over 100 operators and wholesale distributors. It is aimed at providing companies with key background information on potential customers and advice on how to drive their foodservice business. Bord Bia's Ireland Market Foodservice Programme assists suppliers develop relationships with foodservice distributors and operators. Bord Bia works closely with an average of 20 companies each year, delivering new business on the domestic market worth some €2 million annually.

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Note to the Editor:

About the Research

Bord Bia partnered with Technomic Inc. to develop the **Foodservice Channel Insights Report**. The process undertaken included a large range of in-depth interviews within the trade. Visit www.bordbia.ie/foodserviceseminar2016 to access the report and presentations.

Ireland's Foodservice Market Breakdown

	2016 Consumer Spending (€M)	2016 Operator Purchases (€M)	2014-2016 CAGR	2020 Consumer Spending (€M)	2016-2020 CAGR
Limited Service	€ 2,624	€ 874	5.5%	€ 3,185	5.0%
Pubs	€ 1,344	€ 390	2.7%	€ 1,466	2.2%
Hotels and Accommodation	€ 1271	€ 432	7.5%	€ 1,653	3.7%
Full Service	€ 913	€ 301	5.6%	€ 1,122	5.3%
Coffee Shops and Cafes	€ 397	€ 115	9.5%	€ 530	7.5%
Other Commercial	€ 276	€ 97	12%	€ 384	8.5%
Total Commercial	€ 6,826	€ 2,209	5.7.0%	€ 8,340	5.1%
Business and Industry	€ 297	€ 143	3.4%	€ 338	3.3%
Health	€ 232	€ 118	2.5%	€ 256	2.5%
Education	€ 143	€ 62	2.3%	€ 157	2.3%
Other Institutional	€ 39	€ 20	3.1%	€ 44	3.0%
Total Institutional	€ 712	€ 343	2.9%	€ 796	2.8%
Total in Ireland	€ 7,536	€ 2,552	5.5%	€ 9,136	4.9%

Agenda:

11:00 – 11:15	Welcome Note & Opening Address	Chair – Bobby Kerr
11:15 – 11:35	2016 Irish Foodservice Channel Insights	Maureen Gahan, Foodservice Specialist, Bord Bia
11:35 – 12:00	Out of Home Consumer Trends – what's happening in Ireland and elsewhere	David Henkes, Vice President, Technomic
12:00 – 12:30	Cash & Carry – The Future	Michelle Fennell, Marketing Director, Musgrave Marketplace
12:30 – 13:00	Foodservice Trends in Action	Matt Ryan, Partner, Press Up Entertainment
13:00 – 13:45	Lunch & Networking	
13:45 – 14:15	Delivering innovation and excellence in the online takeaway restaurant sector	Amanda Roche Kelly, Managing Director, JUST EAT Ireland
14:15 – 14:45	The UK Foodservice landscape	Simon Stenning, Executive Director MCA. Eating & Drinking out Market Insight
14:45 – 15:15	Building a foodservice business in Ireland and the UK	Louise O'Donohue, Sales & Marketing Manager, The Penny Loaf Co.
15:15 – 15:30	Q&A / Wrap-Up	Chair – Bobby Kerr
15:30 – 16:00	Afternoon Tea & Networking	

*An Bord Bia, arna bhunú ag Rialtas na hÉireann chun an margadh bia agus gairneoireachta a fhorbairt agus a chur chun cinn.
Bord Bia, Irish Food Board established by the Government of Ireland for the market development and promotion of Irish food and horticulture.*