

Opportunities for Irish meat exports in China's "New Normal"

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8 January 2016

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Overview

 Continued growth in China's *New Normal*

 Drivers of growth in protein market

 The protein sector in China:

- Beef and pigmeat market overview
- Insights and Channels

 Bord Bia in China

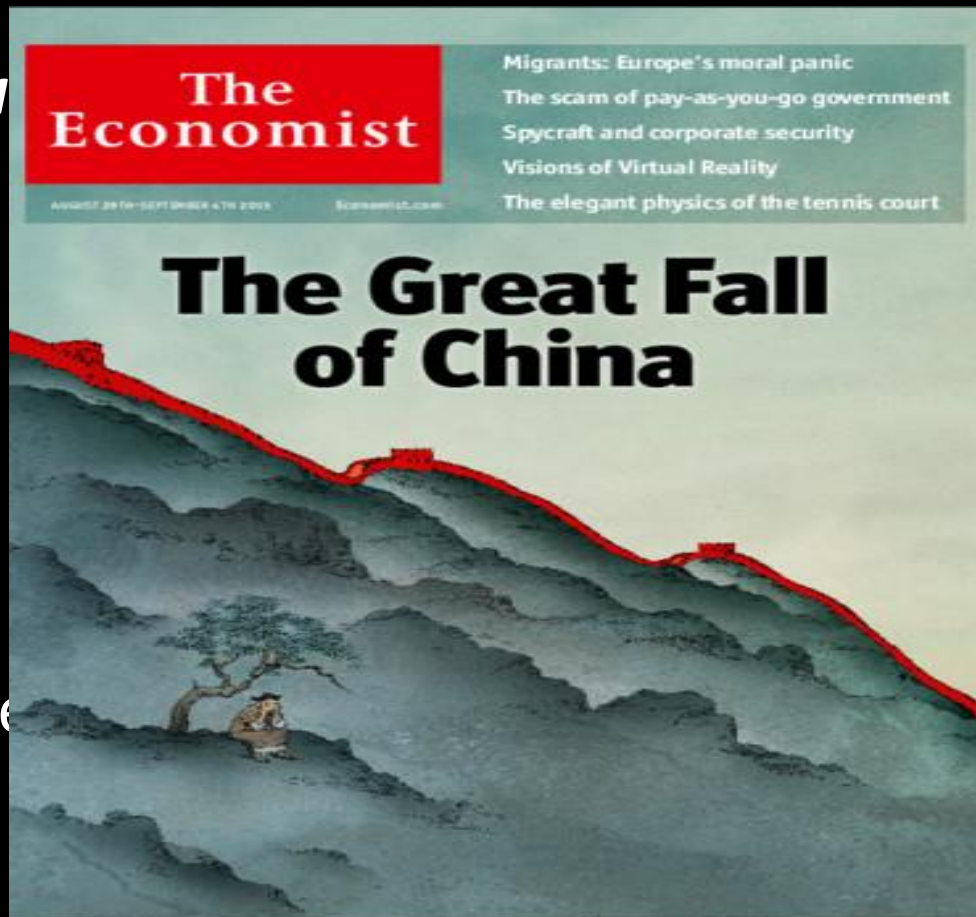
- Success to date
- Strategy going forward

China and the *New Normal*

✓ 2015 forecast for Chinese GDP growth is **6.5%**

✓ Developed economy growth is forecast at a mere **2.4%** in 2015

Source: IMF



China and the *New Normal*

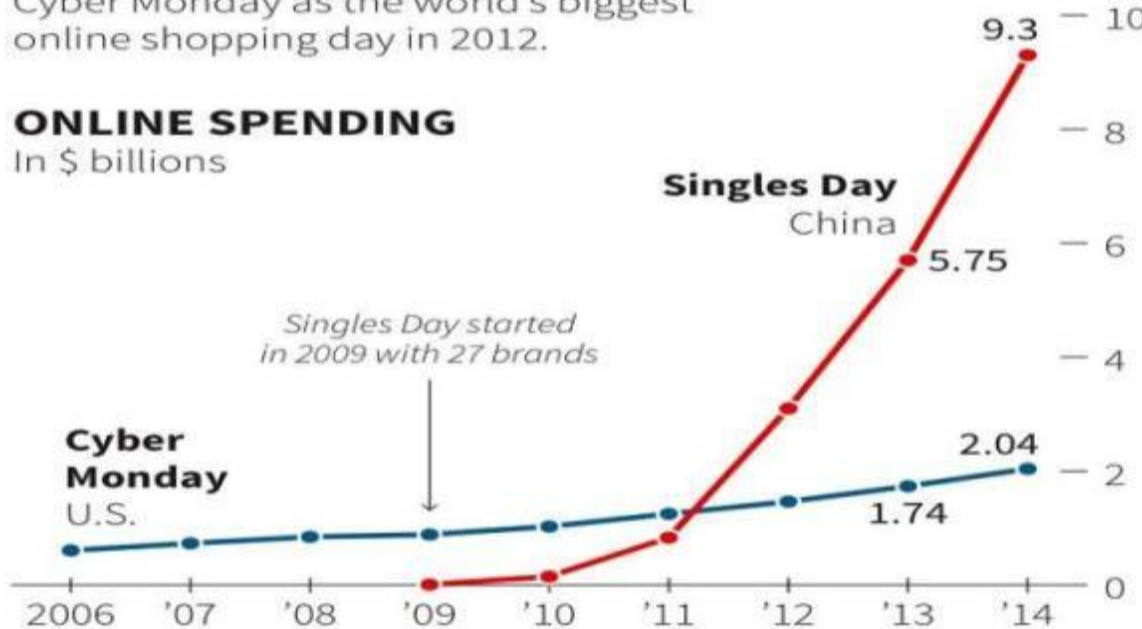
**The
Economist**

Migrants: Europe's moral panic
The scam of pay-as-you-go government
Spycraft and corporate security
Visions of Virtual Reality
The elegant physics of the tennis court

China's e-shopping festival

China's Singles Day Shopping Festival surpassed Cyber Monday as the world's biggest online shopping day in 2012.

ONLINE SPENDING In \$ billions



Sources: Alizila.comScore

The Great Fall of China



Other key drivers of import growth...



Domestic resource constraints:

- Land and water use
- Agriculture vs. Urbanisation

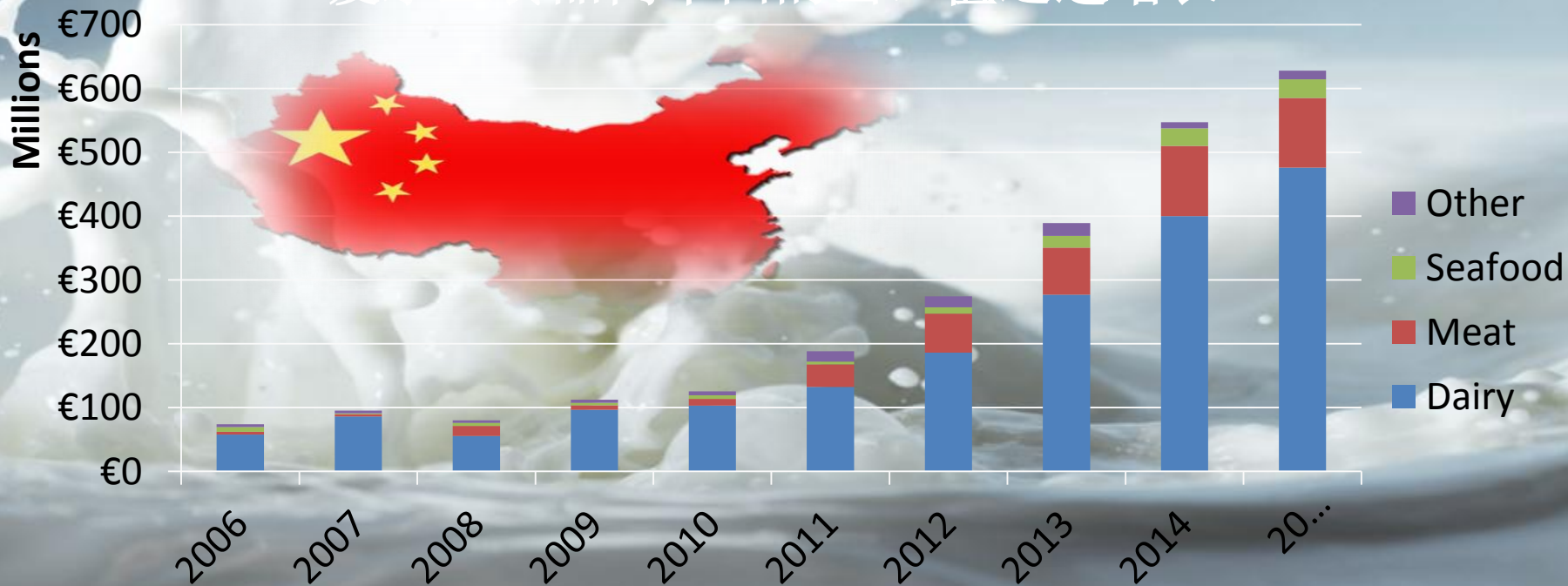


Lack of confidence in domestic meat due to food safety issues



Irish Food and Beverage Exports to China growing rapidly

爱尔兰食品向中国的出口值迅速增长



Pork in China

✓ >40% of meat consumed

✓ Production down

- 420 million head forecast for 2016

✓ Consumption stable

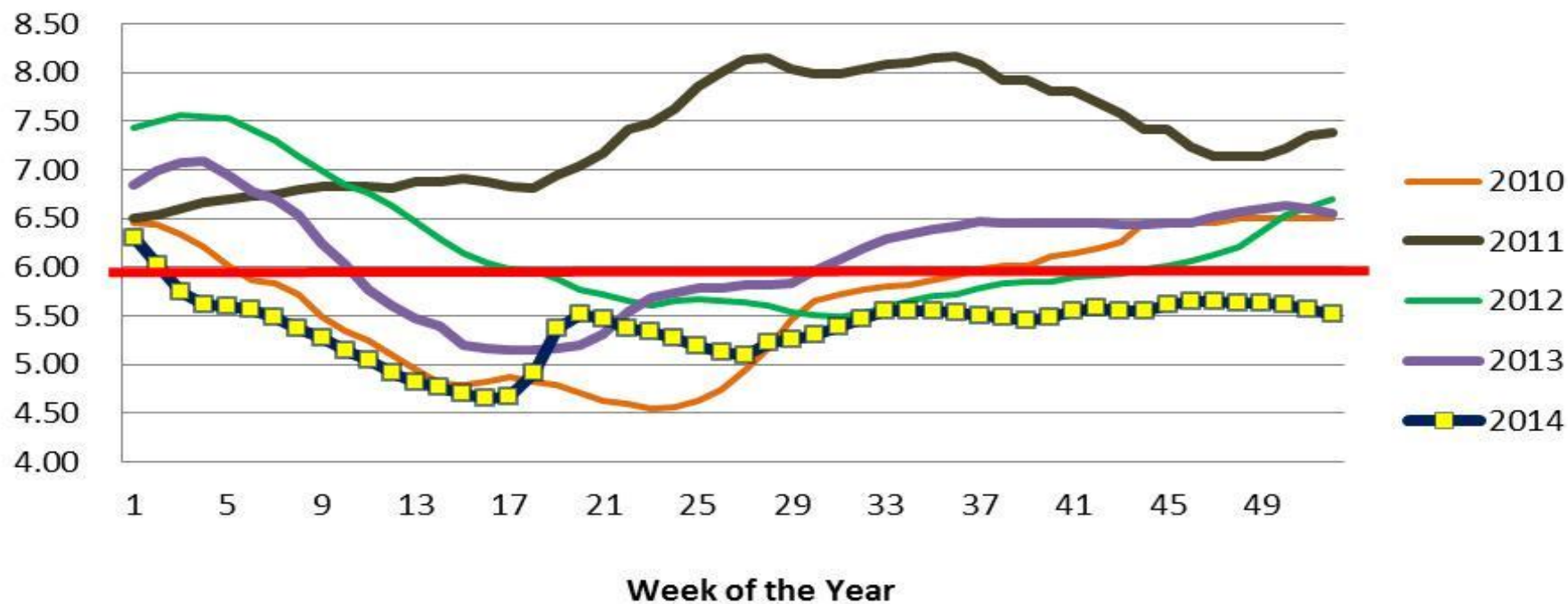
- 57 million MT

✓ Imports up

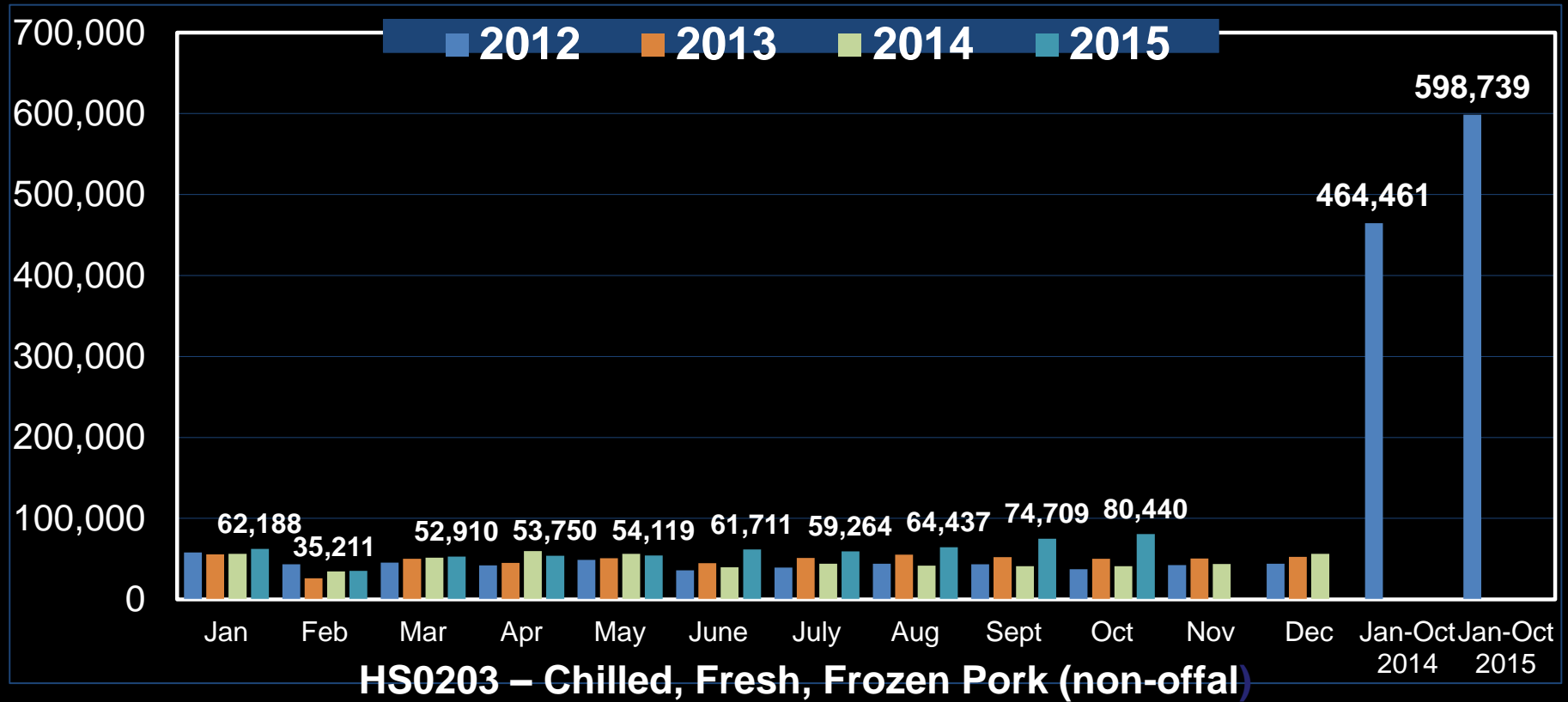
- 830,000MT forecast in 2016



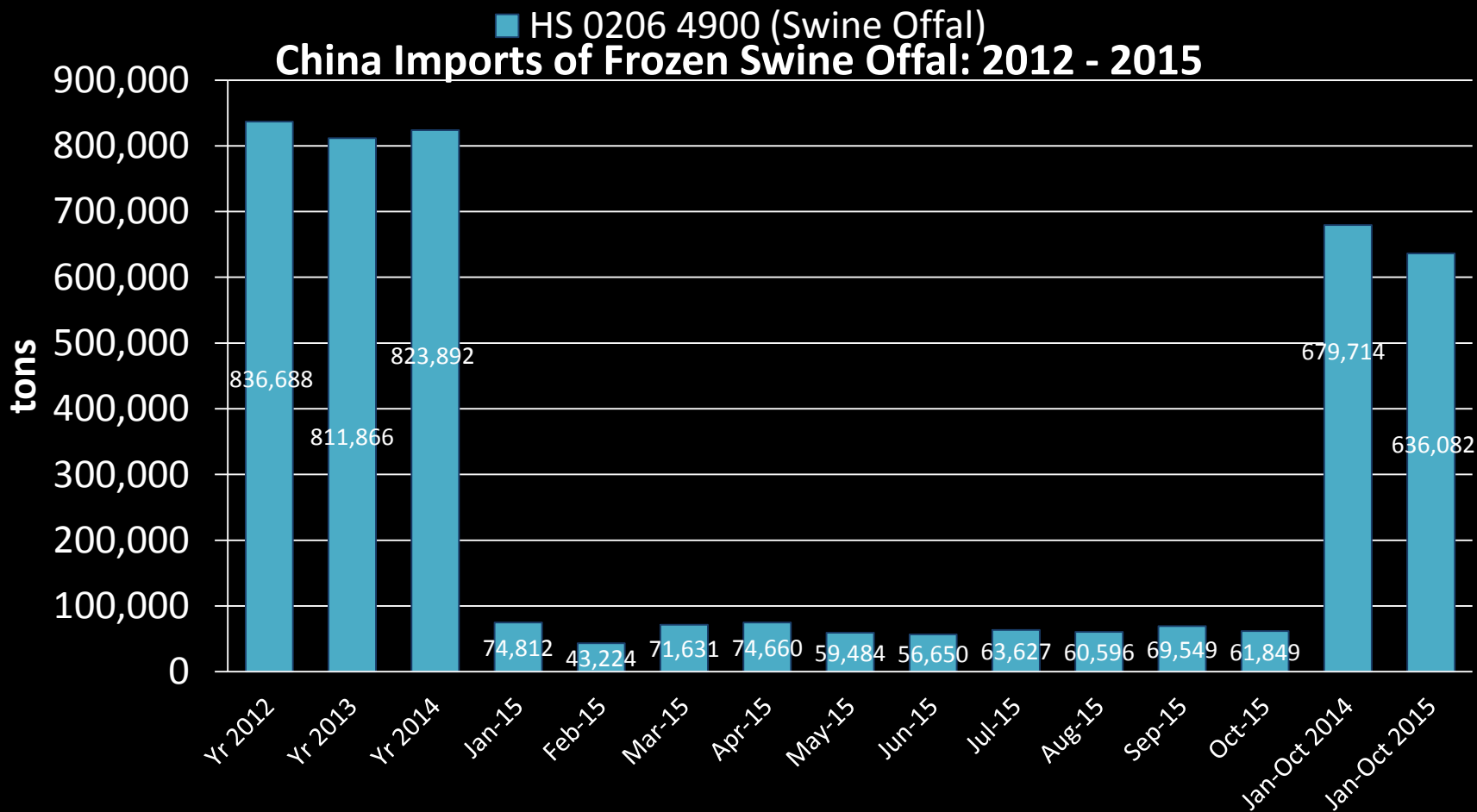
China Hog-Corn Price Ratio



Annual China Chilled, Fresh, Frozen Pork Imports (non-offal) Tons



Source: BOABC



Beef in China

- ✓ 5% of protein market
- ✓ Production stable
 - 6.8 million MT beef forecast for 2016
- ✓ Consumption up
 - 7.4 million MT
- ✓ Imports up
 - 600,000MT forecast in 2016... up 20% YOY



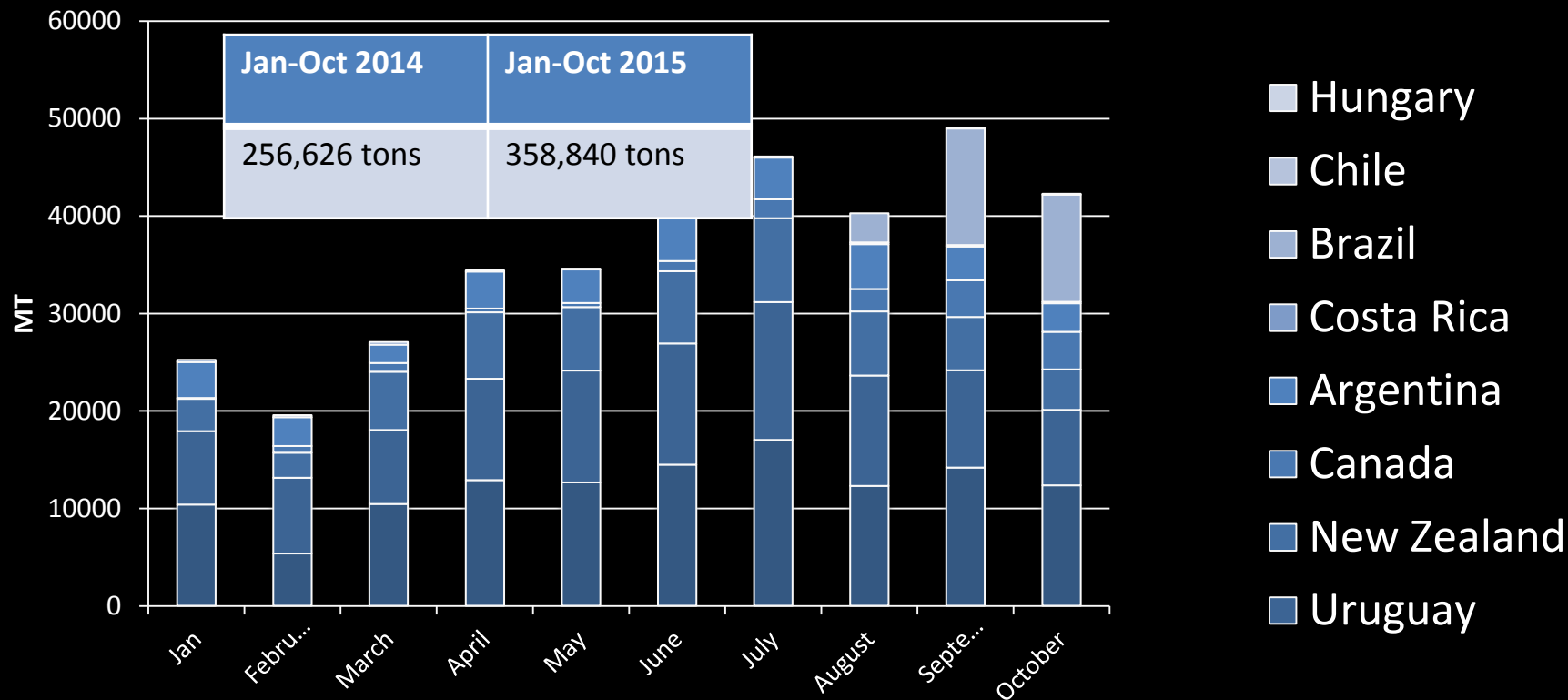
Despite beef's modest consumption rates in China

... beef and veal is the fastest growing meat category in volume terms in China, growing at a per capita rate of 5% in 2014.

-Euromonitor



China Frozen Beef Imports: HS0202 – 2015



Opportunities for Irish Beef in China



Key cuts

- Boneless Short rib (boneless chuck short rib & boneless short rib)
- Brisket (better known here as plate)
- Golden coin (part of shin & shank)
- Shin & Shank
- Trimmings VL65-70 - for manufacturing
- Possibly flank



Food Service Accounts for 75% Beef Consumption

Fast Casual Restaurants in China



MODERN RETAIL FORMATS – 10%



The Future....Online Retail Food Sales !





14% shop online daily
(5% do it globally)

63% shop online weekly
(21% do it globally)

Source: PWC

When Chinese hear '*shopping*' 45% think of doing it online

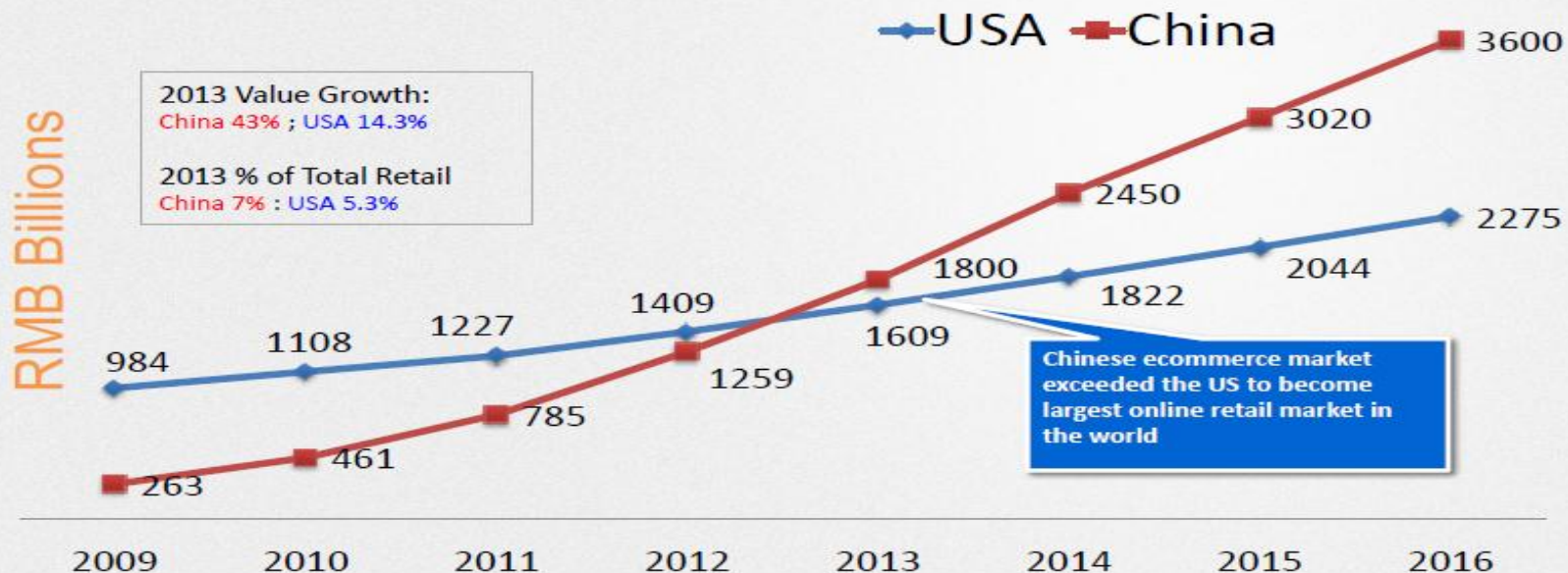
Source: McCann

E-Commerce in China



Bluecom
The E-Commerce Experts

Online B2C Market growth



E-Commerce Websites



THERE ARE 8 CULINARY TRADITIONS IN CHINA

21

Su cuisine (Jiangsu)



Lu cuisine (Beijing)



Chuan cuisine (Sichuan)



Yue cuisine (Cantonese)



Min cuisine (Fujian)



Hui cuisine (Anhui)



Xiang cuisine (Hunan)



Zhe cuisine (Zhejiang)



- Of which the 4 most well-known are: Lu (Shandong), Chuan (Sichuan), Yue (Cantonese) and Su (Jiangsu)



Braised Beef
Tendon



Beef Hot Pot

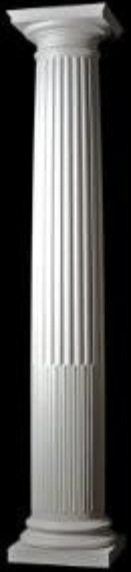


Fried Beef Short Rib

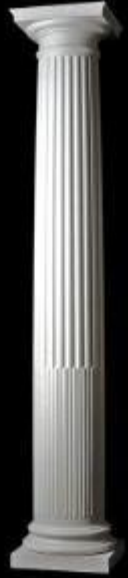


BBQ Beef in Japanese/Korean Cuisine

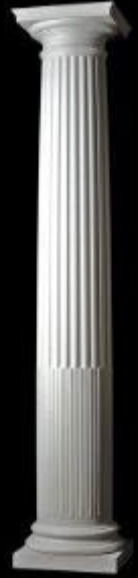
CHINA STRATEGY



G 2 G



B 2 B



B 2 C

CHINA STRATEGY



G 2 G

CHINA STRATEGY



B 2 B

CHINA STRATEGY

Asia Beef Imports 2015

China (latest data for September)
Japan (latest data for September)

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Asia Pork Imports 2015

October Edition: latest China data for September 2015
October Edition: latest Japan data for September 2015

Please note additional graphs and changes to the way some information is presented

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China Beef Industry Report 2015 Overview: Processors & Importers

B 2 B

MEAT PLANS B 2 B

- TRADE LAUNCH 50 IMPORTERS
- TRADE FAIRS SIAL - MAY
CIMIE - SEPT.
- CONFERENCES
- INWARD BUYER MISSION 15 COMPANIES
- ONE-ON-ONE 40 MEETINGS

MEAT PLANS B 2 C

- WWW.ORIGINGREEN.COM.CN
- ONLINE PROMOTIONS Sfbest /TMALL / YihaoDian / Jd.com
- FOOD SERVICE PROMOTIONS
Chinese & Western Style

Having a Presence on the Ground!

- ✓ Fly-in and fly out almost always fails.
- ✓ Guanxi (networking / relationship building) is a fundamental element of doing business in China.
- ✓ Remember the working day is 7hrs ahead of Ireland in China your importers / distributors cannot address problems.



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