



April 2023

Total Market Report – Q1 2023

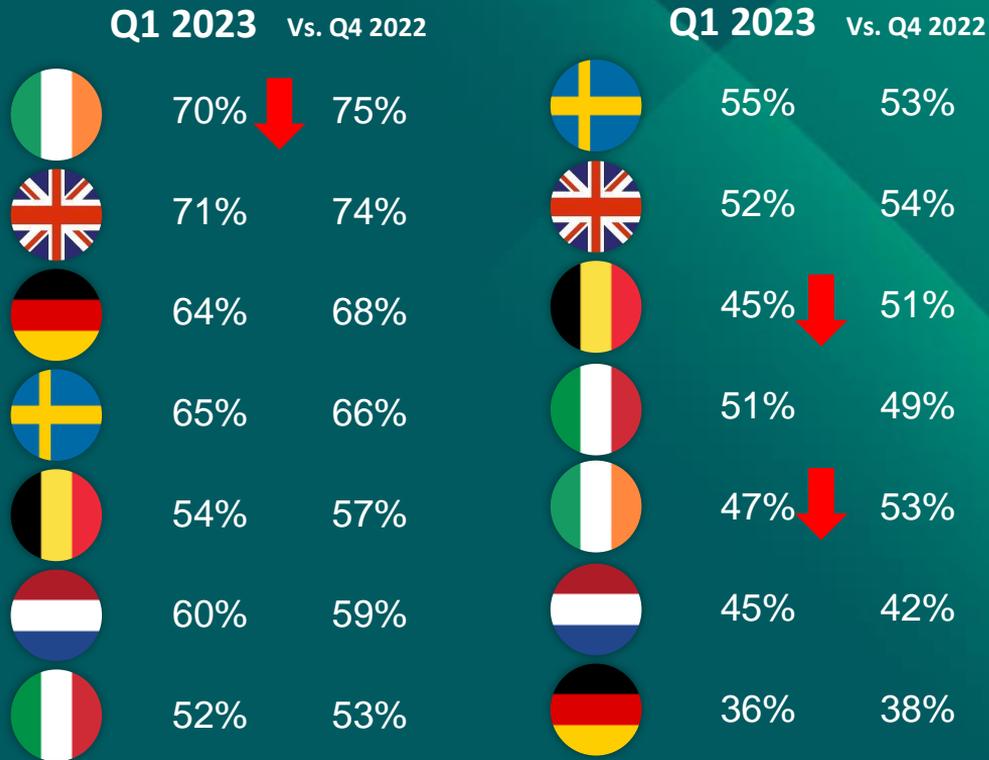
While households continue to be under pressure financially, there are some signs that shoppers are starting to spend a little more or adjusting to constraints

BORD BIA
IRISH FOOD BOARD

% Agree

"I'm not eating out as much as I was earlier in the year to try and save money"

"I'm buying cheaper types/formats of meat to reduce my household expenditure"



Despite the ongoing challenges, there has also been a wider 'cautious optimism' across the economy

While the cost of living crisis has continued to be uppermost in people's minds, there was something of a shift in the narrative and media coverage in Q1 – lots more headlines about inflation having already peaked and the corner perhaps having been turned

Consumers have had to adapt to rising prices in many ways and cost of living pressures are strong, but the wider economic positivity is also starting to be evident in consumer sentiment. While consumers are still nervous, factors such as falling fuel costs and more optimistic economic predictions have seen a lessening of negative sentiment

Are there glimmers of economic hope as we begin 2023?

Feb 9, 2023

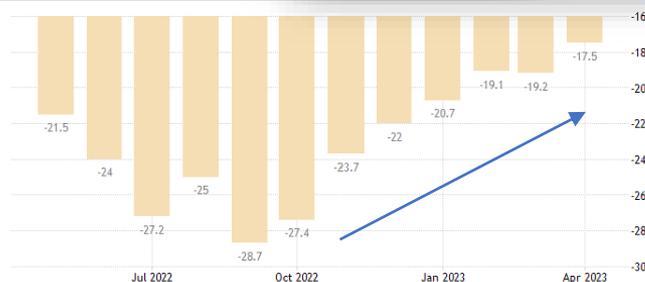


BUSINESS | EUROPE

EU economic forecasts: Inflation past its peak, no recession

02/13/2023

The European Commission has revised its economic forecasts upwards slightly, predicting growth of almost 1% in the bloc for 2023. Inflation is expected to slow but remain high, a little more so outside the eurozone.



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Euro Area consumer confidence monitor

1.

Consideration levels for beef amongst grocery shoppers continue to stabilise year-on-year, but are down over the longer term.

Amongst those who consider beef, consideration on the last occasion is also quite consistent, with slight improvements noted in relation to engagement. Positively, last occasion purchase has improved, most notably in Germany and Sweden.

The number of proteins considered is settling down over the course of the year, but down over the longer-term in most markets

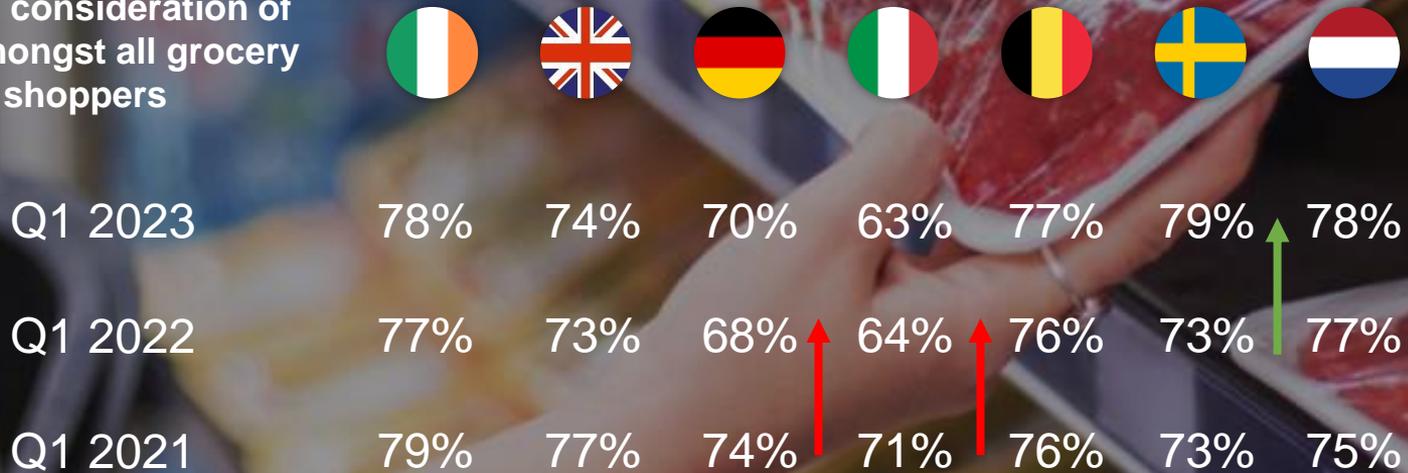
Average Number of Proteins Considered

Number of proteins considered							
Q1 2023	4.4	4.1	3.9	4.3	4.6	4.6	4.6
Q1 2022	4.4	4.3	4.0	4.2	4.7	4.5	4.7
Q1 2021	4.4	4.4	4.6	4.6	5.1	4.6	4.9

Consideration of beef is also more consistent year-on-year. Improvements noted in Sweden and The Netherlands over the longer-term but declines in Germany and Italy

Overall Consideration of Beef

Overall consideration of beef amongst all grocery shoppers



Consideration for Chicken and Pork is also more consistent year-on-year for the most part, but declines over the longer term in Italy for both proteins and in the UK for Pork

Overall Consideration

Chicken

	Q1 2023	YOY Change	Change Vs 2021
	89%	1%	0%
	83%	-3%	-1%
	83%	-3%	-4%
	89%	2%	0%
	81%	1%	1%
	81%	0%	-5% 
	78%	0%	-3%

Pork

	Q1 2023	YOY Change	Change Vs 2021
	63%	-2%	-1%
	61%	-2%	3%
	61%	0%	-4%
	60%	-1%	-9% 
	64%	4%	3%
	54%	-4%	-4%
	50%	-1%	-9% 

Lamb

	Q1 2023	YOY Change	Change Vs 2021	
	56%	-2%	-7%	↓
	43%	-5%	-7%	↓
	42%	-2%	-5%	↓
	37%	-1%	-1%	
	36%	2%	0%	
	35%	1%	-4%	
	26%	-1%	-7%	↓

Prices in most markets from 2021 levels, but Meat alternatives biggest declines

Meat Alternatives

	Q1 2023	YOY Change	Change Vs 2021	
	36%	-3%	-7%	↓
	40%	2%	0%	
	33%	-4%	-6%	↓
	23%	-5%	-9%	↓
	27%	0%	-1%	
	29%	3%	-2%	
	20%	-1%	-2%	

Last occasion beef consideration has improved in The Netherlands and Germany, but has dropped back marginally in other markets

Last Occasion Consideration of Beef



Beef Engagement

Engagement
(actively reviewing
what's on offer) is
starting to show
some green
shoots of
improvement after
a period of decline

	Q1 2023	YOY Change	Change Vs 2021
	39%	0%	-4%
	42%	+3%	0%
	33%	+1%	-4%
	30%	+1%	-4%
	27%	+2%	1%
	29%	-2%	-1%
	31%	0%	-4%

Last occasion purchase of beef has improved in most markets, with biggest increases evident in Germany and Sweden



The number of formats of beef purchased is consistent year-on-year, but continues to be down in Italy over the longer-term

Number of types of beef purchased on the last occasion

							
Q1 2023	2.4	2.0	2.4	2.1	2.0	2.1	2.1
Q1 2022	2.2	2.0	2.4	2.3	2.2	2.2	2.0
Q1 2021	2.1	2.3	2.9	2.3	2.4	2.1	2.4

Last Occasion **Purchase** of Lamb

Last occasion purchase incidence of lamb is quite consistent year-on-year, but down in the UK and Ireland over the longer term

	Q1 2023	YOY Change	Change Vs 2021
	11%	-2%	-5%
	9%	-2%	-3%
	7%	0%	-3%
	8%	0%	0%
	7%	0%	0%
	6%	1%	1%
	5%	0%	-2%

2.

While there are some signs that shoppers are settling down in their behaviours, financial constraints continue to impact shopping behaviour and the choices being made.

Expensiveness remains a key barrier to consideration and purchase, but the significant shifts away from the purchase of steak recorded in previous quarters is less pronounced in this time period.

'Too expensive' has increased significantly as a barrier to consideration year-on-year, with meal plans still ranked as the key barrier

(Base: All Beef Considerers who did not consider beef on the last occasion)

Barrier to Consideration – RANK	Average scores across markets							Average scores across markets	
	Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2023	Q1 2022
It is too expensive	1	3	6	1	2	2	2	23%	16%
It simply wasn't in my meal plans	2	1	1	4	1	1	1	25%	30%
I wanted something easier to cook	3	4	4	7	4	4	4	13%	12%
I am trying to reduce my intake of beef	4	5	3	5	5	5	5	12%	13%
Better deals and offers on other alternatives	5	7	8	2	7	3	6	11%	10%

Perception that beef is too expensive continues to be a key barrier to consideration, increasing in all markets. This is combined with an increase in the impact of deals/offers on alternative proteins

Barrier to Consideration

It is too expensive

Better deals and offers on other alternatives

	Q1 2023	YOY Change
	32%	+13% ↑
	27%	+8% ↑
	27%	+3% ↑
	26%	+6% ↑
	21%	+7% ↑
	16%	+4% ↑
	12%	+2% ↑

	Q1 2023	YOY Change
	27%	+3%
	27%	+8% ↑
	10%	+4%
	21%	+6% ↑
	18%	+13% ↑
	10%	+4%
	6%	+2%

(Base: All Beef Considerers who did not consider beef on the last occasion)

The cost of beef is ranked as the most significant barrier at point of purchase, with better deals and offers on alternatives now the second highest ranked barrier

(Base: All Beef Considerers who considered beef on the last occasion but did not purchase)

Barrier to Purchase	Average scores across markets							Average	Average
								Q1 2023	Q1 2022
It is too expensive	1	1	3	1	1	1	1	28%	23%
It simply wasn't in my meal plans	4	5	6	15	2	5	6	13%	15%
I wanted something easier to cook	3	3	4	3	3	6	7	16%	13%
I am trying to reduce my intake of beef	8	10	5	6	9	7	8	11%	11%
Better deals and offers on other alternatives	6	6	7	2	4	2	3	19%	19%

Steak continues to be under pressure in most markets, but less year-on-year declines evident this quarter in comparison to 2021 levels

PURCHASE OF STEAK ON THE LAST OCCASION

	Q1 2023	YOY Change	Change Vs 2021	
	61%	+2%	-3%	Striploin and Ribeye Steak increasing, with most notable drop amongst fillet purchase
	47%	-5%	-11%	Driven by a drop in striploin purchase
	42%	+1%	-2%	Increase in Fillet, with Ribeye Steak down
	37%	+1%	-6%	Striploin and Fillet increasing
	35%	-3%	-12%	
	31%	-3%	-9%	
	31%	+4%	+7%	Striploin, Ribeye Steak purchase increasing.

(Base: All Beef Considerers who purchased beef on the last occasion)

Acceleration towards Mince recorded previously has subsided this quarter in Italy, Germany and Belgium. Burger purchase increasing in Ireland and Sweden

PURCHASE OF MINCE ON THE LAST OCCASION

	Q1 2023	YOY Change	Change Vs 2021
	35%	-9% ↓	-9% ↓
	55%	+4%	-2%
	44%	-9% ↓	-3%
	39%	-6%	-1%
	55%	+2%	+3%
	55%	-1%	+3%
	47%	-4%	-4%

PURCHASE OF BURGERS ON THE LAST OCCASION

	Q1 2023	YOY Change	Change Vs 2021
	38%	+1%	-5%
	30%	+2%	+6% ↑
	17%	0%	0%
	24%	0%	-2%
	30%	+1%	0%
	31%	+4%	+7% ↑
	21%	-1%	+2%

CLAIMED BEHAVIOURS IN RELATION TO BUYING BEEF

I am buying less; but I am buying my usual beef

I am buying a little less; but I am buying better beef

	Q1 2023	YOY Change
	17%	+3%
	18%	+3%
	17%	+4%
	17%	+6%
	15%	+4%
	12%	+1%
	14%	+3%



	Q1 2023	YOY Change
	15%	-2%
	30%	0%
	17%	+6%
	18%	-5%
	19%	0%
	15%	-1%
	24%	+2%



Continued evidence that shoppers are sticking to their typical purchases in the beef category and less willing to veer off course, but some green shoots of “less but better quality beef” being purchased in The Netherlands and Italy

Intended Consumption of Beef Over the Next 3 Years

The level of intention to reduce beef consumption remains broadly consistent year-on-year, with improvements evident amongst Dutch and Belgian Beef considerers

NET CONSUMPTION

(Proportion Claiming to Consume More vs. Less)

Q1 2023

YOY



-44%



-31%



-23%



-32%



-22%



-26%



-30%



Improvement in net consumption position year-on-year (getting more positive)

Expensiveness also impacting significantly here as a likely future deterrent. Increasing year-on-year in most key markets



+11%



+16%



+11%



+13%



+18%



+16%



+8%

3.

Important to note that value and perceived expensiveness are still top-of-mind for consumers, but with shoppers starting to be enticed again to engage in the category there is an opportunity for Irish beef – with shoppers recognising that beef is a protein worth paying more for

And we look to offset value challenges by reinforcing the belief that beef is a protein worth paying more for. Added to this, there have been improvements in relation to beef being a relatively healthy protein

Beef is a protein that is worth paying more for

I think Beef is a relatively healthy protein

	Q1 2023	YOY
	72%	-1%
	70%	+4%
	69%	-1%
	68%	-2%
	68%	-2%
	66%	+5% 
	62%	+1%

	Q1 2023	YOY
	86%	0%
	82%	0%
	83%	+3%
	82%	+4% 
	81%	+1%
	77%	+4% 
	81%	+4% 

Beef is also increasing as being the least processed of all meats in key markets (NL, IT, GER)

Some increases in the more negative associations towards beef consumption and production, but all to a relatively low level

While value is still a key driver of future purchase, the opportunity to trade-up remains

Motivators of Future Purchase

Beef which is good value for money

Shopper Behaviours

"I purchase nicer foods to consume at home at the weekend instead of eating out"

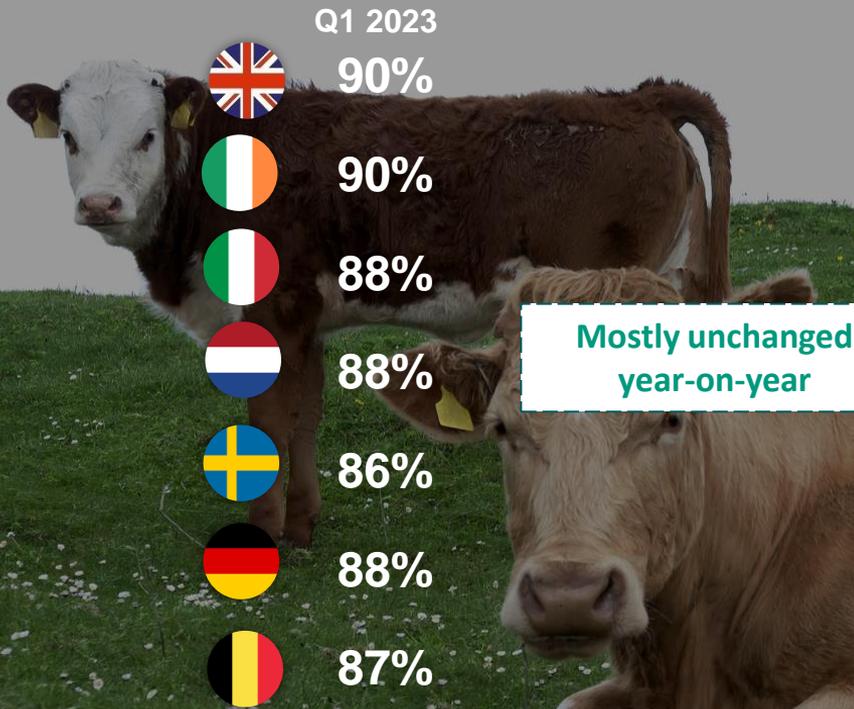
% Agree

	Rank	Q1 2023	Q1 2022
	1	51%	47%
	1	52%	49%
	1	43%	40%
	1	42%	40%
	1	37%	28%
	1	39%	32%
	1	35%	35%

	Q1 2023	Q4 2022	Q3 2022
	65%	66%	62%
	56%	56%	62%
	62%	63%	57%
	58%	59%	55%
	56%	53%	54%
	56%	50%	52%
	46%	44%	48%

Added to this, taste continues to be an area where we can convince shoppers, and reduce some of the value challenges the category is faced with

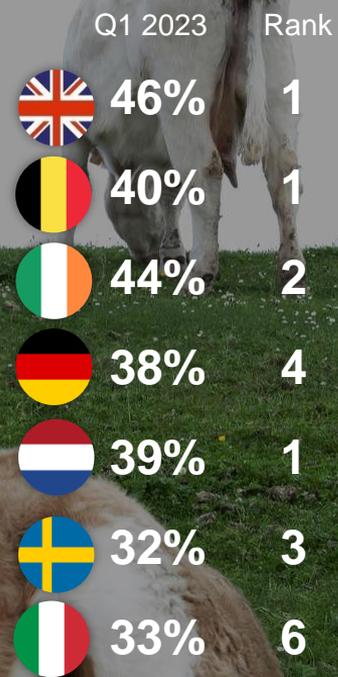
I think Beef tastes great; it's a real treat



Mostly unchanged year-on-year

And taste is has a strong association with better quality beef

Association of taste with Better Quality



**Grass-fed beef
has the ability to
keep category
shoppers
engaged and
entice shoppers
to trade-up.**

	Association with Better Quality beef		Impacting on enticing shoppers to trade-up	
	Q1 2023	Rank	Q1 2023	Rank
	47%	1	32%	1
	42%	3	26%	3
	35%	4	22%	3
	38%	5	24%	4
	29%	5	17%	5
	31%	5	20%	3
	25%	8	19%	4

Mostly unchanged for most markets, with a slight improvement in The Netherlands

With value playing such a prominent role, challenges such as origin of beef are less important for shoppers, with local beef less likely to drive trade-up in several markets also

Motivators of Future Purchase

Impacting on enticing shoppers to trade-up

Origin of the beef

A locally produced product

	Q1 2023	YOY
	33%	+1%
	29%	-3%
	29%	-2%
	31%	+1%
	23%	-2%
	20%	+4%
	23%	-1%

	Q1 2023	YOY
	33%	+2%
	32%	-2%
	30%	-2%
	29%	-3%
	26%	+1%
	25%	-6%
	20%	+2%



Less focus on origin and local presents an opportunity to convert interest in Irish and Grass-fed options



Interest in Irish Versions

	Q1'23	YOY	Q1'23	YOY	Q1'23	YOY	Q1'23	YOY	Q1'23	YOY	Q1'23	YOY
Steaks	45%	+1%	54%	-1%	47%	+1%	52%	+2%	28%	-2%	59%	+4%
Mince	39%	+3%	30%	-2%	28%	-5%	45%	↑ +5%	30%	↑ +5%	31%	-1%
Burgers	31%	0%	34%	-1%	22%	-2%	37%	+2%	24%	+2%	31%	0%

Interest in Grass fed Versions

Steaks	43%	-1%	60%	-1%	50%	+2%	53%	+2%	36%	-5%	63%	+4%
Mince	40%	+3%	37%	-4%	34%	-4%	45%	↑ +6%	41%	+3%	36%	-1%
Burgers	29%	-1%	37%	-2%	22%	-3%	36%	+2%	30%	+2%	32%	0%

Key Considerations

Signs that shopper behaviours are beginning to adjust to cost of living pressures. Overall consideration for beef is stabilising and engagement levels are starting to improve

1.

We need to ensure shoppers don't settle into a pattern of lower value beef purchase, driven by current behaviours. Capitalising on shoppers starting to re-engage with the category to drive overall purchase will be key in nudging them back to towards steak and away from mince/burgers

2.

Origin is less of a driver of purchase than before – this presents an opportunity for Irish beef, by dialling up the value proposition of our offering



Thank You