

Maximising Opportunities for Irish Meat in China

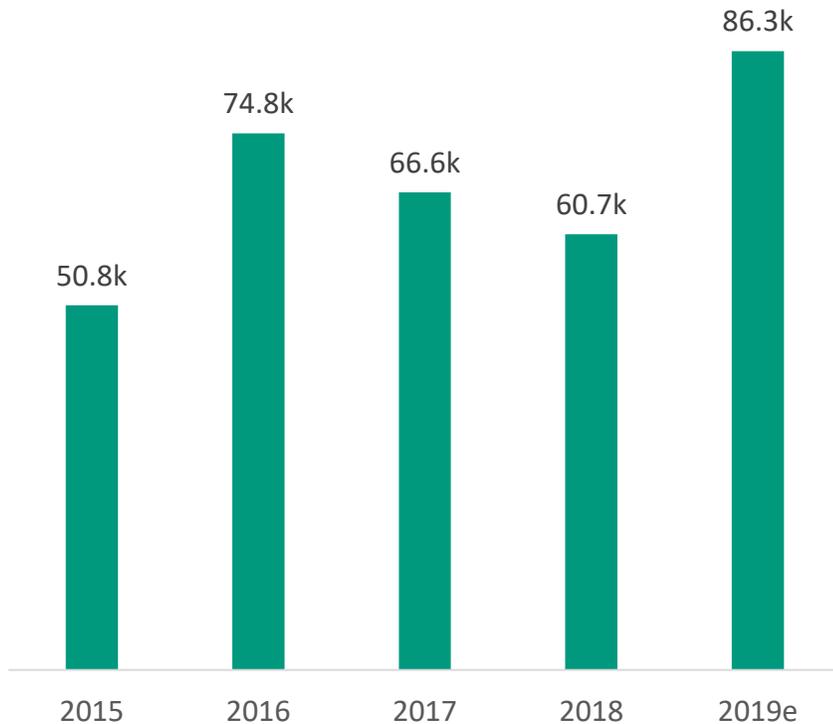
Conor O'Sullivan
10th January 2020

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IRISH FOOD BOARD



A record year for Irish meat exports

Irish pigmeat exports to China
(CWE tonnes)



86k

pork exports (tonnes)

12k

beef exports (tonnes)

€147m

pork exports value

€34m

beef exports value

26 Irish meat plants approved for China

Outline

Why China matters

Impact of ASF

Opportunities for Irish meat in China

Activity in the market

Why China matters

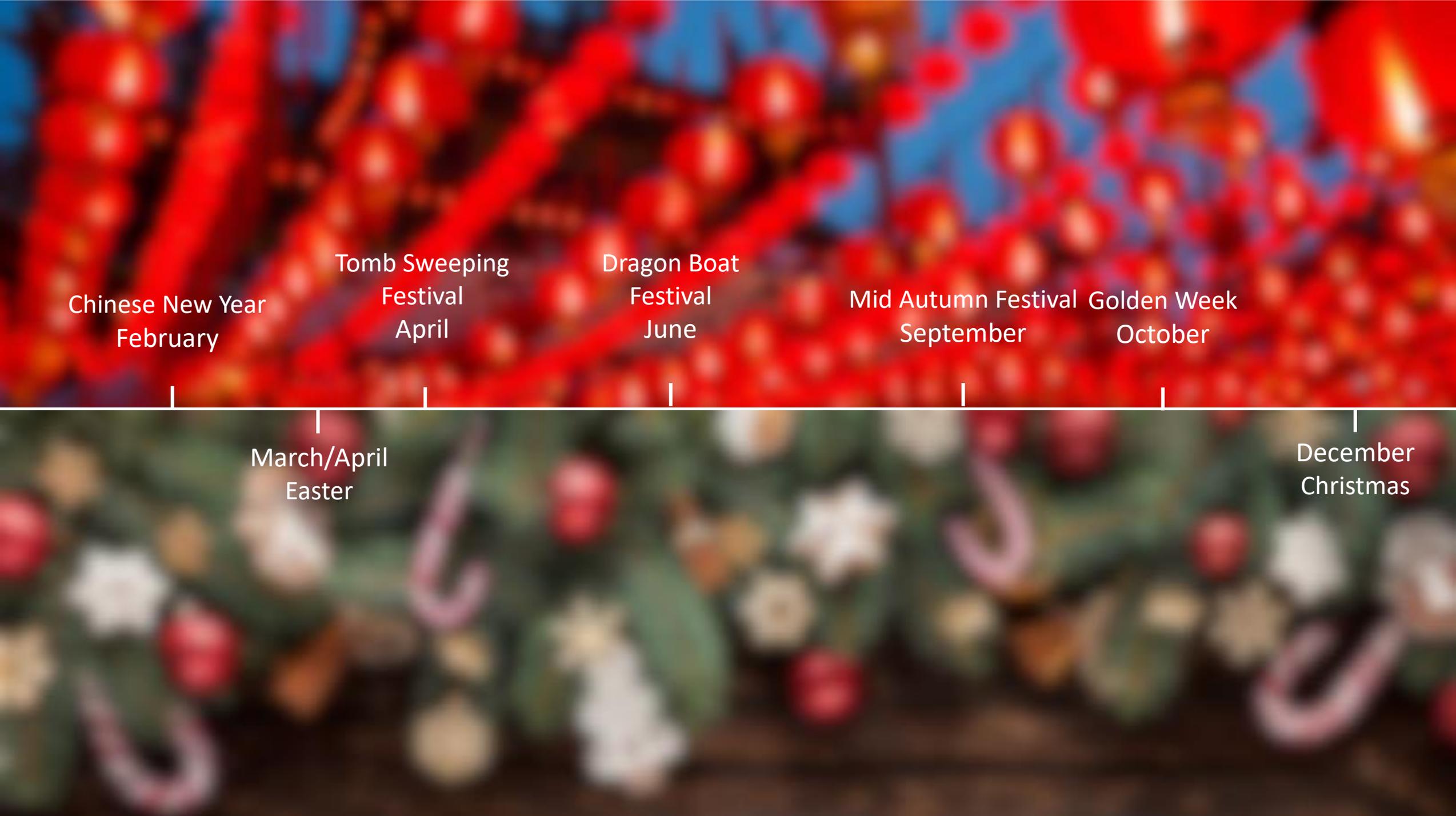
#1 population, #2
economy

Leading producer,
importer, and
consumer of meat

Diverse market

Increasing product
utilisation and adding
value





Chinese New Year
February

Tomb Sweeping
Festival
April

Dragon Boat
Festival
June

Mid Autumn Festival
September

Golden Week
October

March/April
Easter

December
Christmas



48%

Drop in production

20m

Fewer sows

25m

tonne drop in supply

250m

Fewer hogs

ASF has been devastating

Restoring pork is a political priority

Symbol of prosperity threatened

Poorer consumers can no longer afford meat

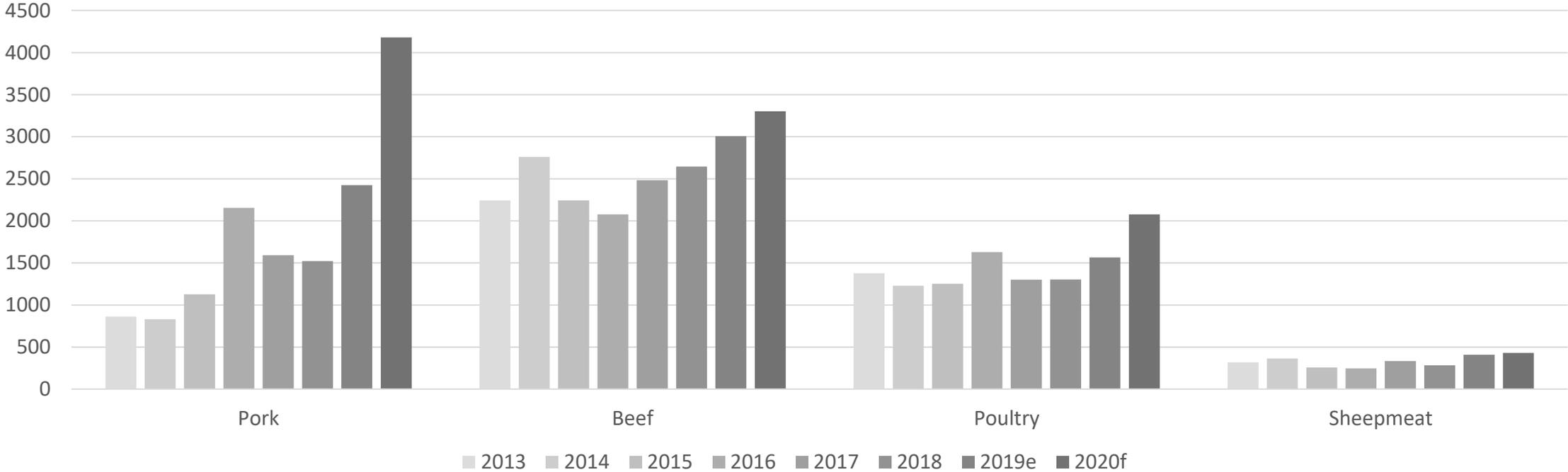
CPI at an 8 year high

Restoring supply by any means possible:

1. Increase imports
2. Spurring production
3. Controlling prices



China Mainland & HK* meat imports (000 t' cwe)



All time high for China's meat imports

Restoring domestic supply



Favourable policies to encourage investment



Local production targets



Logistics: from moving pigs to moving pork



Higher carcass weights



But... shortlived recovery in NE China highlights enormous challenge

Impact on Consumption

Foodservice can't raise prices, using less pork... or "sold out"

Opportunity for other meats: some consumption change will be permanent as habits form and necessity drives innovation

Consumers getting used to eating chilled/frozen

Inconsistent quality creates opportunity for stable, consistent suppliers



VS



A power struggle: the market vs the party

Controlling prices

Releasing pork reserves before key cultural/political dates

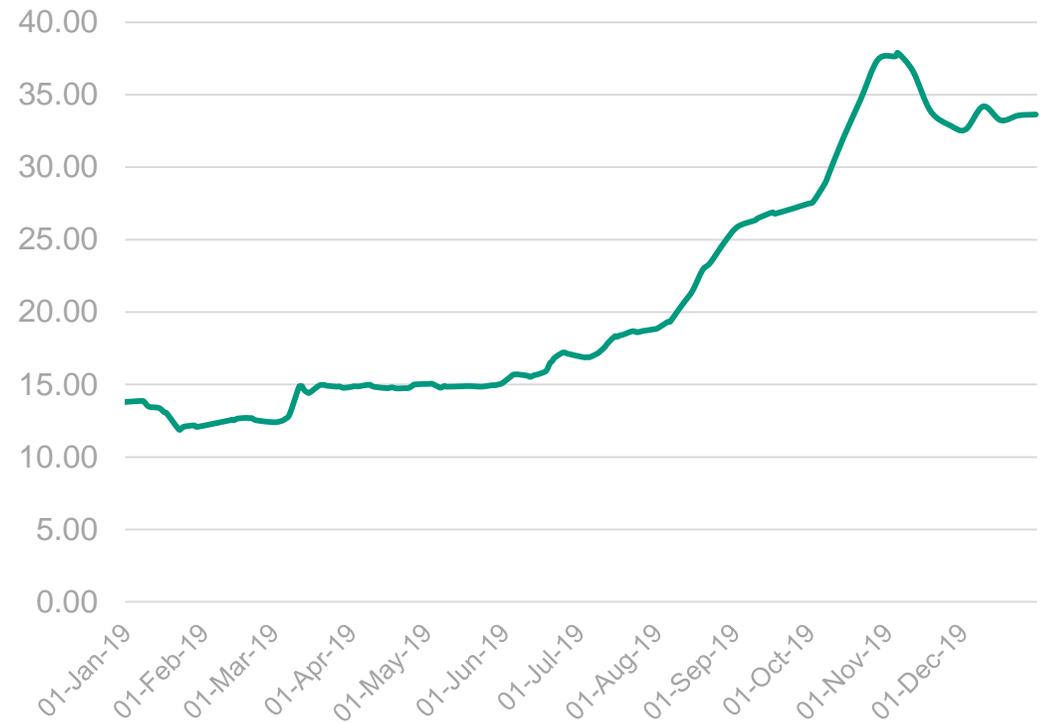
Subsidising SOEs to buy up supply and sell at a loss

Punishing “market manipulators”

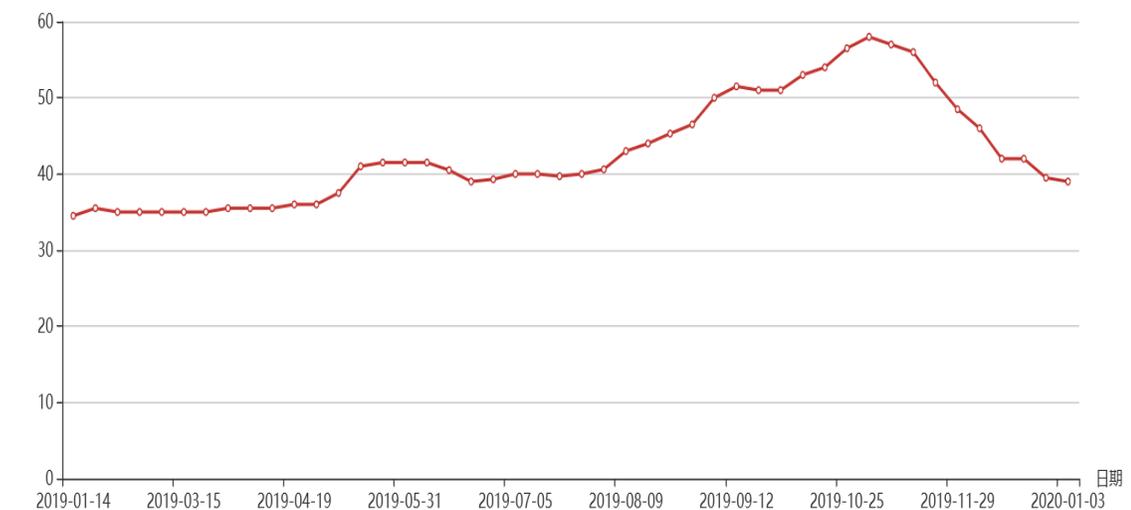
Short term volatility is a reality in China

but market fundamentals are strong

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单位: 元/公斤

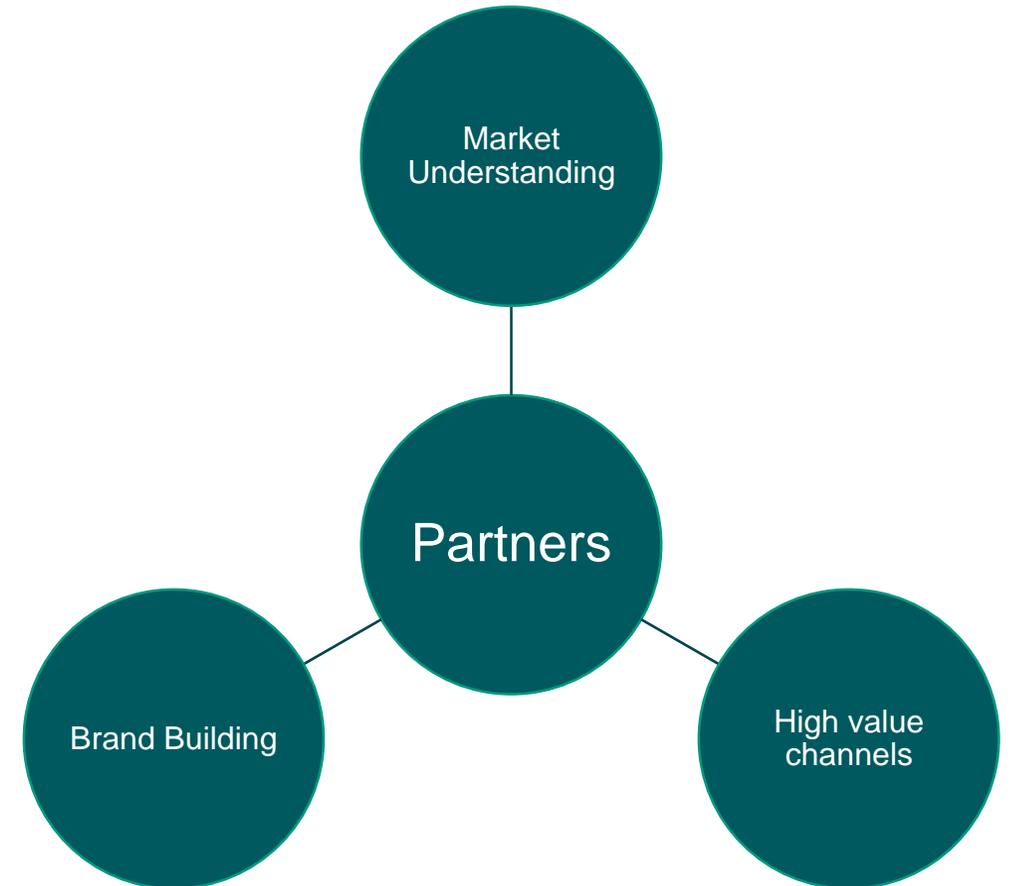


Vision for China

A sustainable, differentiated position for Irish meat to maximise the value of returns from China

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Partners are critical.



Insights

Identify best opportunity
for each cut

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Identify and understand
growth opportunities



CHANNELS



REGIONS



CATEGORIES



CONSUMER
GROUPS

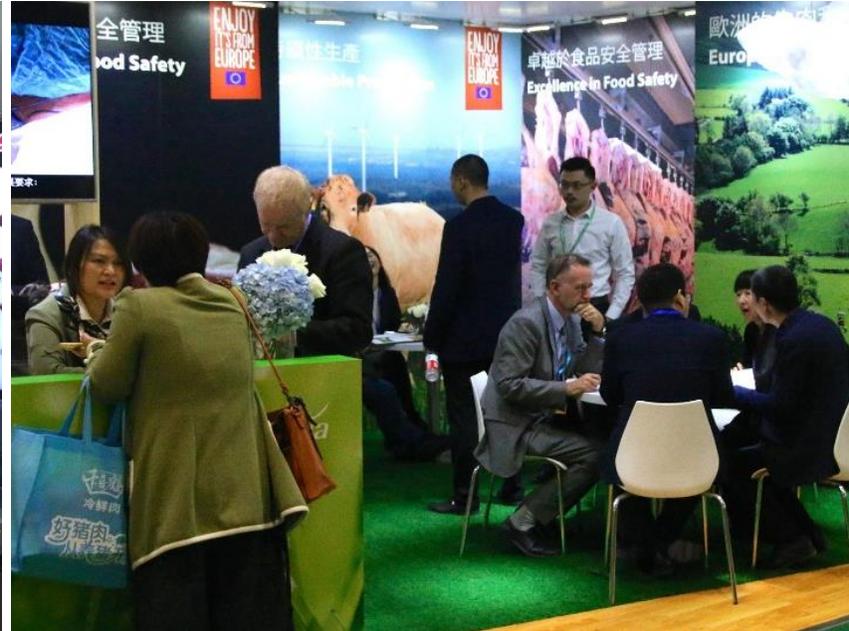


Work with strategic partners to
maximise value and volume

Lead Generation



Hundreds of one-to-one meetings
& dozens of site visits

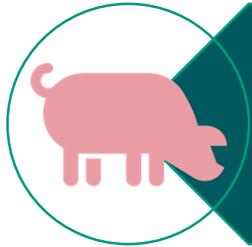


3 trade shows each year

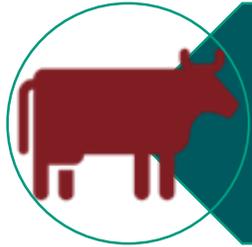


70 buyers, media, chefs and
gov to visit Ireland

2020 Objectives in China



Develop value-added opportunities for mid-range pork cuts



Grow preference for Irish grass-fed beef with trade and consumers

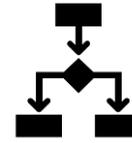


Establish initial routes to market for sheep meat

Pork

A regional focus on value-add opportunities for mid-range products

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Developing high value routes to market

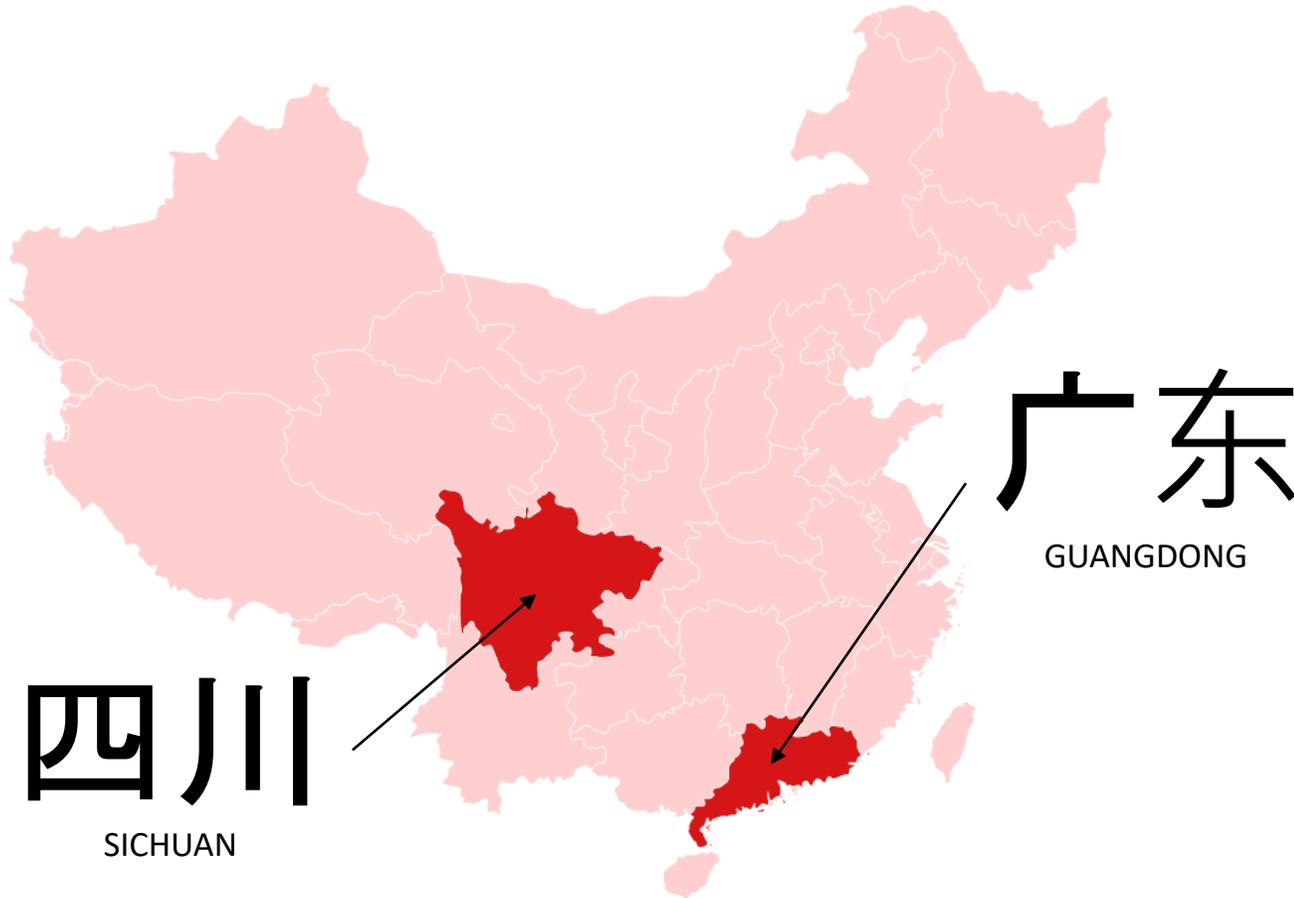


Understanding regional consumption habits



Identifying customer requirements

A regional focus



- Top selling cuts
- cuts usage in foodservice and processing
- Specifications for specific uses
- Top packaged pork brands and items in each region
- Ecommerce suppliers and products
- Routes to market
- Competitor analysis

European Pork & Poultry 2020-2022

Increased regional promotion (tier 2)
Expanded presence at trade seminars and shows
Offline to online trade and consumer promotion
Digital communications and content creation
Government relations/knowledge transfer
Full time staff in Shanghai

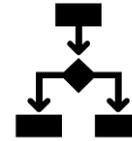


Value: €3.8 million

Beef

Grow preference for Irish grass-fed beef with trade and consumers

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Prioritising foodservice and retail



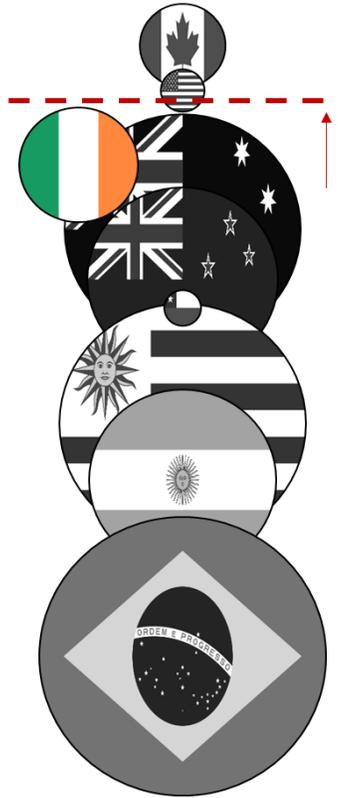
Supporting partnerships to drive demand through the supply chain



Increasing awareness and building a strong, differentiated position

Current positioning

Raise grass fed ceiling



We've found our niche

A quality product for daily cooking

We know our channels

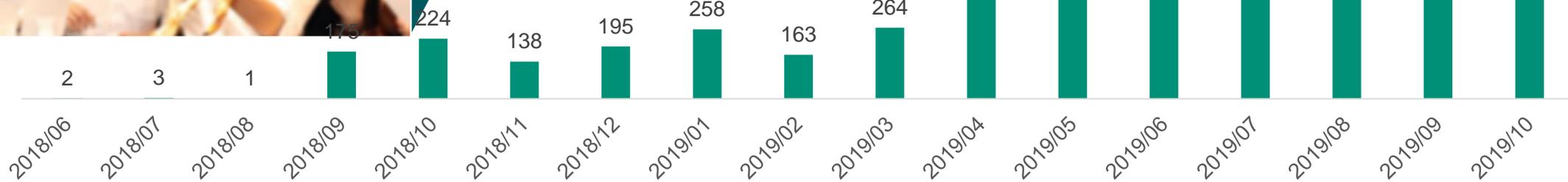


Volume
+
Value

**100,000 families have
bought Irish beef online**



Visibility
+
Reach



Over 65% of beef
consumption

Growing 10% a year



Foodservice is the most important channel

Partner promotions drive demand through the supply chain and build loyalty



呷哺呷哺

呷哺用心选 进口好牛肉

爱尔兰草饲肥牛——首次进驻呷哺呷哺



Many chefs don't understand beef

Known chefs and chef associations have significant local influence over understanding

Teaching tools for specific cuts

Regional cooking demonstrations

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Masters Series

4 regional master chefs
5-6 million consumer reach



Leveraging chefs, media and influencers to position Ireland and maximise exposure



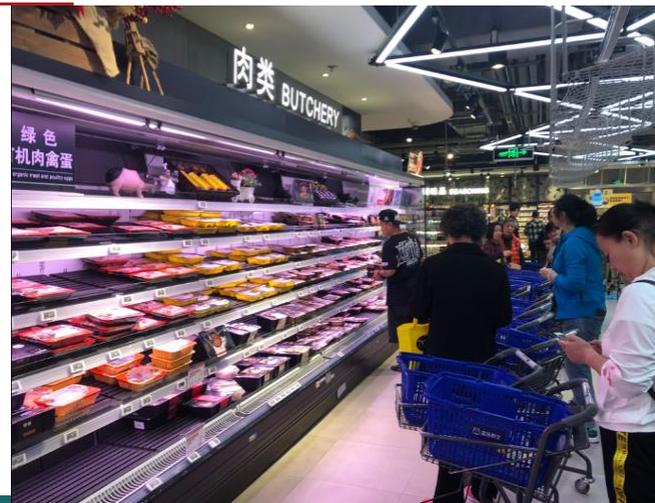
Online promotions with Tmall & JD



Livestream cooking demos



Promotion with KOLs (influencers)



Online & instore promotions @ retail

Consumer promotions

Raising awareness + educating, with clear calls to action



喃猫小厨



喃猫小厨房



喃猫小厨房

The power of influencers

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Education
Awareness
Even sales!

12.12 promotion



5.3m social media impressions

1.2m ad views

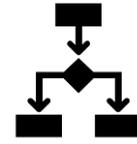
34x beef sales



Sheepmeat

Establish initial routes to market for sheep meat

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Understanding opportunities for key cuts



Prospecting and lead generation



Identifying our target market

INNER MONGOLIA SUNITE
ROAST LAMB
脆嫩烤羊排

酥皮烤羔羊排
 ROAST LAMB FLAP-BONELESS

78 /大份 RMB 89 /小份 RMB

肉香指数
 Meat odor Index

营养指数
 Nutrition Index

辣指数
 Spicy Index

蒙古苏尼特羊排
 INNER MONCOLIA SUNITE
 LAMB FLAP-BONELESS



Conclusion

Highly volatile, but strong fundamentals make us optimistic

Priority remains building sustainable, differentiated position that adds value to our industry

Thank you

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