Apple Market in Ireland

Industry Presentation – Lorcan Bourke

December 2017

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

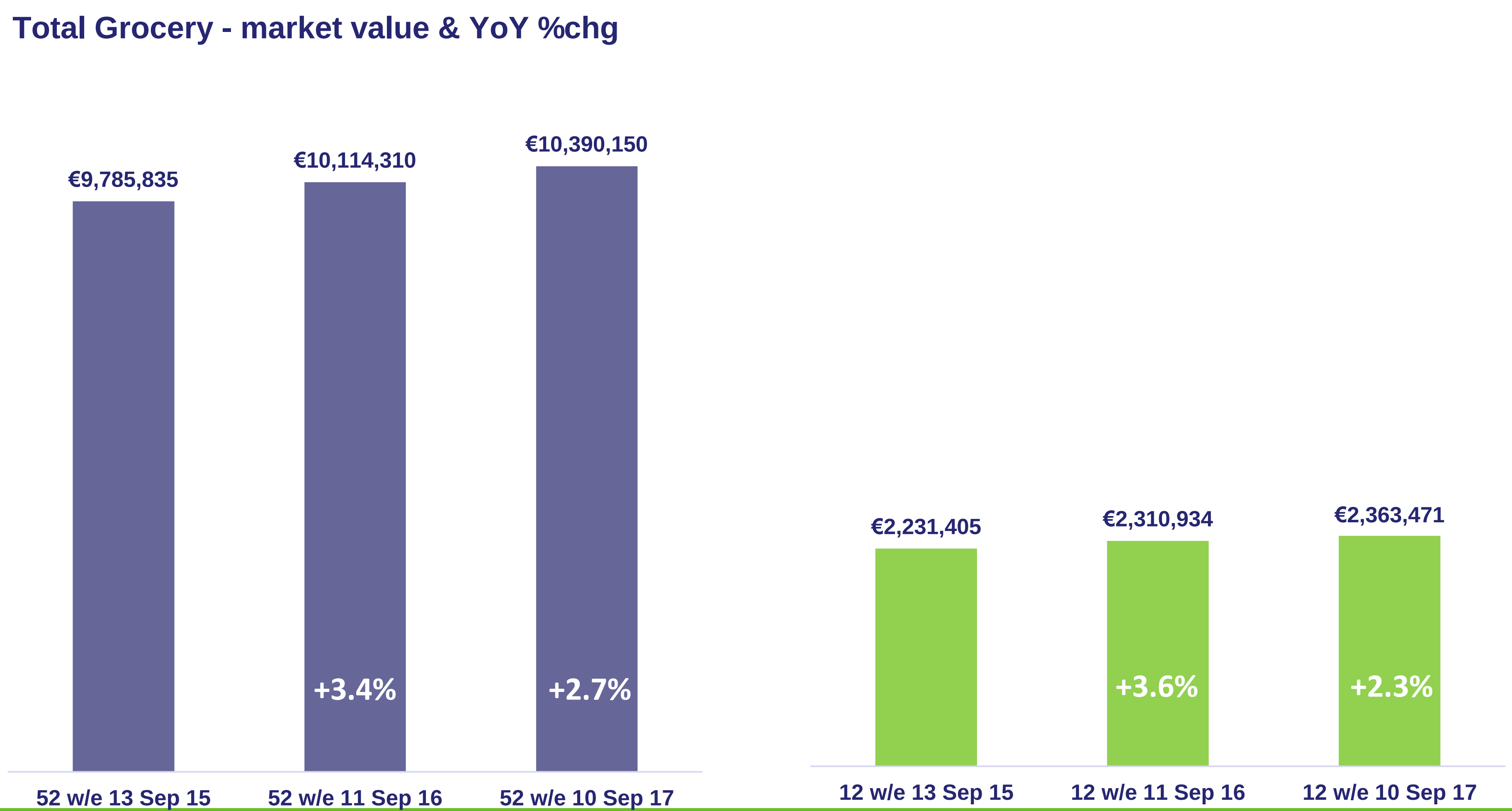
Meeting Agenda

- Kantar World Panel Data
- Total Grocery Market Share
- Fresh Produce Market Share
- The Irish Fruit Category (& Apples)
- Fresh Produce Market Opportunities

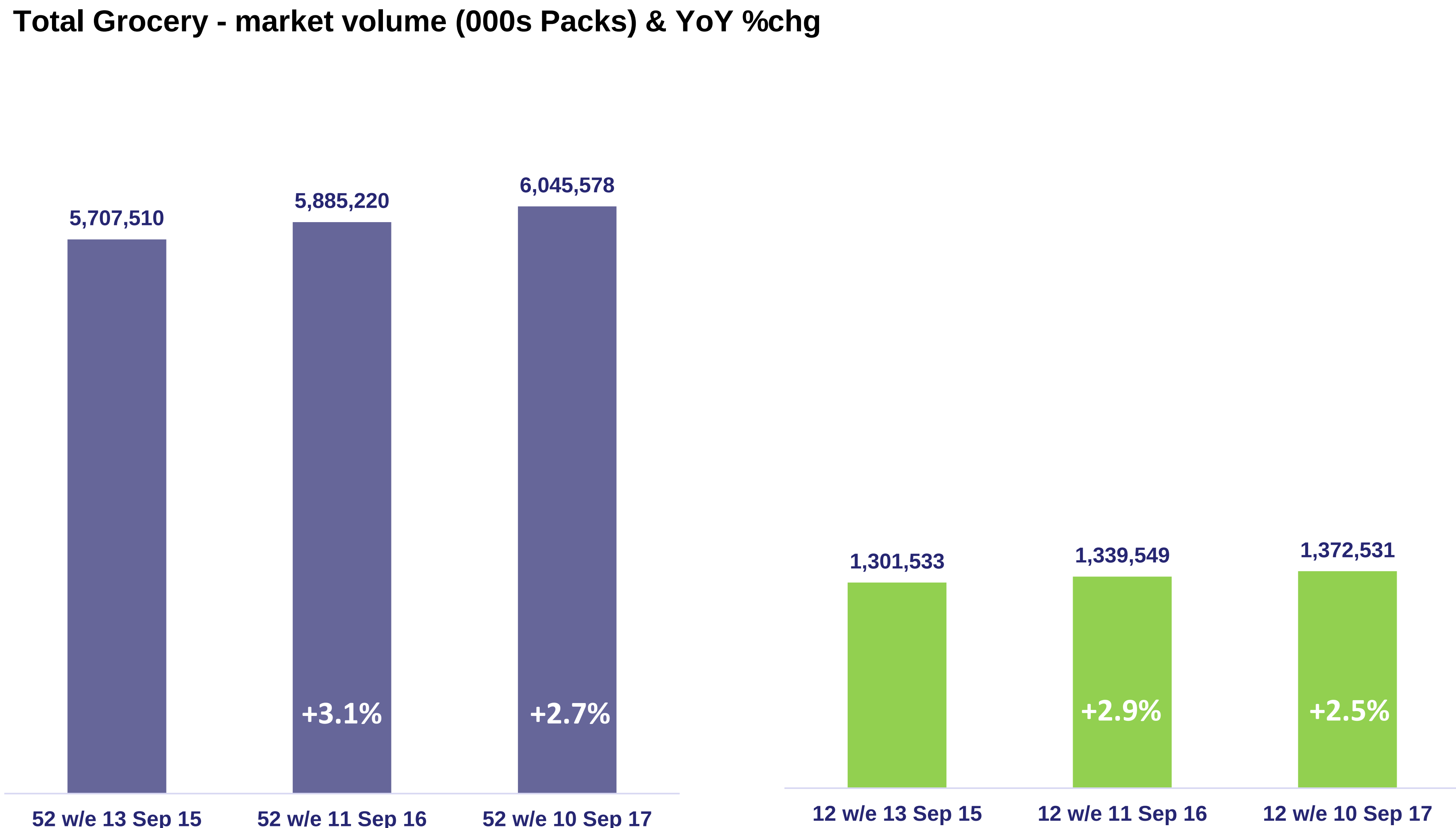
Total Grocery Market Share

Household 6.%

ROI grocery market sales are in growth 52we by +2.7% and 12we by +2.3%.

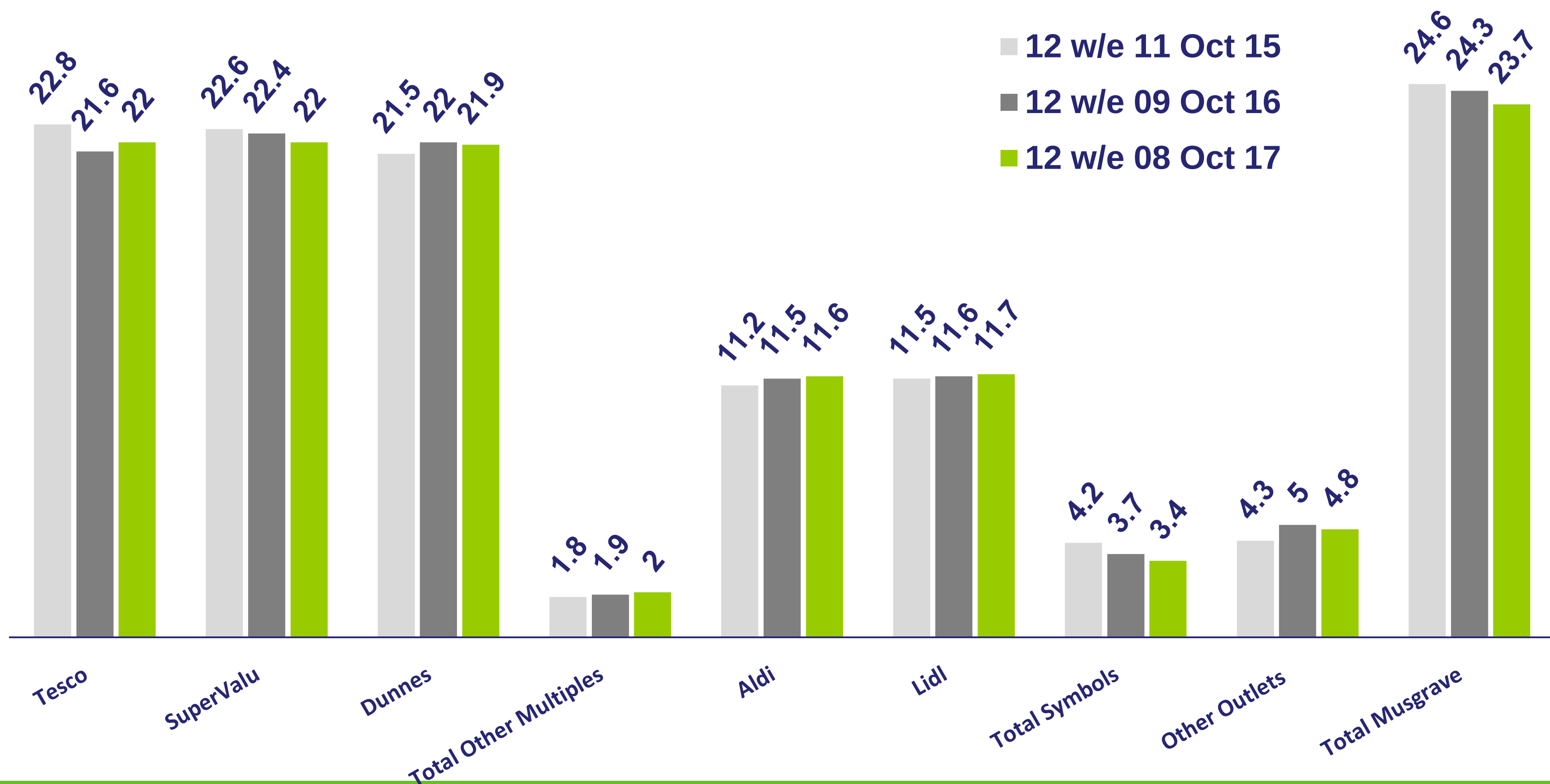


ROI grocery markets volume sales grew 52we by +2.7% and +2.5% at 12we.



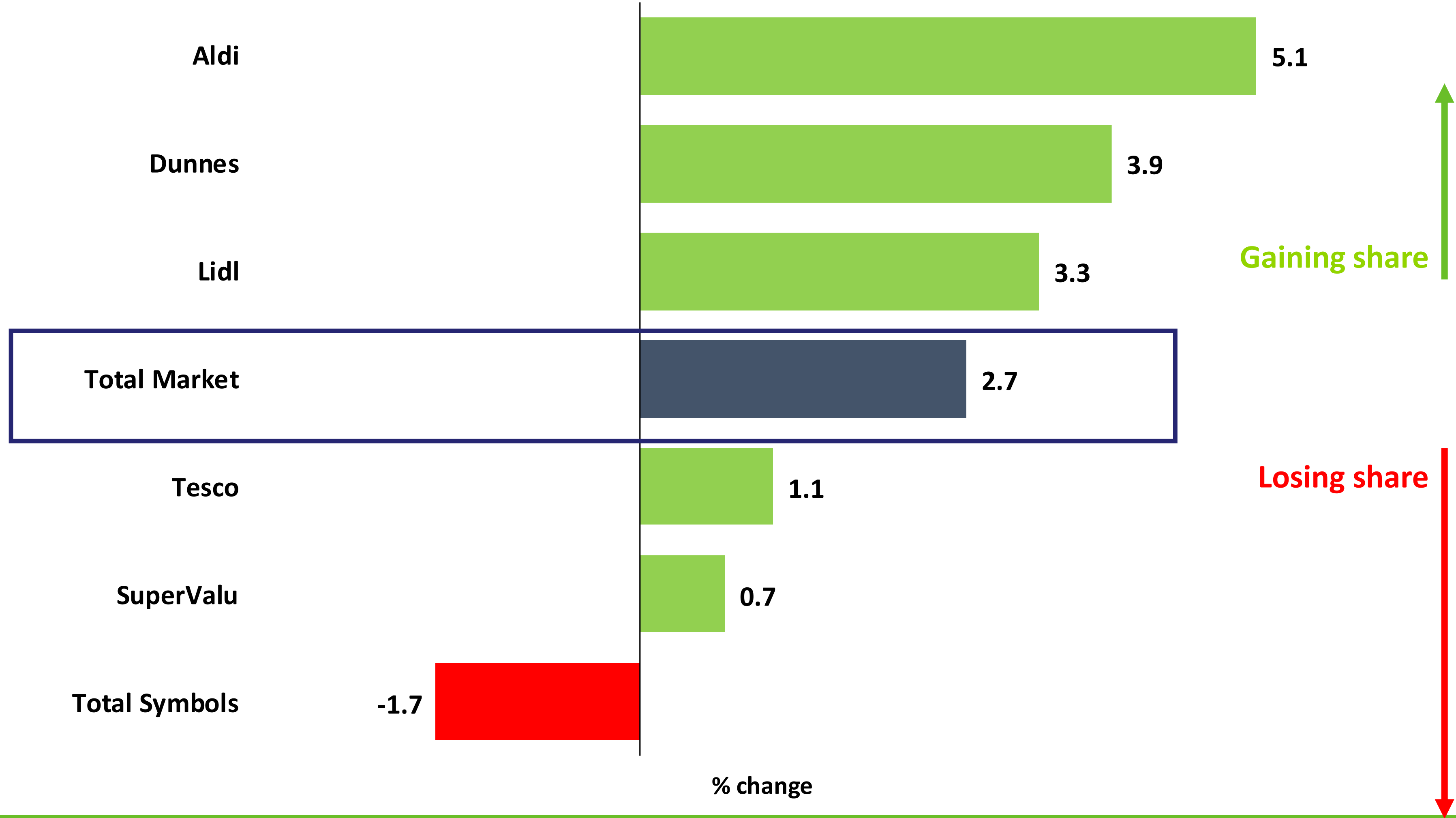
SuperValu & Tesco are in joint first position, with Dunnes close behind in the latest 12 weeks.

12w Total Grocery – retailer value % YoY



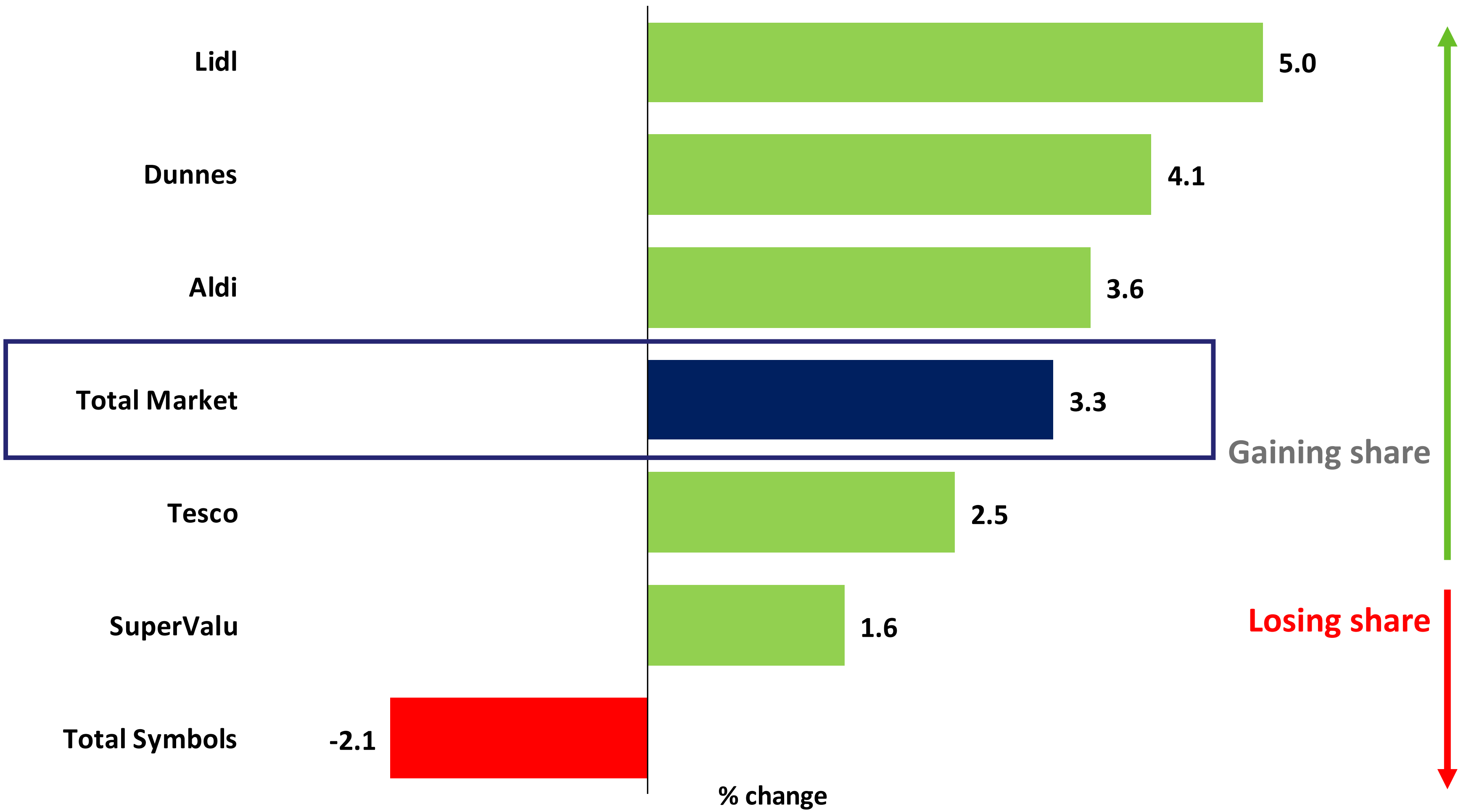
The market is up 2.7% with Aldi and Dunnes seeing the strongest performance in the latest 52 weeks. Symbols continue to see a decline YoY

52w Total Grocery – retailer value % chg YoY



All retailers are seeing volumes sales increase.

52w Total Grocery – Volume KGs %chg YoY



Fresh Produce Market Share

Fresh Produce Data to 10th September 2017

Fresh produce is the most important retail category

52 week Total Grocery

Vegetables
€788m -2.1%

Fruit
€732m +4.8%

Fresh Beef
€507m +5.6%

Wine
€440m +1.3%

Milk
€33.0m
+3%

CSD's
€164m +5.4%

Fresh Poultry & Game
€329m +5.5%

Bread
€329m +3.5%

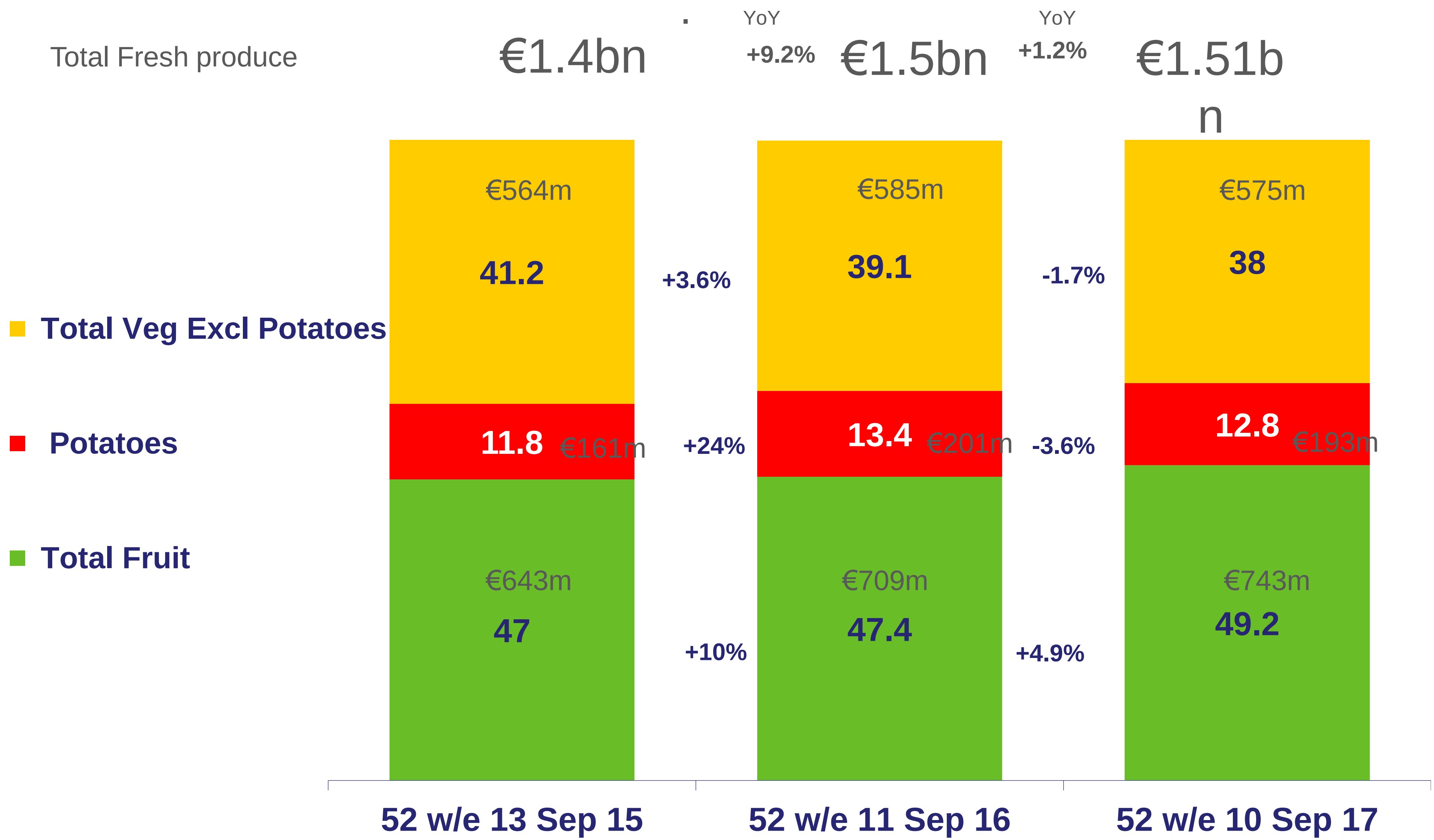
Confectionery
€350m -6.6%

Biscuits
€292m
+1.2%

Kantr Worldpanel Data to10th Sept 2017

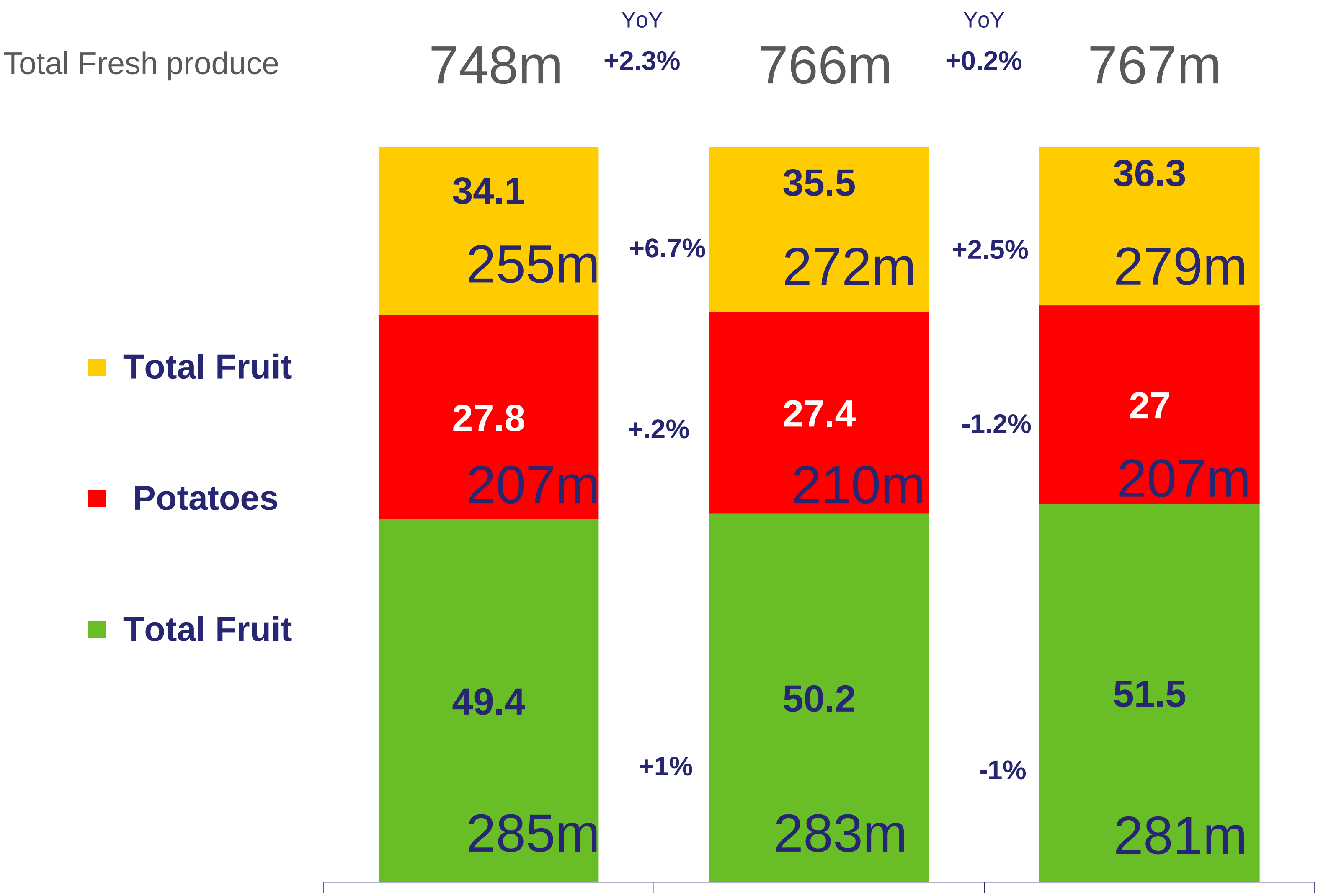
Total Fresh Produce sector split – Value

Fruit is the only sector to continue seeing growth this period.



Kantar Worldpanel Data to 10th Sept 2017

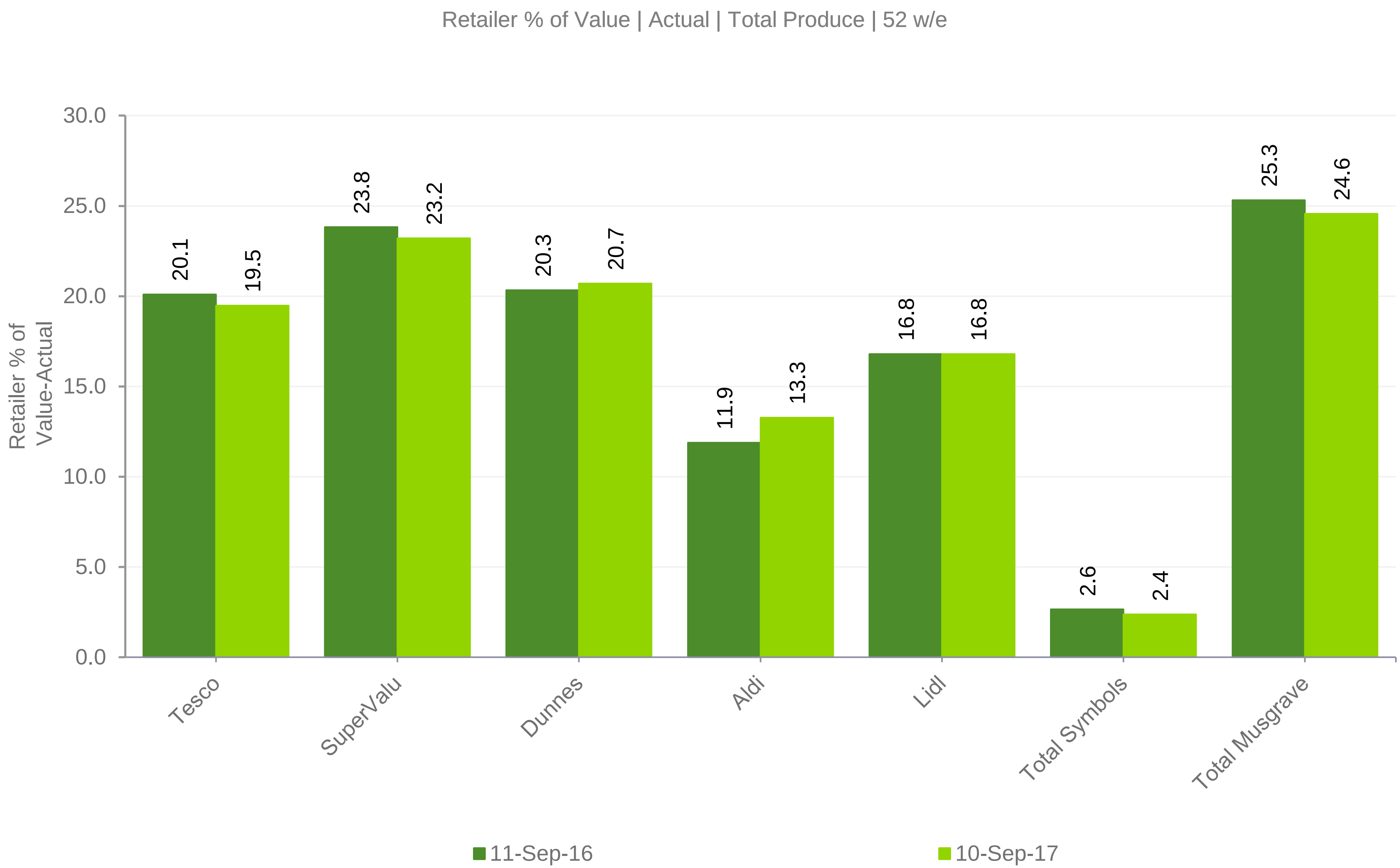
Total Fresh Produce sector split – Volume KG



Kantar Worldpanel Data to 10th Sept 2017

Retailer share of Fresh Produce

SuperValu maintain top position, Aldi have made the strongest share gains



Kantar Worldpanel Data to 10th Sept 2017

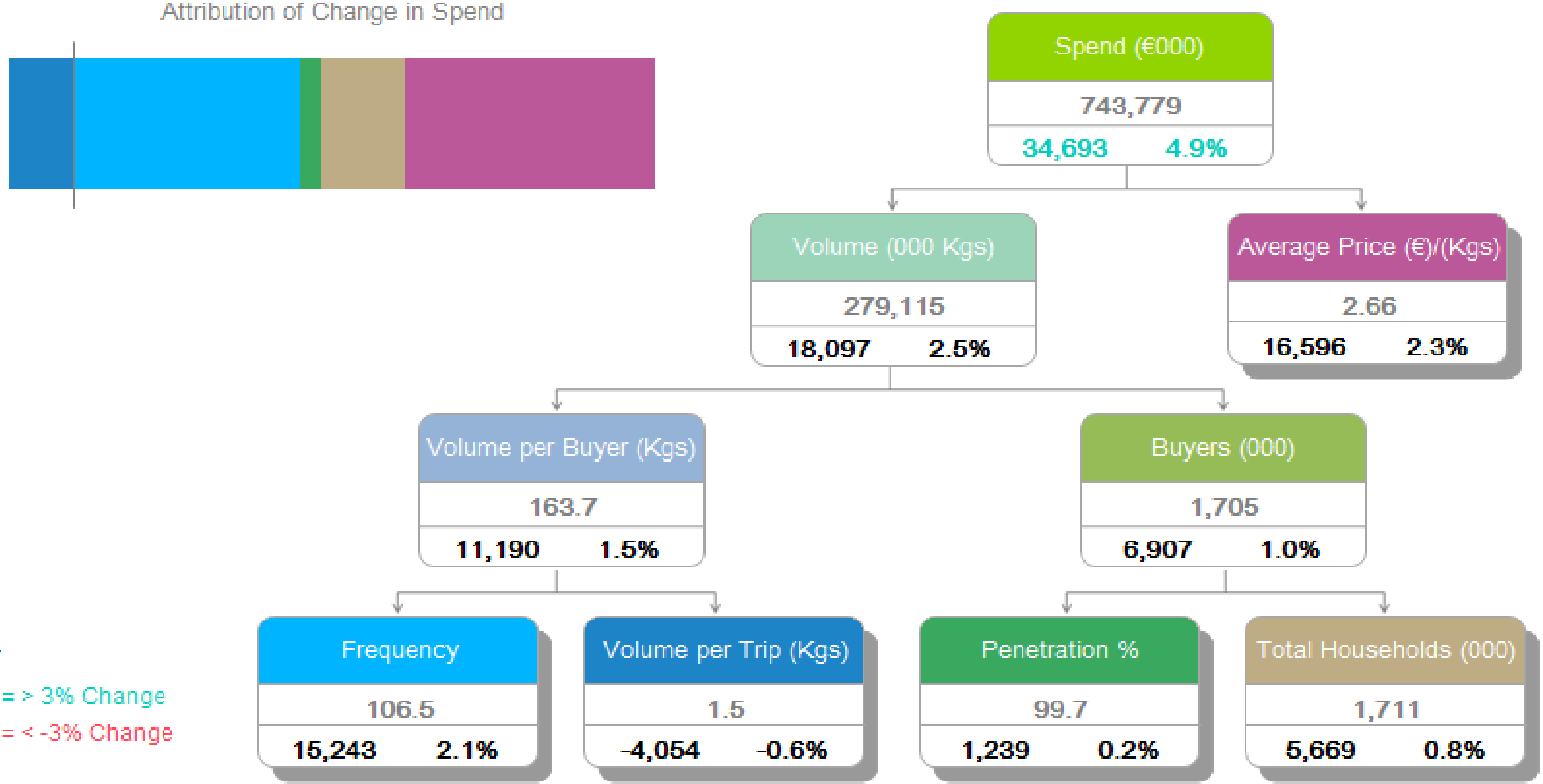
The Irish Fruit Category (& Apples)

An increase in average price and shoppers returning more often to purchase fruit has driven their growth this year

10-Sep-17 vs. Previous Year

Total Fruit | Total Market | 52 w/e | Previous Year

Attribution of Change in Spend



KEY

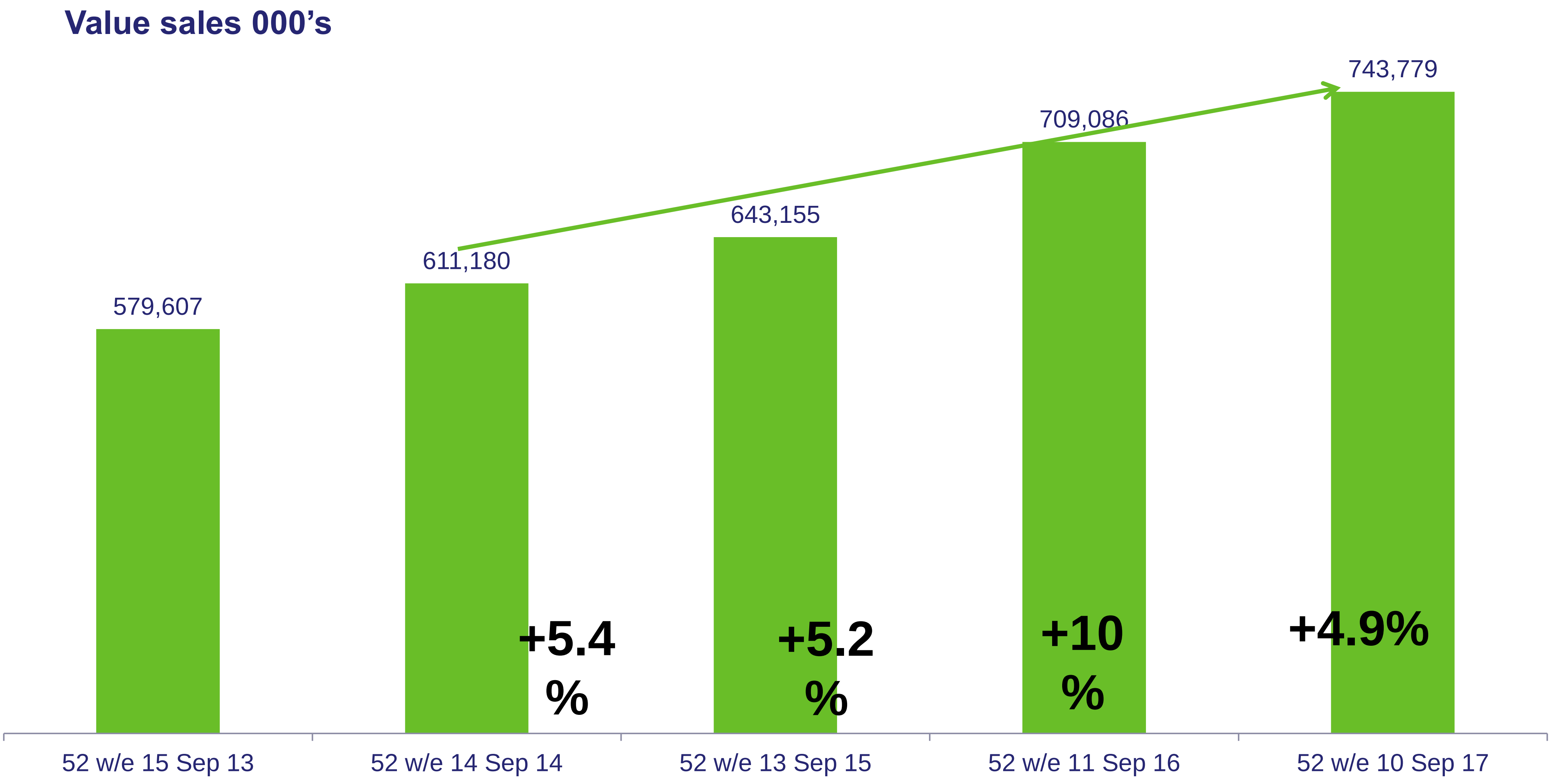
= > 3% Change

= < -3% Change

Kantar Worldpanel Data to 10th Sept 2017

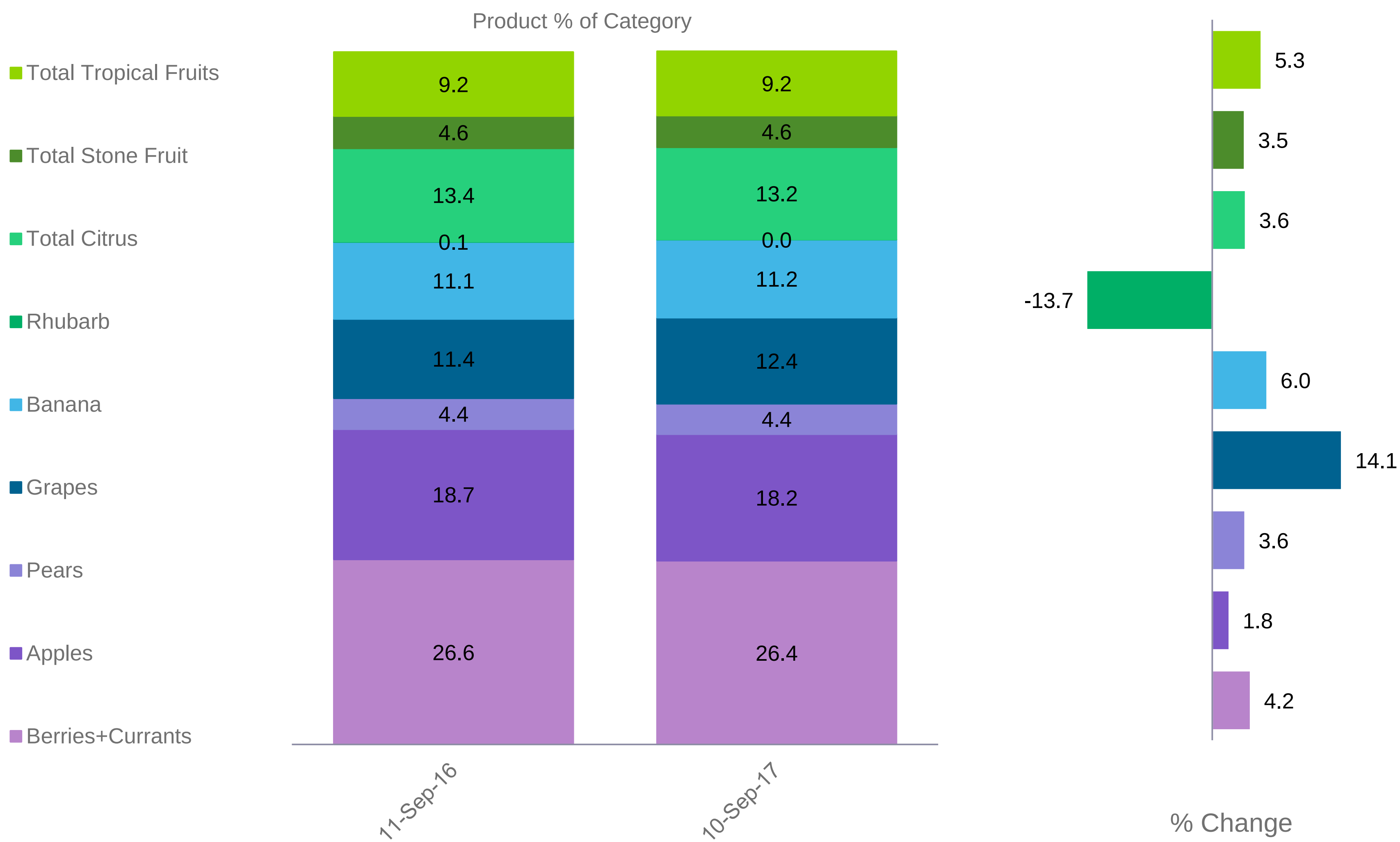
Fruit – Yearly growth for a consistent number of years

Health & Wellness Trend: Increased Consumer Interest in Eating Healthier



Fruit Sub-segments – Value Share

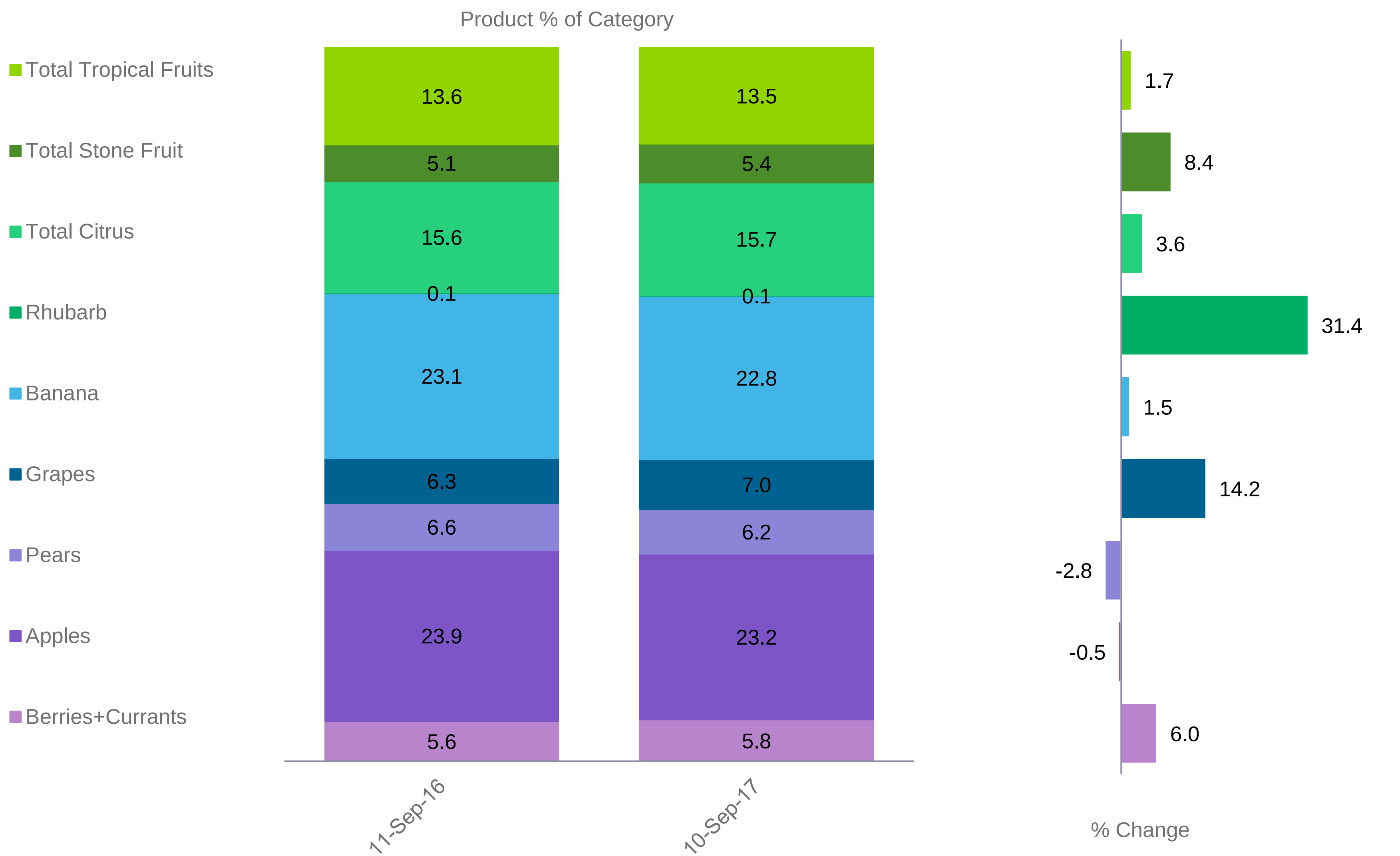
Spend (€000) | Total Market | 52 w/e



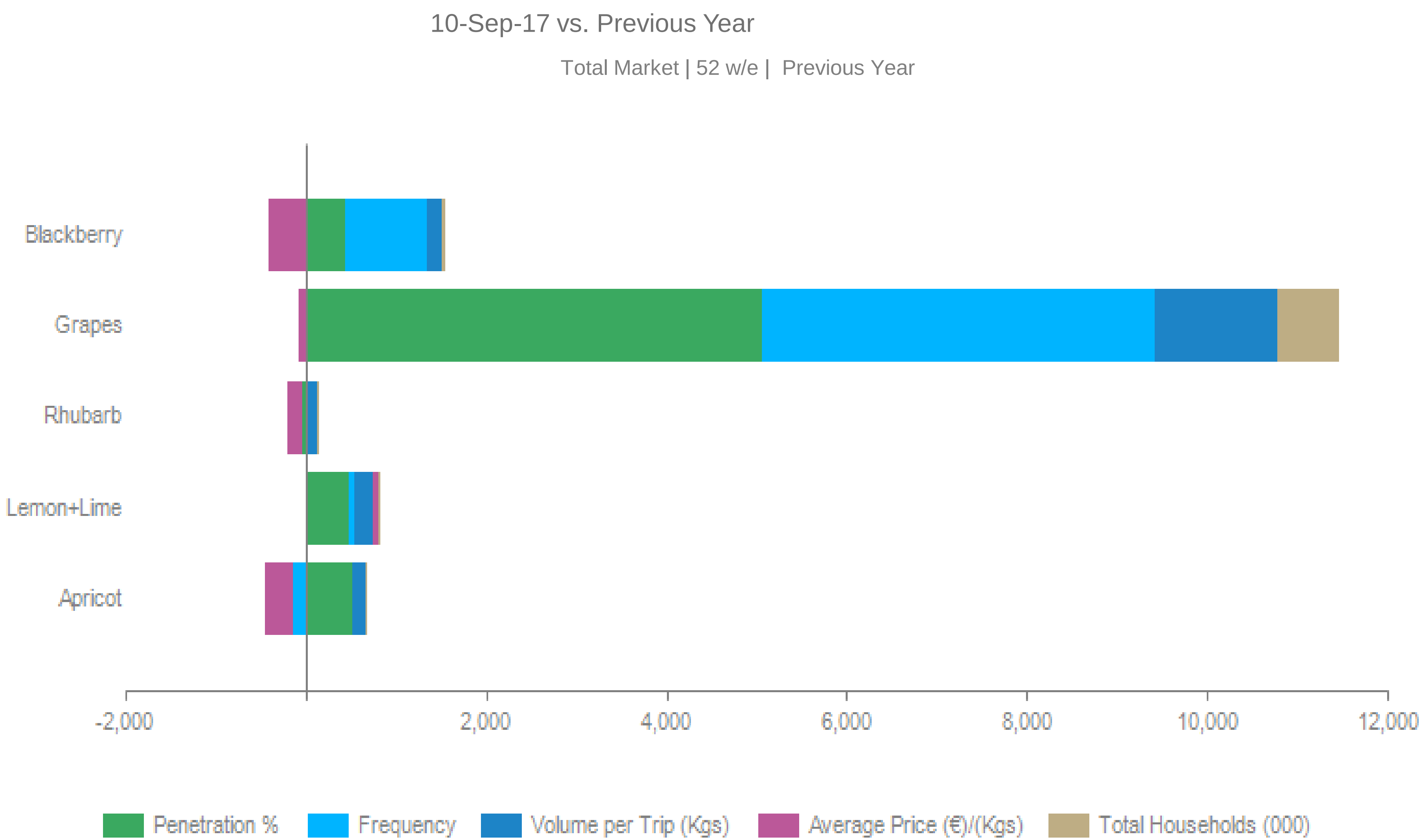
Kantar Worldpanel Data to 10th Sept 2017

Fruit Sub-segments – Volume Share

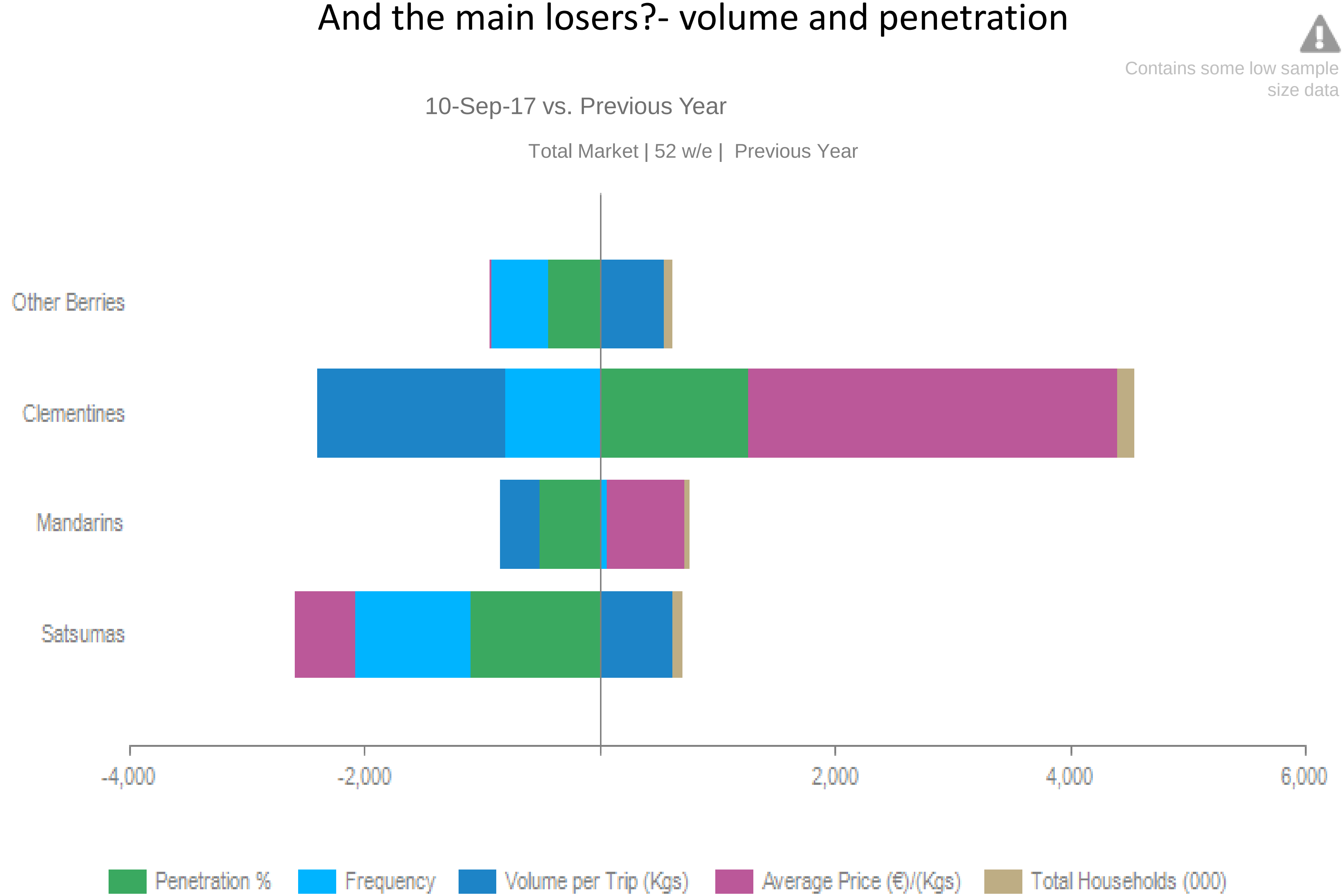
Volume (000 Kgs) | Total Market | 52 w/e



What’s driving the key winners? Penetration, volume and frequency

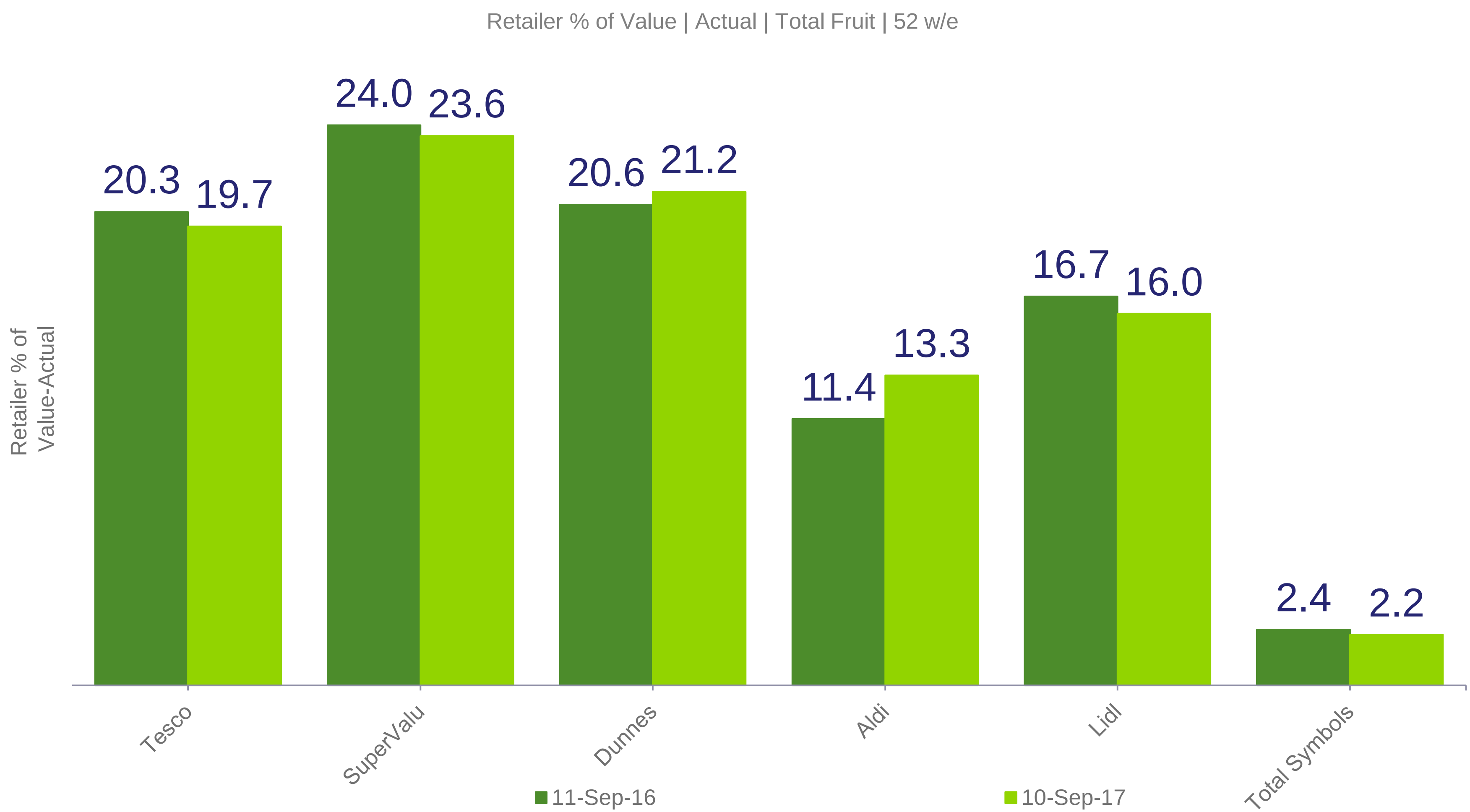


And the main losers?- volume and penetration



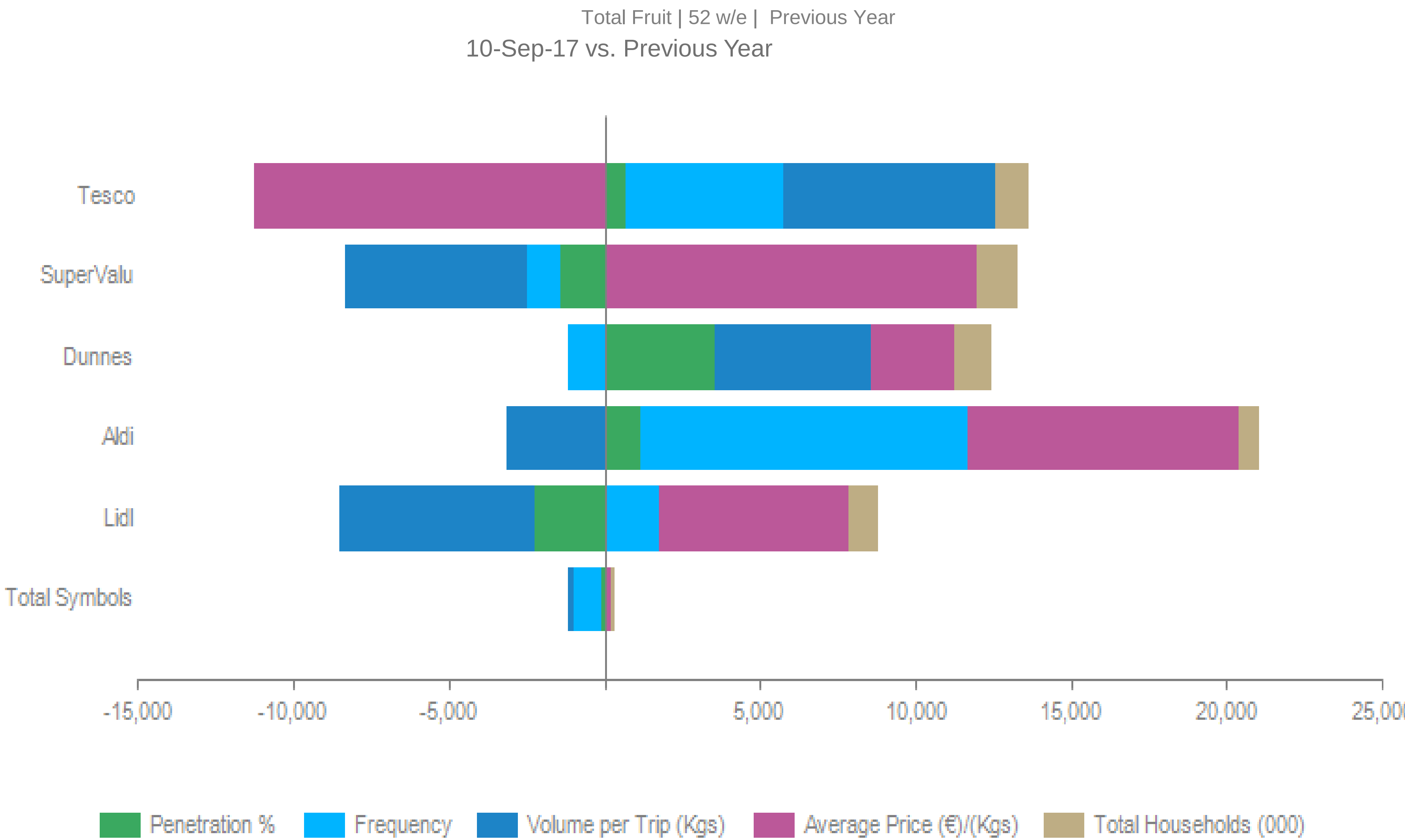
Kantar Worldpanel Data to 10th Sept 2017

Aldi and Dunnes are the strongest performers, while SuperValu remains in first place



Kantar Worldpanel Data to 10th Sept 2017

Volume per trip has become an issue for SuperValu and Lidl



Kantar Worldpanel Data to 10th Sept 2017

1. Health & Wellness Trend: Increased Consumer Interest in Eating

€

€743M
€ YOY +4.9%

KG 279M
+2.5% YOY

Frequency and Price driving growth

1 SuperValu Real Food, Real People

2 DUNNES STORES

3 TESCO

ALDI

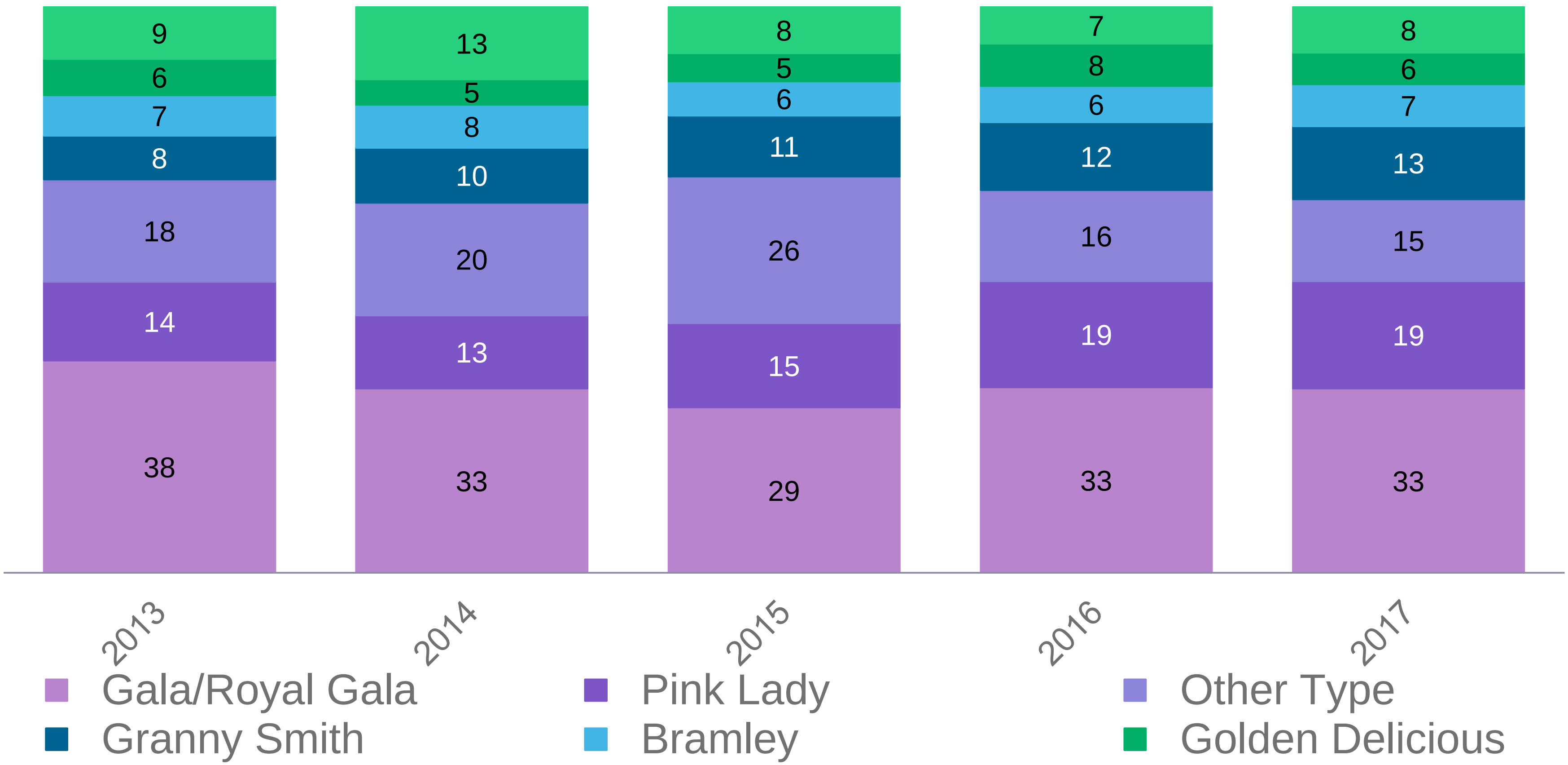
Aldi are seeing the strongest growth in Fruit

1

IE - Fruit KPI's		Total Market | 52 w/e | Actual															
		Spend (€000)	Product % of Category Value	Retailer % of Value	Volume (000 Kgs)	Product % of Category Volume	Retailer % of Volume	Buyers (000)	Penetration %	Frequency	Trips (000)	Spend per Buyer (€)	Volume per Buyer (Kgs)	Spend per Trip (€)	Volume per Trip (Kgs)	Average Price (€)/(Kgs)	CRP (000)
13-Sep-15	Apples	124,497	19.4	100.0	59,102	23.2	100.0	1,613	95.5	36.7	59,227	77.20	36.7	2.10	1.0	2.11	59,226.6
	Cooking Apples	8,782	1.4	100.0	4,632	1.8	100.0	719	42.6	7.7	5,551	12.22	6.4	1.58	0.8	1.90	5,551.3
	Dessert Apples	115,715	18.0	100.0	54,470	21.4	100.0	1,601	94.9	34.2	54,767	72.26	34.0	2.11	1.0	2.12	54,767.4
11-Sep-16	Apples	132,699	18.7	100.0	64,978	23.9	100.0	1,627	95.8	38.4	62,514	81.56	39.9	2.12	1.0	2.04	62,513.7
	Cooking Apples	8,890	1.3	100.0	5,030	1.8	100.0	818	48.2	6.9	5,627	10.87	6.2	1.58	0.9	1.77	5,626.6
	Dessert Apples	123,810	17.5	100.0	59,948	22.0	100.0	1,611	94.9	36.0	57,949	76.87	37.2	2.14	1.0	2.07	57,948.7
10-Sep-17	Apples	135,141	18.2	100.0	64,661	23.2	100.0	1,639	95.8	38.5	63,169	82.44	39.4	2.14	1.0	2.09	63,169.2
	Cooking Apples	8,558	1.2	100.0	5,485	2.0	100.0	821	48.0	7.3	5,966	10.42	6.7	1.43	0.9	1.56	5,965.7
	Dessert Apples	126,583	17.0	100.0	59,176	21.2	100.0	1,621	94.7	35.9	58,266	78.09	36.5	2.17	1.0	2.14	58,266.2

Apple Types – Volume Share

Volume Share % (000 Kgs) | Total Market | 52 w/e



OPPORTUNITIES FOR GROWTH IN THE IRISH FRESH PRODUCE CATEGORY

1. Health and Wellness in relation to Nutrition /Diet ~ functionality of food re; body image
2. Meal Occasions – across the day breakfast, ‘snacking culture’, lunch, dinner, supper/evening
3. Convenience
4. Value Added & ‘Ready-to-Eat’ concepts
5. Taste
6. Caring Demographics “Social Conscience”: Safe Food, Clean Environment & Sustainable production. Millennials/Centennials seek truth around authenticity around origin, naturalness and traceability in the fresh produce supply chain
7. Direct selling locally produced/fresh harvested [+/- Organic status]
8. Marketing Irish Provenance [Irish brands & labels, packaging formats, product USP, colour]
9. Foodservice – strong growth rates
10. (Generic) Promotion of Health Benefits and Usage (recipes) – EU funded campaigns

EU Supported Produce Campaigns

Apple Market in Ireland

Thank You

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Industry Presentation

Dec 2017