

# Bord Bia Gulfood Client Seminar

Monday 14th February 2022, 08:00-09:55

- |       |  |   |
|-------|--|---|
| 08:00 | Registration                                     |   |
| 08:15 | Welcome  | Kieran Fitzgerald, Regional Director, Middle East, Bord Bia                                 |
| 08:20 | Food Vision 2030                                 | Brendan Gleeson, Secretary General of the Department of Agriculture Food and the Marine     |
| 08:25 | Driving Growth in the Middle East                | Ailish Forde, Global Business Development Director, Bord Bia                                |
| 08:30 | Delivering Value in the Middle East              | Kieran Fitzgerald, Regional Director Middle East, Bord Bia                                  |
| 08:40 | Macro View on the Region and Spending Post-Covid | Ketaki Sharma, Founder and CEO, Algorithm Research  |
| 09:05 | Modern Trade Market Update                       | Wesley Morrissey, Business Development Manager for Modern Trade in the Gulf Region, Almaria |
| 09:30 | Middle East Dairy Outlook                        | John Lancaster, Head of EU Business Consulting, StoneX                                      |
| 09.55 | Close  |   |



# Food Vision 2030

**Bord Bia Client Seminar, Gulfood 2022**

Brendan Gleeson, Secretary General, Department of Agriculture Food and  
the Marine

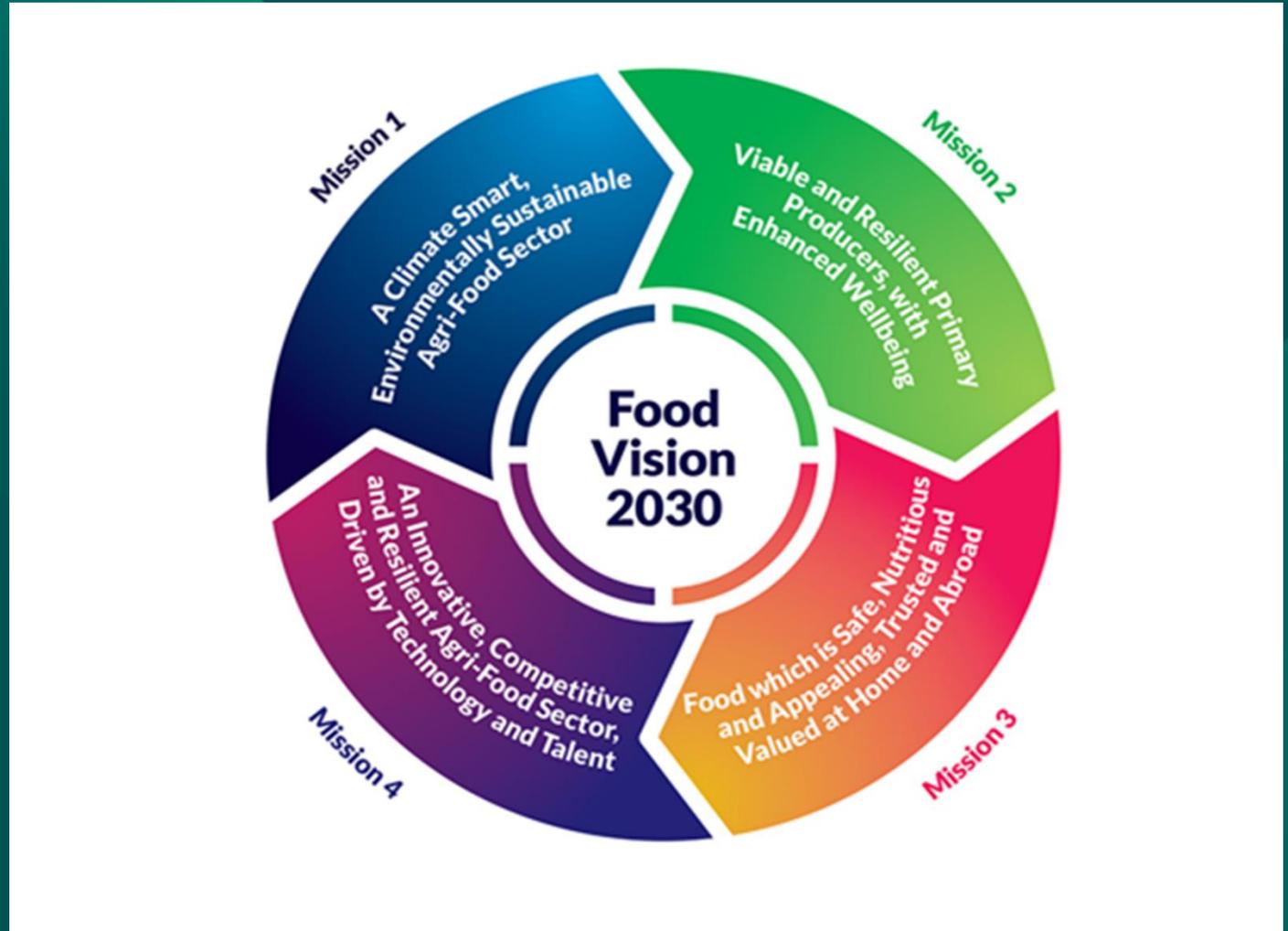
February 2022

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# Food Vision 2030



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# Driving Growth in the Middle East

Bord Bia Client Seminar, Gulfood 2022

Ailish Forde, Director Global Business Development

February 2022

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# €13.5 billion

The value of Ireland's food, drink and horticulture exports increased by **4%**



187 countries



€37 million a  
day



**Export 90%**  
Ireland exports about 90%  
of its food and drink  
production.



**+2%**  
Compared to  
pre-pandemic levels  
in 2019



# Middle East

Value of Export 2021

Source: Bord Bia

Total exports to the Middle East

**€311m**



DECREASE ON 2020



**UAE**  
FULL FIGURES  
**€54m**



Dairy  
**€42m**



PCF  
**€7m**



Seafood  
**€1.5m**



**KSA**  
FULL FIGURES  
**€101m**



Dairy  
**€91m**



PCF  
**€6m**

# United Arab Emirates

Value of Export 2021

Source: Bord Bia

Total exports  
to United Arab  
Emirates

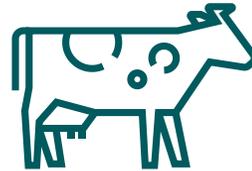
**€54m**



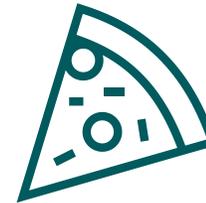
DECREASE ON 2020



Dairy  
**€42m**



Beef  
**€435k**



PCF  
**€7m**



Seafood  
**€1.5m**



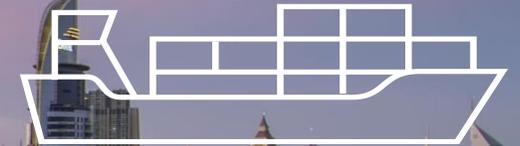
# Middle East Market Trends



**Sustainability**



**Covid-19**



**Rising Costs**

# Statement of Strategy 2022 - 2025



# Middle East Team



**Kieran Fitzgerald**

Regional Director,  
Middle East



**Lorna Allen**

Market Specialist,  
Middle East



**Rachel Tobin**

Market Executive  
Middle East

## Bord Bia Talent Academy

MSc degree programmes in collaboration with UCD Smurfit and Industry



**Juan Condon Mariscal**

Market Advisor Fellowship



**Ciaran Stafford**

Supply Chain  
Spinneys



**Shane O'Neill**

Market Advisor Fellowship



**Johnathan Reddin**

Origin Green Ambassador  
Almarai



# Delivering Value in the Middle East

Bord Bia Client Seminar, Gulfood 2022

Kieran Fitzgerald, Middle East Director

February 2022

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# Themes for today

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Market Trends

Delivering on Strategy

Driving Growth in 2022

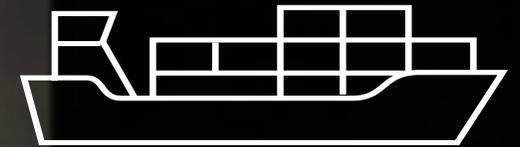
# Middle East Market Trends



**Sustainability**



**Covid-19**



**Rising Costs**

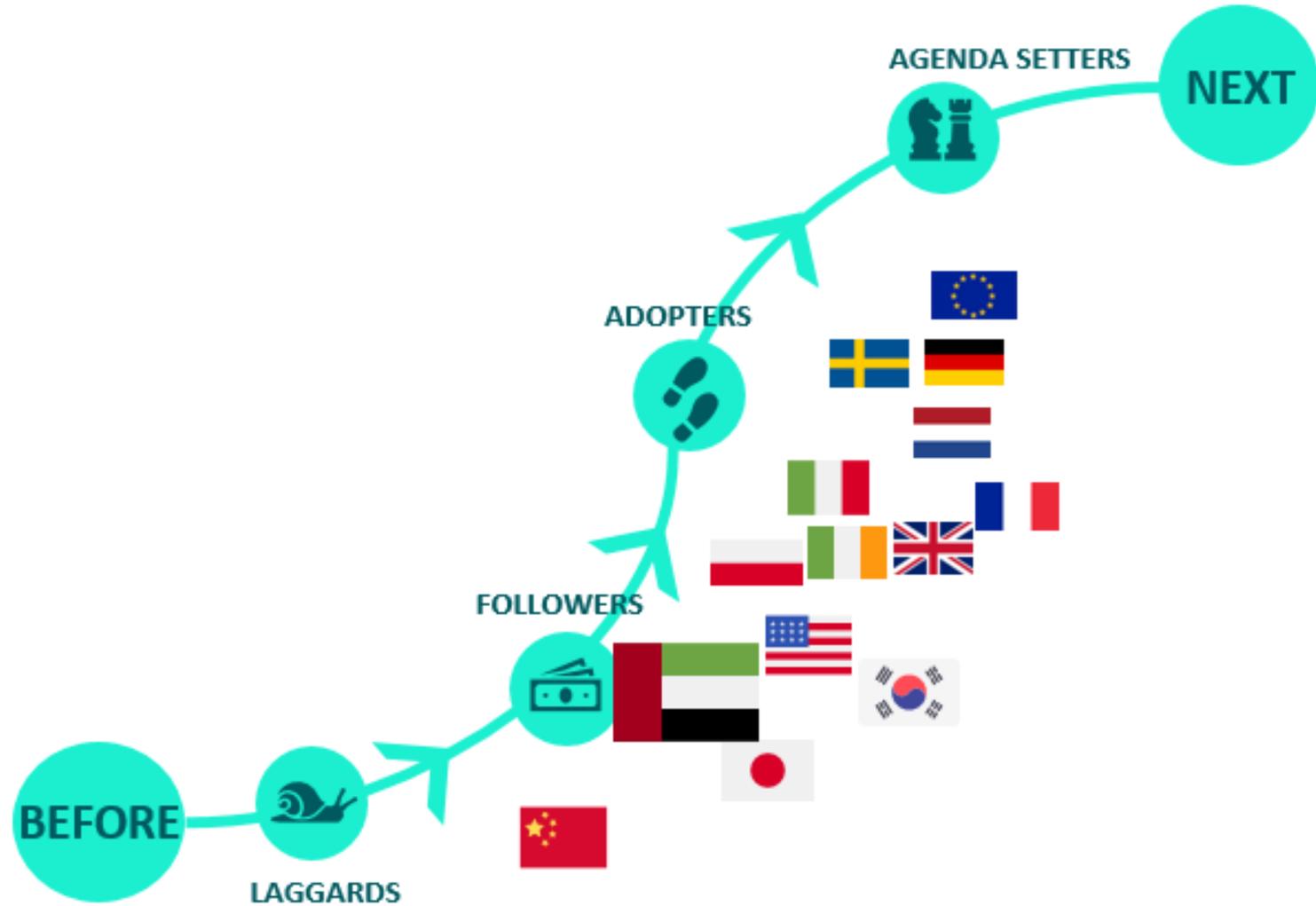
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Thank you

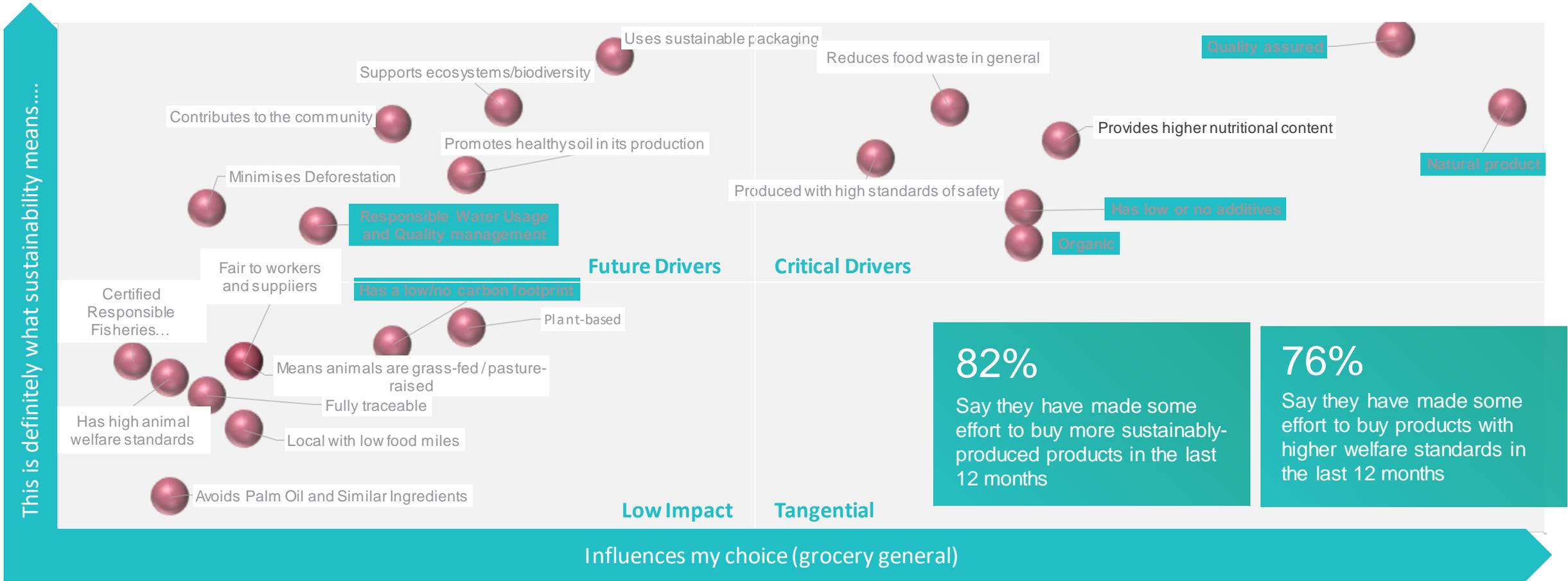
## Markets and regions are at different points

- Northern European markets are leaders
- Other EU markets have a focus on sustainability, but it is often through the lens of local and natural
- US mainstream consumers have not embraced sustainability to the same extent, but their more global F&D organisations have
- Markets like UAE are focused on sustainability but are constrained by practical realities in food supply
- Markets like China and, to a lesser degree, Japan are focused on more fundamental issues like safety and quality – but these markets are starting out on their journey .

TOPIC PLACEMENT IS REPRESENTATIVE BASED ON  
CONSUMER QUANT & CUSTOMER QUANT & DEPTHS



# Critical Sustainability Drivers in Middle East



(All Middle East Consumers 18-65, n=514)

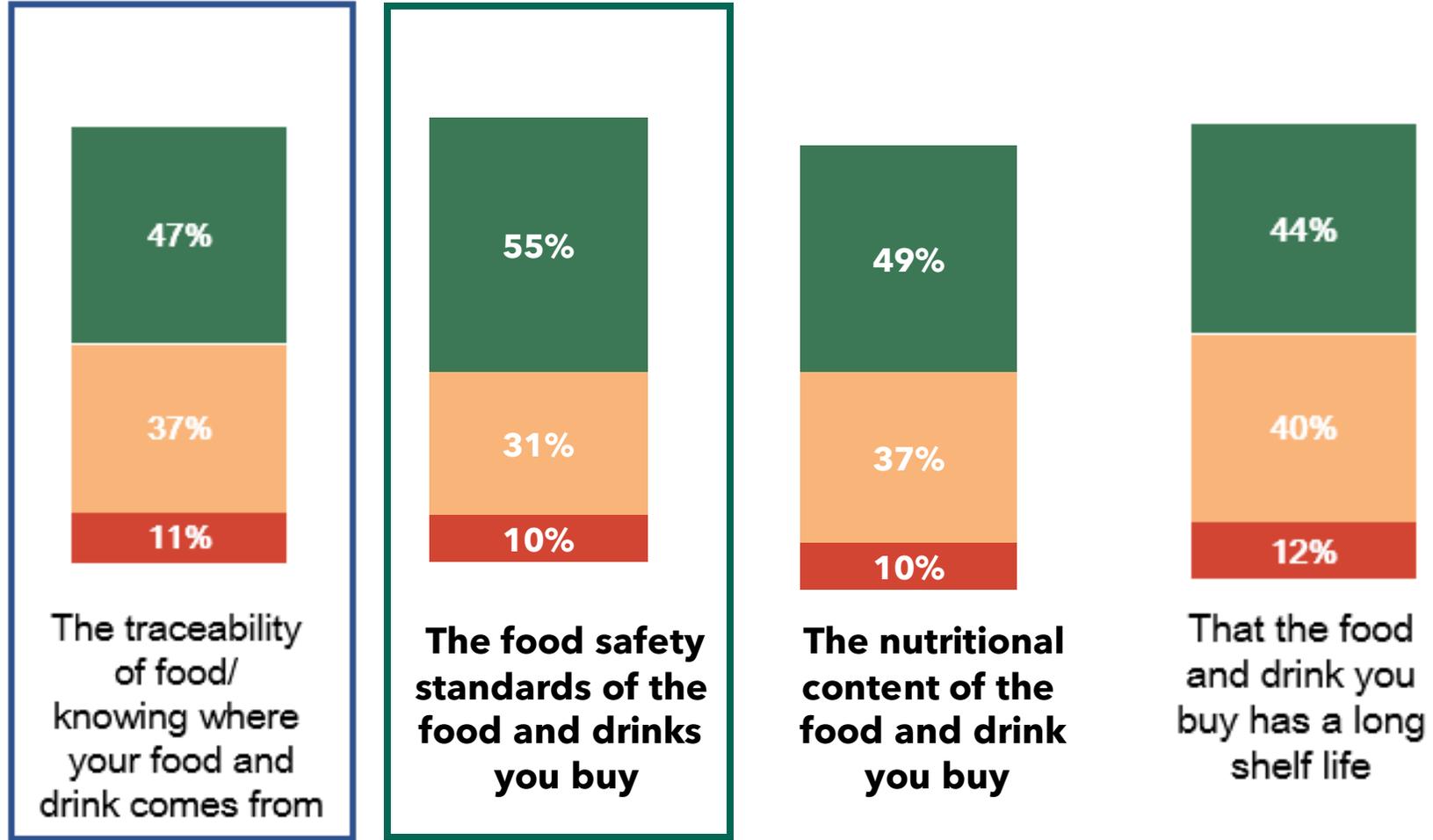
Food hygiene, safety and traceability are also growing priorities for consumers as a result of the pandemic.

*(Base: Adults 18+ in the KSA, n=1,019)*

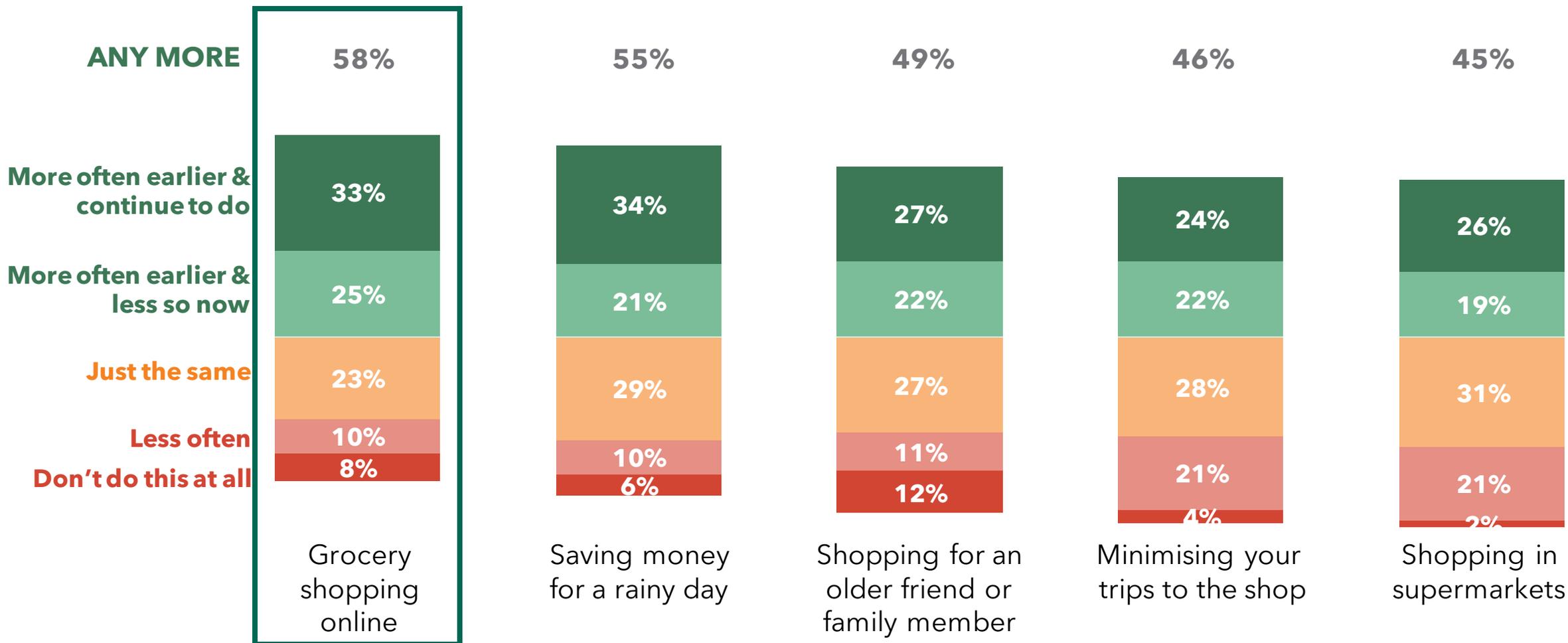
**More Important now**

**Just the Same**

**Less Important now**

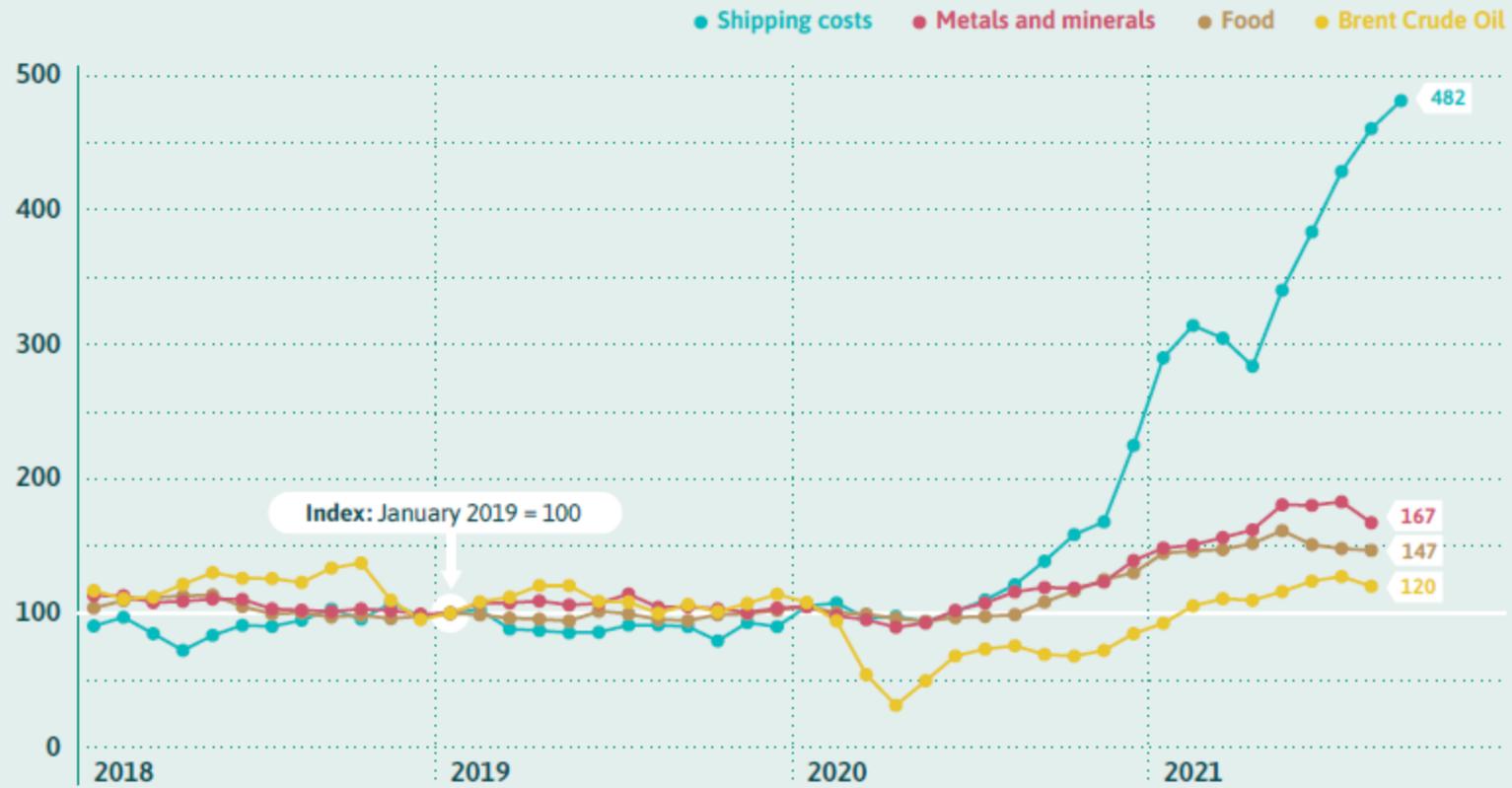


While many shoppers appear to be going back to retail stores now than earlier in the pandemic, 1 in 3 have continued this behaviour of grocery shopping online.



Choose the option that best describes your experience of these as a result of the Coronavirus (Covid-19) response

## Input prices are pushing up inflation



Note: Shipping costs refer to the China (Shanghai) containerised freight rate.

Source: Refinitiv; and OECD calculations.



An initiative by

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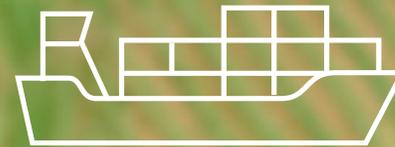
**2,800**

sustainability  
targets



**300**

members



**90%**

of Ireland's food and  
drink exports



**75%**

of global consumers like  
to buy sustainably  
sourced food

SUSTAINABLY PRODUCED  
*in Ireland*



**IRISH PRODUCERS  
ARE COMMITTED TO  
CONSERVING WATER  
RESOURCES AND  
TO MAKING THEIR  
PACKAGING EASIER  
TO RECYCLE.**



**يلتزم المنتجون  
الأيرلنديون بالحفاظ على  
موارد المياه، ويحرصون  
على تسهيل إعادة تدوير  
عبوات منتجاتهم.**

# Premiumising Irish Food in Middle East



# Global Food Sustainability Outlook 2021 (UAE)

## Future Proofing Toolkit UAE

## Future Proofing Toolkit KSA

## Market Insight on Foodservice in KSA

BOARD BIA  
**Thinking House**

- 82% say they have made some effort to buy more sustainably-produced products in the last 12 months
- Half feel food safety standards, nutritional content and naturalness of their food and drink is more important
- 76% have increased their intake of food
- products with immunity boosting claims such as dairy
- Foodservice channel growing at 8.9% p.a
- >50% independents

# Bord Bia Talent Academy

Fostering talent and developing future leaders  
of the Irish agri-food industry



Origin Green Ambassador



Supply Chain & Procurement



Click to add text

**Thank you**

# Middle East Macro Outlook and Consumer Trends Post-Covid

**Bord Bia Client Seminar, Gulfood 2022**

Ketaki Sharma, Founder and CEO, Algorithm Research

February 2022

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IRISH FOOD BOARD



**UAE & KSA:**

# ECONOMY, POLICY & OUTLOOK

February 11, 2022

# CONTENT



## Presentation sections

### Economy: Current State

Young, affluent and well travelled residents are ready to make shifts in consumption patterns.

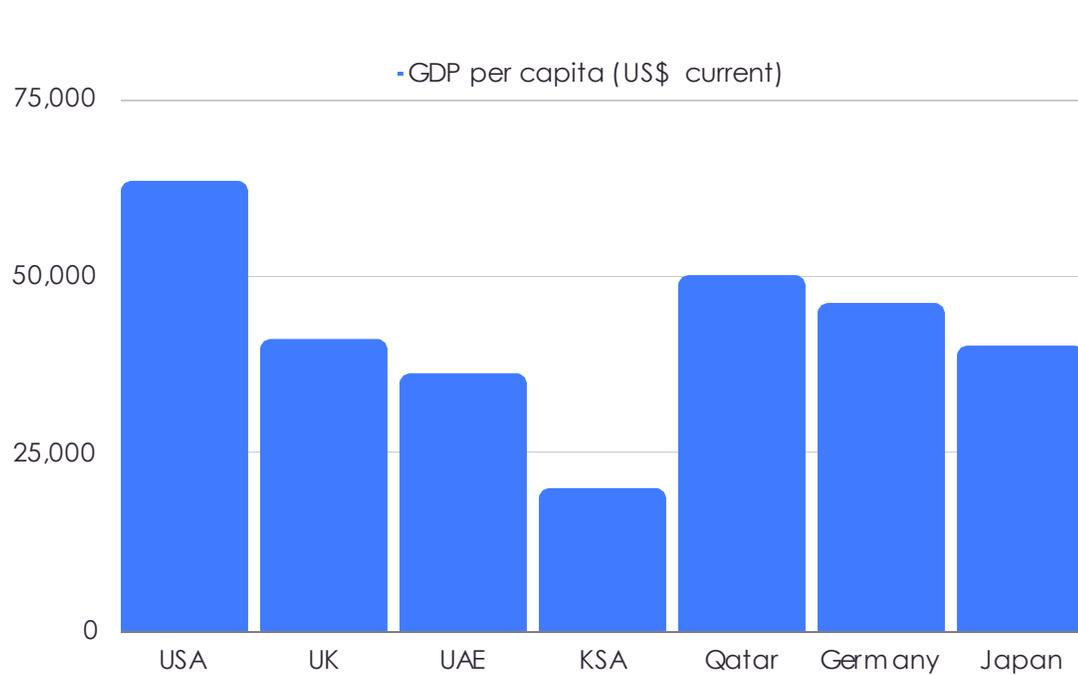
### Policy

How policy is driving and catalyzing the startup ecosystem in the UAE & KSA

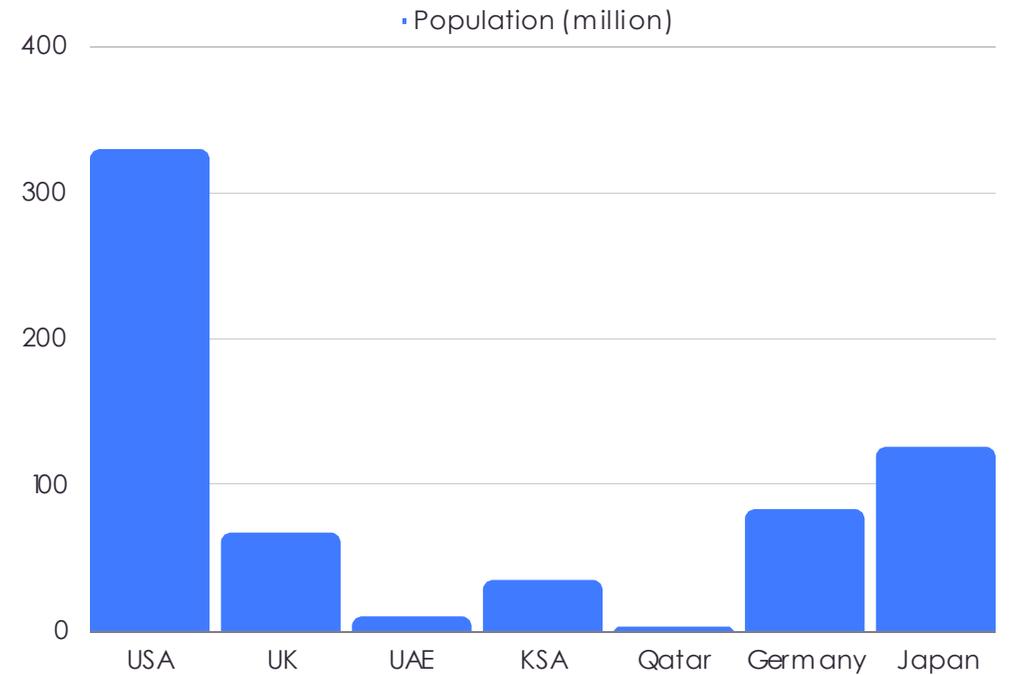
### Outlook

Consumer trends that will shape the future of the UAE & KSA.

# UAE & KSA ARE AFFLUENT ECONOMIES

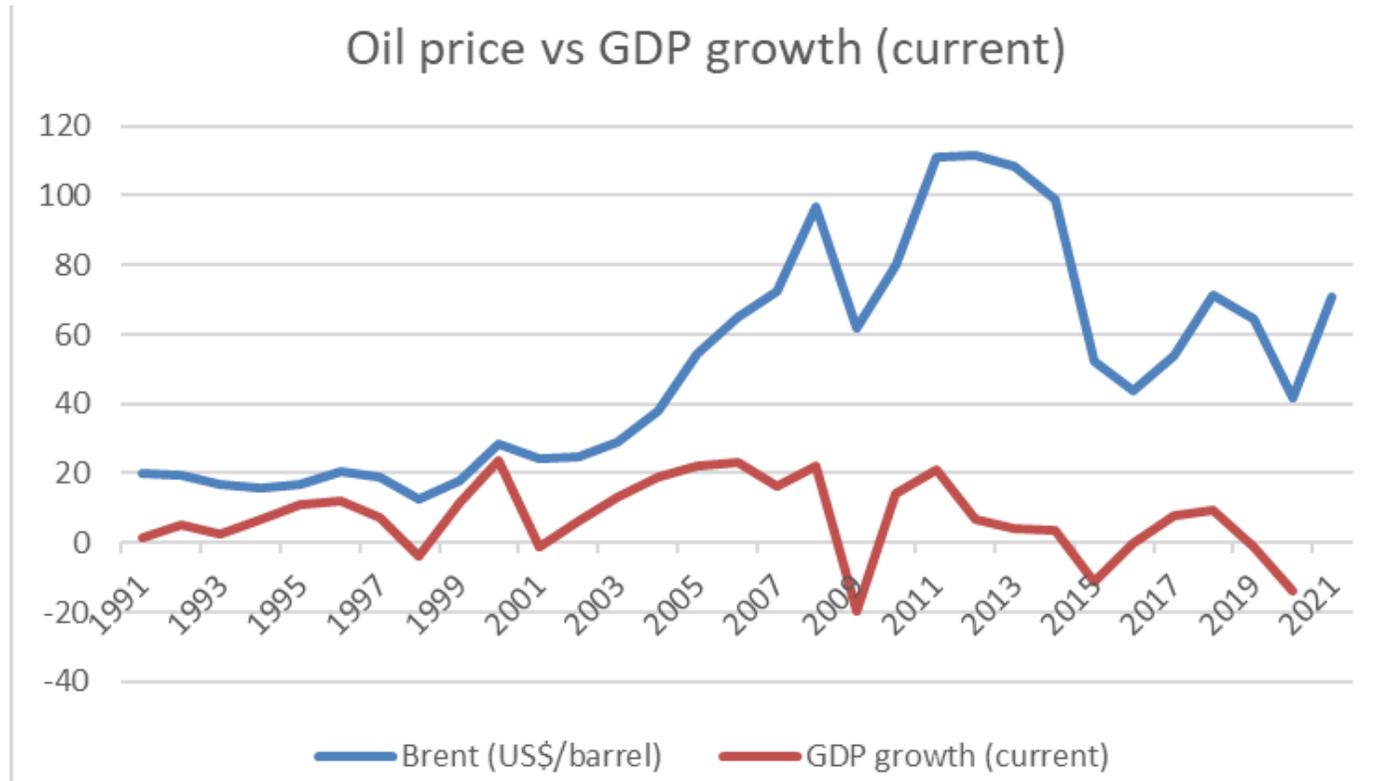


Affluent population with purchasing power similar to developed countries



Smaller population makes policy implementation easier

# OIL PRICES VS GDP



In the UAE, oil GDP is playing a smaller role due to economic diversification towards tourism, construction and trade.

5.8 M

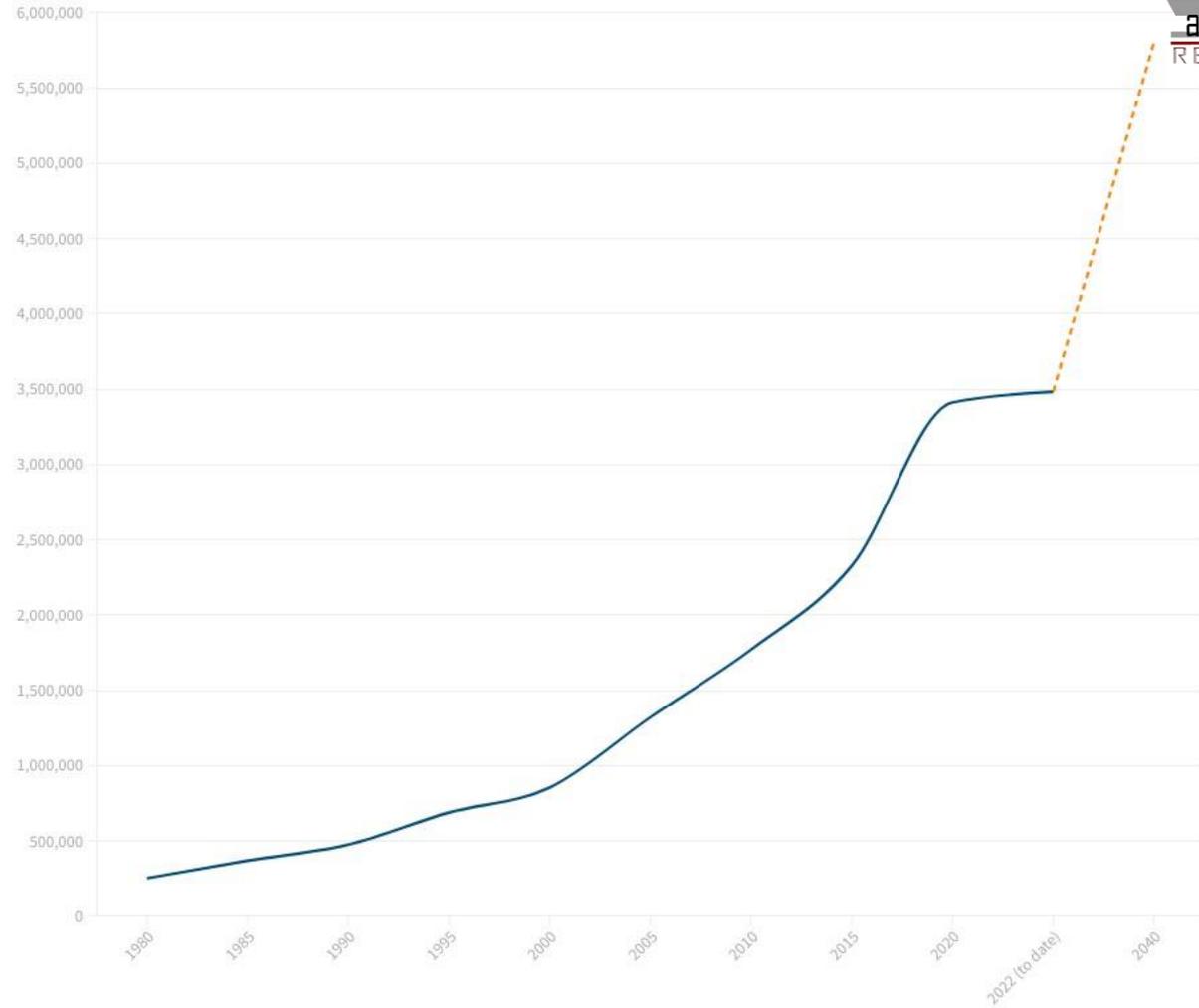
Population by 2040\*

3.48 M

Population in 2022

### Population growth in Dubai

Population Population (projected)



Source: [Dubai Statistics Centre](#)



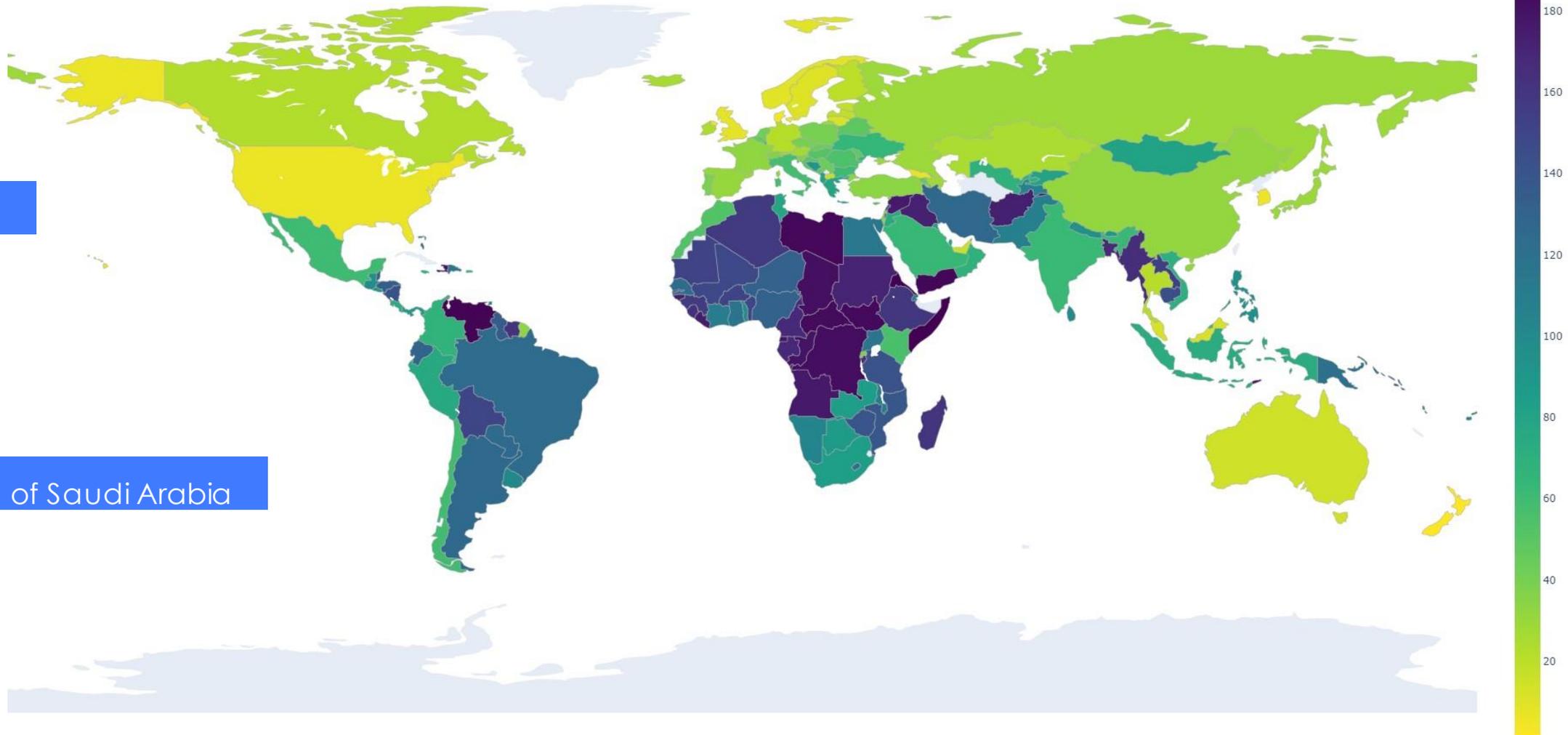
# UAE RANKS HIGH ON EASE OF DOING BUSINESS

16

UAE

63

Kingdom of Saudi Arabia



# RANK LOW ON CORRUPTION PERCEPTION INDEX (CPI)



Perceived level of public sector corruption is ...

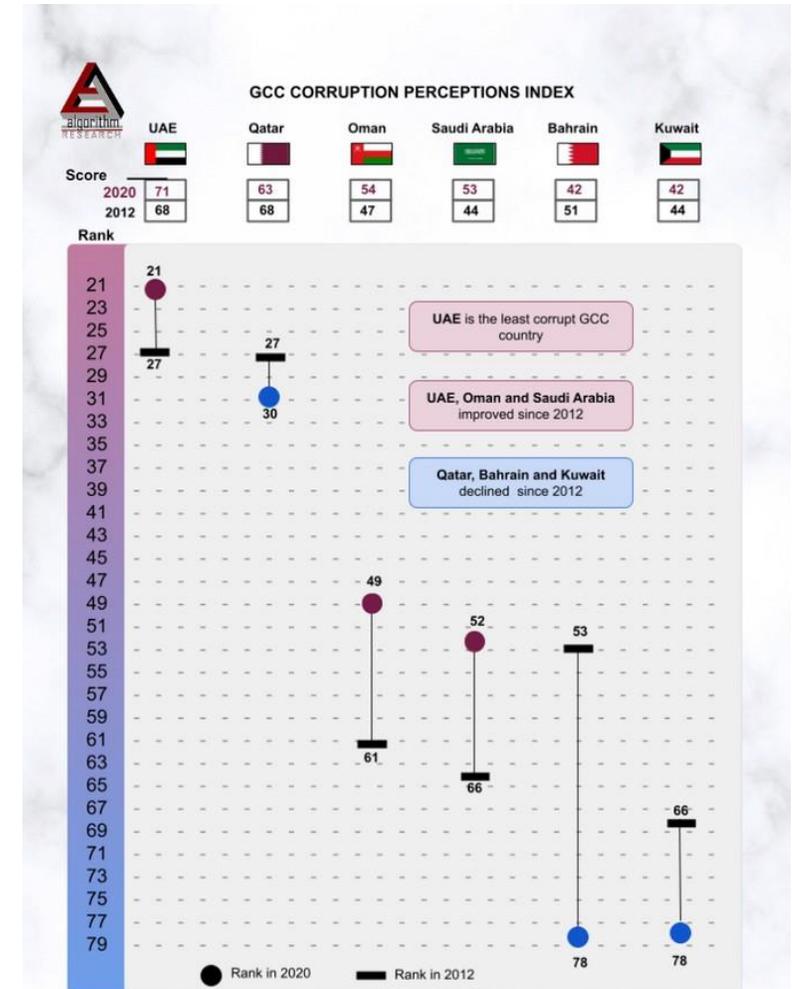
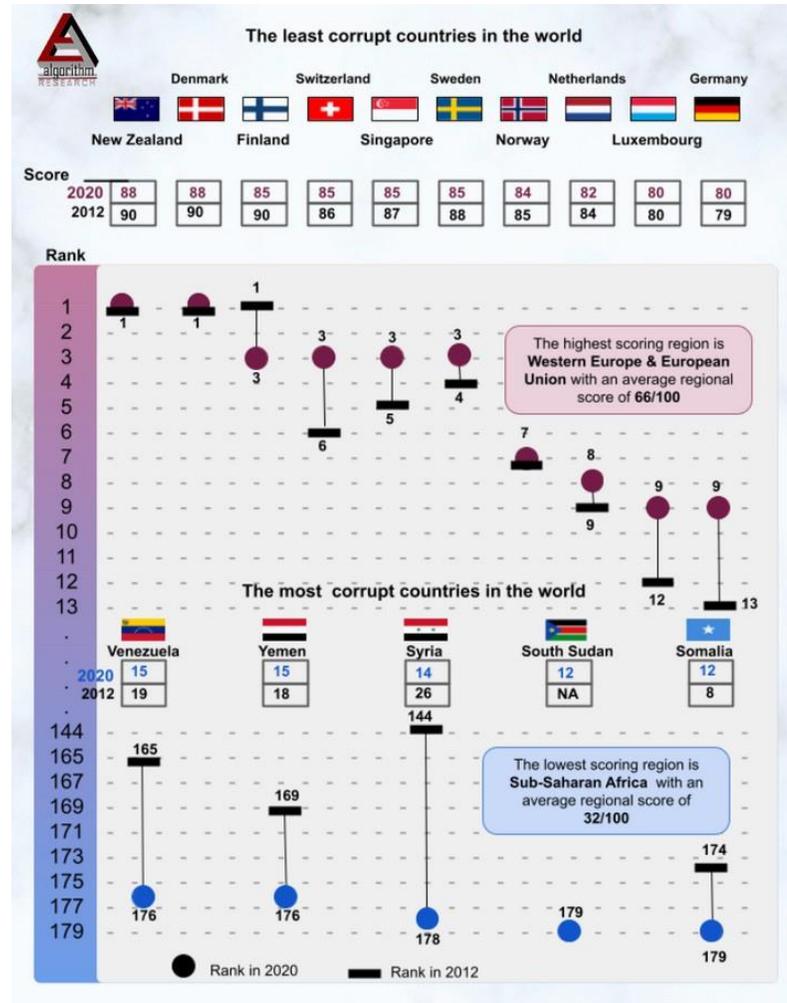
...low in the UAE. Average country score is 43/100 & no country gets a perfect score.

UAE scored 71/100, higher than the highest scoring ...

...region of Western Europe & European Union (66/100)

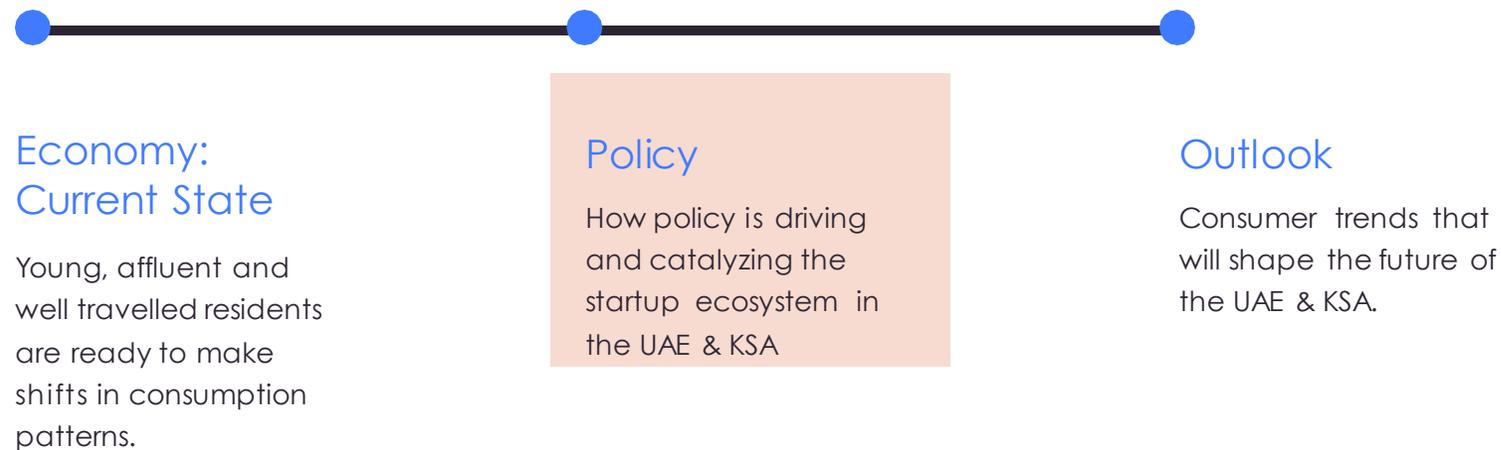


SCAN CODE FOR MORE DETAILS



# CONTENT

## Presentation sections



**Entrepreneurship: Key economic driver for the next decade**

"...a vital source of new jobs and incomes, policymakers will increasingly look towards entrepreneurship as a key component of the solution to repairing national economies in the post-pandemic era."

# UAE aims to produce 20 unicorns in 10 years



reforms & initiatives to support businesses

Sectors like fintech have been opened up opportunities to be tapped in the biggest GCC market.

70% of the population is under 30 - catalyzes entrepreneurship



Entrepreneurship, a cornerstone to economic growth

UAE launched The Entrepreneurial Nation program to produce 20 unicorns in a decade.

It features the biggest public private partnerships bringing together incubators, accelerators, funding entities.

Feature programs: Skill-up, Start-up, Scale-Up.

## Golden Visa program supports growth in high value expats

The UAE has, made massive efforts to attract talented, high-productivity workers with policy shift from low-productivity migrant labour to other fields that generate more economic activity per capita.

# CONTENT

## Presentation sections



### Economy: Current State

Young, affluent and well travelled residents are ready to make shifts in consumption patterns.

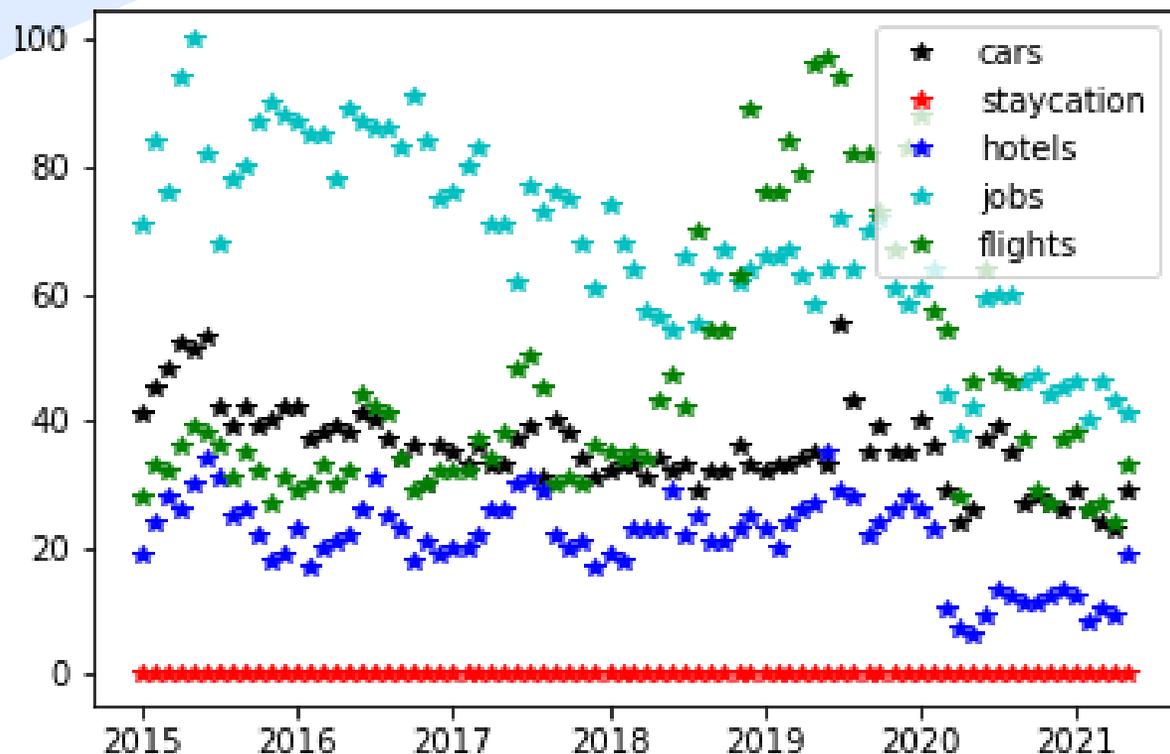
### Policy

How policy is driving and catalyzing the startup ecosystem in the UAE & KSA

### Outlook

Consumer trends that will shape the future of the UAE & KSA.

## Saudi Arabia



SCAN CODE FOR MORE DETAILS

# 'GIG ECONOMY'

- Internet search for 'jobs' has been on a downward trend since 2015.
- We used AI to analyze billions of searches made by residents in the country and found new consumption and investment patterns emerging in KSA. This chart highlights the changing nature of the Saudi Arabian labor market as it moves from traditional employment towards a gig economy. This may be still at a nascent stage.
- COVID-19 related movement restrictions and a higher VAT rate (15% versus 5% in the rest of the GCC) likely catalyzed the growth of the 'gig' economy as workers looked for avenues to diversify income streams.
- Given that 'upwork jobs' and 'unusual jobs' are rising keywords searched by residents, it is evident that COVID has hastened the emergence of 'gig economy' in the Kingdom.

# UAE: VALUE

## DEALS ON GROCERY

**Grocery deals were among the most popular internet searches**

A push towards entrepreneurship in the UAE has resulted in e-commerce startups. From grocery delivery to food price comparison websites to food delivery - all these new businesses are offering huge discounts to build a loyal client bases. Residents are actively using these services and benefiting from the additional capital they are able to put aside as savings from a smaller grocery/food bill.



SCAN CODE FOR MORE DETAILS





# QUESTIONS?

**Please don't hesitate to contact us**

## Phone Number

00971 567 1370 52

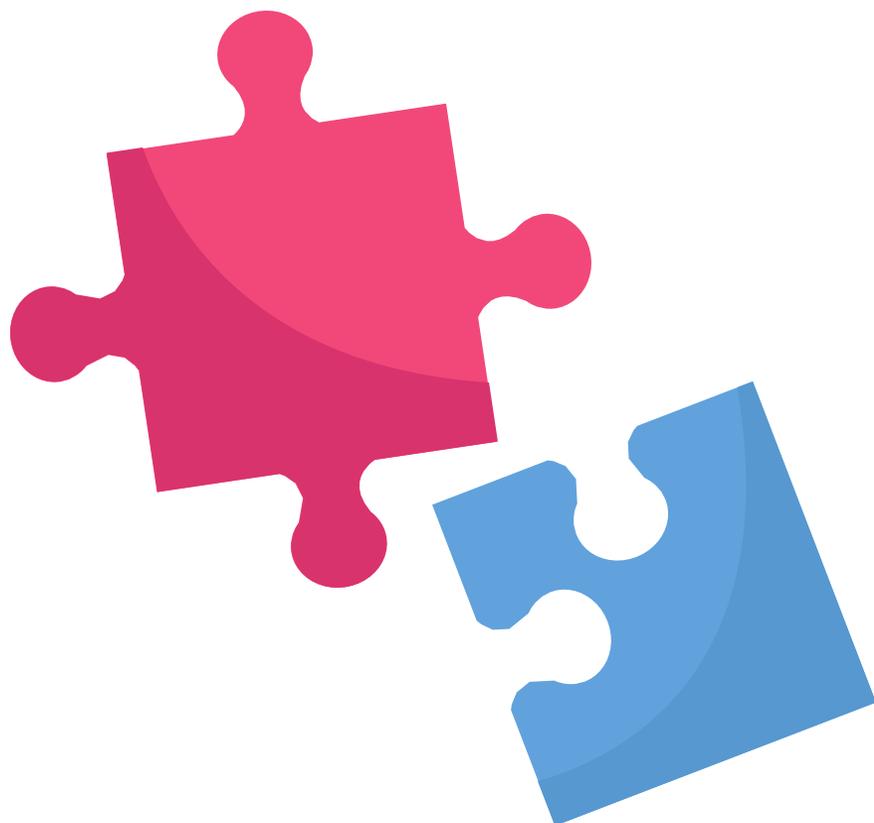
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[sales@algorithm-research.com](mailto:sales@algorithm-research.com)

## Website

[www.algorithm-research.com](http://www.algorithm-research.com)



# Modern Trade Market Update

Bord Bia Client Seminar, Gulfood 2022

Wesley Morrissey

Business Development Manager for Modern Trade, Gulf Region, Almarai

February 2022

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IRISH FOOD BOARD



# Wesley Morrissey

Business Development Manager, Gulf Region, Modern Trade

## Background:

20+ years working in FMCG across UK & Ireland markets

Multinational experience in PepsiCo, Aryzta, Selecta, Britvic

## Who are Almarai?

- The largest vertically integrated dairy company in the world
- Founded in 1977 - 45,000 Employees – 80 Depots – 8,000 trucks
- Over 200,00 cows spread across 5 Mega Farms in Saudi Arabia
- 1.5 Billion Litres of Milk Produced Annually
- 2.5 Million Juice bottles bottled daily
- 2 Billion Servings of Bread & Pastries Annually
- Poultry Farm can fully accommodate over 15 million birds





- 5 Brands – 7 Categories – 650 products
- Dairy, bakery, juice, poultry, infant formula



# Dairy Situation Outlook

Bord Bia Client Seminar, Gulfood 2022

John Lancaster

Head Of Eu Business Consulting, StoneX

February 2022

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# **Dairy Situation and Outlook**

**John Lancaster**

Head of EMEA Dairy and Food Consulting

StoneX Financial Europe S.A., Irish Branch

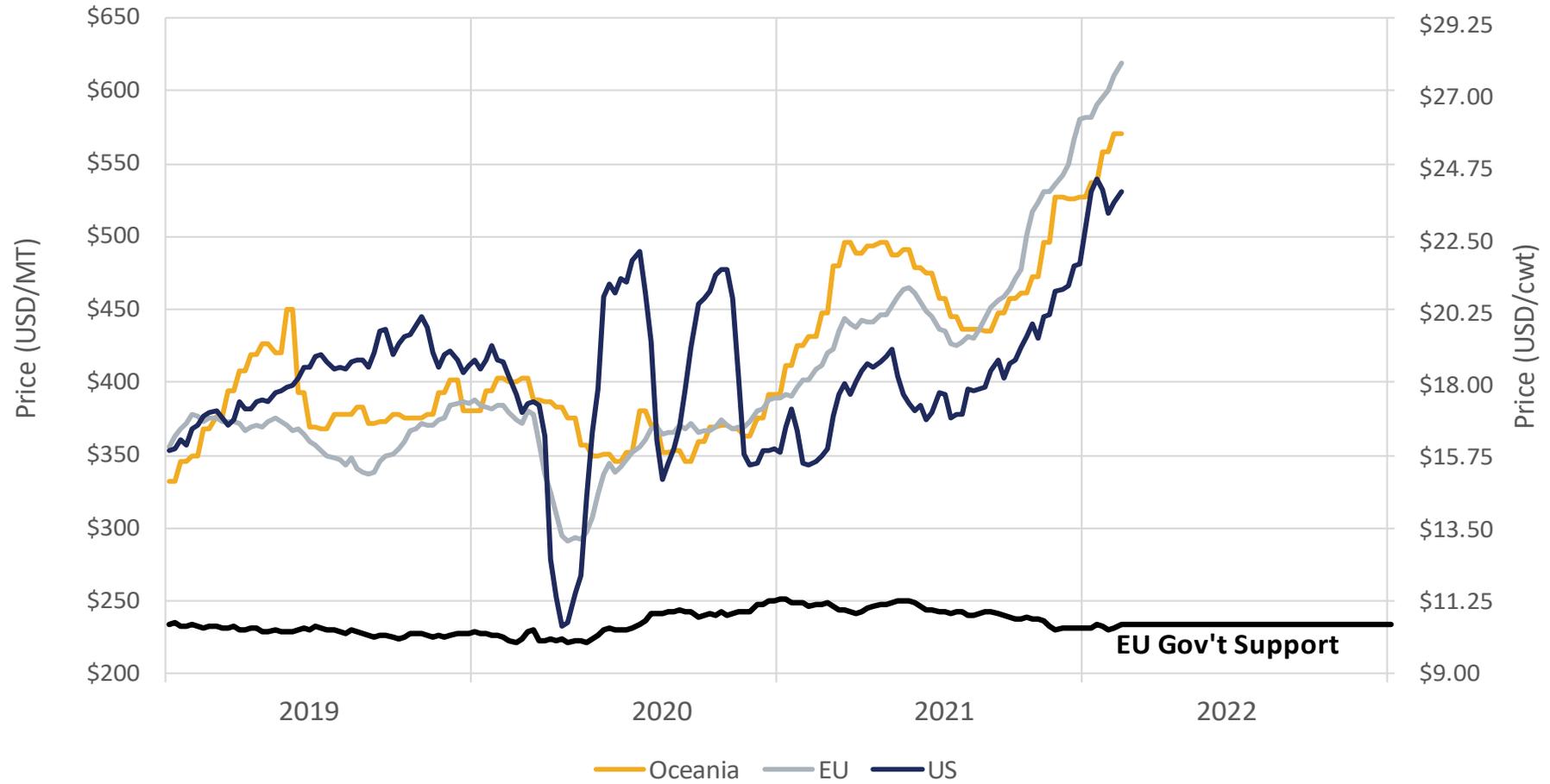
3rd Floor, Portview House, Thorncastle Street, Dublin 4, Ireland

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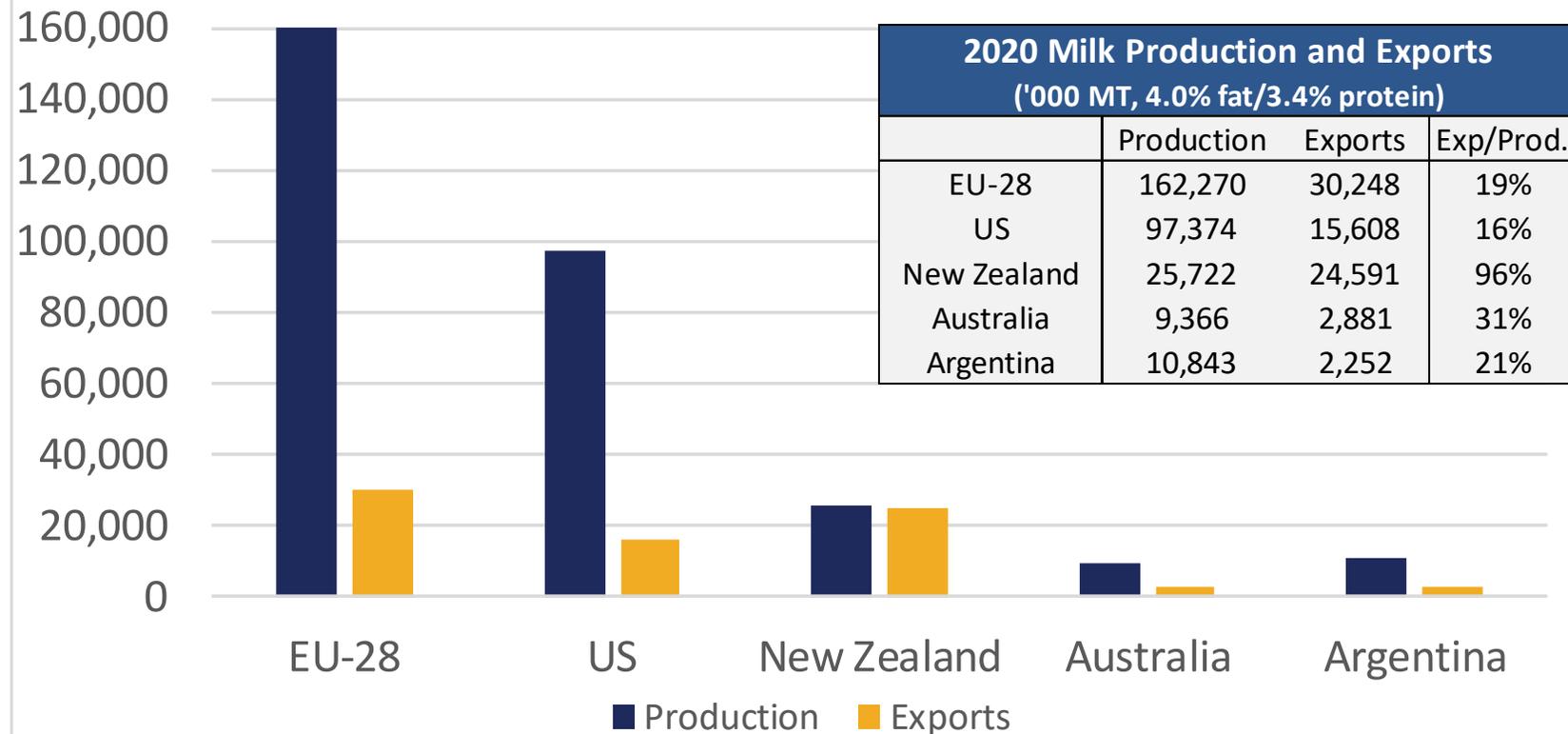
## Global Manufacturing Milk Prices (4.0% fat/3.4% protein)



Source: USDA, StoneX Calculations

# Global Milk Supply

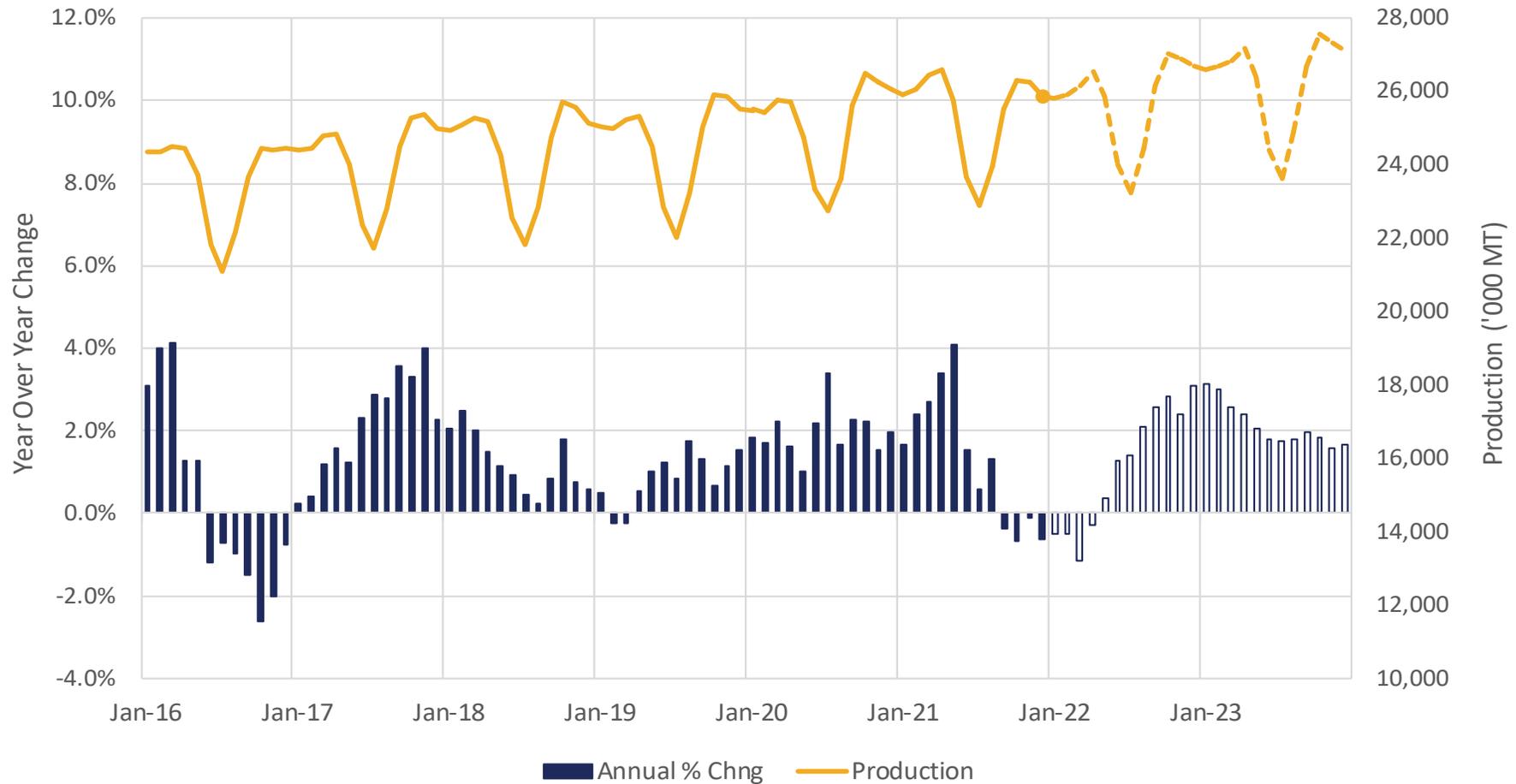
Milk Production and Milk Equivalent Exports (2020, TMT)  
 (Adjusted to 4.0% fat/3.4% protein)



Source: Eurostat, USDA, DCANZ, DairyAustralia, MAGyP, GTT, EU Commission, StoneX Calculations

# Milk Production, Major Exporters ('000 MT)

(Adjusted to 4.0% fat/3.4% protein, 30 Day Months)



Source: Eurostat, USDA, DCANZ, DairyAustralia, MAGyP, StoneX Calculations and Forecasts

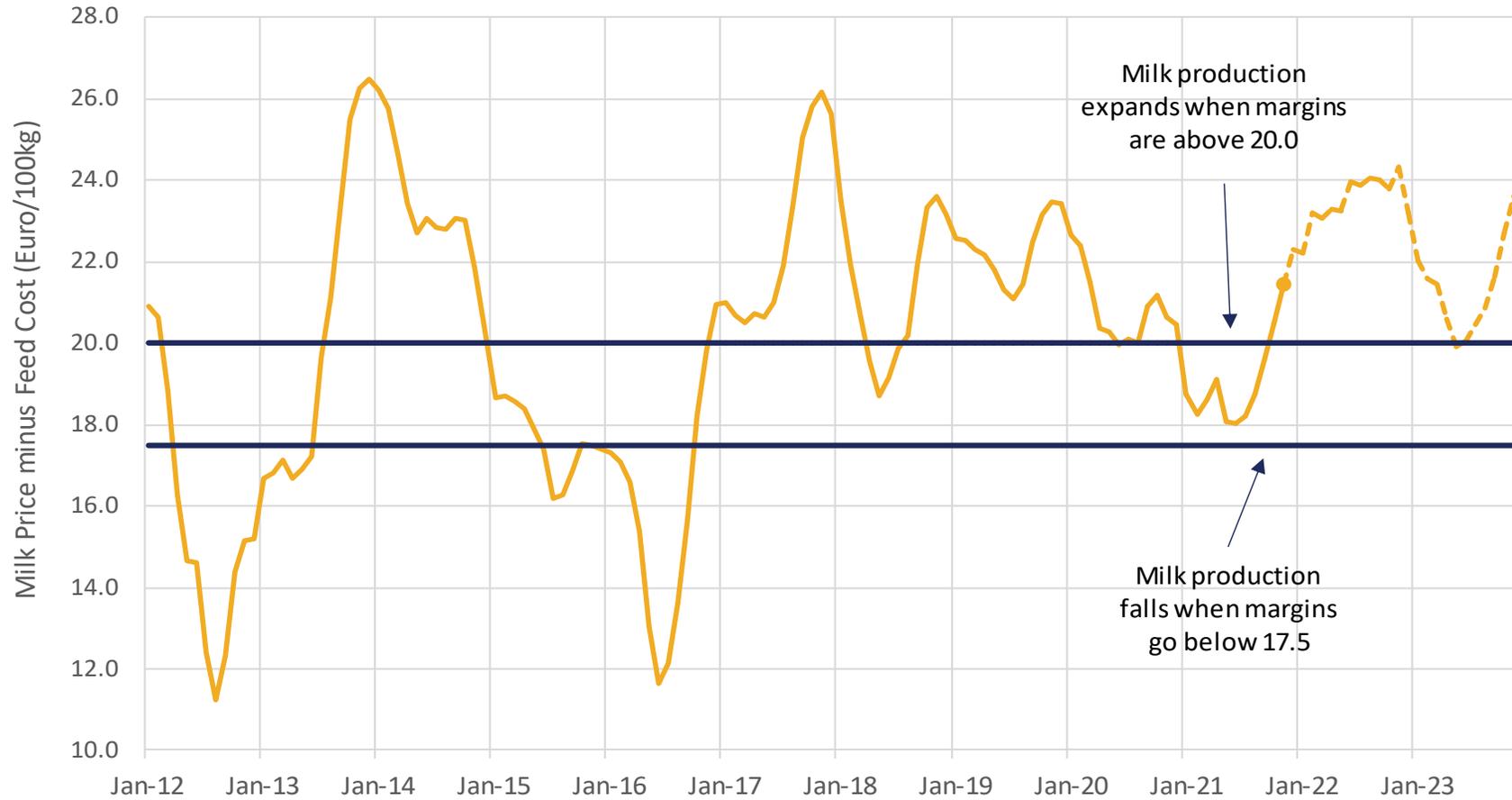
# EU-28 Milk Supply

## EU-28 Milk Prices (Farm Gate at test, Manufacturing at 4.0% fat/3.4% protein)



Source: EU Commission, USDA, Eurostat, FRED, StoneX Calculations and Forecasts

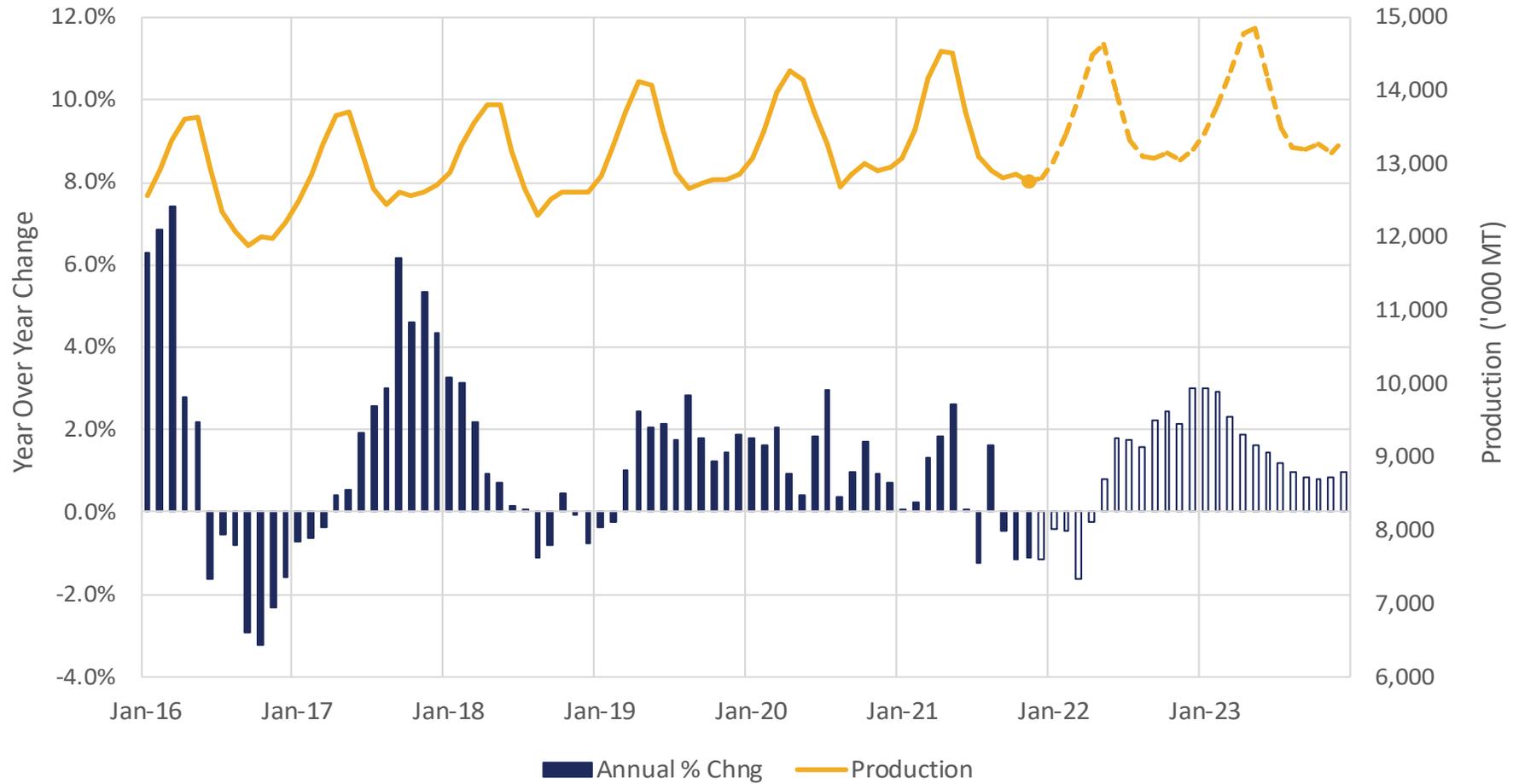
## EU-27 Milk Production Gross Margin (Milk Price Minus Feed Cost per 100kg of Milk)



Source: EU Commission, USDA, Eurostat, FRED, CBOT, StoneX Calculations and Forecasts

## EU-28 Milk Production ('000 MT)

(Adjusted to 4.0% fat/3.4% protein, 30 Day Months)

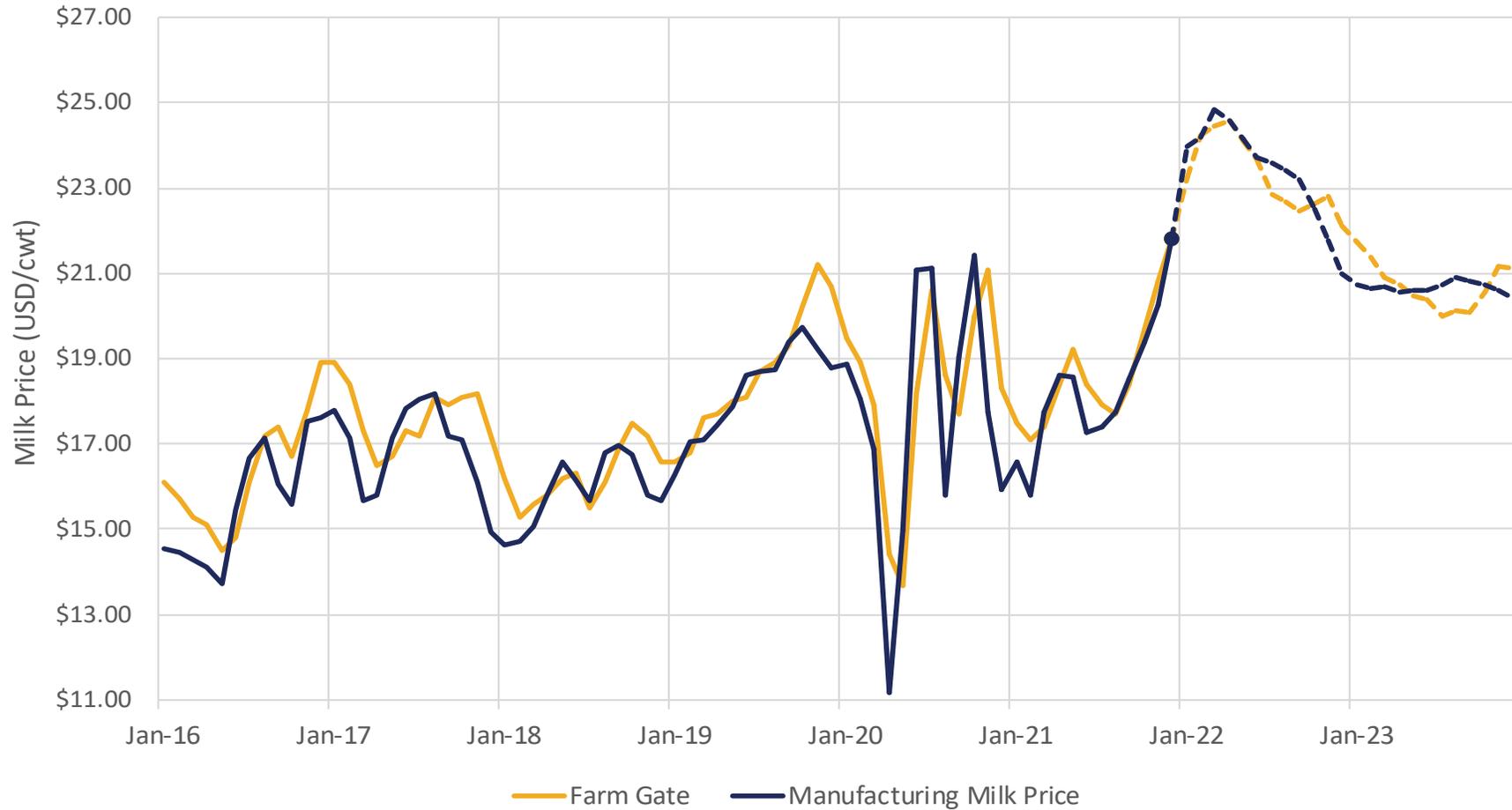


Source: Eurostat, StoneX Calculations and Forecasts

# United States Milk Supply

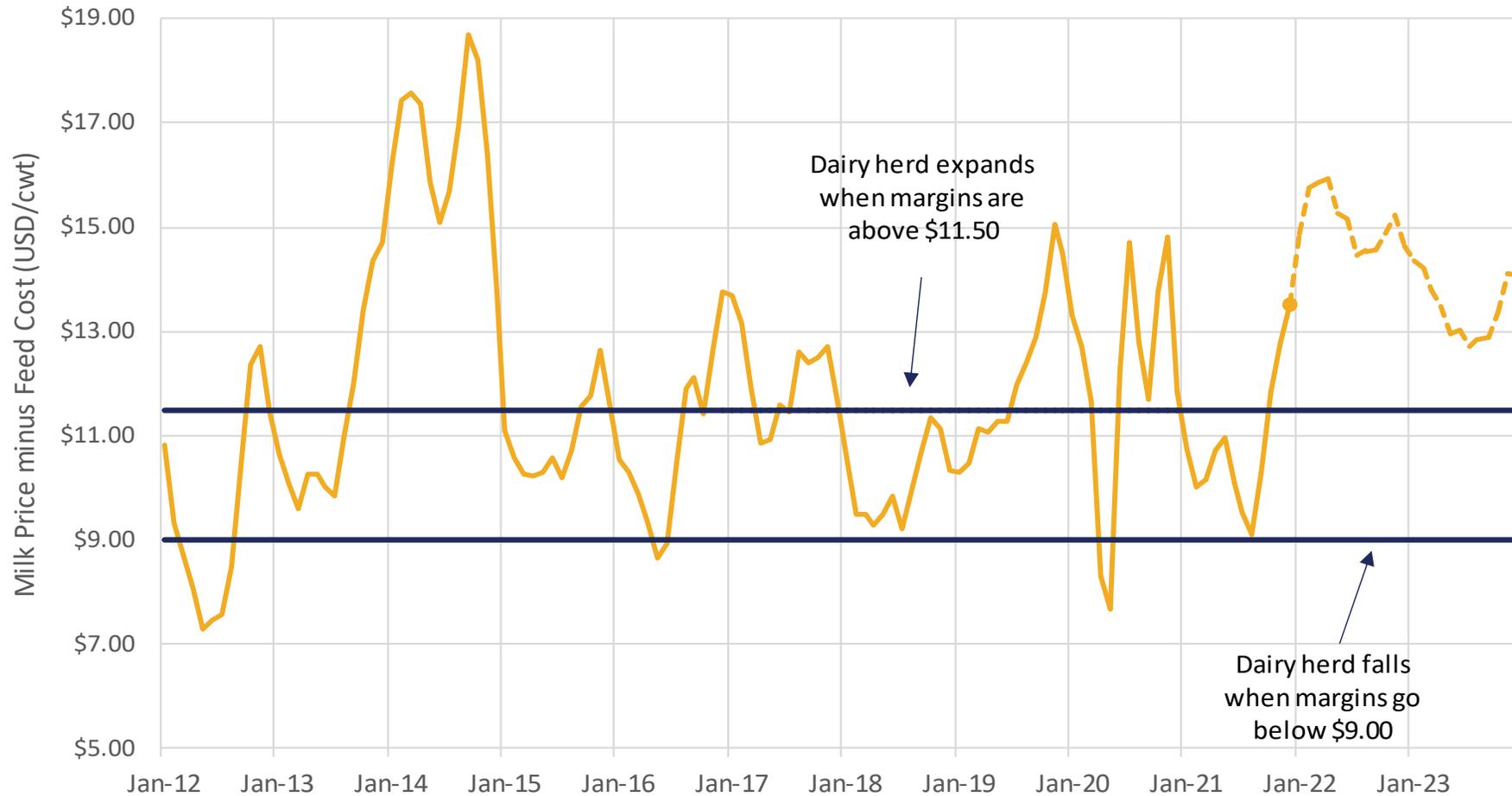
# US Milk Prices

(Farm Gate at test, Manufacturing at 4.0% fat/3.4% protein)



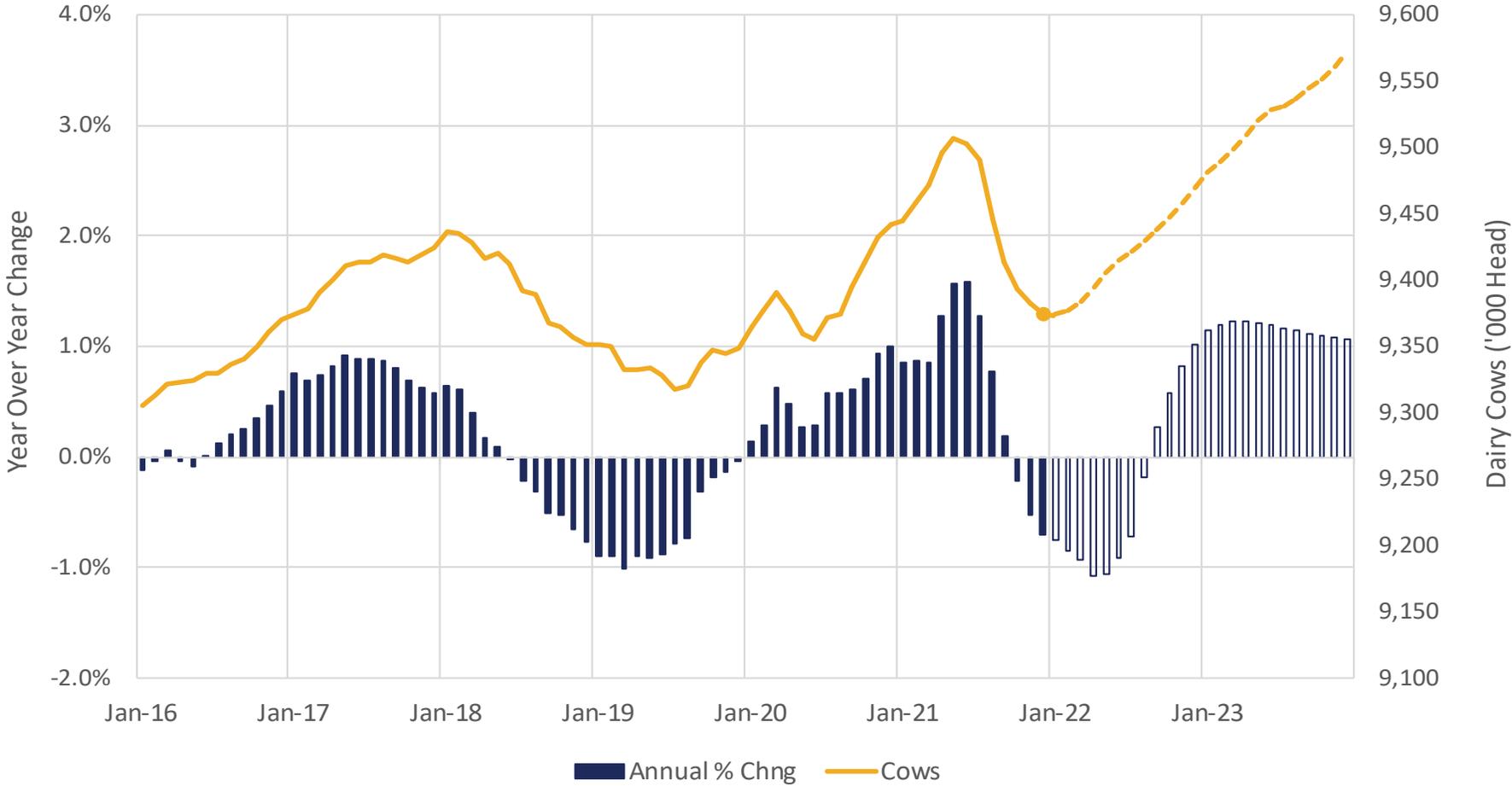
Source: USDA, StoneX Calculations and Forecasts

## US Milk Production Gross Margin (Milk Price Minus Feed Cost per Hundredweight of Milk)



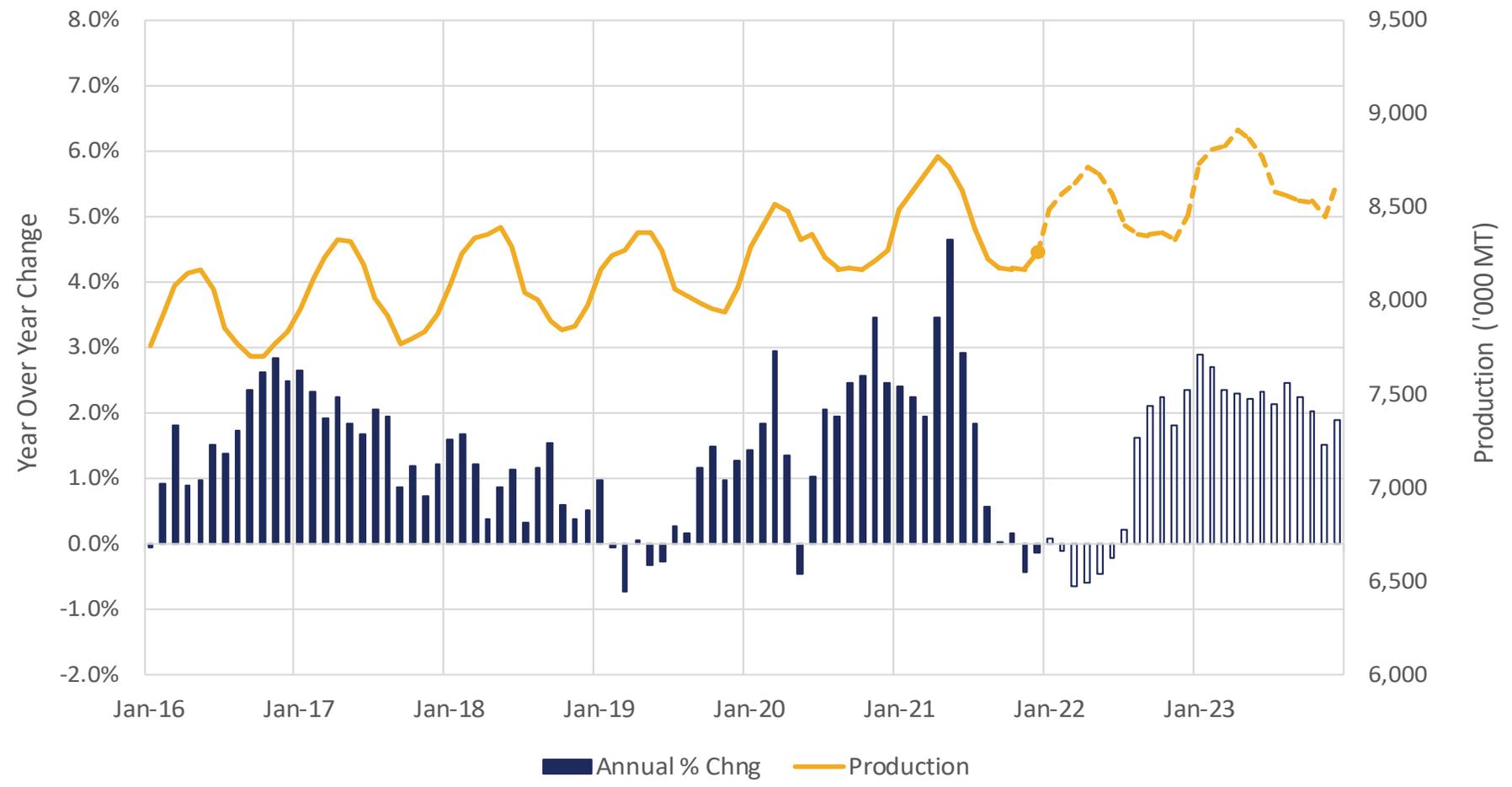
Source: USDA, CBOT, StoneX Calculations and Forecasts

# US Dairy Cows ('000 Head)



Source: USDA, StoneX Calculations and Forecasts

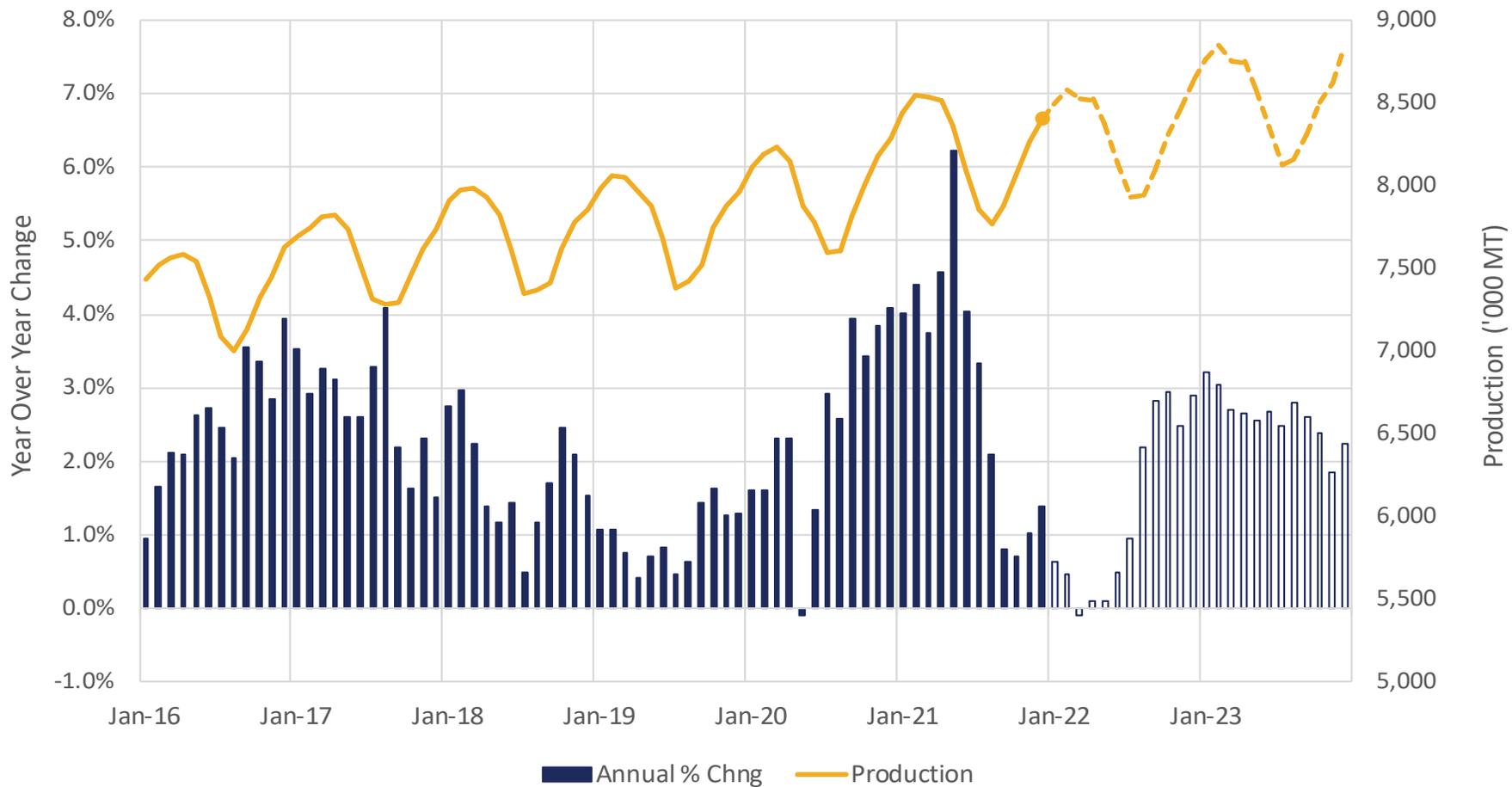
## US Milk Production ('000 MT) (30 Day Months)



Source: USDA, StoneX Calculations and Forecasts

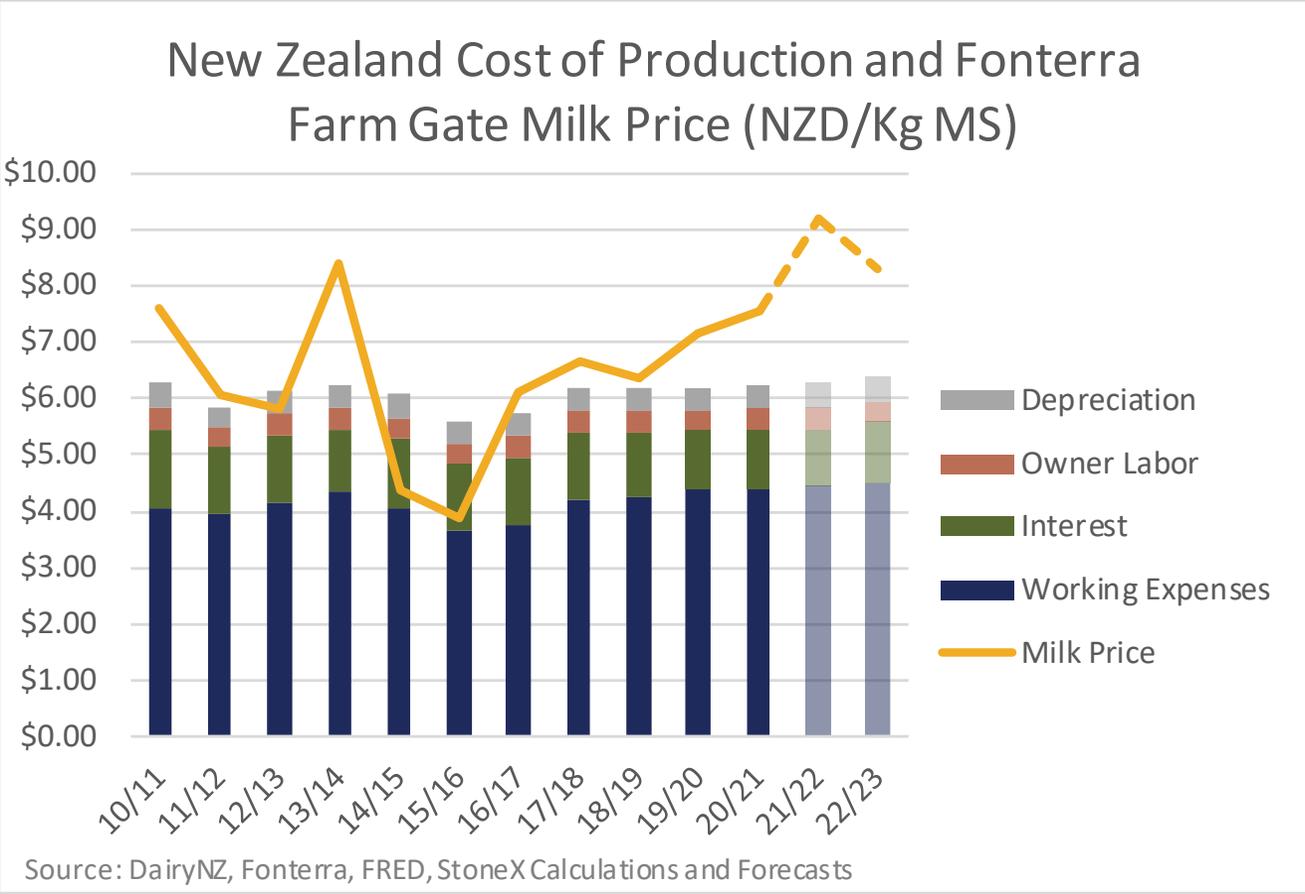
## US Milk Production ('000 MT)

(Adjusted to 4.0% fat/3.4% protein, 30 Day Months)



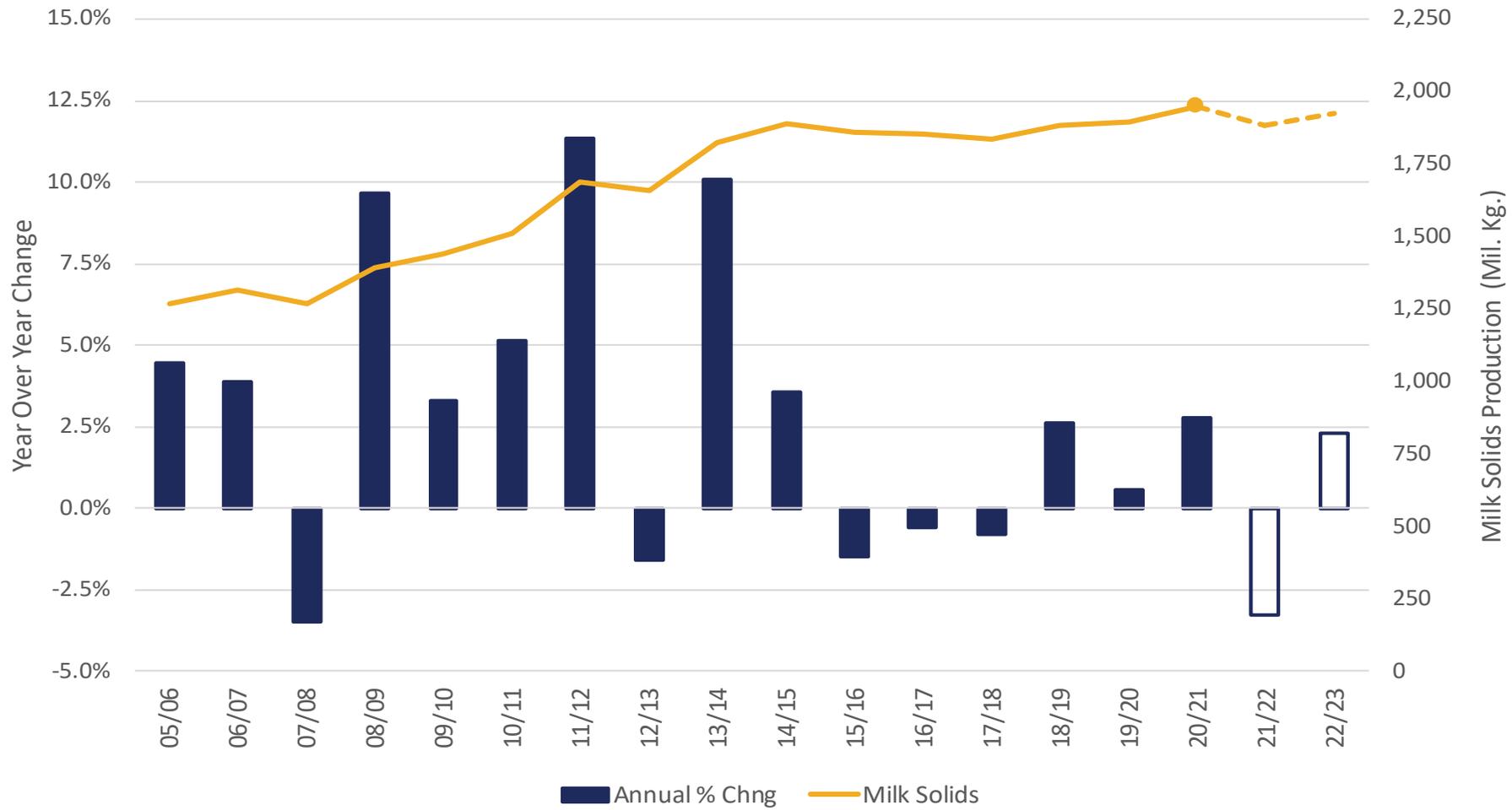
Source: USDA, StoneX Calculations and Forecasts

# New Zealand Milk Supply

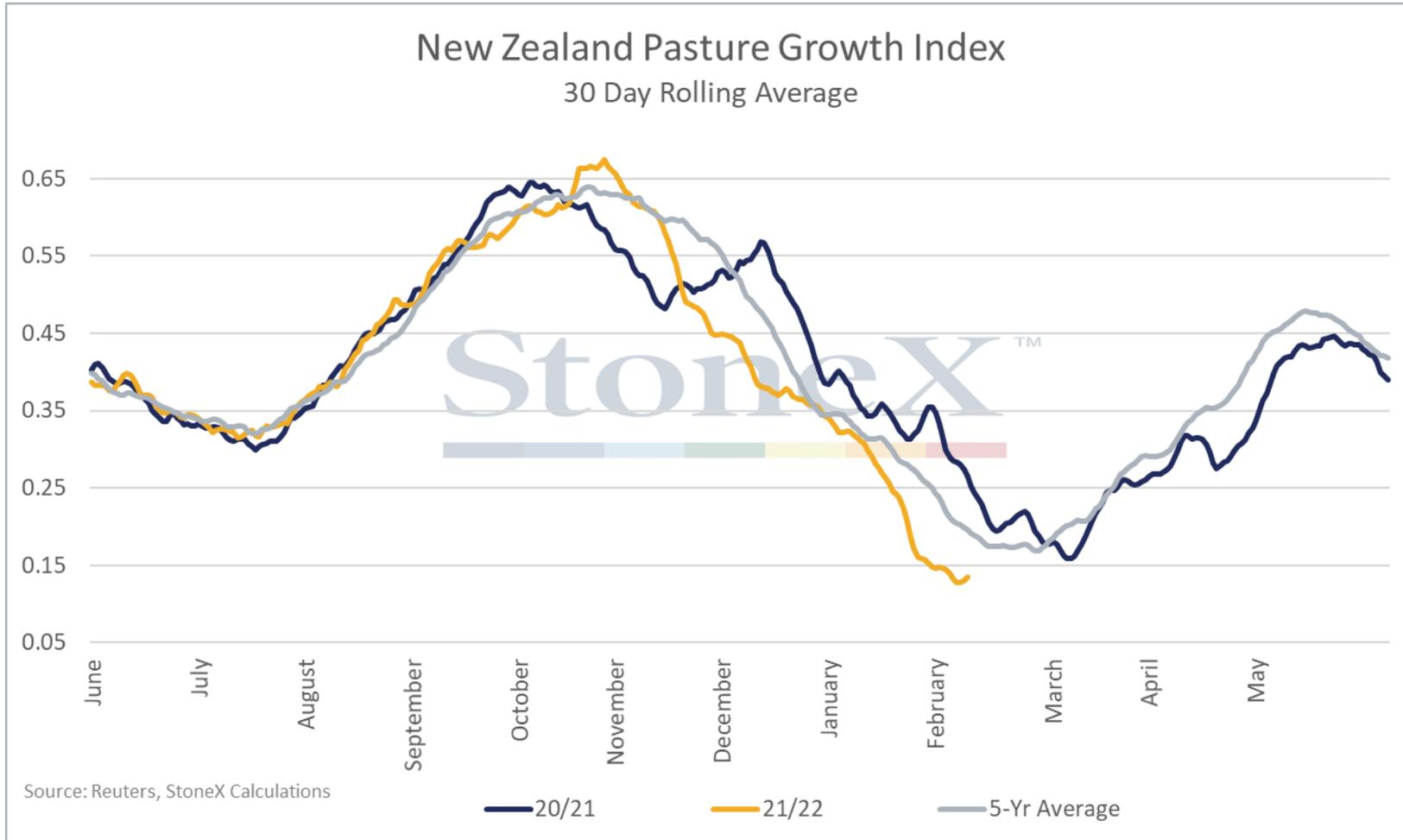


Source: DairyNZ, Fonterra, FRED, StoneX Calculations and Forecasts

## NZ Milk Solids Production (Mil. Kg.)



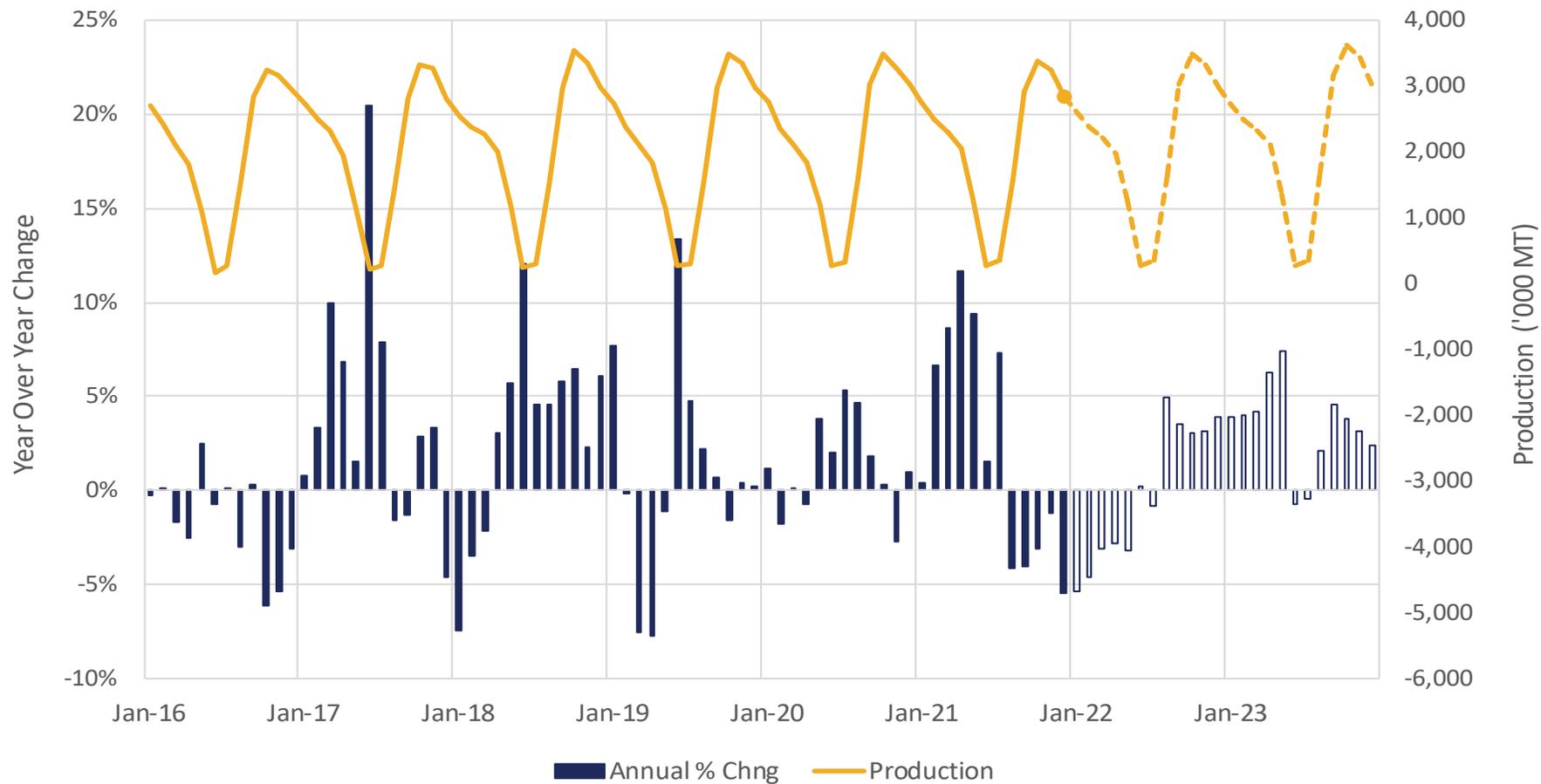
Source: DCANZ, LIC, StoneX Calculations and Forecasts



Source: Reuters, StoneX Calculations

## NZ Milk Production ('000 MT)

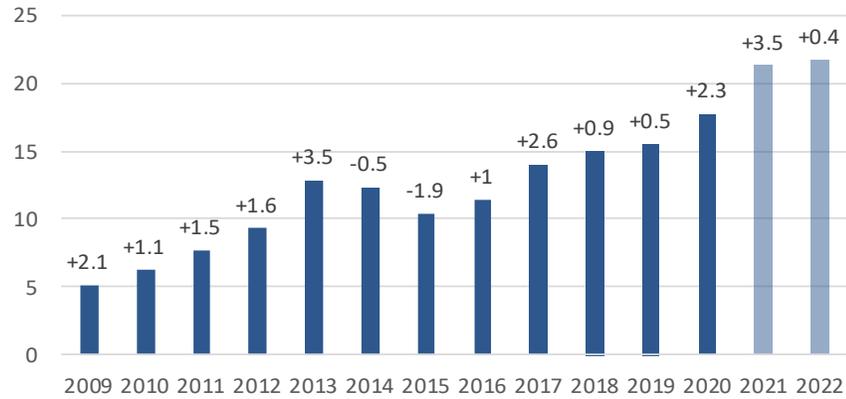
(Adjusted to 4.0% fat/3.4% protein, 30 Day Months)



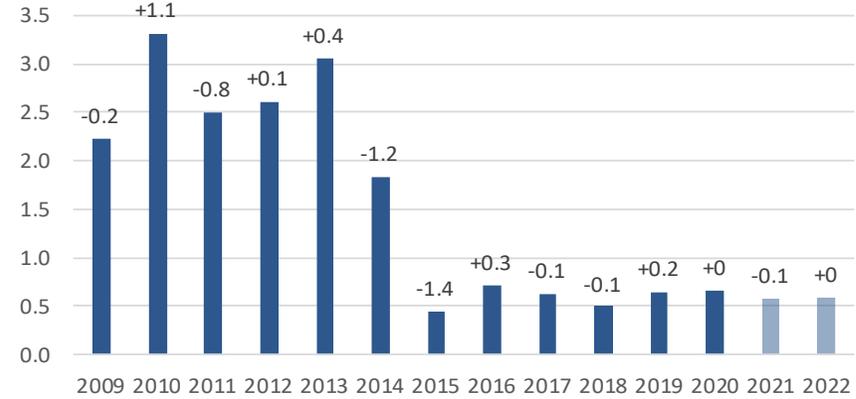
Source: DCANZ, LIC, StoneX Calculations and Forecasts

# Global Demand

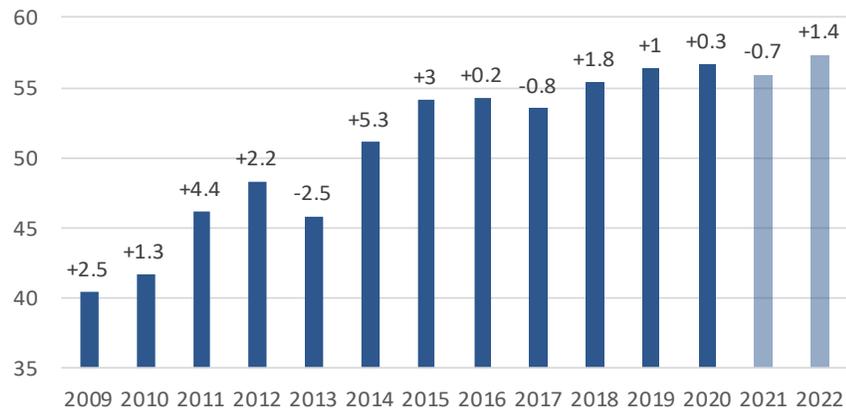
Chinese Milk Equivalent Imports  
and Change from Preivous Year (MMT)



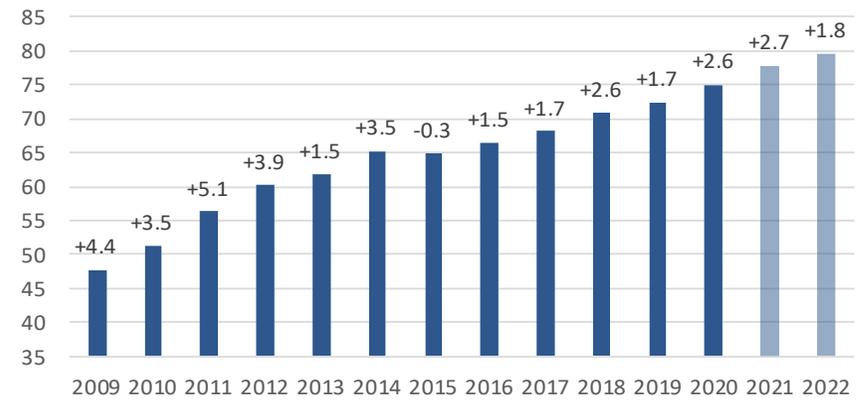
Russian Milk Equivalent Imports  
and Change from Preivous Year (MMT)



Milk Equivalent Imports by Everyone Except China and  
Russia, and Change from Preivous Year (MMT)



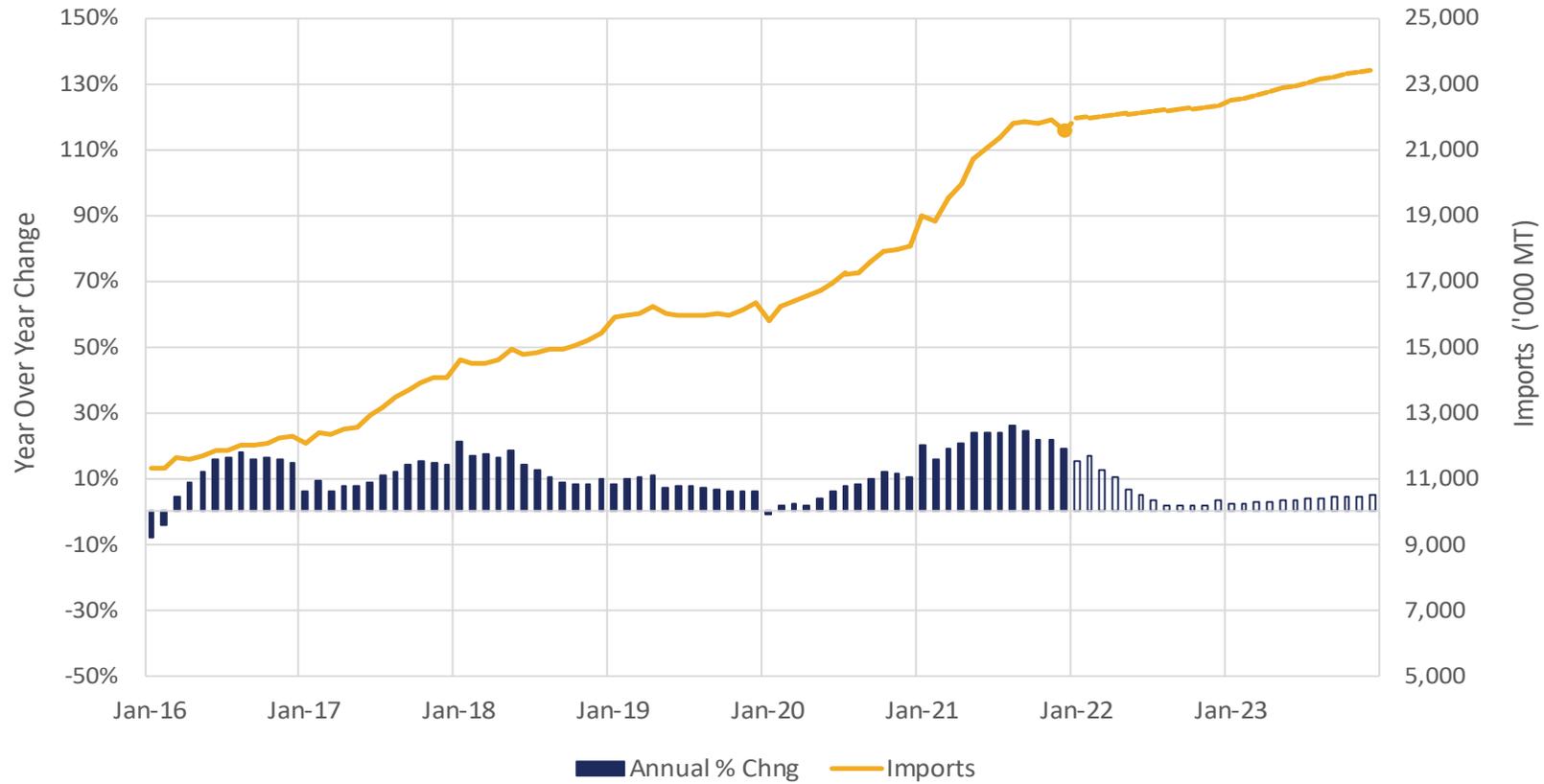
Global Milk Equivalent Imports  
and Change from Preivous Year (MMT)



Source: GTT, IMF, StoneX Calculations and Forecasts

## Chinese Milk Equivalent Imports ('000 MT)

(12 Month Rolling Total, Adjusted to 4.0% fat/3.4% protein, 30 Day Months)



Source: GTT, IMF, StoneX Calculations and Forecasts

## Global Milk Equivalent Imports by World minus China ('000 MT)

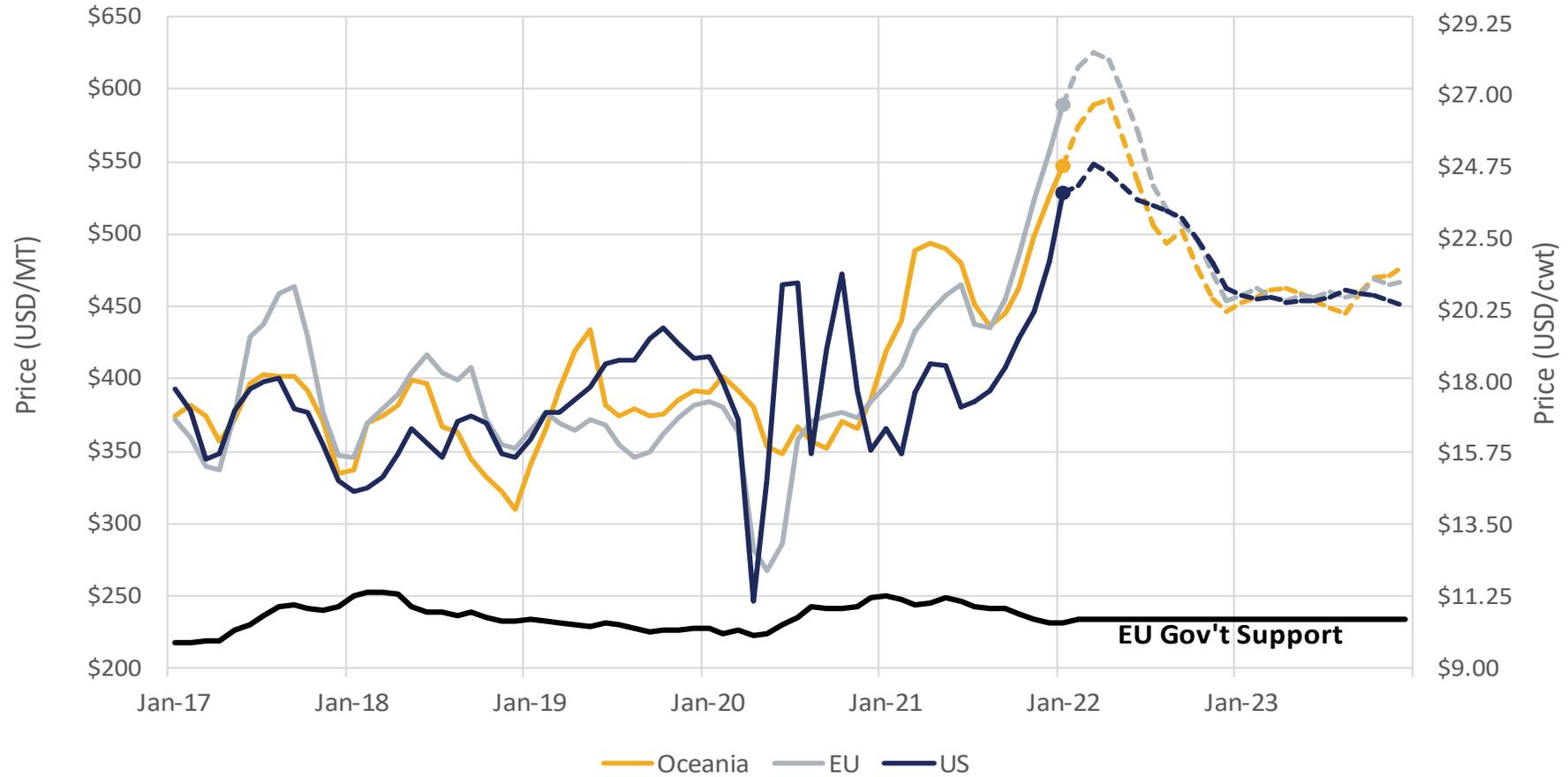
(12 Month Rolling, Adjusted to 4.0% fat/3.4% protein)



Source: GTT, StoneX Calculations and Forecasts

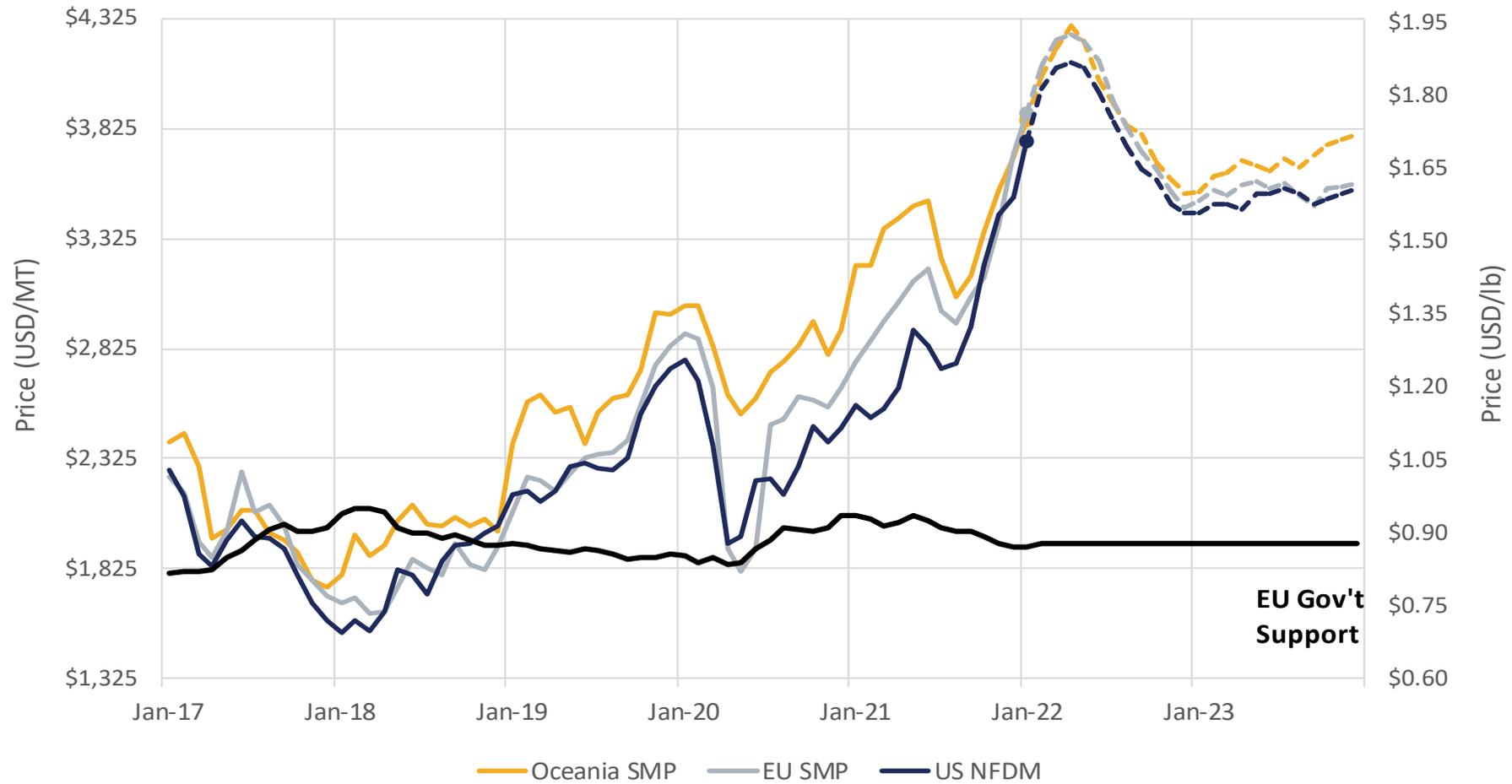
# Dairy Product Price Forecasts

## Global Manufacturing Milk Prices (4.0% fat/3.4% protein)



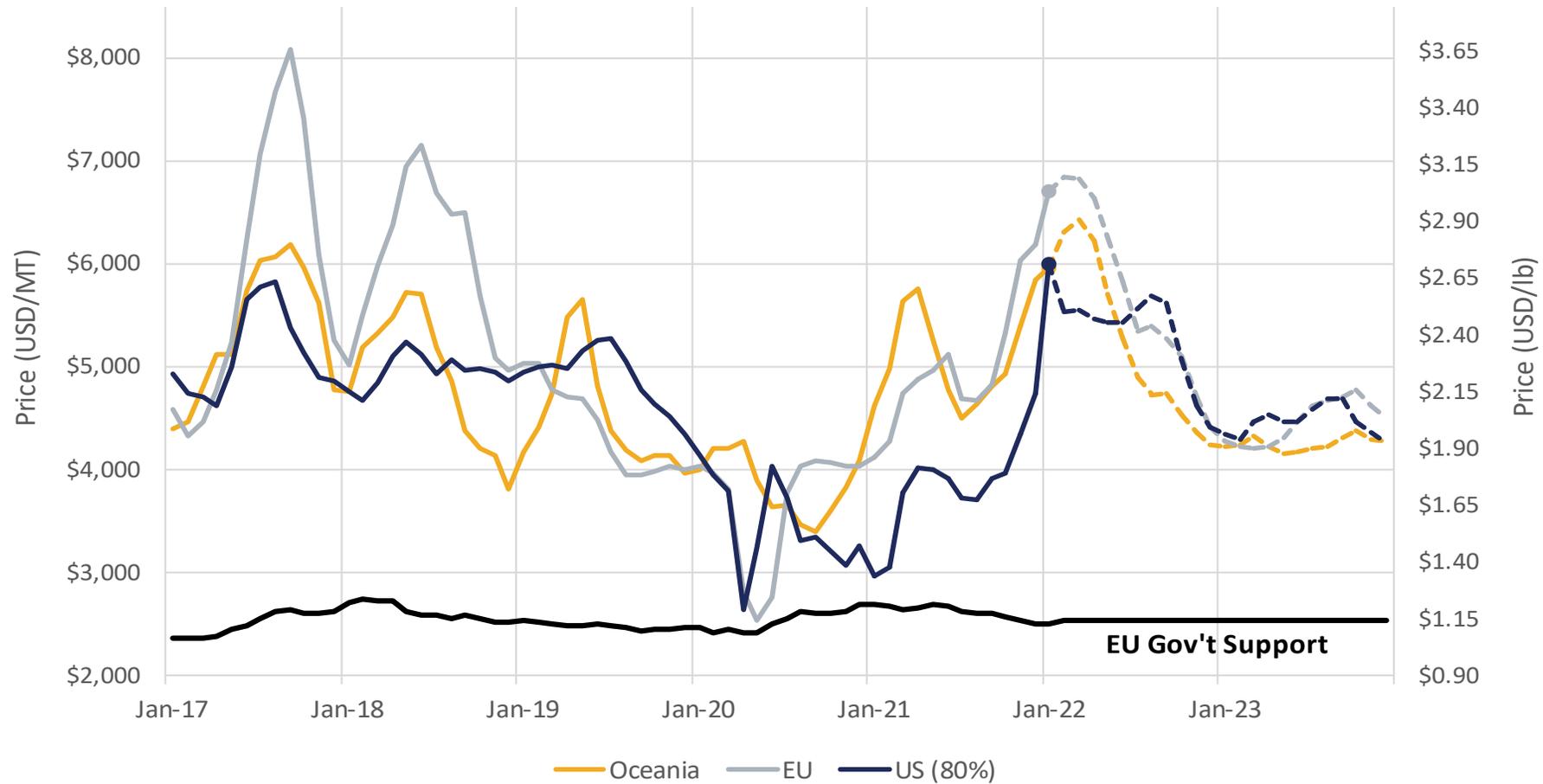
Source: USDA, StoneX Calculations and Forecasts

## Global SMP/NFDM Prices



Source: USDA, StoneX Calculations and Forecasts

## Global Butter Prices



Source: USDA, StoneX Calculations and Forecasts

## Global WMP Prices



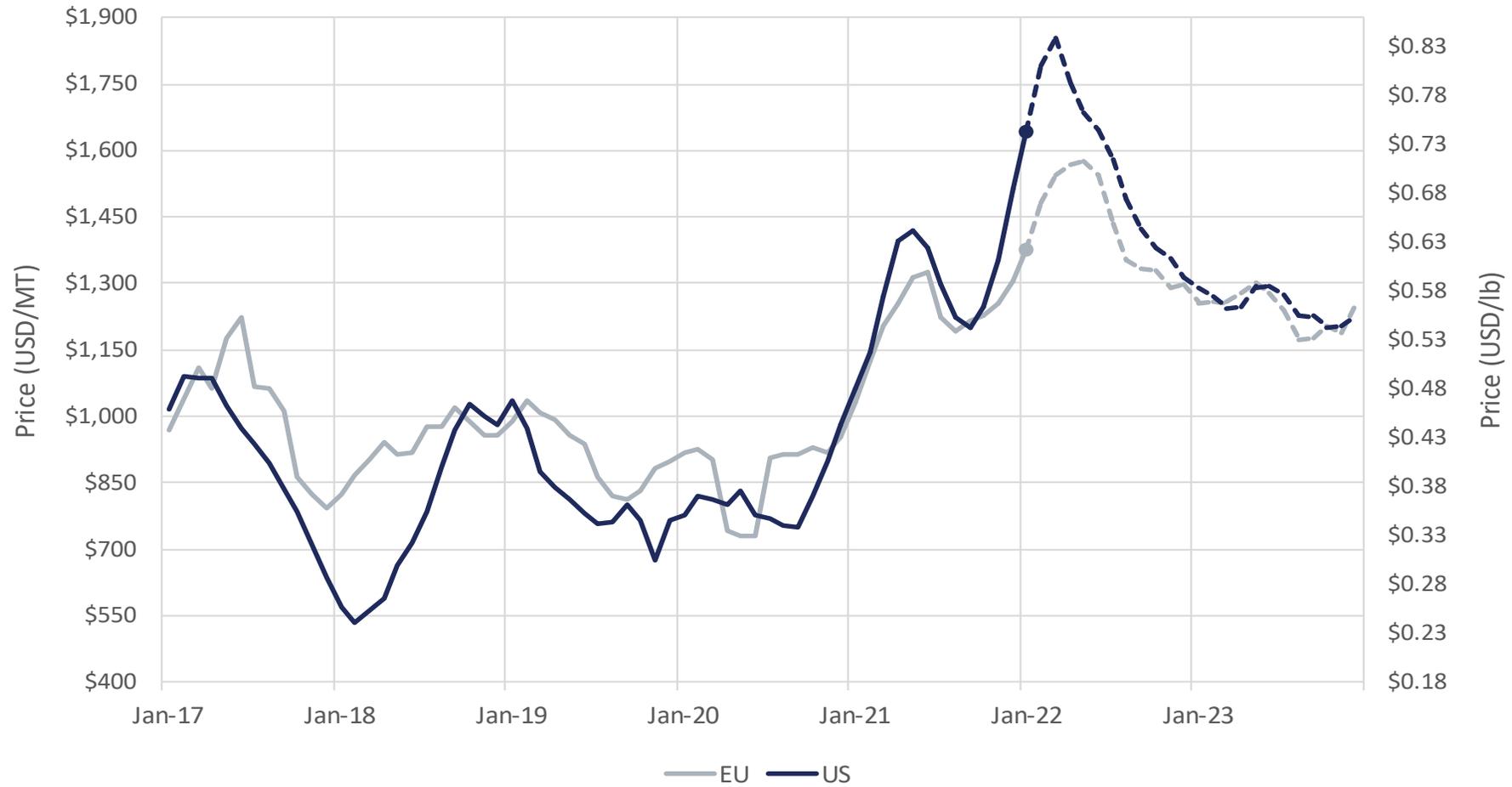
Source: USDA, StoneX Calculations and Forecasts

# Global Cheddar Cheese Prices



Source: USDA, StoneX Calculations and Forecasts

## Global Dry Whey Prices



Source: USDA, StoneX Calculations and Forecasts

**THANK YOU**

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**Thank you**

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