

# Bord Bia Opening Statement

## Joint Oireachtas Committee Meeting

**Wednesday, July 12th, 2023**

Good evening Chairman and members and thank you for the invitation to address the committee this evening.

I would firstly like to acknowledge that the Irish sheepmeat sector has had a challenging year so far, driven by several factors, not least higher input costs and lower consumer demand due to overall food price inflation. In relation to carcase weight requirements, I would like to emphasise to the Committee that Bord Bia can speak to the market, customer and consumer requirements that we encounter and how these impact product needs but as is understood we have no commercial or trading remit.

Ireland currently exports 85 per cent of the lamb produced in the country with the largest majority of this destined for customers in mainland Europe and the UK. There is a small, but growing, proportion of Irish sheepmeat being exported to international markets.

Lamb produced from carcasses within the desired weight ranges can be used to service the widest range of customer specifications in the marketplace. All current export markets have a strong preference for cuts of lamb from carcasses weighing between 18-21kg.

Carcase weight, along with conformation and fat cover, is also particularly important when lamb is being exported in carcase form. Until recently the proportion of lamb being exported in carcase form had been in long term decline with more value being achieved by reducing the carcase to individual cuts. The volume share of carcase exports was as low as 27% in 2019, however this increased to 38% of all Irish lamb exports in 2022. Reduced lamb exports from the UK up to 2022 had increased market demand for carcase lamb in key mainland Europe markets. The additional costs of processing and labour availability issues during and post covid have also contributed to this trend.

Also importantly, over time there has and remains a growing consumer demand for lighter lambs and more versatile cuts arising from smaller household size and less time available for cooking, which has had a direct negative impact on demand for heavier carcase weights. This trend can be observed in both the domestic and export markets. Heavier carcasses require a greater level of processing either at home or abroad which adds costs and the cuts of lamb produced tend to be of lower value as a result, as they are outside the preferred market specification.

Meeting specifications in terms of specific cut sizes, unit costs and the aesthetics are also key factors when engaging with the retail sector on home and export markets. These are all impacted by carcase weight with carcasses within the desired weight range meeting these requirements best. Heavier lambs are more likely to be over-fat when processed. In order to meet the customer and consumer preferences, over-fat carcasses need to be trimmed which reduces meat yield and increases

processing costs. Even after trimming, cuts from such carcasses may still have a higher than desirable fat content and consequently are at risk of being less visually appealing to the consumer, which is a particular concern in an environment where lamb is seen as a high-cost protein.

Bord Bia's focus is on supporting and enabling our producers, so that customers around the globe recognise that Irish food and drink is worldclass: that it is high-quality, distinctive and our producers set the global standard in sustainable production, meeting the responsibility we all have to the planet, society, and to future generations. I have previously stated to this committee and am happy to reiterate that our largest and most important stakeholders are Irish farmers. Ultimately, our goal is to help develop and grow the best and highest paying markets for our primary producers, which in turn can help to deliver value back to the farm gate.

In 2023, Bord Bia has committed a total spend of €3.5 million euros on the sheepmeat sector development, including spends on market insights, consumer promotions and business to business marketing and communications. Bord Bia's export market promotion of sheepmeat is primarily focused on the priority European markets of France, Germany, Belgium, Italy, Switzerland and the Nordics, although there will also be engagement in other markets where opportunities arise. Activity includes partnerships with leading retailers to promote Irish lamb, special St Patrick's Day events, print and digital media campaigns targeting consumers, and engagement with buyers through trade fairs and market study visits to Ireland.

Outside of Ireland and Europe, Bord Bia continues to raise awareness of Ireland as a supplier of safe, high quality, sustainable lamb through our EU co-funded multi-species campaigns. The current €4.78 million campaign launched in 2022 is active in South Korea, Japan, China and the US.

Conscious of the need to increase lamb promotion within the younger consumer category in this challenging inflationary driven market, Bord Bia has focused a portion of its marketing on highlighting the health benefits of consuming Irish lamb and by highlighting the versatility and ease of preparation through social media platforms and recipe development.

In relation to organic lamb, production in Ireland accounts for 1% of overall lamb production currently, however we expect and are preparing for this to grow substantially. Approximately 50 per cent of current product being consumed on the domestic market with the balance being exported - primarily to Germany, Belgium and the UK. We are acutely aware of the immediate challenge of product leakage in organic lamb due to the seasonal supply, and we are committed to and actively assisting the sector to identify and capture new potential customers for this and future supplies.

I would like to conclude by thanking you for inviting Bord Bia to address the committee this evening. My colleagues and I are eager to respond to your questions, and if we are unable to provide the required detail, I assure you that we will follow up with the individual members.

Thank you for your attention.