



Food and Drink 2024 Insights / 2025 Outlook

January 2025



**Bank of
Ireland**

Classification: **Green**

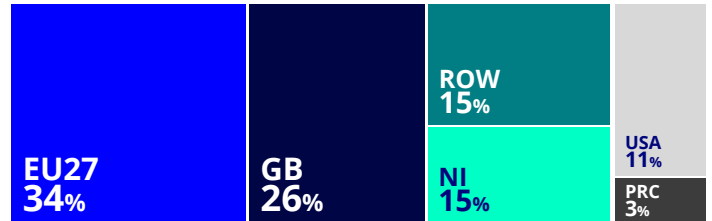
Insights

2024 saw food and beverage producers continue to operate in a challenging environment with macro economic factors, global instability and high input costs in the mix. The delicate balance of producing high-quality food and beverages to specific price points remains tricky. Staffing is a challenge, with a further minimum wage increase (Jan '25) and higher salaries for foreign work permit holders since Dec 2023 adding to cost pressures. International Federation of Accountants (IFAC) reported that 61% of 120 food & agri-businesses surveyed availed of Government supports in 2024.¹ Poorer harvests, and supply chain issues, of certain commodities like cocoa beans and coffee, challenged some sub sectors.

Nonetheless, the sector has retained strong exports, reflecting a solid industry performance in 2024². Whilst food inflation eased to 1.9% in Ireland in Nov 2024³, tight cost control continues to be a big focus with producers looking for ways to manage costs as consumers seek value⁴. The closure of Holyhead port after storm Darragh in December caused supply chain issues. Thankfully the port has reopened albeit with some capacity limitations⁵.



Food & Bev exports by region Jan-Nov 2024 €16.02Bn (CSO)



Consumer demand for grocery – UK, ROI and Europe

As food and drink exports remain robust, the UK continues to be the largest single market for food and drink with €5.9Bn exports from ROI in 2024 +7% YoY¹⁰. For the month of December 2024, Kantar reported sales in UK grocery at over €13Bn, the highest ever spend in that period¹¹. Tesco UK performance was strong during the Christmas period and firmly retained its top position¹².

Kantar reports that in the 12 weeks to 29th December 2024, Tesco growth accounted for two thirds of total market growth to a share of 28.5% with Sainsburys at 16.0% grocery share. Asda is retailer no 3 at 12.5% and Aldi has 10.0%¹³. Annual grocery inflation in UK was 3.7% in the 4 week Dec 2024 period and up from the 2.6% in November¹⁴.

Key Sector Trends Jan-Dec 2024

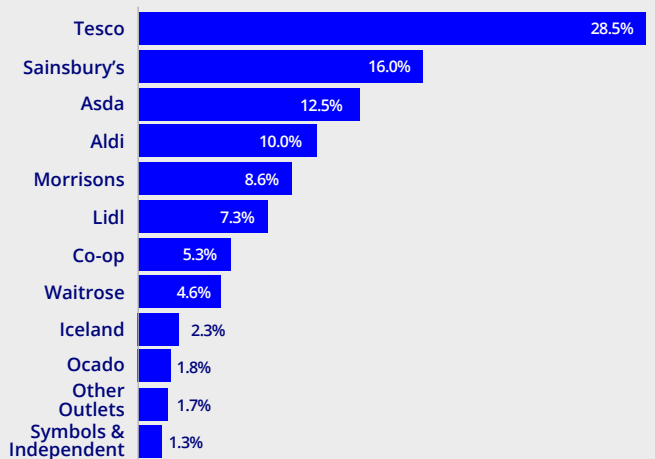
Food & Beverage Exports:

- The value of Irish food and drink exports from ROI was €17 Bn +5% compared to 2023⁶.
- Dairy had a challenging first half but full year value held its own YoY due to better prices⁷.
- Meat exports grew 6% to reach €4.3bn with beef accounting for €2.8bn⁸.
- Alcoholic drinks had a strong year, €2.1Bn +19% YoY, with whiskey €1Bn. Stockpiling of whiskey in markets such as U.S. did impact operators in a competitive global market.
- Prepared consumer foods - including bakery, prepared foods, confectionary and non alcoholic drinks - accounted for €3.4bn +7% YoY with value-added meats flat YoY.
- The seafood sector operated in a challenging global environment but at €595m exports gained some lost ground on 2023. Key markets for Irish seafood, like France and Spain, saw less demand due to global pricing pressure, more seafood being imported from outside the EU and cost of living factors impacting consumer spend. The European Commission's Dec 2024 report ([EU Fish Market report 2024 reveals trends and insights - European Commission](#)) captures this European trend⁹.

Jan-Dec Exports Bord Bia	2024 €bn	2023 €bn	Variance	% of total
Dairy	6.3	6.3	0%	37%
Meat & livestock	4.3	4.1	+6%	25%
Prepared Cons. foods	3.4	3.1	+7%	20%
Drinks	2.1	1.8	+19%	12%
Seafood	0.6	0.55	+9%	3%
Horticulture/cereals	0.3	0.3	+4%	2%
Total	17.0	16.3	+5%	100.0%

Source: Bord Bia

GB | Grocery Market Share (12 weeks ending) to 29 Dec '24



Source: Kantar data over the 12 weeks to 29 December 2024.

¹ Download our 2024 Food & Agribusiness Report | Accounting & Financial Advisors | Ifac.

² Bord Bia Export Performance and Prospects 2024-2025 report

³ Bord Bia Export Performance and Prospects 2024-2025 report

⁴ 5 key stats showing what customers value in 2024

⁵ Storm Darragh: Holyhead ferries resume after six-week port closure - BBC News.

⁶ Bord Bia Export Performance and Prospects 2024-2025 report

⁷ Bord Bia Export Performance and Prospects 2024-2025 report

⁸ Bord Bia (bordbiaperformanceandprospects.com) Agri Food Regulator

⁹ EU Fish Market report 2024 reveals trends and insights - European Commission.

¹⁰ Bord Bia Export Performance and Prospects 2024-2025 report

¹¹ Household spending reaches new high as shoppers splash out on premium lines and festive fizz

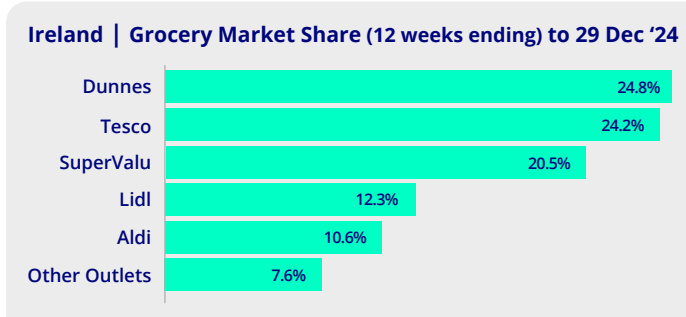
¹² Tesco takes top spot as Christmas spend hits record levels | The Grocer.

¹³ Household spending reaches new high as shoppers splash out on premium lines and festive fizz

¹⁴ Tesco, Sainsbury's and Lidl are UK Christmas winners, says Kantar | Reuters

ROI grocery market

The Irish grocery market remained buoyant in 2024, an important factor for indigenous food and beverage production. Kantar reported a bumper Christmas trading period with the highest-ever recorded December spend of €1.4Bn¹⁵ with price inflation playing its part at 3.6%¹⁶. Dunnes Stores held the top spot in the ROI market with 24.8% market share with 6.9% sales growth YoY¹⁷. Tesco holds 24.2% with 6.4% whilst SuperValu has 20.5% with 3.2% growth. Discounter Lidl holds 12.3% share with growth of 4.6% and Aldi has 10.6% share up 3.9%¹⁸.

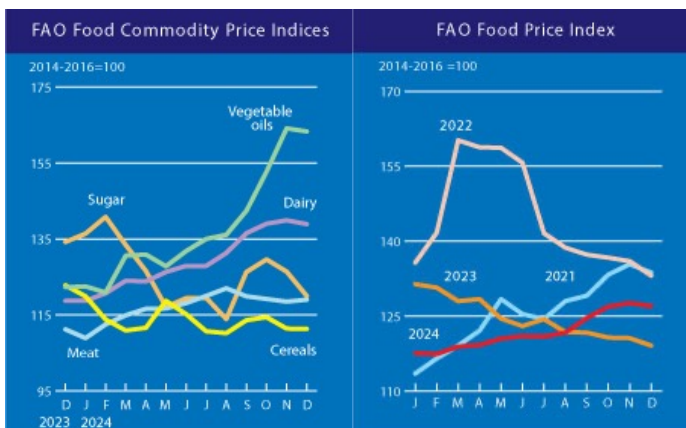


Source: Kantar data over the 12 weeks to 29 December 2024.

Europe continues to hold good opportunity for food & drink exporters with revenue of c.US\$2.14Bn in the European food market¹⁹. Bord Bia's recent CEO Sentiment survey reflects that, two thirds of respondents anticipate future opportunity for expansion in Europe and UK markets²⁰.

Food traceability: the recent case of Foot & Mouth disease detected in Germany, the first confirmed case there since 1988, highlights the on-going need for safe and secure systems both to protect livestock and food traceability systems²¹. Ministers for Agriculture in Ireland and Northern Ireland, McConalogue and Muir, both highlighted the need for vigilance²². The UK banned the importation of sheep, pigs and cattle from Germany for the foreseeable future, and it was confirmed no stock had been imported into Republic of Ireland (ROI) from Germany since November²³. Northern Ireland and ROI restricted imports from the affected area of Germany²⁴. In December 2024, the Food Safety Authority of Ireland (FSAI) published a five-year strategic roadmap to assure continued trust in Ireland's food systems²⁵.

Food Index: A positive from 2024 was the food price index being 6.7% lower than December 2023²⁶. Those making or using chocolate face very high prices, with cocoa beans currently hovering below \$11k per tonne²⁷. Harvest yields have been lower and all eyes are now on the upcoming yields of the Ivory Coast, the world's largest producer²⁸. Coffee is trading at a 47-year high with bad weather, supply chain issues and high demand pushing up prices in 2024. Drought and storms in Brazil and Vietnam are affecting yields, demand is increasing and coffee prices are unlikely to ease for the foreseeable future²⁹.



Sustainability: Whilst producers in Ireland recognise the need for sustainable food production, progress in developing more sustainable food production methods remains mixed. Many operators have availed of green transition supports, from Enterprise Ireland and SEAI, with energy-saving the main activity. Some SMEs have advanced the re-purposing of food waste and circular methods, whilst others cite lack of expertise or staff to undertake sustainability initiatives.

2025 sees the commencement of reporting under the Corporate Social Responsibility Directive (CSRD). CSRD will expand reporting requirements for EU and non-EU companies, enhancing consistency. This will prompt further action amongst smaller operators as a consequence.

Brexit:

- Customs' changes for those exporting food to Great Britain have broadly settled, with most operators successfully adapting. Extra paperwork and the requirement to establish a UK entity, bring increased expense and admin for operators. Prenotification of imports of sanitary and phytosanitary (SPS) goods from Ireland on the UK's SPS import system (IPAFFS) is now required.
- Whilst some exporters chose to access the EU using direct ferry routes to France, the land bridge via GB is still an important route but is now more complex to navigate.
- A number of small operators ceased exporting to GB for the above reasons unless the turnover warranted the extra costs and administration incurred.
- The planned physical identity checks for medium-risk animal products, plants and plant products imported into GB, that was due for implementation in October 2024, were delayed due to the custom checkpoints not yet being ready. This is likely to take effect from late 2025 or 2026.

¹⁵ Record-breaking December for grocery sales in Ireland as spend surpasses €1.4 billion (kantar.com)

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¹⁷ Record-breaking December for grocery sales in Ireland as spend surpasses €1.4 billion (kantar.com)

¹⁸ Irish grocery sales hit €1.4 billion over record-breaking festive trading period

¹⁹ Food - Europe | Statista Market Forecast

²⁰ Irish food and drink exports hit record high - Bord Bia

²¹ Germany has no new foot-and-mouth disease cases, minister says | Reuters

²² Minister updates Executive on Foot and Mouth Disease | The Northern Ireland Executive

²³ UK bans import of cattle, pigs and sheep from Germany

²⁴ Foot-and-mouth: NI restricts imports from Germany - BBC News

²⁵ FSAI's new five year strategy to ensure continued trust in Ireland's food systems | Food Safety Authority of Ireland

²⁶ FAO Food Price Index | Food and Agriculture Organization of the United Nations

²⁷ Irish food and drink exports hit record high - Bord Bia

²⁸ Coffee prices remain high

²⁹ FAO Food Price Index | Food and Agriculture Organization of the United Nations

2025 Outlook

- Whilst geopolitical uncertainties and volatility continue in the global landscape, industry has learned to adapt and the outlook for the sector in 2025 remains positive.
- Irish producers continue to show remarkable strength and flexibility weathering the shocks of recent years, and solid exports underpin the sector's performance.
- Maintaining Ireland's quality produce, its competitiveness and innovation are critical factors for success.
- Bord Bia's 2024 CEO sentiment survey identified that competitiveness is one area of some concern for Irish operators³⁰.
- Business costs and staffing will be a challenge, whilst CSRD reporting will push operators to undertake more sustainability initiatives.
- Potential changes by the new US administration in tariffs is a concern for exports to US accounting for c.11% of food and drink exports.
- Bord Bia recently reported that 73% of food and drink exporters remain optimistic about expected market growth in the year ahead³¹.
- There was plenty of activity in mergers, acquisitions and management buyouts in 2024. Newport Brands bought C&C's soft drinks arm as part of an MBO³², Kerry Coop agreed to buy Kerry Dairy Ireland (Kerry group's consumer foods and dairy ingredients business)³³, whilst recently the bakery sector saw Mayfair Equity Partners (UK) buy Azeda / Pat The Baker bakery business³⁴.
- As the sector continues to evolve, activity in M&A space is likely to continue as companies seek ways to enhance their competitive edge.

Sustainable Food and Ireland's Food Vision

The government's 2030 Food vision³⁵ aim is for Ireland to become a world leader in sustainable food systems and to see Ireland's agri-food exports grow to €21Bn by 2030³⁶. This compares to €19Bn in 2024 for agri-food exports when €2Bn of non-edible agri exports are combined with food & drink³⁷. With CSRD reporting in place, sustainable food production will ramp up in the sector.

Globally, the future of food security is well documented. It remains critical as increased food demand and populations grow, with climate change impacting land and harvests. Technology and innovation will play a critical part in maintaining and developing a robust food supply. Food Tank is a global Not for Profit research and advocacy organisation working with communities to find solutions to produce and consume food more sustainably³⁸.



³⁰ [Irish food and drink exports hit record high - Bord Bia](#)

³¹ [Dunnes holds steady as Ireland's top grocer - Shelflife Magazine](#)

³² [Renatus' Private Equity M&A Newsletter - 19/02/2024 - Renatus Capital Partners - Private Equity Firm - Dublin, Ireland](#)

³³ [Pat The Baker Parent Company To Be Acquired By UK Firm | Checkout](#)

³⁴ [Kerry Co-op shareholders approve Board proposal to acquire Kerry Dairy Ireland | Irish Independent](#)

³⁵ [gov.ie - Food Vision 2030 - A World Leader in Sustainable Food Systems](#)

³⁶ [Ireland, an Agrifood Exporting and Importing Island | Accounting & Financial Advisors | Ifac](#)

³⁷ [Irish food and drink exports hit record high - Bord Bia](#)

³⁸ [Food Tank | UNCCD](#)



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Lucy joined Bank of Ireland in Jan 2023 as Head of the Food & Beverage Sector, to support the Bank's lending in this important, indigenous industry.

She brings an in-depth understanding of the Food & Drink sector to the role having worked for 25 years in food and drink operators in Ireland, Italy and UK across a number of companies and product categories.

She has held various senior commercial positions, many of them customer-facing, in consumer goods' companies including Diageo, C&C Group (Bulmers Ltd), Mark Anthony Brands International, Valeo Foods and BFree Foods.

Lucy holds a French & Italian languages degree from UCC and a Post Graduate qualification from UCD Smurfit Business school.

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