



Ireland

AGRI-FOOD

Market Overview

With the dramatic growth in Ireland's IT and pharmaceutical sectors, the agri-food business currently has a lesser profile. However, with 125,000 working in agriculture, and 47,000 employed in food and drink production, it is substantial. Approximately 75% of Irish food production is exported, much of it in commodity form, and, despite difficult market conditions for beef, as a result of the BSE (mad cow disease) scare, food and drink exports for 2000 rose by 4.4% to IR£5.4 billion. Consequently, the home market is highly competitive, especially since British processors perceive the Irish market as a logical extension of their own home market. The multinationals such as Nestlé, Unilever, RHM and Pillsbury have their own distribution subsidiaries, and some local production facilities as well. With the arrival of British and German supermarket groups, there is intense competition between retailers. As these groups have effectively introduced just-in-time central buying (and warehousing),

the independent grocery distributors have encountered difficulties or even fallen by the wayside.

Opportunities

The market potential for Canadian manufacturers tends to be the more specialized niche product. However, at the early stage of any product launch, the distributor may be reluctant to commit himself to accepting a container. Although, the "hello-money" concept is illegal, there is intense competition in securing shelf space. Consideration may also be given to channelling product via a larger UK-based distributor.

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