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Ireland

HRI Food Service Sector

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2007

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Report Highlights:
The Irish food service industry is competitive and highly fragmented. Current estimates are that the total value of this industry is about $6 billion per year. For the last twelve years, the Irish economy has been booming with a steady growth rate of 7% per year which, to many observers, is the best and highest in the European Union. For U.S. agricultural exports to Ireland, the best prospects in the food service industry are in products such as snack foods (sauces, nuts, chips, dips), other consumer ready products and beverages such as wines. Because the industry is very fragmented, there are opportunities for traders offering speciality products for niche sectors such as catering and institutional food services.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
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[EI]

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SECTION I – MARKET SUMMARY

- The Irish foodservice market has gained in importance in recent years with good economic conditions and full employment increasing demand for prepared meals and refreshments outside of the home.
- In 2005 the market is estimated to have grown by about six percent to an estimated $5.5 billion.
- While this includes drinks and beverages, expenditure on food is increasing at a faster pace.
- Recent research has shown that 88 percent of the population eats out regularly.
- There has been a noticeable increase in the number of coffee shops and deli-type food outlets.
- While the distribution system to the foodservice sector is highly fragmented, there are a number of key distributors and a lot of smaller local suppliers.
- While the sector sources a significant proportion of its ingredients from Irish and nearby European suppliers, some items need to be sourced from non-EU destinations.
- Some opportunities exist for U.S. exports especially for wines and beers, cooking sauces, salsas and dips

Advantages & Challenges to U.S. Products in the HRI Sector

Advantages	**Challenges**
Brand name recognition – there are a few American chain restaurants in Ireland wanting to source American food products.	Competition from many other ethnic restaurants, eg. Indian, Chinese, Italian, which are popular in Ireland.
There are a relatively small number of specialist foodservice importers who may be interested in importing from the U.S.	Price competition is fierce and often depends on the Euro – Dollar exchange rate.
The U.S. has a good brand image in Ireland	Strict EU import regulations and labeling/ingredient requirements.
The country is English-speaking and is therefore a natural gateway into the rest of Europe for U.S. exporters.	Import duties payable on U.S. product. No duties are payable on product sourced in the EU.
The U.S. is a popular destination for Irish tourists and familiarity with U.S. products is widespread.	American food is usually associated with fast food.

Market Structure

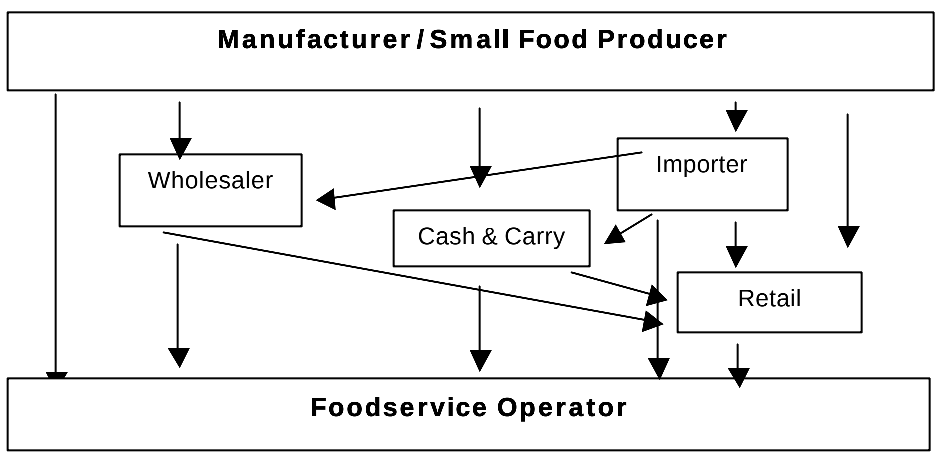
As in many other economically developed countries there are two distinct segments in the foodservice sector: private (for profit) and public. Private (for profit) includes restaurants, fast-food restaurants, sandwich/coffee bars, pubs and hotels. Public includes educational establishments, staff catering, health care (including hospitals) and governmental (such as prisons).

SECTION II – ROAD MAP FOR MARKET ENTRY

Irish importers and distributors regularly travel to international food shows and exhibitions in search of new products and indeed new suppliers. There is also a biennial catering exhibition (Catex) held in Dublin (next exhibition 2009) where catering and foodservice suppliers exhibit mainly to buyers in the HRI sector.

An exporter, interested in supplying the Irish market, must be able to show the ability to deliver a consistent product, on schedule, at a competitive price. Many importers and distributors will also demand a trace-back ability from manufacturers and suppliers, as food safety is an increasingly important topic.

The following diagram shows the most common routes to the market. While the route to market varies for each operator, many foodservice operators believe in offering fresh products to their customers. As a result a high percentage of foodservice purchase routes are on the left-hand side of the schematic below. Many Irish foodservice operators, as well as retailers, demand tracability of product to ensure quality. By dealing directly the manufacturer and/or producer, or with just one middleman, they are somewhat assured of quality and they have recourse in case of problems. The most common way to the market for non-Irish products is through an importer who generally has acquired knowledge of the market; has already a developed distribution system and an existing client list.



Please note that due to strict EU rules on the imports of meat and meat products, exporters of such items should be fully compliant with the relevant legislation prior to initiating business contact.

SECTION III – COMPANY PROFILES

The following companies have been identified as significant importers and distributors in the food service industry. As noted above the sector is very fragmented and smaller importers with exclusive import agreements may in turn supply some of these distributors. This is only a sample of a vast list of importers and distributors and please note that a listing in this report does not constitute an endorsement of the firm listed.

Pallas Foods: In operation since the early 1980's, the business is one of the leading food service distributors on the island of Ireland (Northern and Republic of). Palls Foods claim a customer base of 4,500 and supplies fresh, frozen and ambient products.

Contact details:

Pallas Foods Ltd.
Newcastle West
Limerick
Ireland
Tel: +353 69 20200
Fax: +353 69 20201
Email: info@pallasfoods.com

La Rousse Foods: In business since 1990, and again supplying to the island of Ireland.

Contact details:

La Rousse Foods
31 Park West,
Nangor Road,
Dublin 12
Tel: +353 1 6234111
Fax: +353 1 6234042
Email: marc@laroussefoods.ie

Stafford Lynch: The catering division was formed in 1991 as part of a strategic growth plan for the Stafford Lynch group, in operation since 1974. Supplies the island of Ireland.

Contact details:

Stafford Lynch
Willsborough Industrial Estate
Clonshaugh
Dublin 17
Ireland.

Tel: +353 1 802 3100
Fax: +353 1 867 0795
Email: info@staffordlynch.ie

Allegro: A distributor of many leading food brands included imported brands. A supplier to the catering trade.

Contact details:

Allegro Ltd
Jamestown House
Jamestown Business Park
Finglas
Dublin 11
Tel: +353 1 858 0600
Fax: +353 1 858 0659
Email: c.mccaughey@allegro.ie

BR Marketing: An importer of many worldwide brands. A supplier to the catering trade.

Contact details: BR Marketing Ltd.
40 Rosemount Park Drive
Rosemount Business Park
Dublin 11
Tel: +353 1 885 0800
Fax: +353 1 885 0899
Email: info@brmark.ie

Musgrave Foodservices: Part of the much larger Musgraves food group that is involved in all sections of the Irish food trade – retail and catering.

Contact details: Musgrave Foodservices
Margarets Road
Ballymun
Dublin 11
Tel: +353 1 883 5333
Fax: +353 1 816 5601
Email: info@musgravefoodservices.ie

White Hat: A new catering division set up by Stonehouse that was formed in 2000 to supply independent traders.

Contact Details: Stonehouse
12 Dundrum Business Park
Dundrum
Dublin 14
Tel: +353 1 296 6000
Fax: +353 1 296 6002
Email: info@stonehouse.ie

In addition to the above distributors who are all involved in the food sector, a myriad of importers involved in the beverage sector exist. A number are listed below. A listing here does not constitute an endorsement.

Mitchell & Son Wine Merchants Ltd.

Contact Details: 54 Glasthule Road
Sandycove
Co. Dublin
Tel: +353 1 230 2301
Fax: +353 1 2302305
Email: glasthule@mitchellandson.com

Woodford Bourne

Contact Details: 79 Broomhill Road
Tallaght
Co. Dublin
Tel: +353 1 404 7300
Fax: +353 1 404 7311
Email: info@woodfordbourne.com

Galvins Wine & Spirits

Contact Details: Bessboro Road
Blackrock
Cork
Tel: +353 21 431 6098
Fax: +353 21 431 4209
Email: sales@galvinwines.com

SECTION IV – BEST PRODUCT PROSPECTS

U.S. products which could do well in the Irish foodservice industry are: snack foods, fresh and dried fruit, nuts, cooking sauces, salad dressings, dips and salsas, wine and to a lesser extent, beer.

Product Category	Total Irish Imports 2005 ($ million)	Irish Imports From U.S. 2005 ($ million)	Average Annual U.S. Import Growth (last 3 yrs)	U.S. Import Tariff Rate	Key Constraints to Market Development	Market Attractiveness for US exporters
Preserved fruit & nuts HS: 2008	38.7	0.6	3%	7-27%	Competition from EU + Thailand & South Africa	U.S. nut butters perceived as high quality.
Fruit & Vegetable Juice HS: 2009	116.0	0.4	20%	16-23%	Competition from EU and Brazil	Juices now more popular and perceived healthier than carbonated drinks
Sauces HS 2103	80.9	0.5	3%	0-10%	Competition from EU; Strong brands	Gap for Tex Mex products
Wine HS: 2204	287.8	17.6	5%	18-25%	Major competition from New World wines	U.S. wines have a 12% volume market share

SECTION V – POST CONTACT AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need any other assistance exporting to Ireland, please contact the USDA office in Dublin at the following address:

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