

IFA National Potato Conference

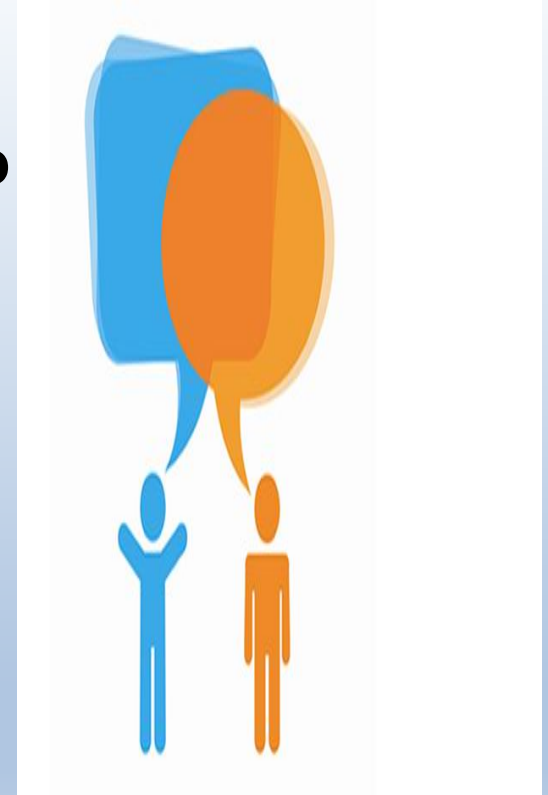
November 22nd 2022



Jim Power
economics

To Be Discussed

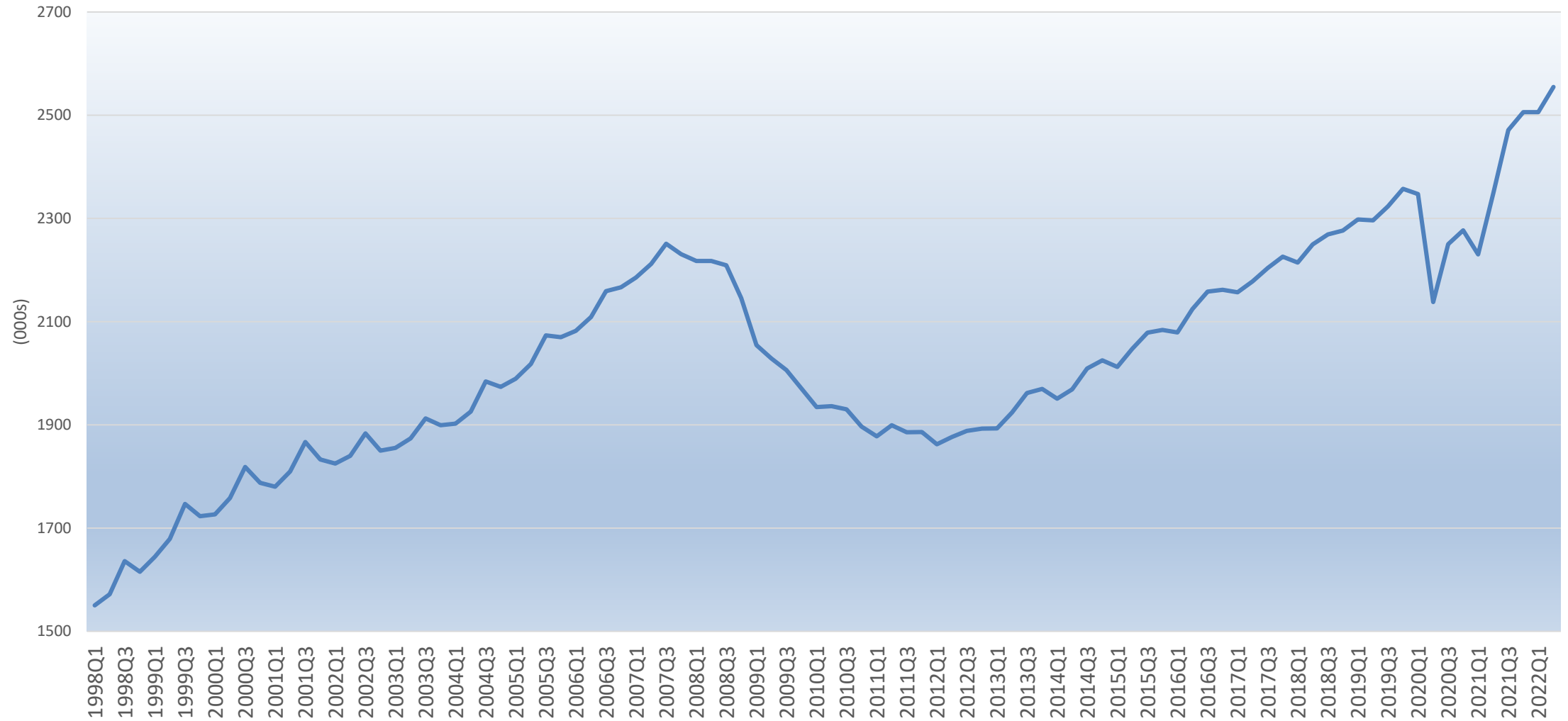
- Overview of Irish economy
- What is happening on the inflation front?
- Food Price inflation
- Price environment for Agri-Food sector
- Some issues for Potato growers



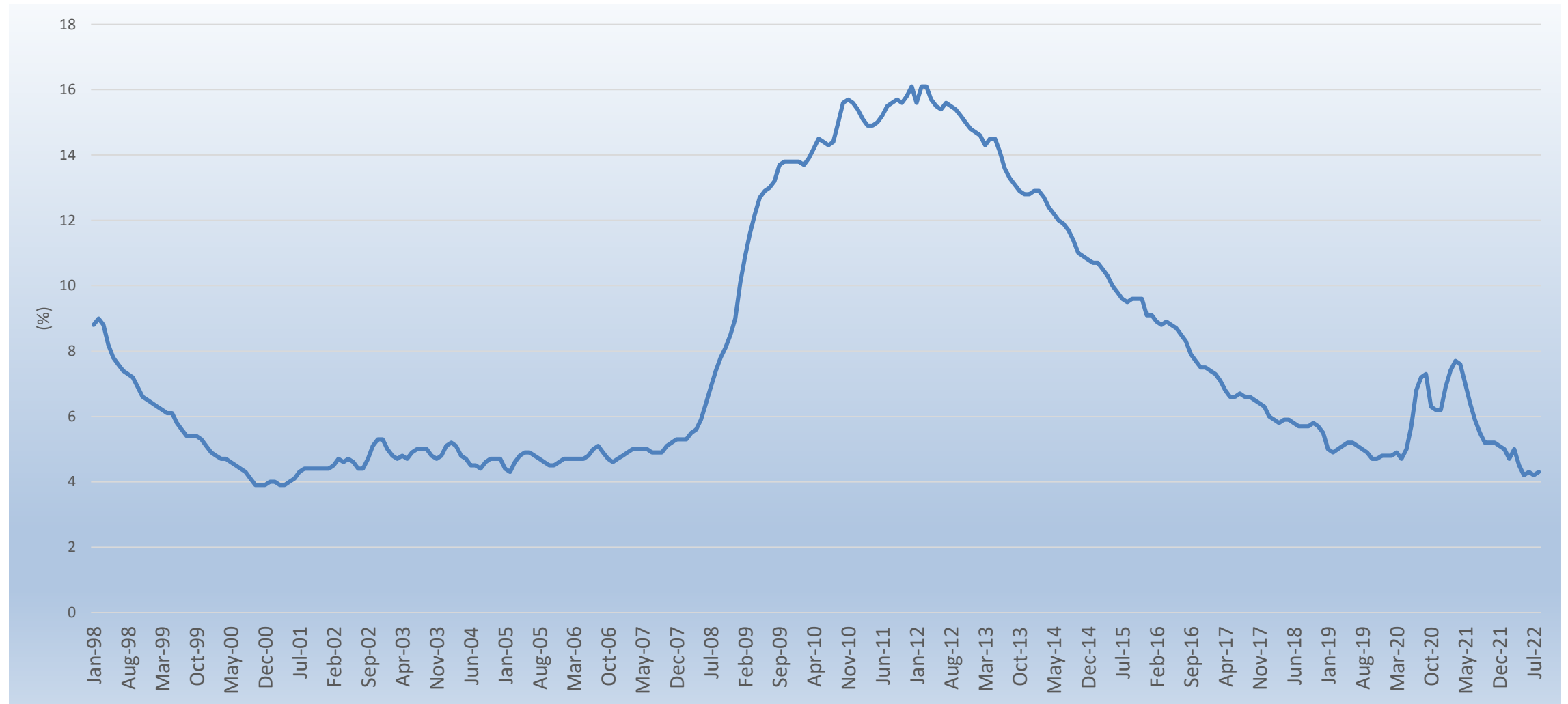
Irish Economic Update in 2022

- Economy largely immune to global developments – but pressures emerging
- Tax revenues very strong
- Employment 2,554,600 Q2 2022 (record high)
- Unemployment Rate 4.3% in October
- Merchandise Exports +30.2% (Jan-Sep) > Food +23.9%
- Consumer confidence fragile
- Retail Sales Volume -7% (YoY) September but Food -6.7%
- Household savings €146.5 billion August 2022 – a record level

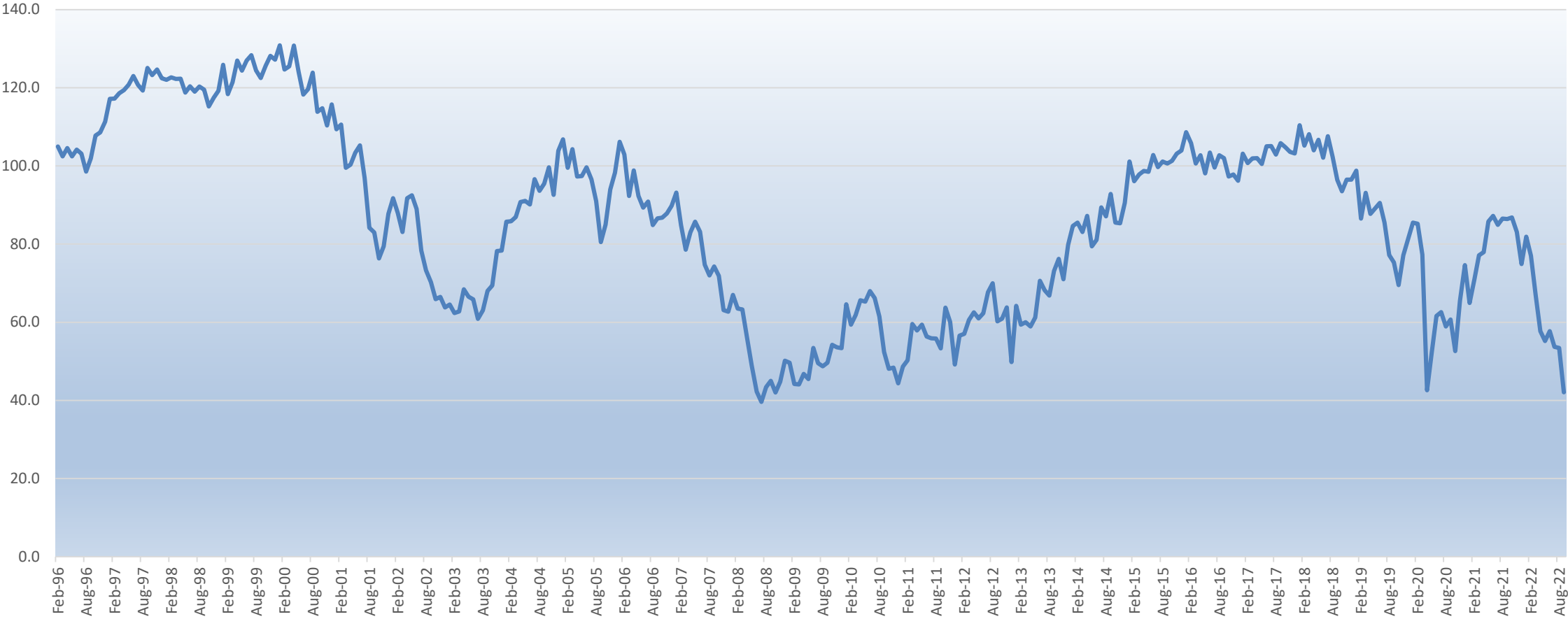
Employment



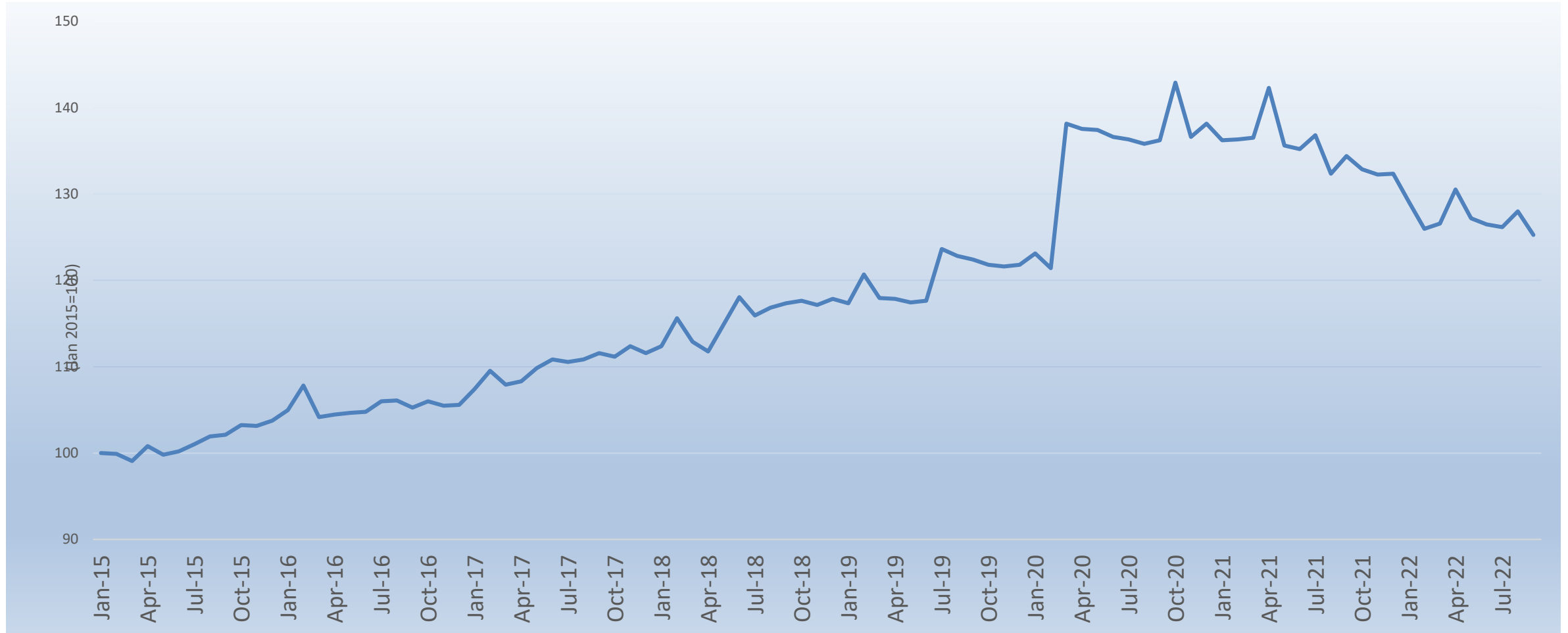
Unemployment Rate



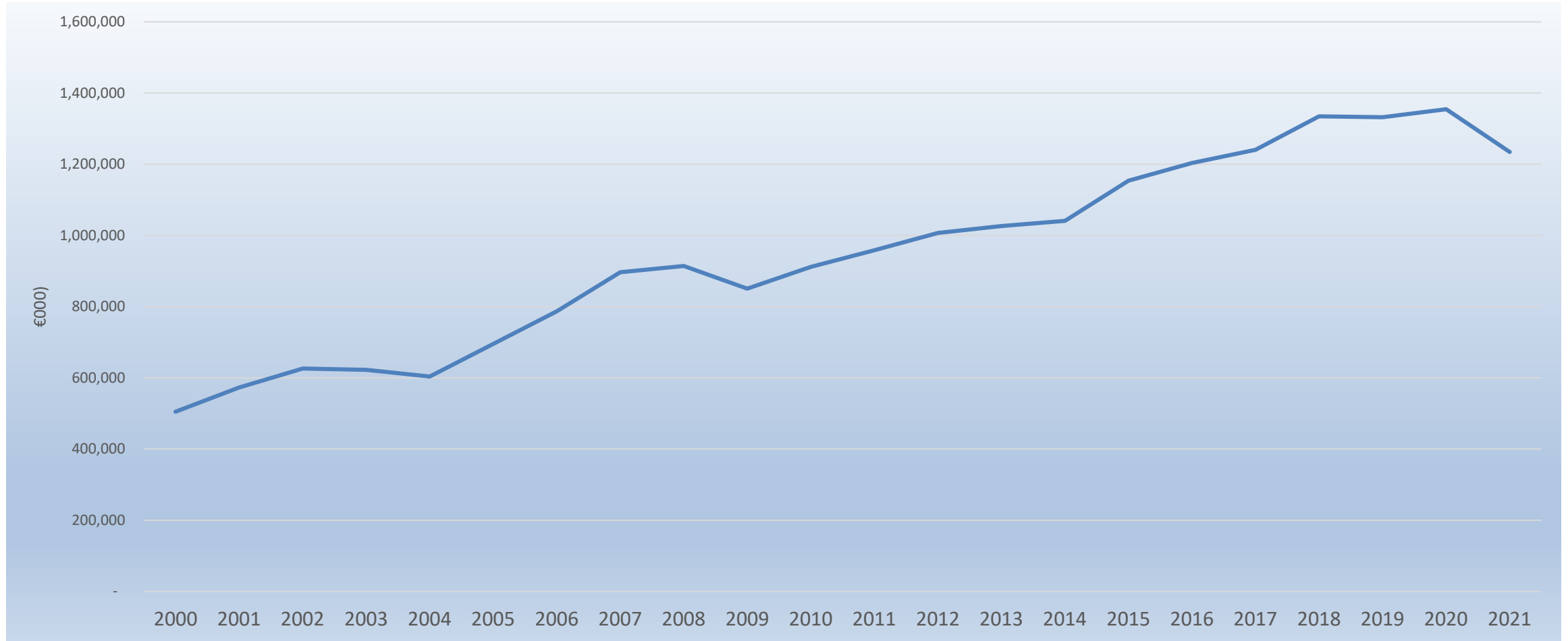
Consumer Confidence



Retail Sales - Food (Volume)



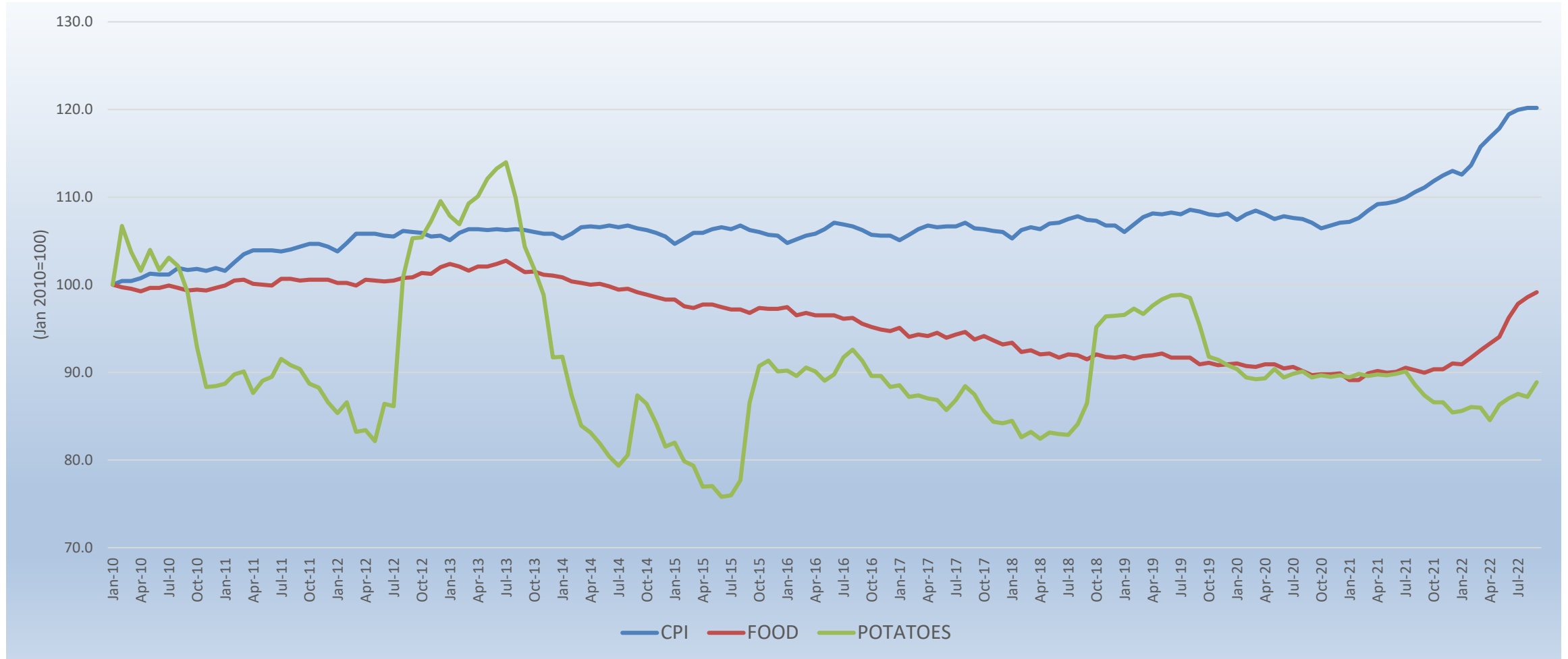
Imports – Fruit & Vegetables



Components of Irish Inflation (Year on Year October 22)

COMPONENT	YEAR-YEAR CHANGE
Overall Consumer Price Inflation	9.2%
Food	10.8%
Potatoes	3.2%
Clothing & Footwear	3.3%
Private Rents	11.1%
Electricity	71.2%
Natural Gas	99.5%
Home Heating Oil	65.4%
Petrol	8.5%
Diesel	25.1%
Restaurants	6.1%
Accommodation	19.1%
Motor Insurance	-10.5%
Motor cars	10.4%

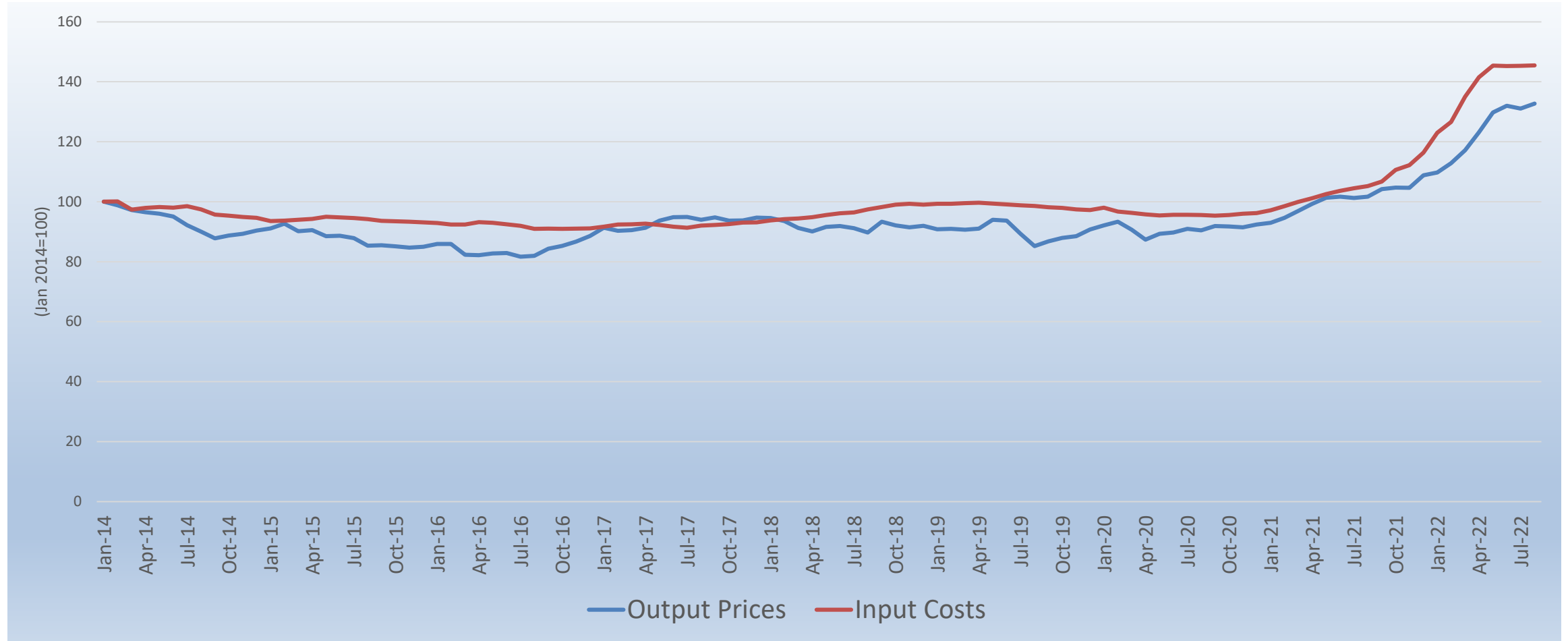
Potato Retail Inflation



Changing Retail Grocery Landscape (Source: Kantar)

OUTLET	MARKET SHARE OCT 2010	MARKET SHARE SEP 2022
Tesco	27.0%	21.9%
Dunnes	22.7%	22.3%
Superquinn	6.5%	-
Supervalu	19.8%	21.4%
Aldi	3.5%	12.7%
Lidl	6.0%	13.2%
Other Outlets	14.5%	8.4%
Total	100.0%	100.0%

Agri Input Costs & Output Prices



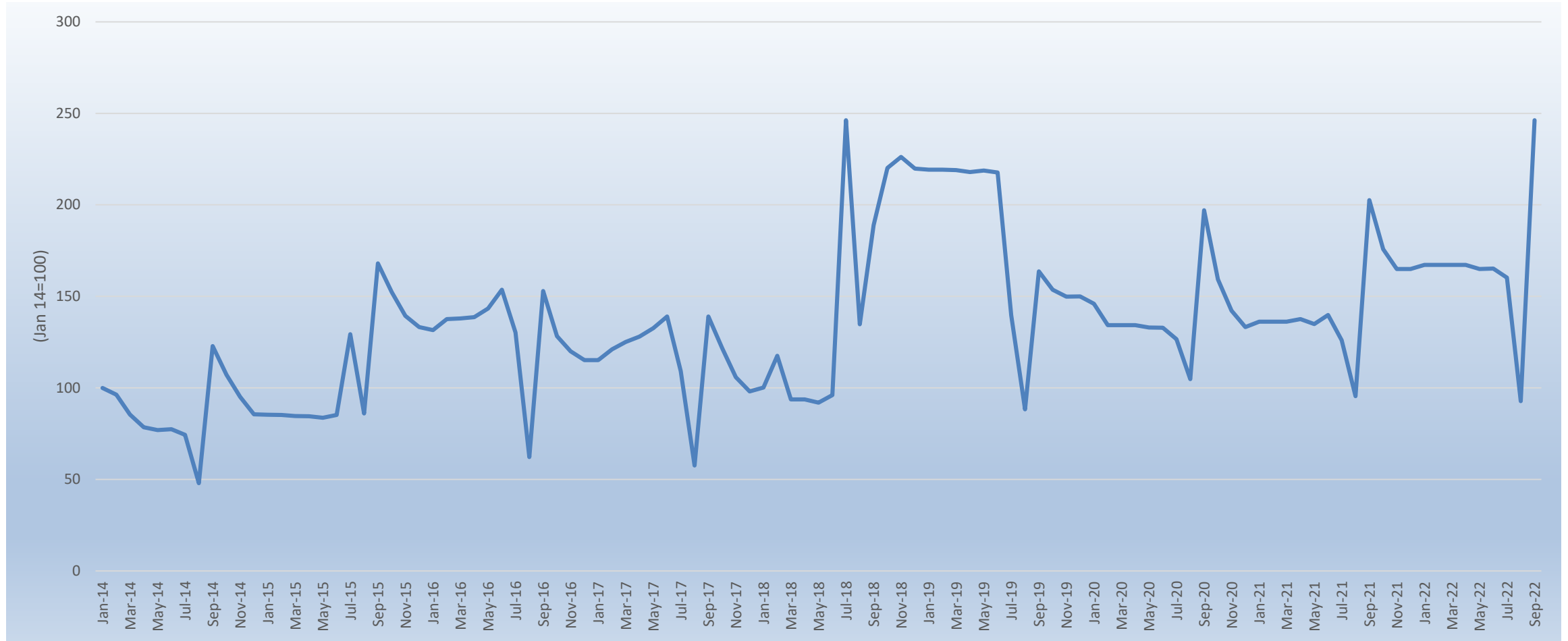
Agricultural Input Prices

CATEGORY	YEAR TO SEPT 2022
Overall Input Prices	+36.9%
Seeds	+12.5%
Plant Protection Products	+23.7%
Energy	+40.1%
- Electricity	+36.2%
- Motor Fuels	+43.3%
Fertilisers	+121.9%
Feeding Stuffs	+33.4%

Agricultural Output Prices

CATEGORY	YEAR TO SEPT 2022
Overall	+29.2%
Cereals	+47.4%
Vegetables	+1.6%
Potatoes	+21.5%
Cattle	+13.2%
Pigs	+34.0%
Sheep	+2.0%
Poultry	+7.4%
Milk	+48.8%
Eggs	+20.2%

Output Prices - Potatoes



Implications for Potato Growers

- Consumption patterns returning to normal
- Agri input costs rising strongly – particularly inputs for Potato growers
- Agri output prices rising – but not as strongly
- Potato output prices muted
- Labour supply issues
- Storage problems distorting market supply & prices
- Covid & Ukraine should strengthen importance of supporting local production
- Strong marketing required

PODCAST COMMERCIAL

- Podcast Launched February 2021 with Chris Johns
- 'The Other Hand'
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- <https://cjpeconomics.substack.com/> for ongoing written economic commentary