



Grant Thornton

An instinct for growth™

# Food: the secret ingredient to Irish tourism and export growth

Grant Thornton Business Insight Survey 2012





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# Executive summary

Grant Thornton is the exclusive assurance and advisory partner of Good Food Ireland (GFI). Together, we have engaged in a collaborative effort to quantify the collective contribution GFI and its Approved Providers make to the Irish economy, ascertain the importance of local food as an economic driver, analyse business needs and challenges and collate insights around emerging trends.

We would like to take this opportunity to thank all GFI's Approved Providers who took the time to complete the survey.



Many visitors come to Ireland to enjoy the culture, traditions and historical sites. While here, these visitors will experience high quality, natural Irish food and warm and genuine hospitality; by connecting visitors with the people providing the food and the accommodation; **memories and experiences are created, and 'Irishness' can be truly leveraged.**



**Margaret Jeffares**  
Founder & Managing Director  
Good Food Ireland



**Ciara Jackson**  
Director, Head of Food and Beverage  
Grant Thornton

### **The Good Food Ireland insight**

GFI believes that linking food with tourism creates new market opportunities; driving demand for Irish food, domestically and abroad.

Through increased marketing and awareness around sourcing, **92%** of Approved Providers have **increased their purchasing** of Irish food over the last three years, creating greater markets for farmers, food producers and fishermen and providing increased economic growth for the hospitality sector through the awareness of delivering an authentic Irish food experience.

**100%** of Approved Providers agree that local Irish food should be an **integral part** of Ireland's international tourism marketing. GFI's mission is to co-operatively market Approved Business Providers, under one all-island umbrella standard, to the domestic and international tourist, and to ensure that Good Food Ireland acts as the food tourism resource of choice for consumers.

Four out of every five support the view that local Irish food is a **strong economic driver** for their business, and almost 90% are of the opinion that marketing of food tourism is important for sustaining business growth.

The Good Food Ireland standard, which its Approved Providers must meet, is based on the philosophy of prioritising the core indigenous ingredients of Irish cuisine and providing high product quality and service standards.

### **The Grant Thornton insight**

Despite challenging economic and trading conditions, two out of every three businesses achieved their earnings expectations in 2011. Encouragingly, **4 out of 5** Approved Providers **expect growth** in earnings in 2012.

24% of those business surveyed are exporting and of this group 53% have plans to target new markets. A further **17% have plans to export in the future**, and some have very exciting plans to target new markets.

**Some challenges are macro-economic** and cannot be influenced by individual businesses. There are opportunities for improvements in cost control for the 33% who don't prepare monthly accounts and the 24% who don't engage in an annual financial planning process. The old adage of **'if you can't measure it, then you can't manage it'** certainly rings true.

Almost **70%** were unaware of **Research & Development (R&D) tax credits** which give an overall potential **tax benefit** of 37.5% of the expense occurred.

Innovation and new product development continue to be a challenge, with costs, lead time and economic uncertainty the biggest barriers identified. In spite of such challenges, a staggering 16% of respondents have launched or enhanced more than 10 products in the last year.

**Our interpretation of the data strongly supports the statement that food has a strategic role to play in positioning tourism and export growth in Ireland.**

# Good Food Ireland

“Raising awareness of food through experience.”

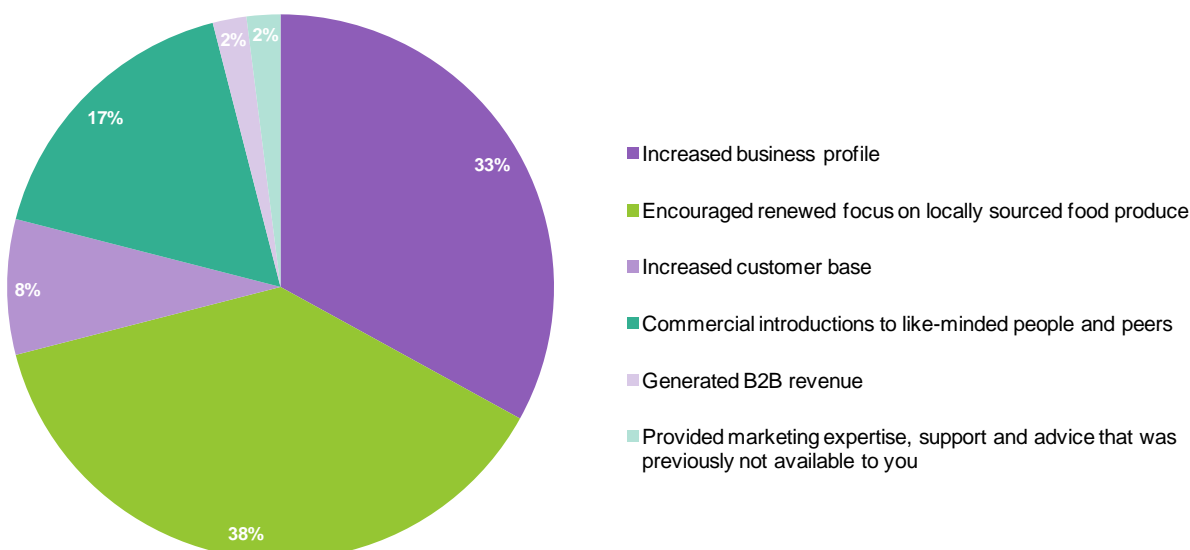
## Profile of Approved Providers

GFI is an Irish industry group with an all-island food tourism strategy. They currently have over 500 Approved Providers located throughout the Republic of Ireland and Northern Ireland. These businesses comprise of a diverse group of restaurants, pubs, cafes, B&B's, hotels, cookery schools, food shops, food producers and more, all dedicated to providing an authentic Irish food experience.

According to our survey, we estimate Good Food Ireland Approved Providers:

- directly employ over 5,900 people;
- generated combined turnover in the region of €390m in 2011;
- currently exporting, have expansion plans across a diverse range of countries/continents (an impressive 53%);
- contribute in the region of €50m to the Irish economy through their purchases of Irish produce; and
- 92% of them have increased their purchasing of Irish food over the last three years.

Figure 1: The greatest benefits of being a GFI Approved Provider



GFI has given its Approved Providers standout value and recognition, helping to educate Irish consumers of the importance of **‘buying local, eating local, thinking local’** about food and tourism. According to the Approved Providers surveyed, the two biggest benefits of GFI is supporting a renewed focus on locally sourced food produce (38%) and increased business profile (33%).

## Business outlook

Despite challenging economic and trading conditions, two out of every three Approved Providers achieved their earnings expectations in 2011. Findings from the survey suggest there are strong prospects among Approved Providers for growth in bottom line numbers in 2012, with almost 80% expecting an improvement this year.

Figure 2: Providers estimated growth in earnings 2012



The Grant Thornton International Business Report<sup>1</sup> provides a global perspective on the food and beverage industry. According to the report, 62% of businesses expect revenue to increase over the next year. However, only 43% of surveyed businesses expected an increase in earnings. Comparatively, our results in the Business Insight Survey show that in addition to two out of every three GFI Approved Providers achieving their earnings expectations, over 80% expect an increase in profit in 2012. These findings indicate a positive outlook for the future.

In regard to turnover, less than 5% of GFI Approved Providers expect a decrease in revenue this year. 29% expect no growth, and 66% are estimating an increase in turnover. Overall, the outlook for GFI Approved Providers appears to be extremely encouraging, and performing ahead of some international indicators.

**“As a small business it seems to be a constant battle.....the support of GFI helps to give you confidence to keep going.....as does the positive reaction of guests to a local fresh sustainable product.”**

<sup>1</sup> Grant Thornton International Business Report "Managing through uncertainty: Food and beverage industry in transition."

# Local and Irish

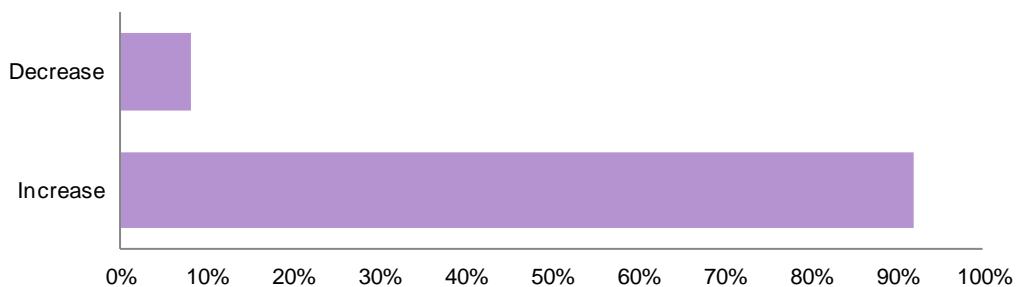
“ ‘Irishness’ is a value. ”

## Importance of buying Irish

Buying local Irish products has real potential to positively affect Ireland’s economy. Over the last six years, the importance of buying local food has become increasingly important to consumers.<sup>2</sup> In 2005, only 18% of consumers surveyed in the Republic of Ireland said local food was ‘very important’. In 2011, that number almost doubled to 34% of consumers who indicated buying local food was ‘very important’ and an additional 39% said this was ‘fairly important’.<sup>3</sup>

GFI Approved Providers truly understand the importance of purchasing Irish food. In the last three years, an impressive 92% of respondents have increased the amount they spend on Irish produce.

Figure 3: Have Approved Providers spent more on Irish product in the last 3 years?



Additionally, 37% of respondents specified that up to 70% of their total food purchasing is Irish food with an overwhelming 63% spending up to 100%.

Businesses that are using local produce in their kitchens, or carry local products in their stores, can and should be marketing this as a competitive advantage and economic driver.

According to our estimates, GFI Approved Providers spent an estimated €56m in the last year on food in their businesses. Results show that 69% of the typical Approved Provider’s total food purchases are spent on Irish produce. Based on these findings, GFI Approved Providers contribute approximately €39m back into the Irish economy every year. RTE’s ‘Local Heroes’ campaign states that every euro is worth 30% more when spent locally because it multiplies as it is re-spent. Following this logic, GFI Approved Providers contribute in the region of €50m to the Irish economy through their purchases of Irish produce.

## Leveraging your ‘Irishness’

‘Irishness’ is a value. **Going beyond simply buying Irish to offer a genuine Irish experience to the consumer is what lies at the heart of true ‘Irishness’.** Creating a strong connection between quality and this experience will help differentiate Irish businesses, and attract customers from around the world who are in search of local value.

<sup>2</sup> Bord Bia, Irish Food Board “ Periscope: Irish Consumer & Their Food” p.345  
<sup>3</sup> Bord Bia, Irish Food Board “ Periscope: Irish Consumer & Their Food” p.347



According to Fáilte Ireland, the overall vision for food tourism is that Ireland is recognised by visitors for the availability, authenticity, quality, and value of our local and regional food experiences which evokes a unique sense of place, culture and hospitality.<sup>4</sup>

GFI is built around positioning its food tourism product through premium Irish food and experience.

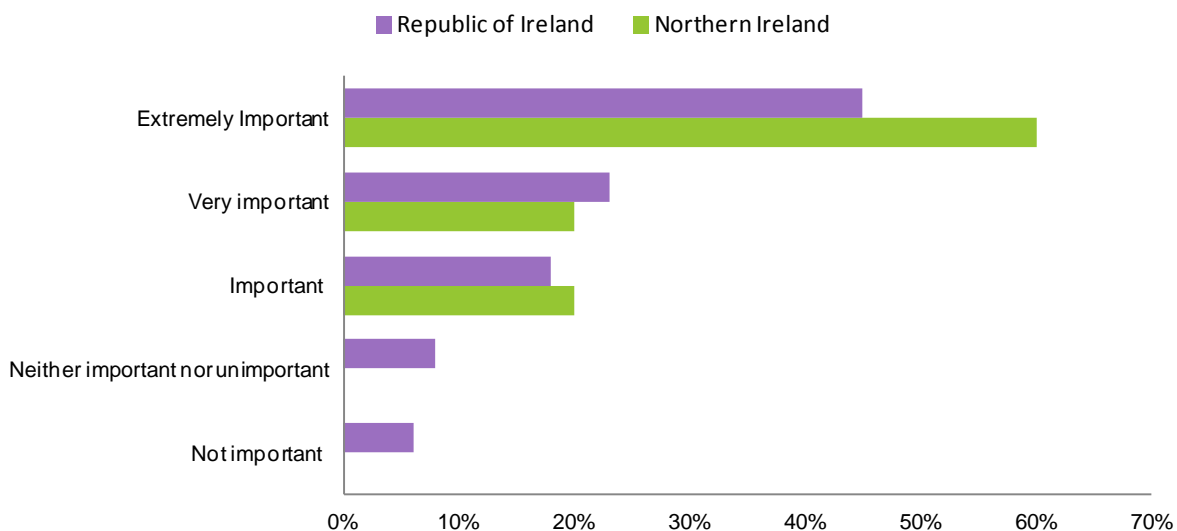
### Food tourism

Food tourism is a growing market segment internationally, making the development of a strong food and hospitality sector in Ireland increasingly important in gaining competitive advantage as a tourist destination.

Drawing the attention of international visitors is a significant benefit of correctly leveraging ‘Irishness’, and ties almost directly into growing the potential of the food tourism market.

- 100% of survey respondents believe local Irish food should be an integral part of Ireland’s international tourism marketing;
- over 80% of respondents indicated increased marketing of food in tourism was important in sustaining their business growth; and
- more than 90% believe local Irish food is a strong economic driver for their business.

Figure 4: Importance of increased marketing of food tourism in sustaining business growth



GFI believes in ‘**meeting the people behind the food.**’ Many visitors come to Ireland to enjoy the culture, traditions and historical sites. While here, these visitors will experience high quality, natural Irish food and warm and genuine hospitality; by connecting visitors with the people providing the food and the accommodation; **memories and experiences are created, and ‘Irishness’ can be truly leveraged.**

<sup>4</sup> Fáilte Ireland, National Tourism Development Authority. “National Food Tourism Implementation Framework 2011-2013”

# Quality

**“More affluent shoppers are looking for higher quality produce; healthy and locally sourced produce to cook at home.”**

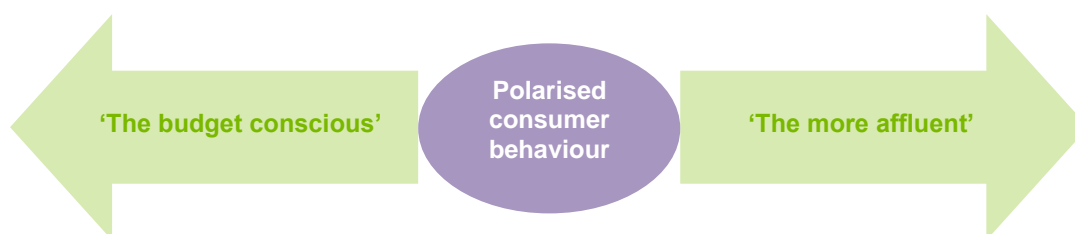
## **Strength-based strategy**

Strengthening the ideas supported by both Food Harvest 2020<sup>5</sup> and Grant Thornton’s ‘The Smart Ingredients for Success’, Ireland is not in a position to compete on a low cost/mass production basis and instead should focus on producing premium, innovative Irish products that command premium prices around the world. Many GFI Approved Providers have commented on the challenges posed by small scale and cost disadvantage.

**“We have no problem producing or selling our existing product. The biggest problem we have is to introduce value added products to increase the value of our existing base.”**

## **Today’s consumer**

Grant Thornton’s research identifies two distinct types of consumers in the food and beverage sector. There are the price conscious consumers who are increasingly purchasing private-label products – ‘**the budget conscious**’ - and in contrast there are the consumers with excess disposable income, who are making careful spending decisions – ‘**the more affluent**’.



These affluent consumers are in the market for organic, natural, and healthier food, and are willing to pay a premium for a quality product. The **GFI consumer guarantee**, with its trustworthy promises of quality and locality, have the ability to appeal to the latter group of consumers who have the money in their pockets but are spending extra time finding the right products that fit their needs and lifestyle choices.

Consumer trends in the tourism sector also encourage an increased focus on differentiation. The current state of the economy has caused visitors to shorten the length of their trips, and an increase in the amount of domestic travel. Consumers are highly driven by receiving a quality experience. According to Tourism Ireland<sup>6</sup>, the definition of luxury is changing: consumers view luxury as an experience or enrichment, not just a physical good.

## **Cream of the crop**

The Irish premium food and hospitality markets are full of potential. In addition to better prices and greater profitability, switching to premium products allows the businesses to further distinguish themselves from both Irish and global competitors.

<sup>5</sup> Department of Agriculture, Fisheries and Food. "Food Harvest. A vision for Irish agri-food and fisheries 2020"  
<sup>6</sup> Tourism Ireland. "Consumer Trends 2011-2013"

In Germany, Austria, and Switzerland, Irish organic smoked salmon achieves a price premium over Scottish and Norwegian organic smoked salmon, further exemplifying the power of Irish quality in the international market and the opportunity to introduce high quality products in these markets.<sup>7</sup>

**Businesses should use their provenance confidently and with pride.** In countries like France and Italy, with global reputations for culinary excellence and diversity, referencing a specific region is common practice.<sup>8</sup> This creates exclusivity for the product offerings and at the same time contributes to the overall reputation of a nation in terms of food specialities, such as Prosciutto di Parma, Cornish clotted cream, Chianti Classico and Cidre de Normandie.

Special provisions have been adopted to allow producers to register, and in that way, protect the names of certain agricultural products and foodstuffs. This also enables consumers to make a more informed choice regarding characteristics of foodstuffs. There are three elements to the EU system for protection of food names: Protected Designation of Origin (PDO), Protected Geographic Indication (PGI), and Traditional Speciality Guaranteed (TSG or Certificate of Specific Character).

Both France and Italy have over 230 protected designations, significantly reinforcing their image as unique culinary destinations. Ireland currently has five products with protected designation.

Product	Element	Date	Status
Imokilly Regato	PDO	05/10/1999	Registered
"Waterford Blaa"/ "Blaa"	PGI	05/03/2012	Pending
Connemara Hill lamb; Uain Sléibhe Chonamara	PGI	16/02/2007	Registered
Timoleague Brown Pudding	PGI	07/11/2000	Registered
Clare Island Salmon	PGI	05/10/1999	Registered

By increasing the number of protected designations, Ireland has the potential to further differentiate itself as an optimal location for an exclusive food experience.

### Food safety

Many respondents to the GFI survey felt strongly that the requirements affecting their business were unfair in comparison to a majority of their EU competitors.

Food safety is the foundation on which the Irish food industry is built<sup>9</sup> and has helped Ireland command a worldwide reputation for high quality food produce and trusted safety standards. High food safety standards can and should be further exploited as a differentiator.

### Labelling

Labelling of foodstuffs is a constant struggle for food producers and food producers. There seems to be confusion on both the manufacturer and the consumer's part as to what is the standard definition of particular terms that are commonly seen on food products. What is natural? What is artisan? Home-made? Hand-cooked? Farm-fresh?

The misuse of these terms and the requirement for transparency was a clear concern for GFI Approved Providers, attempting to differentiate their products from larger competitors whom they feel do not provide similar high quality to the uneducated consumer. Providers worry the consumer has no way to tell the difference between the genuine claims and the labels that seem to be little more than enhanced marketing.

<sup>7</sup> Walsh, Mairtin. "Organic Seafood & Premium Products/ Retail Market Study/ Germany, Austria & Switzerland", An Bord Iascaigh Mhara, March 2010. Business Research and Intelligence.

<sup>8</sup> Bord Bia Irish Food Board "Retail Markets Today & Tomorrow, In Ireland & the UK" SCB Partners, August 2011.

<sup>9</sup> National Rural Network, Supporting Ireland's Rural Development Programme. "Food Safety, the foundation on which the Irish Food Industry is built" Nov. 2011

# Innovation

“Requests from guests encouraged us to develop a range of branded consumer products.”

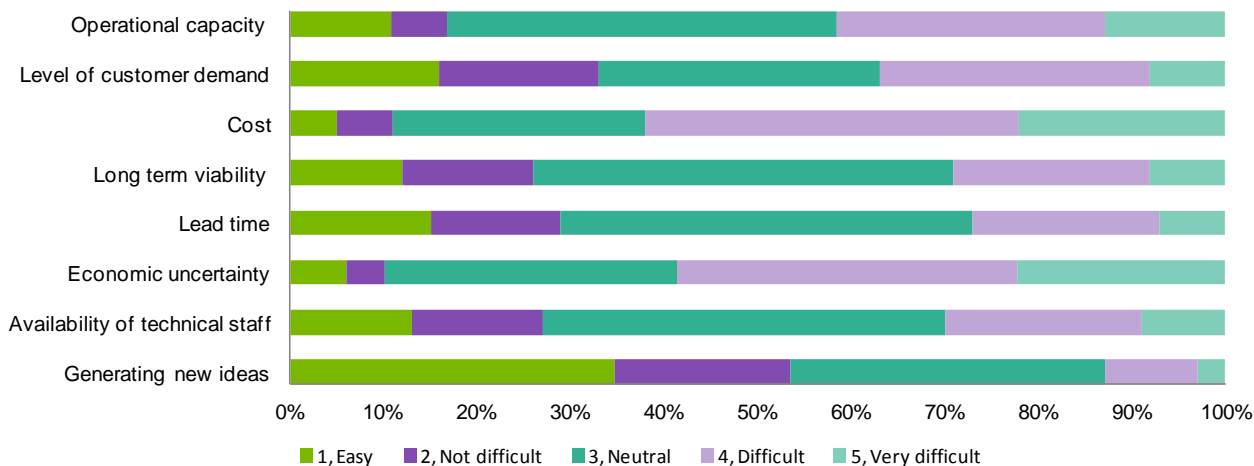
## Oh, the possibilities...

Innovation can be for everyone, and doesn't have to be complicated. Companies selling old and traditional recipes can innovate; perhaps a new bottle shape or a new size of the packaging already in use. Producers, hotels, restaurants and other hospitality businesses are innovating by developing own brand food products, highlighting to their customers the seriousness and prominence they give to their food offer. Innovation adds value to the customer experience, keeps businesses relevant and projects an image of superior quality that justifies a premium price.

## Innovate to differentiate

Innovation and new product development continue to be a challenge, with costs, lead time and economic uncertainty the biggest barriers identified. The food and hospitality sectors are affected by regulatory and legislative constraints that pose challenges for businesses of all sizes, and these challenges are often seen as restrictive factor for innovation.

Figure 5: Challenges of developing new products/services or enhancing existing products/services



## Case study – The Merrion Hotel (GFI Approved Provider)

Guests of the Merrion Hotel enjoyed their food so much, they wanted to buy it to eat at home – hence the creation of The Merrion Pantry. According to Peter MacCann, General Manager, the strategy has been successful, with a few bumps along the way. Peter's key learning's are as follows:

- during a challenging time for the business, a new and innovative strategy motivated the Food team;
- creates experience with customers – hotel guests can recreate their hotel experience at home, while generating an incremental income stream for the hotel;
- integrity – if you say your product is home-made and manufactured by you, ensure that it really is;
- honesty, decency and passion for the product will resonate with the customer;
- don't take your eye off your core business; and
- opportunities to link with other brands may come your way – evaluate them carefully.



Despite the fact that innovation presents challenges for Irish businesses, a staggering 83% of GFI Approved Providers have launched new products or services in the last year. A similar 83% enhanced existing products or services. A remarkable 16% of those businesses launched 10 or more new products or services. These numbers clearly demonstrate that despite the challenges, innovation is a real possibility.

### Show me the money-R&D tax credit<sup>10</sup>

Respondents felt there is simply not enough funding for long-term investment in R&D.

Did you know? You may be entitled to claim tax credits, which may reduce your tax bill by up to 37.5%?

If you said no, **you are not alone**. In fact, almost 70% of respondents said they were not aware of the available R&D tax credits. Additionally, of the 24% who were aware of the state scheme to encourage innovation, only 23% claimed for R&D tax credits in the last year.

Figure 6: Respondents aware of R&D tax credit

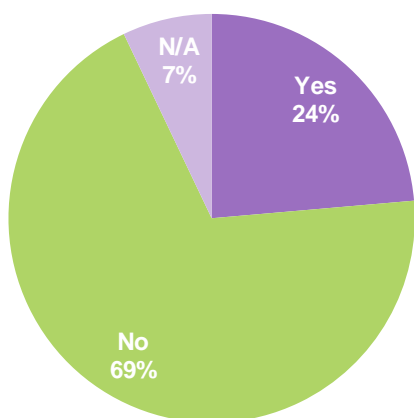
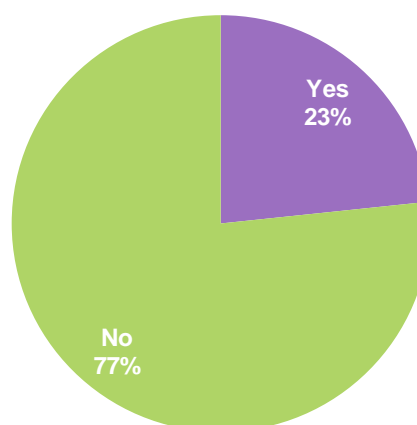


Figure 7: Of the 24% aware - Respondents who have claimed R&D tax credits in the last year



### Knowing the facts

R&D tax credits were introduced in 2004 for corporate entities as a means of stimulating investment in R&D activity. The ways in which the relief can be utilised have changed over the years making it relevant to a wider range of businesses.

Some of the key points worth noting in relation to the R&D tax credit relief are as follows:

- a tax credit of 25% of qualifying R&D spend is available for corporate entities, in addition to the normal corporation tax deduction, resulting in an overall **potential tax benefit of 37.5%**;
- the R&D credit can be used as follows:
  - to shelter corporation tax paid;
  - to claim as a **cash rebate over a maximum of 3 years**; and
  - **used to remunerate key R&D employees, due to recent Finance Act changes**.
- the range of activities that the R&D credit can apply to is extremely wide, and does not necessarily need to involve men in white coats carrying out work in a laboratory. Examples of qualifying R&D that may be relevant to the food industry could include technological advancements that result in increased plant performance, production output, modification of a product (e.g. change of consistency, change of product mix) or advancements in food packaging.

As always, terms and conditions apply! There are a number of requirements to satisfy in order to qualify for this relief but Grant Thornton has the specialist knowledge and experience to advise you in this area.

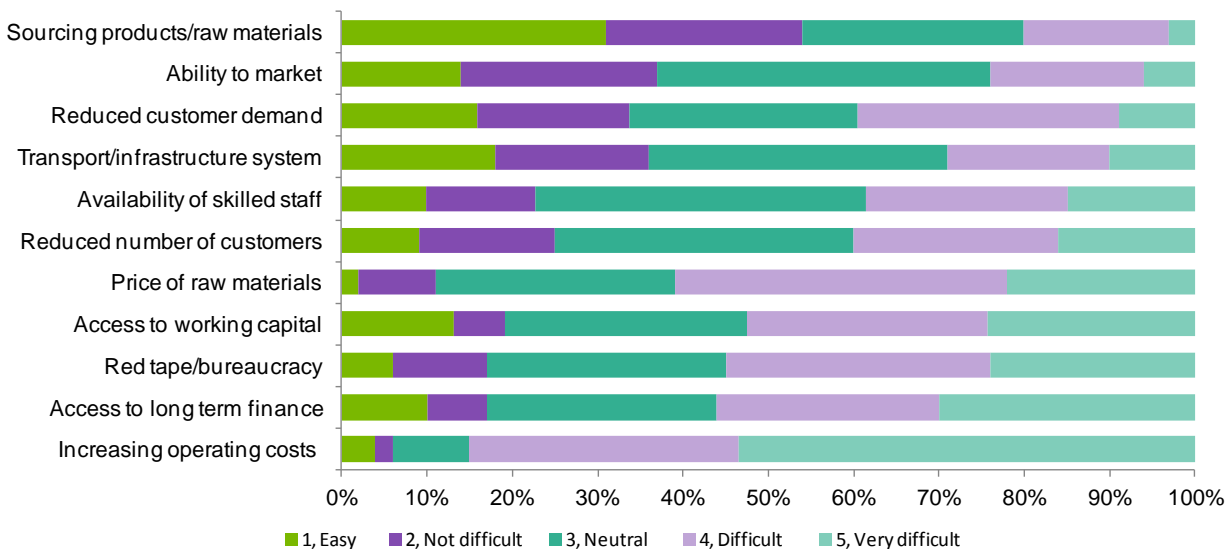
<sup>10</sup> Applicable in Republic of Ireland only

# Business challenges

“Buying quality Irish produce means we use less in production, giving us an efficient cost base and a top class product.”

## We are all in the same boat

Figure 8: Biggest challenges of running a business



You are not alone. The fact of the matter is every Irish business is working hard to overcome similar barriers when it comes to red tape, bureaucracy, and seemingly unfair operating costs.

## Managing your cash flow and funding requirements

The ability to conserve and control cash, and to forecast the cash flow requirements, is a critical issue today for every business, and management need to be relentless with this.

Every business should establish what the short-term cash requirements are and then forecast longer-term cash flows based on credible and realistic information. Focus strongly on key metrics, such as debtor days and creditor days. Manage your stock cycles as efficiently as possible.

## Access to finance

Traditionally, a number of funding sources have been used by businesses, depending upon the situation of the business, including:

- banks – traditional source of funding for established businesses;
- grants – there are significant grants available from Enterprise Ireland and the various state bodies to promote business and create employment;
- Employment and Investment Incentive Scheme (EIIS)– an EIIS investment is similar to venture capital in that shares are given to investors in exchange for funds advanced to them; and
- equity investment – angel investment or venture capital investment could be a possibility for an early stage business.

In cases where fresh funding is being sought, the business plan is one of the key means by which a finance provider will make a decision about lending funds and in these circumstances it should aim to convince potential investors of the company's ability to maximise its potential. As your business progresses the document can be reviewed and adapted in order to remain a relevant and clear demonstration of the financial viability of the business.

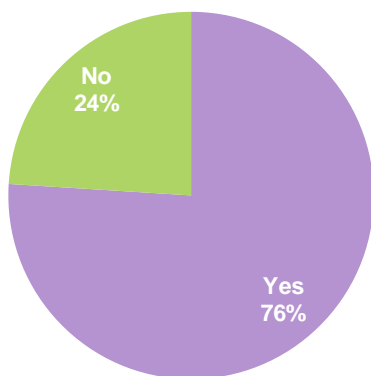
### Business plan

Every business, from the start-up to the established group, should prepare and regularly update a business plan, as a tool to manage the business and the cash flow.

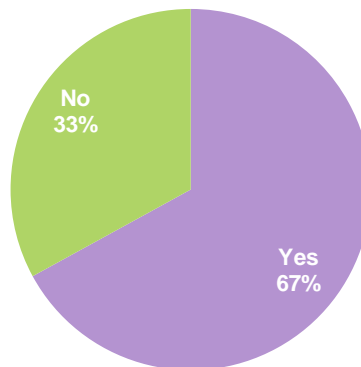
The business plan should concentrate the focus of management, identify the actions required to improve profitability and cash flow, set financial targets, and provide a benchmark to monitor performance.

Our survey revealed that just over three quarters of GFI Approved Providers are preparing annual business plans or budgets, while only two thirds are preparing monthly management accounts.

**Figure 9: Preparation of annual budgets or business plans**



**Figure 10: Preparation of monthly management accounts**



It is a common misconception that during times of volatility a long-term plan simply means time wasted. The opposite has proven to be true. **Don't take a back seat and ride out the recession, drive through it with a workable business plan.**

We are here to help. Please refer to Grant Thornton's **'The Smart Ingredients for Success'** for more information on how to develop your own business plan, using an effective 9 step process.

### Independent Business Review (IBR)

For companies challenged by underperformance and experiencing cash flow problems and difficulties with their bank, it may be beneficial to seek independent professional advice. A financial review of the business, known as an IBR, carried out by an independent adviser, could prove a valuable tool to analyse the businesses performance and cash flows, and identify any potential restructuring opportunities.

### Managing your relationship with your bank

In the current environment, banks are more cautious and concerned with bad debt, so they may need greater persuasion to provide new funding to any business. Therefore, it is important to treat your banker as a partner in the business. Keep them fully informed of what is going on and the decisions you are taking, and give them lots of notice if you need help. Proactively manage your relationship with them. The last thing a bank wants is to receive short notice that you need to increase your overdraft facility.

# Exports

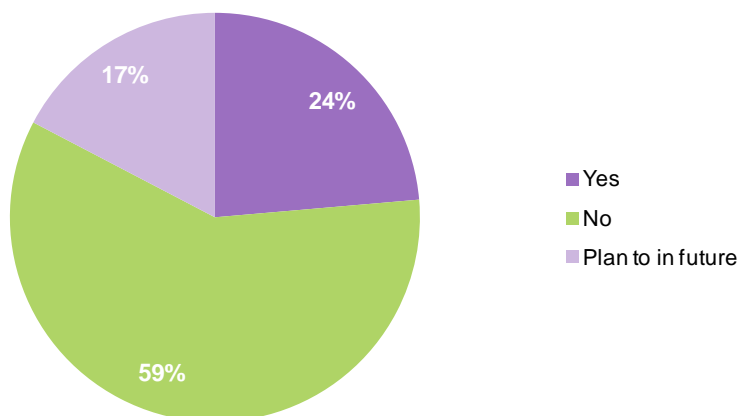
**“It would be fantastic to export to a high end food store or restaurant that appreciated the quality of the food that we produce. The figures would also have to balance.”**

## A world of potential

The world is a global village. Advances in transport and communication technology have enhanced the creation of the world economy allowing people around the globe to meet, communicate, and do business together. Business is international and the global market place is filled with opportunity for the whole industry, large organisations and small and medium-sized enterprises alike.

According to our survey results, harnessing the potential of international markets is an aspiration for many GFI Approved Providers. Nearly one quarter (24%) are already successfully exporting, and another 17% have plans to export in the future.

**Figure 11: Number of Approved Providers currently exporting**



## Case study – Burren Smokehouse (GFI Approved Provider)

In business for 23 years, Birgitta Hedin-Curtin, Director, believes that exporting is essential in supporting business growth. Some of her key learnings are as follows:

- education – understand the customers, the market, the competitors and so on;
- patience – exporting success will not happen overnight;
- get help and network, network, network – “I can’t emphasise enough how important this is”;
- product range – a range of products have better leverage than a single product; and
- food tourism – tourists have visited her facility, tasted the product, loved it, and now buy it from all over the world.

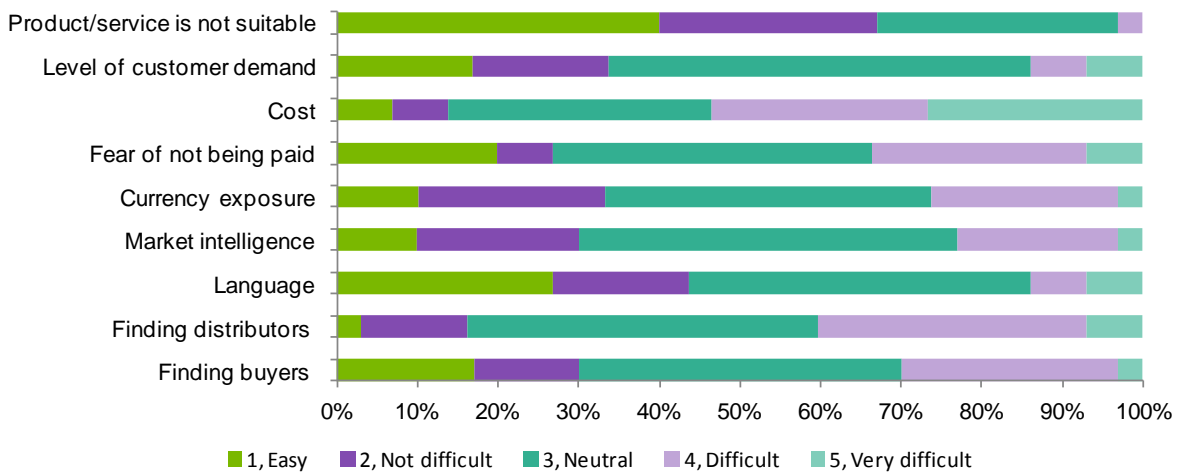


## Export challenges

Challenges faced by SMEs attempting to export include: high costs, finding suitable distributors in international markets, and logistics such as custom’s regulations, import paperwork, and export credit insurance. For many SMEs in the food industry, the ability to retain the fresh quality of their products limits their capability to export, especially at a price point they feel will be competitive.



**Figure 12: Main barriers of business for exporting**



Perhaps unsurprisingly, results show that more than 50% of respondents view cost as the primary barrier to exporting. This is supported by an Irish Exporters Association survey<sup>11</sup> which states just over 44% of exporters identify costs as the primary challenge.

A common theme within many of the challenges identified is that navigation, or **knowing where to find information, and knowing who to talk to**, is a problem. At Grant Thornton, we have connected many of our clients with our member firms across the world, providing introductions, and immediate access to a group of experienced local experts.

### Export opportunities

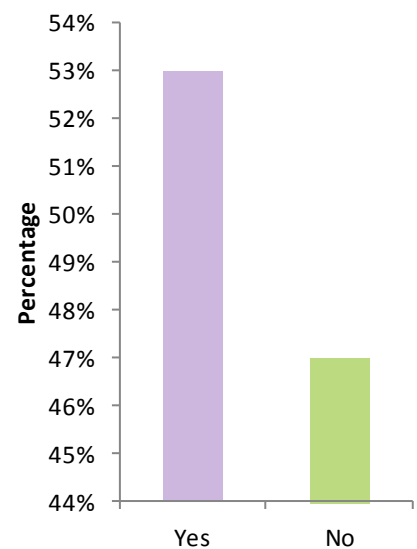
Food Harvest 2020 aims to achieve an export target of €12 billion for the agri-food sector by 2020.<sup>12</sup> Nearly one quarter of respondents who are not currently exporting said that they do have plans to start. With the right strategy, supported by robust market research, GFI Approved Providers have the potential to experience significant growth through expansion to international markets.

A survey carried out by the Irish Exporters Association found respondents were upbeat about prospects for export performance in the future. In fact, 72% of respondent indicated targeting new country markets. Respondents of the GFI survey showed a similar potential for growth.

Of those GFI Providers already exporting, an impressive 53% have expansion planned across a diverse range of countries/continents with a focus in regions expecting to experience strong growth despite the current conditions of the global economy. Countries include, but are not limited to, India, China, United Arab Emirates, the Netherlands, and the USA.

Over the medium-term, opportunities to develop export activities are perceived to be strongest in the traditional markets of the Eurozone and the United Kingdom. In order to achieve results, it is vital that an accurate analysis of the market being entered is conducted. Making well-informed decisions can help avoid unnecessary cost and reduce the overall risk of international transactions. **Starting small can have benefits; SMEs do not have to immediately start exporting to challenging, far away markets.**

**Figure 13: Existing exporters targeting new markets**



<sup>11</sup> 2011 Export Ireland Survey and International Trade Finance Report carried out by the Irish Exporters Association and sponsored by Grant Thornton

<sup>12</sup> Department of Agriculture, Fisheries and Food. "Food Harvest. A vision for Irish agri-food and fisheries 2020".

# About Good Food Ireland

GFI is a non-governmental, industry group founded by Margaret Jeffares in November 2006, based on her farm in Co. Wexford. GFI identified a major gap in the market linking food with tourism so that food could be marketed as an economic driver for visitors to Ireland, delivering authentic food experiences and thus increasing the market opportunity for Irish food. GFI set about developing a consumer brand with criteria based around a core commitment to using locally produced food, high product quality and service standards. Through GFI, Margaret put in place a strong industry Steering Group and forged links with key stakeholders including government agencies, media and international tour operators.

Today GFI markets over 500 Approved Providers comprising B&B's to 5 star hotels, restaurants, pubs, cafes, cookery schools, food shops, food producers and farmers markets. GFI has also firmly established a strong domestic and international customer base by connecting its food Approved Providers with growing consumer demand. In its on-going goal to promote Ireland as a food tourism destination, GFI delivers a value added service as a food destination resource putting ingredient led Irish cuisine at every point from farm to table on the map. GFI is the leading community "for everyone who simply loves good food". For more information visit [www.goodfoodireland.ie](http://www.goodfoodireland.ie).

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# About Grant Thornton

## Grant Thornton Ireland

Grant Thornton provides assurance, tax and specialist advice to businesses to help them grow. Grant Thornton has significant experience in the food and beverage sector from the farm gate through to processing and retail. Our experience means that we can readily identify the critical issues affecting your business and then quickly provide specific solutions. The firm comprises over 400 partners and staff operating from offices in Dublin, Limerick, Kildare and Galway.

## Our global network

Grant Thornton Ireland is a member of one of the world's leading organisations of independently owned and managed accounting and consulting firms. Whether the business is a large corporation or a dynamic and growing privately held business, we work with businesses and stakeholders to help them achieve their goals with our range of audit, advisory, tax and business consulting services. We want to be known for navigating complexities for dynamic organisations and wherever our clients do business, we will deliver the valuable advice that makes a difference.

We have over 100 member firms around the world providing assurance, tax and advisory services to privately held businesses and public interest entities. Globally we have more than 2,500 partners and 30,000 staff providing clients with distinctive, high quality and personalised service.

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# Methodology

To gain a balanced and informed view we commissioned the research for this report based on GFI Approved Providers in both the Republic of Ireland and Northern Ireland. GFI has 221 integrated businesses<sup>13</sup> all of which were included within the scope of the survey. 127 integrated business owners completed the survey, generating a 57% response rate.

The GFI consumer guarantee – you will always get much more than just good local food – is built on the philosophy of commitment to local food and rewarding food experiences. As such, all providers are independently inspected and therefore referred to as Approved Providers.

Respondents were asked to give their opinions on a number of issues including the importance of food tourism going forward, changing consumer trends, their contribution to the local Irish economy as well as the main challenges facing the food and hospitality sector over the next 12 months. All answers were confidential and the results have been reported in aggregate. The data in this report was recorded between 16 March 2012 and 2 April 2012. Any data provided in Sterling has been converted to euro using the appropriate current rate.

Based on our research we have estimated the contribution of GFI Approved Providers in terms of employee numbers and turnover, using the data provided by respondents, we extrapolated the information in order to calculate statistics that are representative of the total membership base.

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<sup>13</sup> Integrated businesses are groups that have more than one consumer facing operation, for example a hotel chain may have one owner but several hotels within the chain.









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