CBI MARKET SURVEY

THE NATURAL COLOURS, FLAVOURS AND THICKENERS MARKET IN IRELAND

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the market for natural colours, flavours and thickeners in Ireland. The information is complementary to the information provided in the CBI market survey 'The natural colours, flavours and thickeners market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1. Market description: industrial demand and production

Industrial demand

- Most of the leading producers of natural colours, flavours and thickeners are not known to have production facilities in Ireland. Therefore, industrial demand for raw materials to produce these products is expected to be relatively low.
- Carrageenan is an exception to this, because FMC Biopolymer, a multinational food ingredient manufacturer, has a production facility in Ireland. This makes Ireland a relatively large consumer of raw material for carrageenan. New applications for carrageenan are expected to lead to increased demand for raw material for carrageenan.

Production

- No information was encountered about the production of the raw materials for natural colours, flavours and thickeners in Ireland.

Trends

- Increased demand for low-energy, low-fat food. Hence, more demand for healthy (organic) ingredients.
- Increased demand for convenience food with a long shelf-life.

Opportunities and threats

- Increased health awareness of Irish consumers is expected to stimulate the demand for natural food ingredients.

Useful sources

- FDII (http://www.fdii.ie/): Food and Drink Industry Ireland

2. Trade: imports and exports

Imports

- Ireland can be considered as a small to medium-sized importer of natural colours, flavours and thickeners, accounting for 5% of total EU imports. In 2005, total imports amounted to € 79.9 million / 7.3 thousand tonnes. In the period 2001 – 2005, import value increased by 16% annually.
- The developing countries' share in Irish import value is negligible, accounting for only 5% of total imports in 2005. The leading developing country supplier was Argentina, accounting or 3% of total import value, followed by China (1%).

- In 2005, Irish imports of natural colours, flavours and thickeners consisted of essential oils (75%), natural gums, resins and balsams (14%), pectates, agar-agar, mucilages and thickeners (6%), flavours (1%) and manioc starch (0%).

Exports

- Ireland can be considered as a relatively small exporter of natural colours, flavours and thickeners, accounting for 1% of total EU export value. In 2005, Irish exports amounted to € 14.4 million / 3.0 thousand tonnes.
- In the period 2001 – 2005, export value decreased by 50%, which is more than the decrease for the EU as a whole (4%).
- In 2005, Irish exports of natural colours, flavours and thickeners consisted of natural colours (47%), pectates, agar-agar, mucilages and thickeners (40%), essential oils (12%), natural gums, resins and balsams (1%), manioc starch (0%) and flavours (0%).

Opportunities and threats

- Ireland is a strong net importer of natural colours, flavours and thickeners, but although Ireland is a medium-sized importer and imports are increasing, developing countries' share in total imports is minimal.
- Moreover, most multinational food ingredient companies have production facilities in other countries, like the UK, which supply the Irish market.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int

3. Trade structure

Ireland is a relatively small market. In general, the multinational flavour houses and traders active in the EU market have not paid much attention to the Irish market. They only sell their products through sales offices in nearby countries, but also supply the Irish market through local distributors.

- Irish Country Gold (http://www.irishcountrygold.com): manufacturer of natural flavours, essential oils and colours.
- Kerry Group plc (http://www.kerry.com): manufacturer of flavours.
- FMC Biopolymer (http://www.fmcbiopolymer.com): manufacturer of carrageenan.
- Fiske (http://www.fiskefood.com): supplier of a variety of natural colours, flavours and thickeners.
- Synergy (http://uk.synergytaste.com/) member of Carbery (http://www.carbery.com): supplier of flavours, based in Ireland.
- S. Black (http://www.sblack.com): distributor of flavours and essential oils, distributes in Ireland through its office in the UK.
- The following multinational food ingredient companies have sales offices and/or agents in Ireland: Sensient Technologies Corporation (agent: All in All Ingredients Ltd), Chr. Hansen, Döhler (sales office in UK) and Cargill.

4. Prices

- In general, prices for natural colours, flavours and thickeners are the same as in the rest of the EU.
- If any price differences exist, they are related to product origin and buyer preferences (quality demanded, order size etc.), and on negotiations with partner companies. Prices provided in the market survey covering the EU should be used as a reference point only.
- Prices for most natural colours, flavours and thickeners are decreasing in the long term. However, much of the price decrease is realized by less expensive processing. Prices of raw materials have decreased less, as they already became commodities decades ago.

- Seasonal price differences will remain common, due to the dependency of harvests on the weather.

For more detailed information on prices, refer to the survey covering the EU or to:
- The Public Ledger (http://www.public-ledger.com): Prices for selected colours, flavours and thickeners
- MCX India (http://www.mcxindia.com/): Prices for menthol and guar
- Quarterly Review of Food Hydrocolloids: Prices for hydrocolloids

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at http://www.cbi.eu/marketinfo

6. Business practices

For information on business practices in Ireland, please refer to the following sources.

Trade Associations
- Food and Drink Industry Ireland (FDII): http://www.fdii.ie/

Trade press
- Checkout – principal Irish food-magazine: http://www.checkout.ie/

Trade fairs
- Checkout – merger between principal Irish food fairs, IFEX (International Food, Drink Hospitality Exhibition) and Forecourt: http://www.checkout.ie/Feature.asp?ID=253

This survey was compiled for CBI by ProFound - Advisers in development.