

Press Release for immediate issue:

Agri food sector shows resilience in difficult year for the economy

New data on the cost of a home-cooked Full Irish breakfast reveals consistency in pricing for consumers in the year to October

23 December 2020: The agri food sector has shown resilience over the past year, despite the many challenges faced by the wider economy. Farmers have managed volatility in farm gate prices and weather, while also adapting and growing their businesses. At Ulster Bank we continue to support all farming sectors, beef, tillage, pig, horticulture, however the dairy sector has been the key driver of customer activity in 2020, with increased demand for finance also coming from the poultry sector.

New data on the cost of a home-cooked full Irish breakfast, compiled by Ulster Bank using the CSO Consumer Price Index (CPI), reveals little movement in food prices. The new Ulster Bank Full Irish Index shows consistency for consumers in retail pricing and no major increase or decrease in the cost of a home-cooked breakfast in the year to October. It now costs €3.45 per plate for a cooked full Irish breakfast (just 0.6% less than it did in October 2019 when it cost €3.47). This minor decrease in the cost of a full cooked Irish breakfast was more modest than the reduction in overall consumer prices, with the headline consumer price index down 1.5% year on year in October.

The cost of a cup of tea saw the biggest decrease, dropping by 6.8% per box of 80 teabags.

The price of mushrooms and tomatoes also decreased, with the cost of mushrooms down 1.4% and tomatoes down 1.7%.

Rashers also dropped in price (down 1.8%), while pork sausages increased in price (up 1.4%). Potatoes are down 0.3%.

Item (portion for Full Irish)	€ Cost	% change per Full Irish portion
Rashers (2 rashers)	9.38 per Kg	-1.8
Pork Sausages (2 sausages)	6.30 per Kg	1.4
Eggs (2 eggs)	1.78 per half dozen	1.5
Tomatoes (2 small tomatoes)	3.36 per Kg	-1.7
Mushrooms (4 mushrooms)	3.17 per Kg	-1.4
Tea Bags (1 tea bag)	2.69 per box of 80	-6.8
Full Fat Milk (5 mls)	1.69 per 2 litre carton	-0.1
Orange Juice (0.3 ltr)	1.35 per litre	-0.9
White Sliced Bread (2 slices)	1.29 per slice pan	-0.2
Butter (3 tablespoons)	2.99 per pound	-0.9
Potatoes (1 hashbrown)	3.55 per 2.5Kg bag	-0.3

Ailish Byrne, Head of Agriculture with Ulster Bank said:

"2020 has been a challenging year for the economy and the country, but agri food businesses have shown real resilience. Working with farm businesses across the country we've seen them managing well with the volatility in farm gate prices, experienced when we went into the first lock down in March and adverse weather, such as the extremely dry spring. They have equally proved very adept

in making changes to their business operations to innovate and grow, as well as to optimise the returns they receive from farm support payments and diversification.

“The dairy sector has been the key driver of customer activity in 2020 and we expect this trend to continue. We are working on a number of applications for farmers looking to convert to dairy farming or expand their dairy farm operations. We continue to provide stocking finance to the beef sector, as well supporting the poultry and pig sectors. The tillage and horticulture sectors continue to require seasonal loan facilities.

“There has been a resurgence in farm building activity and the purchase of specialist equipment, primarily with the support of TAMS, while land purchase activity has remained strong during COVID-19, driven nearly exclusively by the dairy sector.

“The agri food sector is a key part of the Irish economy and understanding how the price of food items is changing, particularly in these challenging times, gives us some extra insight into the sector.

“New data on the cost of a home-cooked Full Irish breakfast, compiled by Ulster Bank using the CSO Consumer Price Index (CPI), reveals a little change over the past year in the cost to the consumer of a home cooked breakfast. The new Ulster Bank Full Irish Index does show a reduction in price when it comes to some of our favourite vegetables, with the cost of mushrooms down 1.4% and tomatoes down 1.7%. Rashers also dropped in price, down 1.8%, while pork sausages increased in price, up 1.4%.

“There are a wide range of alternative indices around the world – from the Big Mac Index to the Cappuccino Index – which are intended to explain economic terms in a straightforward way. Ours is the Full Irish Index, and it hopefully gives us a greater insight into the agri food sector.

“The sector is likely to face some challenges in the weeks and months ahead, including those posed by Brexit. We believe that Ulster Bank has a key role to play in helping our customers overcome these challenges. Experience has taught us that no single solution will suit all farms or all businesses, so we work with all our customers on a case-by-case basis and despite COVID-19 our Agri Managers continue to interact regularly with our farming customers, by telephone, zoom or other virtual means. Among the supports we currently offer is access to key SBCI lending schemes, including the Covid-19 Credit Guarantee Scheme (CGS) and the Future Growth Loan Scheme (FGLS). Across Ireland every day we are working with our agri-business customers, listening to them, supporting them and lending to them. We look forward to continuing this in 2021.”

For more information on the support available to agri food businesses visit
<https://digital.ulsterbank.ie/business.html>

Ends.

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