



**AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY**

The Irish Agriculture and Food Development Authority

# The Food Harvest 2020 Programme - to improve export markets



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**2015 Global Forum - 17<sup>th</sup> June, Valledupar, Columbia**

# Outline

- Irish agriculture & beef production – some background
- Food Harvest 2020 – The Irish strategy
- Challenges/Issues for Irish beef production
- Future perspectives

# Ireland - Eire

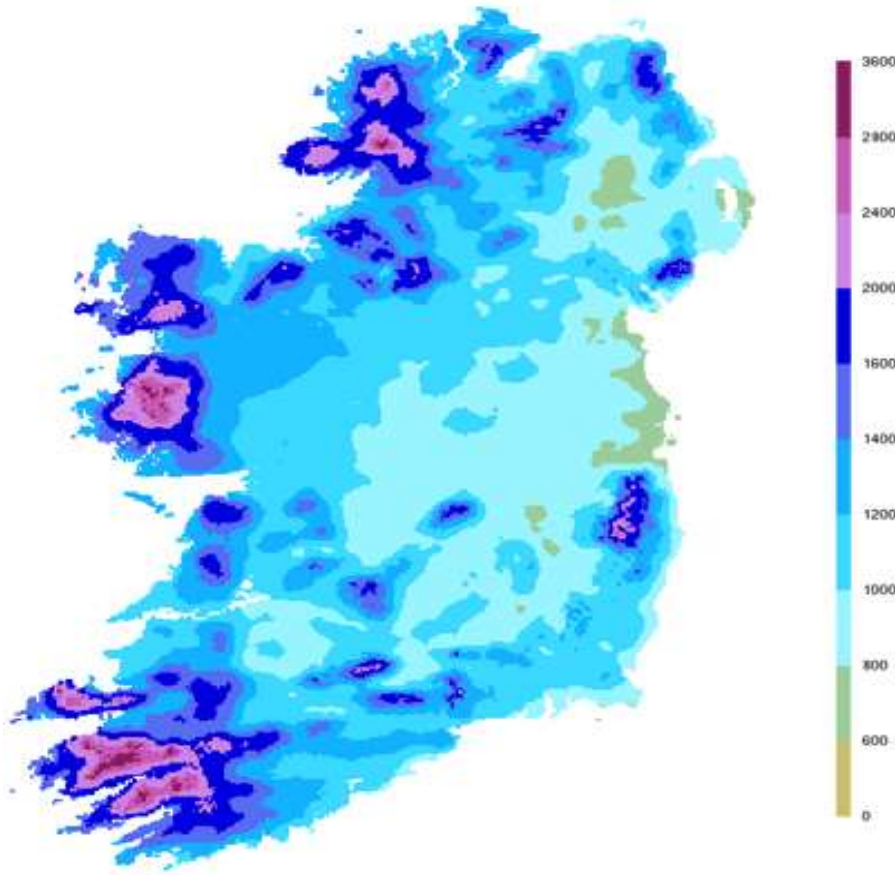


## Ireland – small open economy

- Agriculture & Food – most trade dependent sectors Irish economy
- Consequently, development wider EU & Global economy is of great importance to future evolution of Irish agriculture

# How often does it rain?

1981-2010 Mean Annual Rainfall (mm)



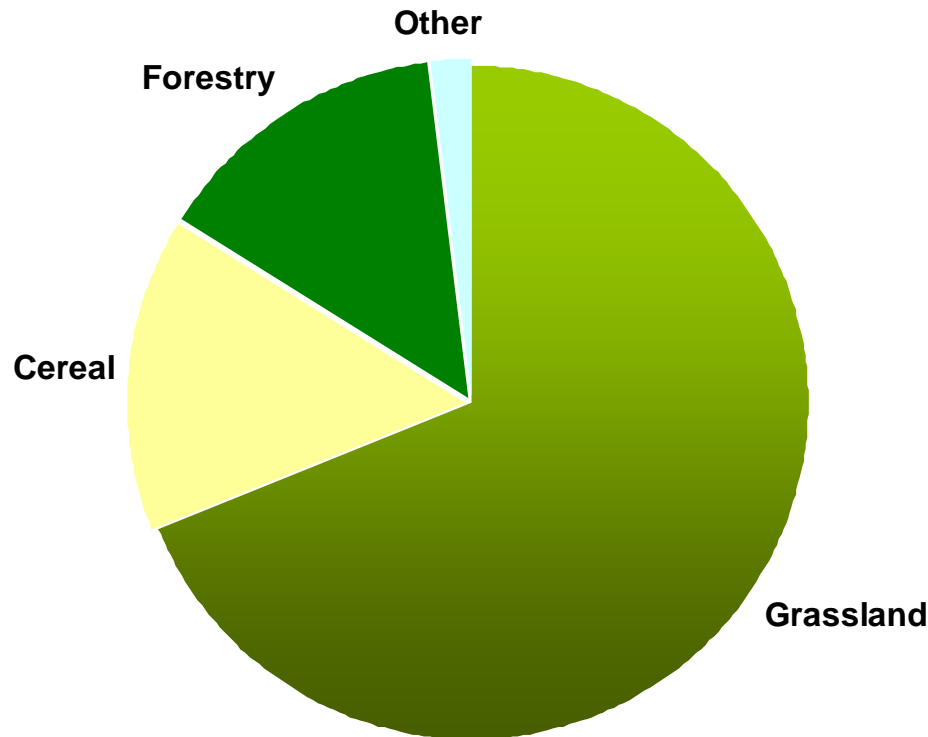
General impression - rains quite a lot of time

- Average number of wet days (days 1mm or more of rain) ranges from **150 days a year** along the east and south east coasts, to about **225 days a year** in parts of the west
- Mean Annual Rainfall average 1400mm in West

# Irish Agriculture Overview

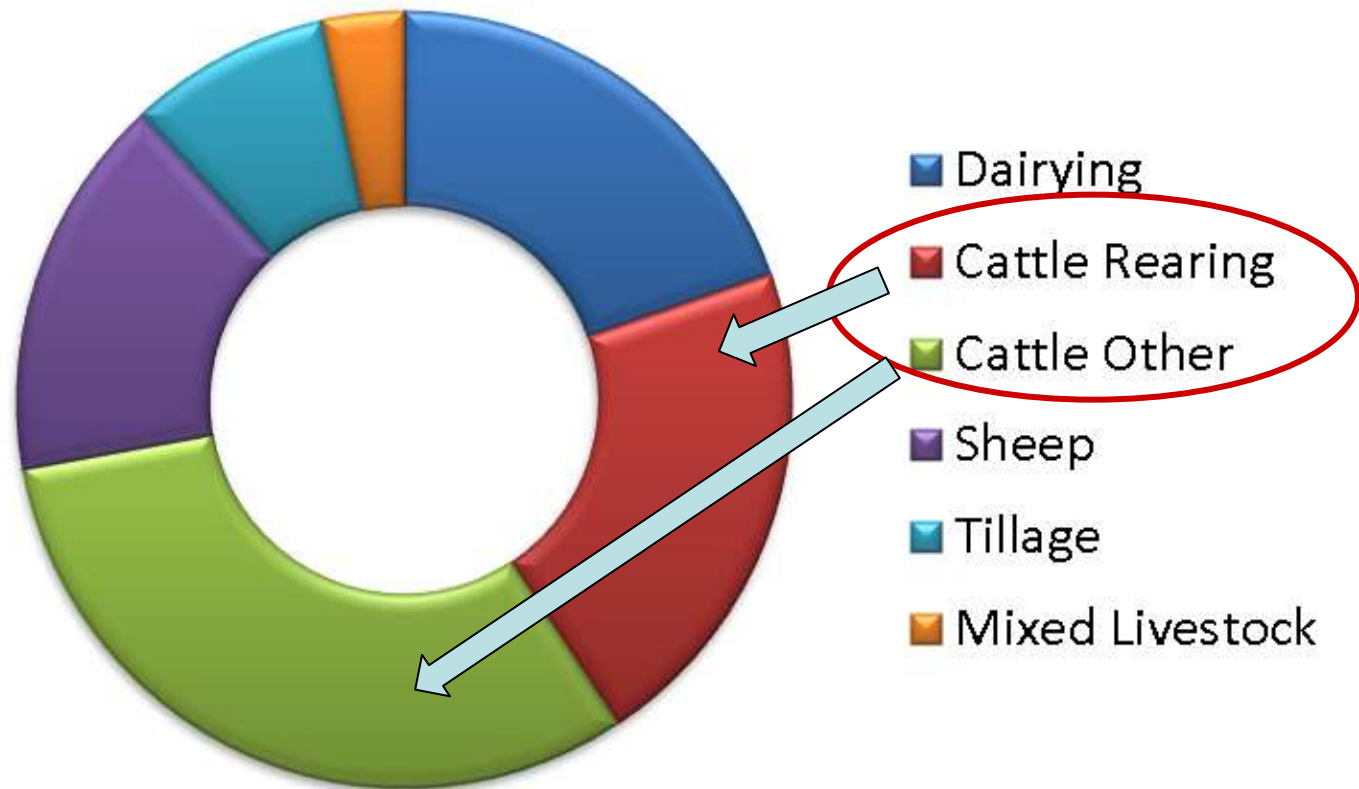
# Land Use - Ireland

- Total land area 7 million hectares (4.6 million people)
- 4.6 m ha for agriculture and 0.75 m ha for forestry



Source: Irish Department of Agriculture and Marine; Central Statistics Office

# Irish Farm Population

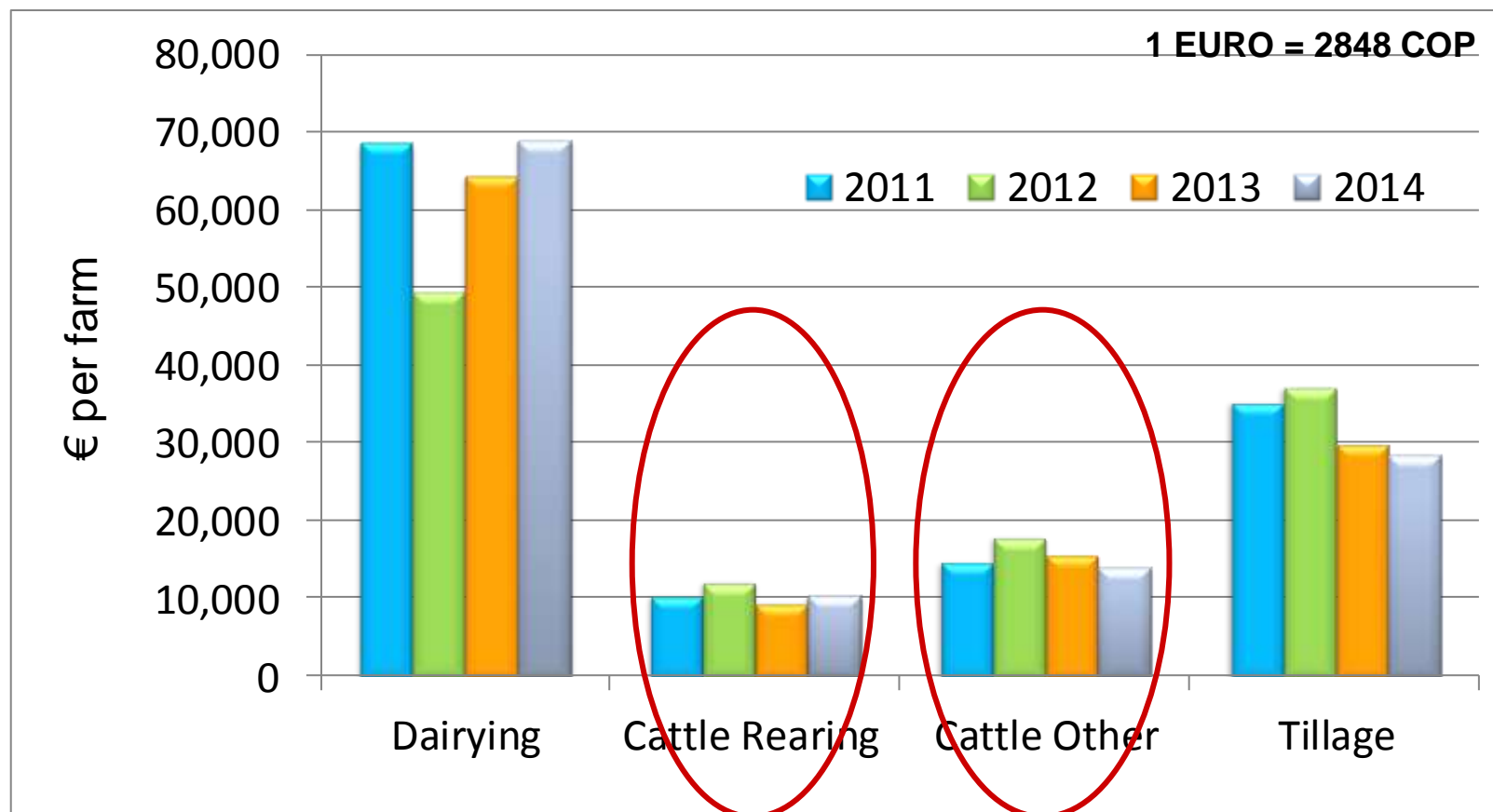


Beef production - Irish agriculture's most important activity in terms of output & farm employment, occurs on majority of farms  
56% (77,738) of Irish farms classified as specialised in beef production \*

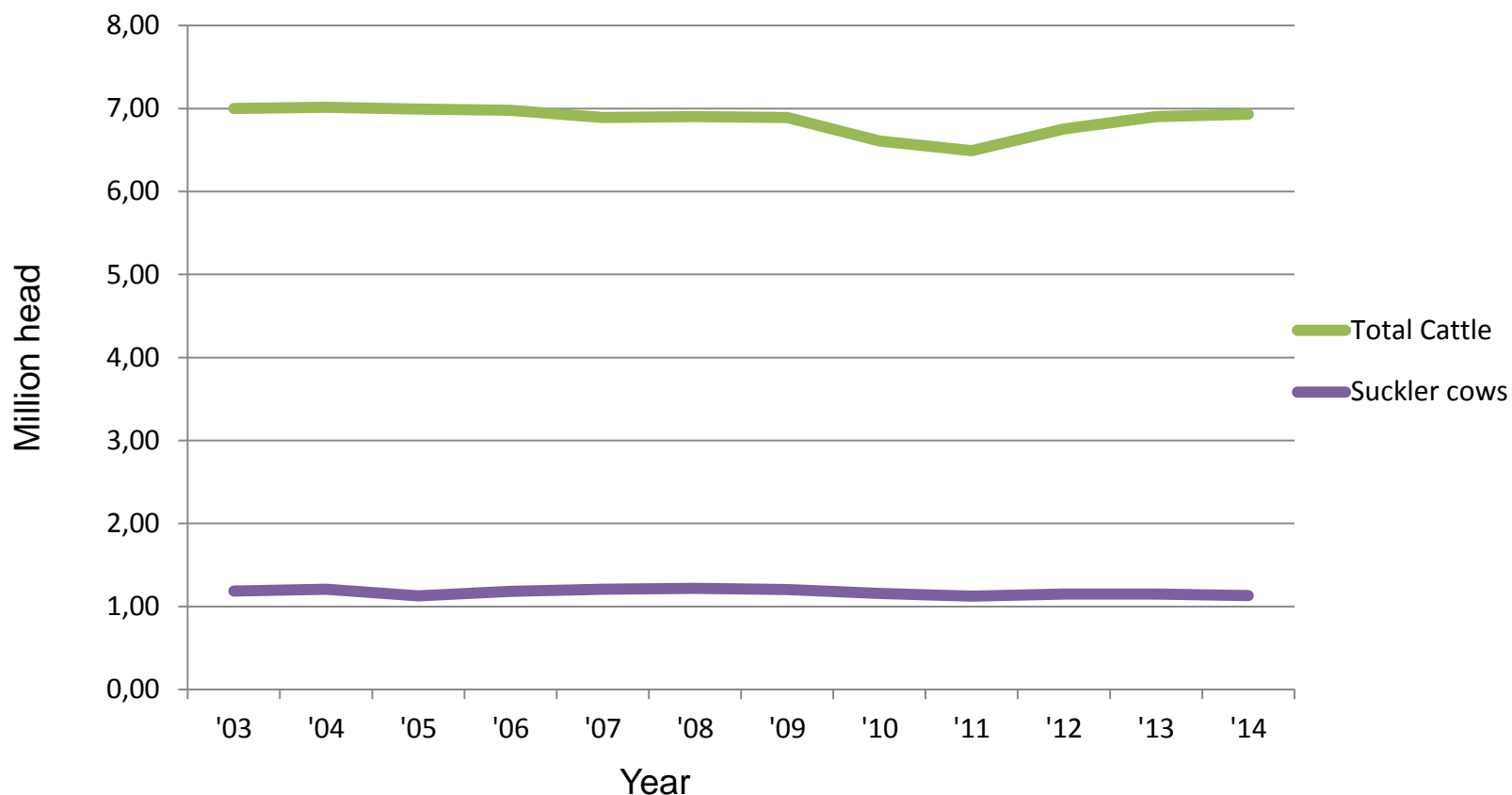
\*Source: 2010 Census of Agriculture



# Family Farm Incomes 2011 to 2014



## Total Cattle - 2003 to 2014



Source: CSO

# Irish Beef Production – in a Global & European Context

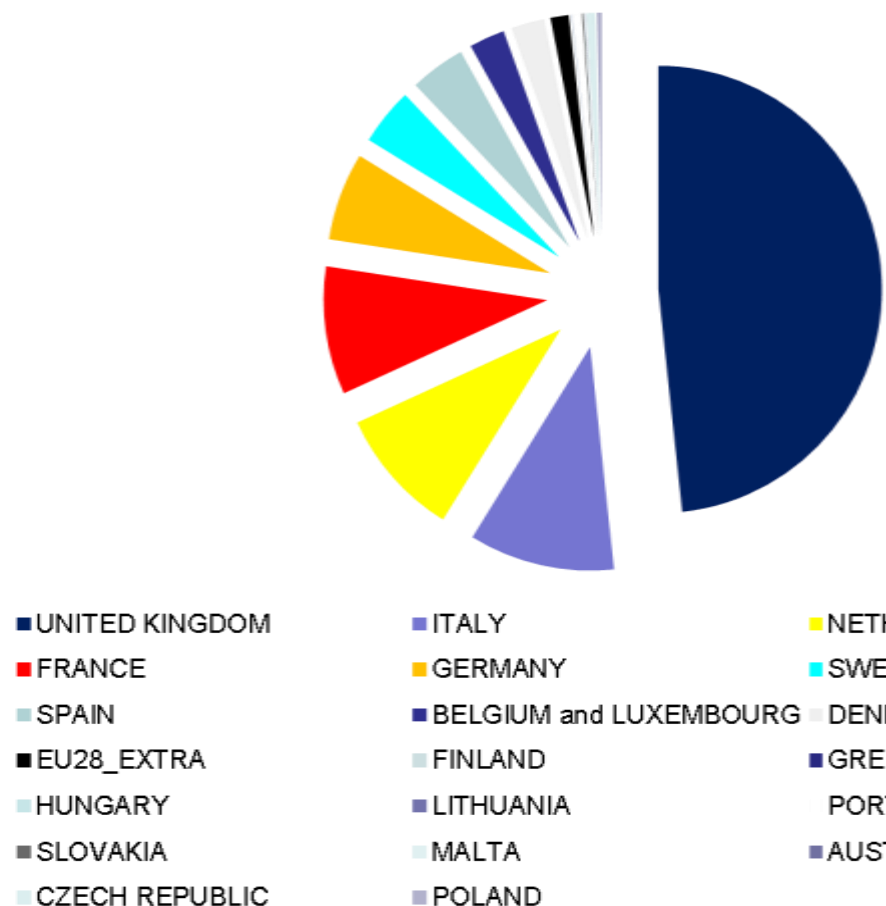
- Global context - Irish beef production important not due to its absolute volume
- 2013 – Ireland was ranked **20<sup>th</sup>** of all global beef producers
  - Produce **535,000 tonnes** of beef – Export over **90%**
  - Consumption per capita – 21kg (4.6 million population)
- 2013 Irish net exports of beef - the **5<sup>th</sup>** largest in the world (surpassed only by Brazil, India, Australia and New Zealand)
- Export earnings from beef production **€2.1 bn** \* - Irish beef exports destined for high value UK & continental EU markets.
- Over period 2001-2013 - average share of beef output in total agricultural sector output value 28% (same share as milk production)

\*Bord Bia 2013

# Irish Beef Production – in a Global & European Context

- **EU context** - Irish beef sector unique in terms of its export dependence
- The importance of the suckler cow based beef production is also unusual
- Two thirds of cows in the EU28 are dairy cows whereas in Ireland one half of all cows are suckler cows
- Dependence of Irish beef production on offspring of the suckler cow herd is only matched in the EU context by France, the UK, Portugal and Spain

# Total Exports to EU - Share (€ Value)



- Exports to non-EU markets negligible
- UK - by far the dominant destination in terms of volume of product and value of total exports
- However the unit values of these exports are exceeded by exports to some continental markets – reflective fact that exports to the UK range from meat for hamburgers to very high value cuts while exports of Irish beef to some continental markets are focused more exclusively on higher value cuts

# Food Harvest 2020

## Food Harvest 2020 –Terms of Reference

“a strategy for the medium-term development of the agri-food (including drinks) fisheries and forestry sector for the period to 2020”

- Agriculture increasingly important role in depressed Irish economy

The strategy outlines the

- “key actions needed to ensure that the sector contributes to the maximum possible extent **to our export-led economic recovery** and the full development of the smart economy”
- Sectoral targets have been set to improve productivity and profitability

# Export-led Agri-food sector



- *Increase beef output value by 20%*
- *Increase milk production by 50%*
- *Increase sheepmeat output value by 20%*

Source: Department of Agriculture Fisheries and the Marine



# Food Harvest 2020 – Vision & Targets

- Agri-food/fisheries is Ireland's largest indigenous industry
  - Collectively employs 170,000 people (9% total employment)
- Operates to world-class standards in the areas of food safety/animal welfare
- Has built a multi-billion-export industry by engaging with the diverse demands of consumers &
- Consistently meeting the exacting specifications of some of the world's most prestigious retailers/food processors
- Industry targets (FH2020) significant increase in output
  - Smart, Green, Growth.

## Food Harvest 2020 – Vision & Targets

- Sector operates in environment of considerable challenge - disparity cost of production & remuneration - critical issue for on-going viability
- At processor/manufacturing level - perceived lack of scale, fierce international competition & changing consumer demands are challenges which require concerted action
- In a decade that began in extremely difficult economic circumstances, agriculture has taken the brunt of a dramatic fall in returns in many sectors
- **While years leading to 2020 will see a continuation of some of these challenges, the most compelling picture that emerges of the decade ahead is one of opportunity**

# Food Harvest 2020 – The Opportunity

“In particular, the opportunity for the Irish agri-food industry to grow and prosper sustainably through the delivery of high quality, safe and naturally based produce”

# Food Harvest 2020 – Vision for the Future

- Report offers vision for future & identifies the
  - opportunity for a dynamic, forward looking agri-food industry
  - envisages a sector that can reap considerable rewards if it works & acts ‘smartly’ so as to make the most productive use of Ireland’s rich natural ‘green’ resources in a way that is both economically viable and sustainable in the future
  - FH2025 Report now nearing completion –targets for next decade

# Food Harvest 2020 – Overall Vision

## Overall Vision

### Act **smart**

- Prioritise R&D
- Improve skill levels
- Maximise adoption of best practice
- Foster creativity and entrepreneurship
- Rationalise and collaborate at industry level
- Improve focus on consumer preferences

### Think **green**

- Prioritise environmental protection
- Capitalise on natural advantages and resources
- Build environmental credibility through research and actions
- Develop an umbrella 'Brand Ireland'
- Satisfy consumer requirements and preferences
- Conserve biodiversity
- Align sustainability across the supply chain

### Achieve **growth**

- Increase the value of primary output in the agriculture and fisheries sector by €1.5 billion by 2020
- Increase value-added output by €3 billion by 2020
- Achieve an export target of €12 billion by 2020



**Food  
Harvest  
2020.**

A vision for Irish agri-food and fisheries

- Industry Solution – Smart Green Growth

## Smart – The Approach

- To prosper & develop to 2020, the Irish agri-food and fisheries industry must itself become ‘smart’
  - Involves developing
    - new working relationships in the food chain
    - targeting its resources at new markets
    - enhancing levels of productivity & competitiveness, and
    - developing leadership positions across a range of sectors.
  - In short, it must invest in **ideas, knowledge and skills**, encourage **innovation & creativity**, and recognise **new opportunities** for collaboration across the food supply chain and with other competitors.
- AgriFood sector's position within Smart Economy recognised
  - “Spill-over” benefits for other sectors

# Smart – The Approach

## Consumer

- Facilitate informed choice
- Innovative product range, Educated as to product benefits
- Trust in Irish produce as **clean and green**
- Transparent methods of food production with **full traceability & sustainability audit**
- Access to natural produce with low carbon footprint compared to competitors



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**Food  
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## Green– The Opportunity

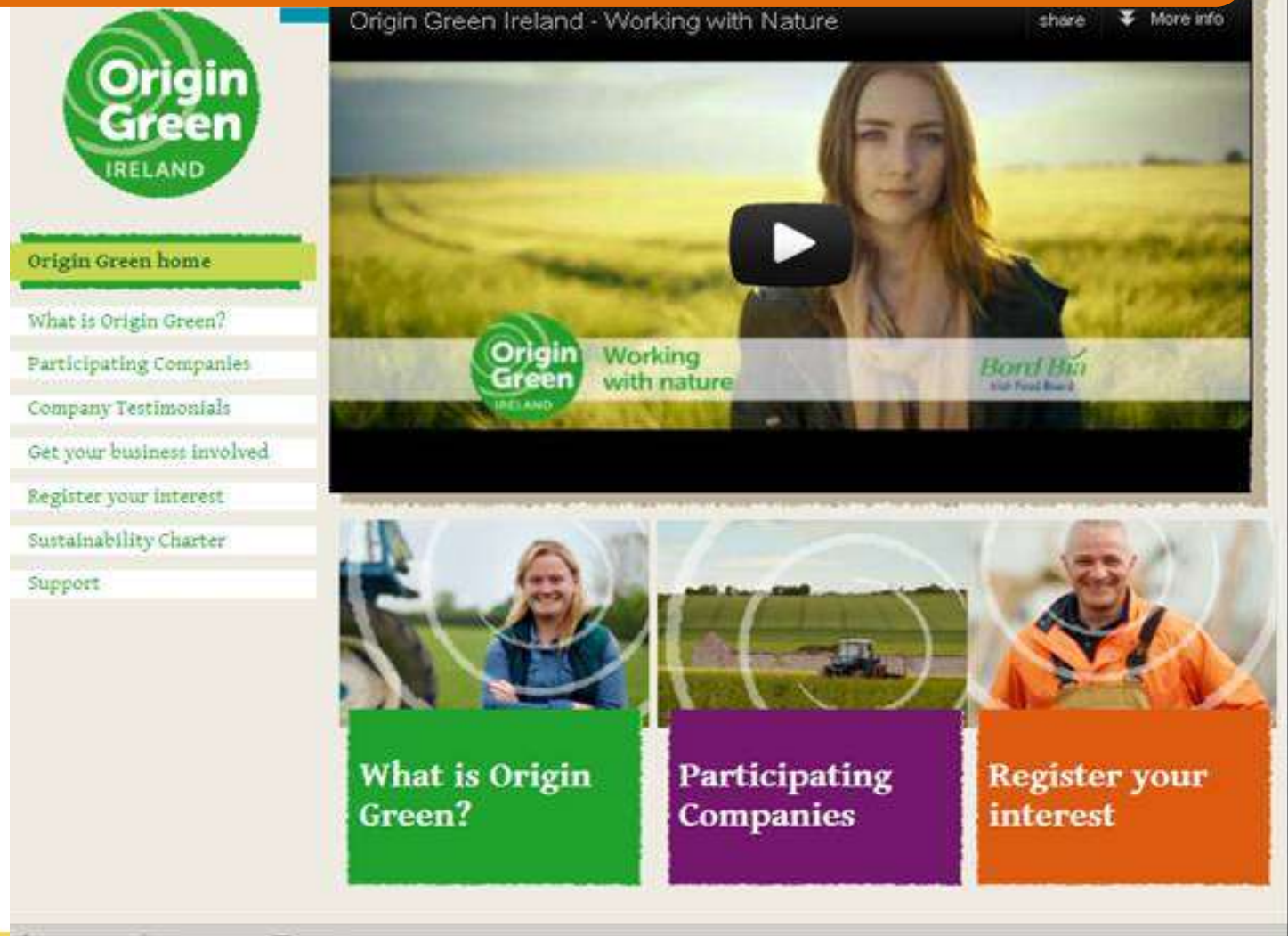
- Ireland's historic association with colour green is linked to our unspoilt agricultural landscape and our temperate climate
- The modern use of 'green' to identify concern for the natural environment has, for some time, been recognised as representing a natural marketing opportunity for Irish agri-food to build on
- Refine and communicate this effectively to 2020/2025
  - to demonstrate Ireland's commitment to the principles of sustainability & the implementation of world-class environmental practices
- Ireland's extensive, low-input grass-based production systems are the foundation of its green credentials - By buying Irish, choosing to value and respect the natural environment.

## Green – The Opportunity Ireland's sustainable food industry

- Bord Bia - targeted marketing campaign under the '[Origin Green](#)' banner
- Promote Ireland – a source of world-class sustainably produced food and drink

# Our Green Market Opportunity: Origin Green

In Association  
with Origin  
Green &  
Saoirse Ronan



[Origin Green 2.mp4](#)

# Food Harvest 2020 – Overall Vision

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# Food Harvest 2020 – Achieve Growth



# Food Harvest 2020 – Progress to date!

	Baseline 2007/2008 € million	Target 2020 € million	Target % <u>2020</u>	Latest 2013 € million	Latest % <u>2013</u>	With no. of years remaining to Target !
Primary Output total (2013)	4596	6075	<b>33%</b>	6166	<b>34%</b>	Target reached
Exports Total (2013)	8298	12000	<b>40%</b>	10209	<b>23%</b>	Target 58% reached
	1053	8568	<b>40%</b>	7450	<b>23%</b>	Target 58% reached



Primary Output – increased significantly and has effectively reached target of 33% increase  
 Export performance has also been strong – at end 2013 – more than half way towards achieving 2020 target of €12bn  
 Value added – more than half way to its target increase of €2.5bn  
 Focused inter-agency approach, building valuable networks & contacts – reaping dividends

## Achieved Objectives on Export side..... Where to next FH2025

- On Target – recent successful access of US/China markets
  - Agri food exports to China trebled in past 3 years
- **“Irish meat producers have sights set on US market”**

... a third Irish meat processing company has just been granted access to the lucrative American market,

... following the lifting of the 15-year trade embargo on Irish [and EU] beef imports earlier this year. [based on BSE]

... **grass-fed beef is in demand**

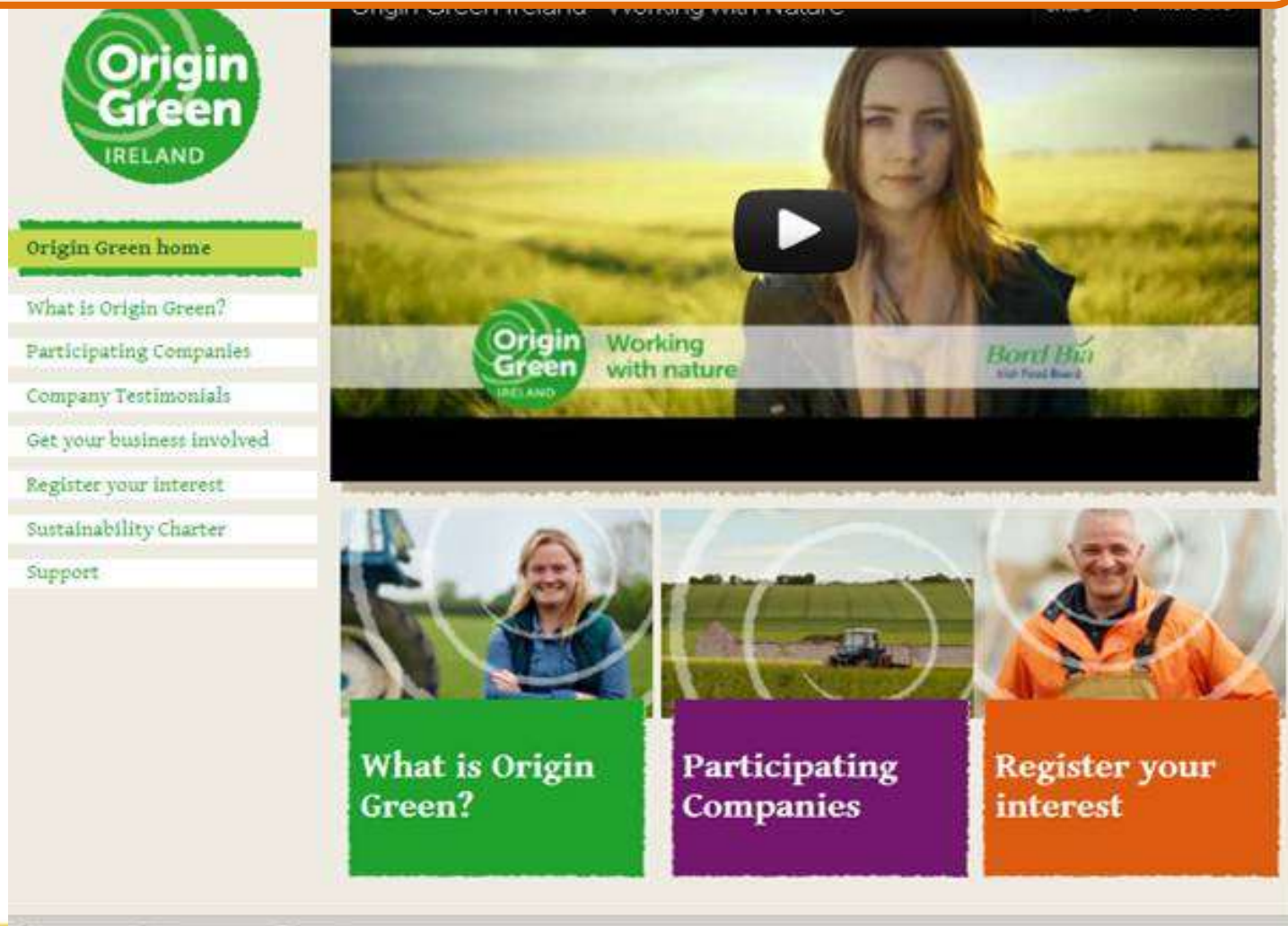
<http://www.globalmeatnews.com/Industry-Markets/Irish-meat-producers-have-sights-set-on-US-market>

- Focus now updating targets & Strategy to 2025
  - max. contribution of sector to economic growth, job creation & environmental sustainability

- Ireland - only European beef exporter with access to USA & China, affording the industry a major first mover advantage on its rivals
- China likely to be 'more valuable' than the US for beef exports)  
China – our 3<sup>rd</sup> largest export market after EU & USA

# World Borrowed from our Children:Origin Green

In Association  
with Origin  
Green &  
Saoirse Ronan





# Irish Beef Future – Competing on Global market

- Terms of scale -Ireland will struggle to compete on the global market
- However, scale should not be seen as the panacea – should leverage our strengths to penetrate the global market
- Existing brand reputation – allowed Ireland secure a strong presence within premium markets
  - “Premium brand allows access to premium markets”
- Sustainability of the production system – another key area when competing on Global market
  - Irish lead – in promotion and measurement of sustainable production and processing systems

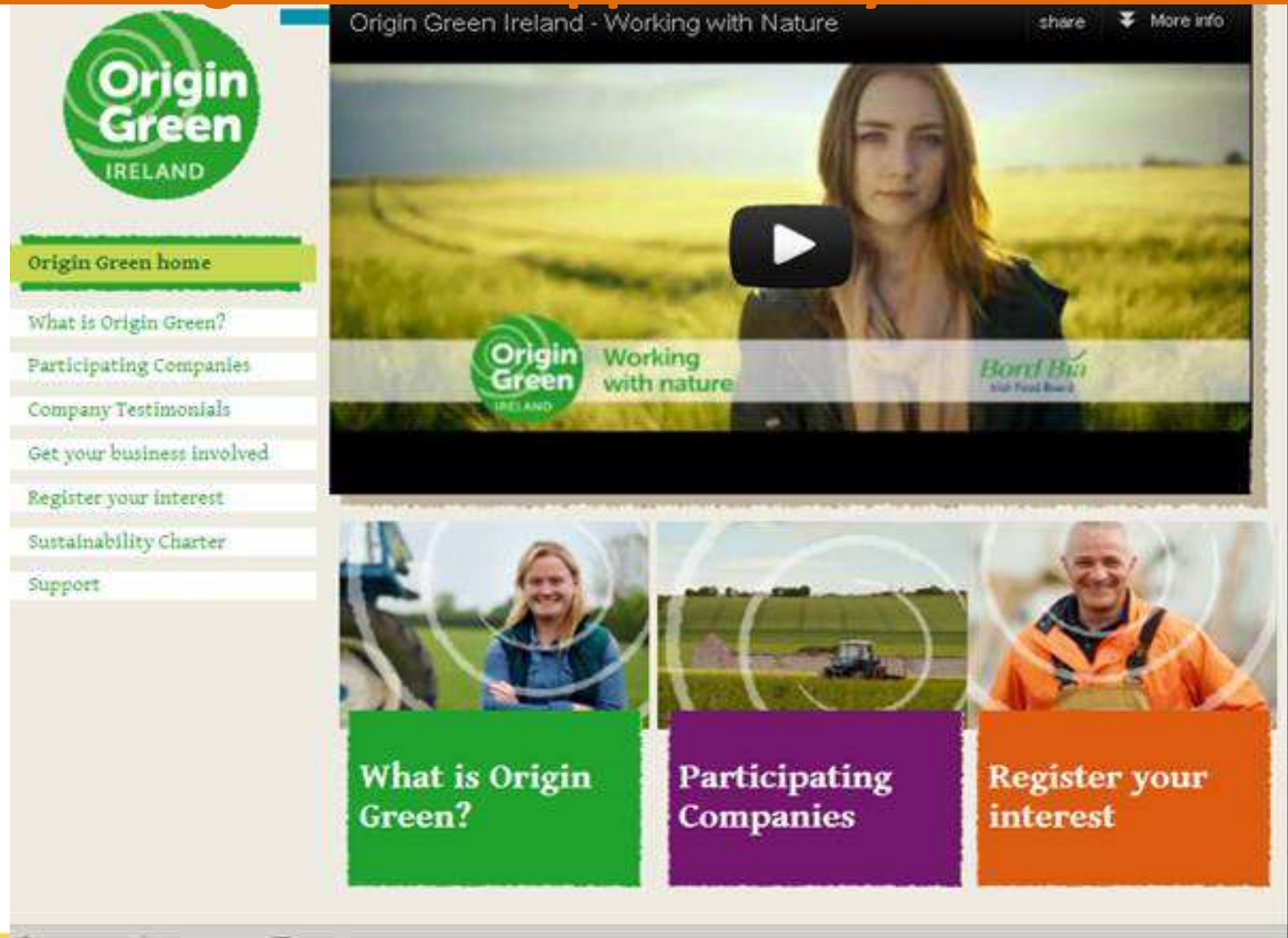
# Irish Beef Future – Competing on Global market

- Grass based production system – adds to brand reputation & sustainability package & also plays a critical role in ensuring production model remains cost competitive
- Inevitably, challenges to grass based system
- Through provision of independent and profit focused research - one of Key industry strengths – must be sure to leverage to ensure production model is financially viable

# “Partake in the World without taking from the World”

## Origin Green Opportunity

In Association  
with Origin  
Green &  
Saoirse Ronan



# Go raibh maith agaibh



## Thank you