

Food Wise 2025 High Level Implementation Committee (HLIC) Meeting
8th December 2016

Attendance:

DAFM: Minister Creed, Secretary General Aidan O'Driscoll, Bríd Cannon, Bill Callanan, Brendan Gleeson, Cecil Beamish and Áine Kilroy

State Bodies: Gerry Boyle, (Teagasc), Michael Cantwell (EI), Tara McCarthy (BIM) and Matthew Crowe (EPA)

Other Government Depts: Terry Walsh (DPER)

Secretariat (DAFM): Sinéad McPhillips & Siobhán Dowling

Apologies Aidan Cotter (Bord Bia), Clare Dunne (DJEI), Brian Carroll (DCCCNR) and Ken Spratt (DTTAS)

Introduction:

Minister Creed welcomed the Committee for eighth meeting of the HLIC.

Firstly he congratulated Tara McCarthy on her new position of CEO in Bord Bia effective from January. He also congratulated both Aidan Cotter and Michael Cantwell on their forthcoming retirements. He acknowledged both of their roles in the expansion of the agri-food sector.

He referred to the following developments since the previous meeting of the 29 September:

- The successful Trade Mission to Morocco early November, with the assistance of Bord Bia and Enterprise Ireland. Senior officials visited Algeria in early November. He also referred to SIAL in Paris.
- DAFM with the assistance of DJEI hosted a Food and Drinks Skills Workshop on the 18 November. This proved a very useful format for discussing with stakeholders from the food and beverage industry, trade unions, academics the skills gaps facing the industry from factory workers to top executives, and gathering practical ideas of how to address these issues. The outcome of the workshop was presented to the Expert Group on Skills (7 December). This will aid DJEI in updating the 2009 Expert Report on Food and Drinks Group.
- Teagasc released its Annual Review and Outlook 2017 on 29 November. This report estimates that average farm income will be largely unchanged in 2016 compared to 2015. This is a positive outcome considering the challenges faced by many sectors this year. Teagasc predict that average farm income will increase by 5% in 2017.
- Bord Bia hosted a series of events and launched the consumer insights centre entitled 'The Thinking House' which will help Irish exports compete in highly competitive global marketplace.
- BIM announced the Winners of the Inaugural National Seafood Awards last month.

Item 1: Minutes of the 29 September meetings

Minutes agreed.

Item 2: Brexit

Minister Creed stated that Brexit will be a standard item on the agenda of each future meeting of the HLIC. It is clear that ensuring action is taken on the Food Wise recommendations, particularly those related to market development, competitiveness and innovation, assumes even greater importance in the light of the UK decision. He referred to Budget 2017 which underpins DAFM's Brexit mitigation efforts through strategic investment in key areas of the Department, in its agencies and in the agri-food sector. This includes access to an innovative low interest agri-cash flow fund, agri-taxation measures designed to address income fluctuations, increased funding of Bord Bia and BIM, investment in R&D and innovation, and increased expenditure on the Rural Development Programme and the Seafood Development Programme.

Brid Cannon presented a paper on Brexit and Food Wise. DAFM have examined the 414 actions in Food Wise in relation to the possible implications of Brexit. The five Food Wise themes of market development, competitiveness, innovation, human capital and sustainability together with the recommendations for 12 individual sectors, are more relevant than ever in the light of the challenges posed for the Irish agri-food sector from the UK exit. The market development actions are particularly relevant to the need to maintain and strengthen existing trading relationships with the UK, as well as growing and developing new and existing market segments, both in the EU and in new and emerging markets. A number of these actions concerning market diversification, promotion of Origin Green and organisation of Trade missions are well in hand and ongoing, but may need to be intensified.

G Boyle stressed the importance of innovation and competitiveness via research should be identified.

M Cantwell reported that Enterprise Ireland have supports available for all companies which gives them a comparative advantage over others. ??

Item 3: Forestry

Attended by: Bill Stanley, Director of Strategy and Business Development in Coillte, Darragh Little, Forestry Director at Veon and Karl Coggins, Forest Service.

Minister Creed referred to the important economic, environmental and social role that forestry makes to the Irish economy and an increasingly important role in rural development. He also referred to the pivotal role afforestation will play in meeting our obligations under the EU Climate and Energy Framework to 2030.

Karl Coggins from DAFM made a presentation on forest policies and measures. The presentation referred to:

- Food Wise 2025 – forestry actions
- Forest policies, including the ambition to increase forest cover from 11% to 18% of land area and
- Climate change mitigation
- Issues for farm forestry:
 - Forest thinning (farm forestry owners tend to thin twice rather than the optimum three times)
 - Knowledge and resource gap among farm foresters – average of 6 ha forestry plots on-farm – very small and fragmented group for harvesting
 - Forest service are supporting development of knowledge transfer groups, continuous professional development for professional foresters, and a decision support tool to encourage optimal forest management.
 - Messaging to farmers has changed to encourage planting of forest plots rather than conversion of the entire farm; positive message on fixed income
 - Increasing planting above 6,000 ha p.a. remains challenging.

The representatives from the forestry sector highlighted the following:

- Barriers to mobilising timber
- Forest road building to facilitate harvesting
- Producer groups forming to avail of economies of scale
- Coillte initiative to partner with farm foresters to manage and clearfell farm forestry, while farmer retains ownership
- Flexibilities which will allow afforestation to be counted as non-ETS carbon sequestration, thus reducing burden of GHG reduction on ag production

There was discussion on (i) management of forests, (ii) Coillte versus private owned estates, (iii) research on forestry returns, (iv) opportunity for rural Ireland and (v) fragmentation and scale.

The Minister thanked the forestry representatives for their input and K Coggins for the presentation.

Item 4: Horticulture

Attended by: Caroline Keeling, Keelings (also a member of Food Wise 2025 Committee), Kieran Dunne, L&K Dunne Nurseries, Paul Brophy, (broccoli grower), Joe Gorman, the new Chairman of CMP Producer Organisation and Barry Delany, Horticulture and Plant Health Division.

B Delany gave a detailed overview of the horticulture sector and in particular; horticulture sector, mushroom sector, protected crops, field vegetables, potato sector, amenity sector, the opportunities and challenges.

The representatives from the horticulture sector referred to (i) competitiveness, (ii) labour costs, (iii) climate change effect on the horticulture sector. There is a need for training for the use of

meteorological data recorded in the UK. Ireland can currently access the data but does not have the expertise to analyse and interpret it, (iv) pesticide use in Ireland, (v) sector's weakness in dealing with supermarkets, (vi) Brexit, (vii) attracting people into the sector and (viii) rural jobs,

Minister Creed referred to Brexit and recent meetings he has had with the CEOs of Tesco and Sainsburys. He highlighted the significant challenges associated with currency fluctuations and recognition that food prices in the UK will eventually increase in response to the weakness of sterling. He acknowledged significant implications for the horticulture sector and in particular the mushroom sector. He also referred to horticulture farmers being eligible for the €150 million low interest agri-cash flow fund under de minimis State Aid provisions.

T McCarthy referred to Bord Bia's 2017 plan for the horticulture sector. She highlighted (i) quality assurance schemes, (ii) mentoring, (iii) food dudes programme, (iv) joint mushroom promotion campaign with the UK and (v) the need to react to market changes.

M Cantwell stated that Enterprise Ireland's remit is restricted to the processor sector and stressed the importance of the LEAN initiatives. The horticulture sector should look at the vision of the mushroom sector and in particular Monaghan Mushrooms and its international capability. Enterprise Ireland are open to work with the horticulture sector.

The Minister thanked the representatives for their informative discussion and concluded that the industry working together has huge benefits for the economy.

Item 5: Alcohol beverages

Attended by: Ross McMathuna, Director of Alcoholic Beverage Federation of Ireland, Alex Mount Charles, Slane Castle Distillery, Seamus O'Hara, Carlow Brewing Company and Marian Byrne, Food Industry Development Division.

M Byrne gave a detailed presentation on alcohol beverages which covered Geographical Indications (GIs), verification, expansion and investment, market development, links with tourism, Bord Bia's Thinking House and Brexit.

The alcohol and beverages representatives referred to the following:

- emerging Irish whiskey distillery map
- whiskey strategy (all stakeholders working together to realising the strategy)
- important link with tourism
- job creation
- ability to be able to buy and sell drink on the premises crucial for tourism linkage
- sustaining start-up companies
- training and experience (IT Carlow degree in brewing)
- provenance and maturation
- finance for distilleries
- route to market for exporters.

Minister Creed referred to the recent positive Budget 2017 changes for excise limits in relation to the craft beer sector, which will be kept under review. Excise limits for cider are more complex as it falls under the EU wine rules.

T McCarthy highlighted Bord Bia's commitment to the alcohol beverage sector and in particular the route to market.

M Cantwell referred to the financial support Enterprise Ireland has given to 20 companies (beer and whiskey). He referred to current discussions with ISIF on funding.

B Callanan referred to the potential for the tillage sector.

B Gleeson referred to Minister's trade missions in 2017 and asked the representatives to reflect on the access to potential purchasers that these trade missions allow.

The Minister thanked the delegation for the clarity of the vision of the sector for all parties.

Item 6: Artisan

Attended by: Kevin Sheridan, Taste Council, Ed Hick, Hick's Butchers, Janet Drew, Janet's Country Fayre and Marian Byrne, Food Industry Development Division.

M Byrne gave a detailed presentation on the artisan and speciality foods sector. The presentation covered (i) definitions of artisan, (ii) the annual Taste Council Summer School, (iii) transition year: the future is food – engaging young food entrepreneurs, (iv) food tourism, (v) Bord Bia's Thinking House and (vi) farmhouse cheese.

Minister Creed referred to the diversification of products under artisan and speciality foods sector and its rural and regional links. He stated that this sector was price resilient and somewhat recession proof.

Representatives from the sector highlighted the following:

- The importance of the Taste Council
- Employment in all areas of the country
- Development of rural towns
- Culture and heritage element
- Niche markets and
- Import substitution.

T McCarthy referred for the need for investment in the skillset behind the industry so that they are 'the best they can be' and the craft associated with this sector. She also referred to the changes in trends and how a product is presented to consumers is vital.

M Crowe referred to the importance of all the sectors discussed at the meeting to grow new rural jobs and build sustainable rural communities.

M Cantwell referred to the EI innovation vouchers and encouraged all to take them up as it is proven that these are of huge benefit to companies.

G Boyle stated that Teagasc are increasing resources working in this area and in particular the bakery and meat sector.

The Minister concluded that the story of artisan and speciality sector adds to the Irish food story abroad.

Item 7: Food Wise 2025 Q4 Updates

A detailed report was circulated outlining an update on the 330 recommendations that are either, 2015, 2016 or on-going in Quarter 4 2016. There has been good progress to date with only seven actions not yet commenced, the majority of which the Department requested be commenced early 2017.

Item 7: AOB

(i) Next meeting will focus on sustainability.

Siobhán Dowling
Economics & Planning Division
12 December 2016