



Brexit poses enormous challenges for the agri-food and fisheries sectors by virtue of their exposure to the UK market. The most immediate impact has been caused by the significant drop in the value of sterling against the euro, while the possible longer term impacts relate to import controls on animal, plant and products of animal and plant origin, as well as the certification of Irish agri-food exports to the UK in accordance with any UK requirements in this regard.

1. Agri-Food Sector and the Economy

Key Indicators for Agri- Food Sectors

% of GNI* (Modified Gross National Income)	7.8%
% of Employment	7.9%
% of Merchandise Exports	11.1%

According to the **Census of Industrial Production the Food and Beverages Sector** accounts for:

21% of all Industry Turnover

(23% of all Manufacturing Industry Turnover)

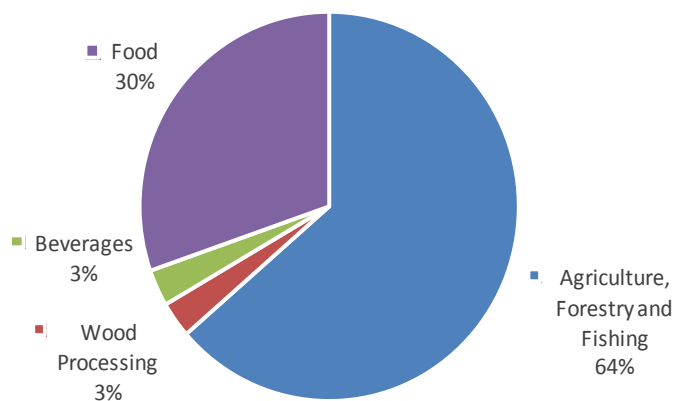
22% of all Industry Gross Output

(24% of all Manufacturing Industry Gross Output)

Source: Central Statistics Office

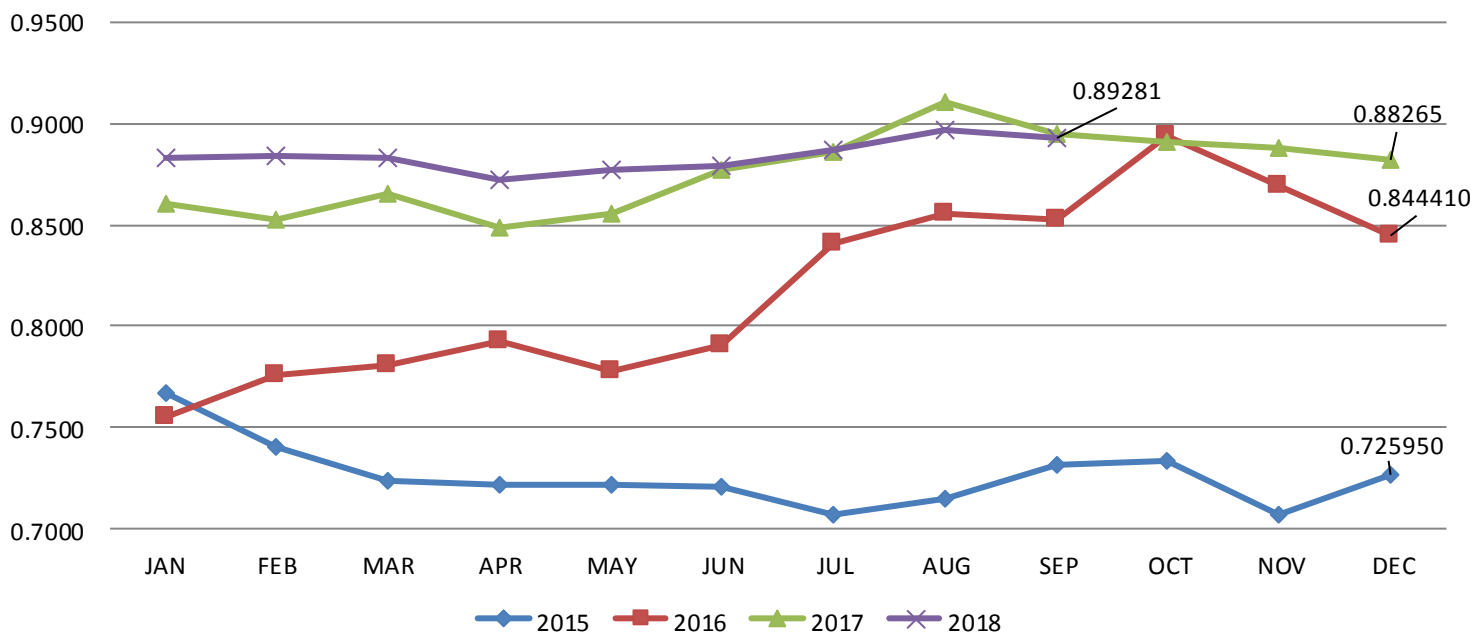
Employment

Employment in the agri-food sector accounted for 174,400 jobs, 7.9% of total employment, on average in 2017, according to the CSO Labour Force Survey.



Source: [CSO Labour Force Survey](#)

Exchange Rates (EURO/STG)



Source: Central Bank

While every effort has been made to ensure the accuracy of the data contained within, in view of the volume of statistical data collected as part of agri-food trade statistics, some errors in respect of individual products may occur. Where these anomalies are identified, the Department will liaise with the Central Statistics Office to highlight and amend the information as required.



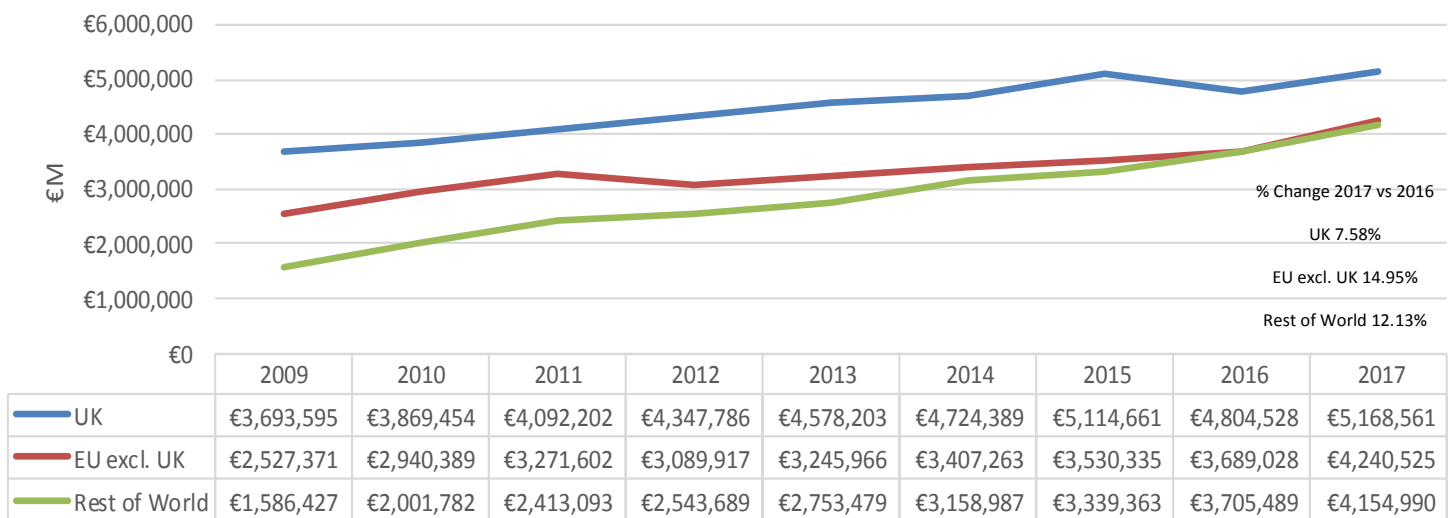


2. Agri-Food Trade

Agri-food sector trade is broken down into 24 categories identified and agreed by Department of Agriculture, Food and the Marine and the Central Statistics Office. These categories include non edible agri-food items such as Forestry, and Animal Hides and Skins along with traditional Food and Beverage products.

Between the period 2009 - 2017 agri-food exports **increased by 74%** from **€7.8 billion** to **€13.6 billion**. Exports to the UK during this period increased by 40%, with exports to the rest of the EU increasing by 68%. However the most significant export growth was seen in exports to non - EU destinations (+162%).

World Wide Agri-Food Exports, 2009 - 2017



Source: CSO Trade Statistics

Despite the growth in new markets, the UK remains by far our single largest trading partner for the agri-food sector, in 2017 agri-food **exports** to the UK totalled **€ 5.2 billion (38%)** while imports were **€4.1 billion (48%)** with a trade surplus of over **€1 billion**.

Top 15 Agri-Food exports and imports by Category, 2017

	Exports			Imports		
	Great Britain	Northern Ireland	United Kingdom	Great Britain	Northern Ireland	United Kingdom
(€000's)						
Beef	€1,048,822	€118,697	€1,167,519	€91,488	€12,116	€103,604
Dairy	€904,363	€91,891	€996,254	€325,082	€243,477	€568,559
Pigmeat	€401,936	€43,888	€445,824	€136,828	€7,297	€144,125
Cereals	€293,037	€79,949	€372,986	€593,308	€65,290	€658,598
Beverages	€215,166	€77,742	€292,908	€276,930	€67,703	€344,633
Live Animals	€247,229	€81,952	€329,181	€235,290	€8,490	€243,780
Fruit & Vegetables	€203,299	€46,985	€250,285	€357,253	€83,276	€440,529
Poultry	€195,191	€25,172	€220,363	€144,692	€21,043	€165,735
Animal Foodstuffs	€161,175	€73,073	€234,248	€154,617	€113,245	€267,862
Miscellaneous Edible Products & Preparations	€131,082	€14,004	€145,086	€298,210	€9,758	€307,968
Forestry	€110,198	€41,899	€152,098	€41,180	€15,074	€56,254
Fish	€50,781	€9,264	€60,045	€166,517	€17,747	€184,264
Sheepmeat	€55,692	€392	€56,084	€22,560	€107	€22,667
Other Meat & Meat Produce	€41,422	€3,926	€45,348	€16,376	€735	€17,110
Other agri-food	€356,339	€43,993	€400,332	€560,837	€50,882	€611,719
Grand Total	€4,415,732	€752,829	€5,168,561	€3,421,169	€716,240	€4,137,409

Source: CSO Trade Statistics

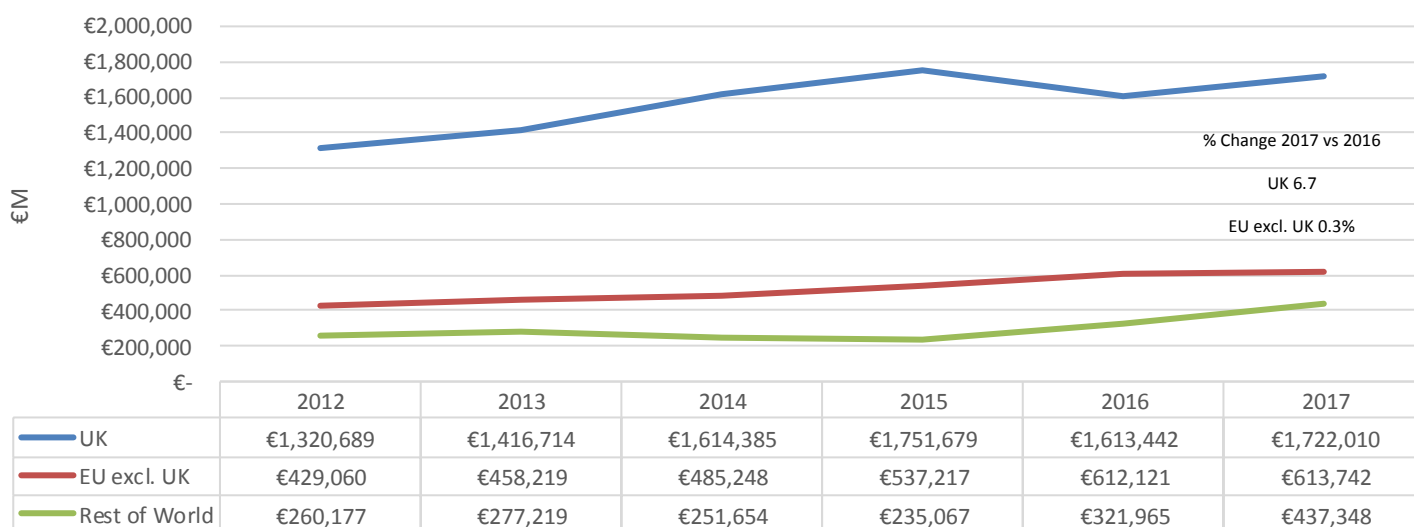


3. Prepared Consumer Foods Trade

Prepared Consumer Foods (PCF) are value added food and beverage products which sell both domestically and internationally to retail, food service or other food companies. These goods are categorised into 15 areas identified and agreed by industry stakeholders, Department of Agriculture, Food and the Marine and the Central Statistics Office.

Between the period 2012 - 2017 prepared consumer food exports **increased by 38%** from €2.0 billion to **€2.8 billion**. Exports to the UK during this period increased by 30%, with exports to the rest of the EU increasing by 43%. Exports to the rest of the world increased by 68% to €437 million, driven primarily by exports to USA which increased by €255 million during the period.

World Wide Prepared Consumer Food Exports, 2012 - 2017



Despite the growth in new markets, the UK remains by far our single largest trading partner for PCF sector exports with the **UK accounting for €1.8 billion (62%)** of total exports in 2017.

Prepared Consumer Food exports and imports by Category, 2017

	Great Britain	Northern	United	Great Britain	Northern	United
	Exports			Imports		
Meat Preparations	€577,577	€50,170	€627,748	€260,437	€19,890	€280,327
Chocolate-based products	€200,846	€13,189	€214,035	€200,864	€3,451	€204,315
Breads	€170,337	€19,204	€189,541	€65,087	€1,489	€66,576
Dairy Preparations	€115,276	€3,442	€118,717	€72,208	€1,164	€73,371
Waters & Juices & Soft Drinks	€119,243	€15,294	€134,537	€199,919	€10,118	€210,038
Other Food Preparations	€89,820	€15,057	€104,878	€136,880	€8,591	€145,471
Fruit-based bakery	€78,827	€3,047	€81,873	€52,255	€3,464	€55,719
Cereal based Products	€35,163	€26,572	€61,735	€218,695	€26,028	€244,723
Fruit & Vegetable based	€42,272	€12,800	€55,073	€191,344	€25,524	€216,868
Extracts, Sauces, Soups	€40,761	€6,795	€47,556	€182,608	€5,527	€188,135
Sugar-based products	€37,877	€5,631	€43,508	€94,623	€6,584	€101,207
Pizza/Quiche	€11,994	€3,663	€15,658	€68,830	€6,076	€74,906
Frozen Confectionery	€9,359	€1,805	€11,165	€52,837	€661	€53,498
Savoury Snacks etc	€6,793	€2,670	€9,463	€35,440	€4,009	€39,449
Biscuits	€5,091	€1,435	€6,526	€94,538	€1,771	€96,309
Grand Total	€1,541,237	€180,774	€1,722,011	€1,926,566	€124,347	€2,050,913

Source: CSO Trade Statistics



4. Brexit Challenges and Department Responses

CHALLENGES

- A number of analyses have been conducted on the potential impact of a UK exit from the EU on Ireland's agri-food sector. All of these analyses show that the result would be unambiguously bad for the sector, which is particularly vulnerable given its exposure to the UK market compared to other sectors of the Irish economy.
- The sector is already facing challenges from the impact of the significant drop in the value of Sterling against the euro, which has created difficulties for those most exposed to the UK market, especially the horticulture sector.
- Medium-term challenges will arise depending on the nature of the EU-UK trading relationship and the degree to which divergence in the regulatory environment arises.

RESPONSES

DAFM provided the following supports:

- In Budget 2017 DAFM introduced farm-gate business cost reduction measures, including a €150m low-cost loan scheme, new agri-taxation measures and increased funding under the Rural Development and Seafood Development Programmes.
- In Budget 2018 DAFM introduced a dedicated €50m package of Brexit measures, which included additional funding for Bord Bia and capital investment in the food industry, as well as contribution to a €300m (joint DAFM/DBEI) "Brexit Loan Scheme", at least 40% of which will be available to food businesses.
- Budget 2019 DAFM introduced a €78m Brexit Package which included €44m in direct aid to farmers, €27 million for capital funding for the food industry, and €7 million for additional staff and ICT hardware and software in the context of Brexit Preparedness.

Market diversification strategy is being intensified through Minister-led trade missions.

- In order to reduce Ireland's exposure to the UK market, Minister Creed continues to be active in securing access to new 3rd country markets for Irish food companies. Following successful trade missions to Japan and Korea, USA and Mexico, and Saudi Arabia and the United Arab Emirates in 2017, and to the US and Canada in February 2018, Minister Creed led a mission to China in May 2018. A further trade mission to Malaysia and Indonesia took place at the end of October.

DAFM is continuing its consultation through:

- A series of national stakeholder consultative meetings with individual sectors. These were carried out during May and June with the aim of sharpening the Department's focus on preparedness issues and enhancing its preparation for the future relationship discussion being undertaken by the EU27.
- Regular ongoing contacts with representative organisations and companies.

Minister and DAFM engaging in the Negotiation process through:

- Ongoing bilateral meetings, in capitals and en marge of Agri-Fish Councils, aimed at ensuring that the interests of the agri-food sector are fully understood and fully accounted for in the Brexit negotiations.

Further Information:

[Annual Review and Outlook, 2018](#)

[Factsheet on Irish Agriculture](#)

[DAFM Trade Factsheet](#)

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