



Brexit Analysis and Planning Document.

Please note this document is part of ongoing Brexit analysis and scenario planning for input into larger Government deliberative processes. Unless explicitly referenced by Government decision, any proposal contained in this document does not represent Government policy and should not be represented as such.

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)

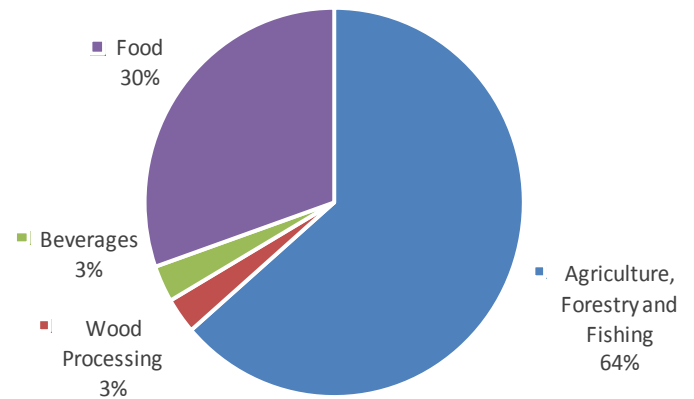
22% of all Industry Gross Output

(24% of all Manufacturing Industry Gross Output)

Source: Central Statistics Office

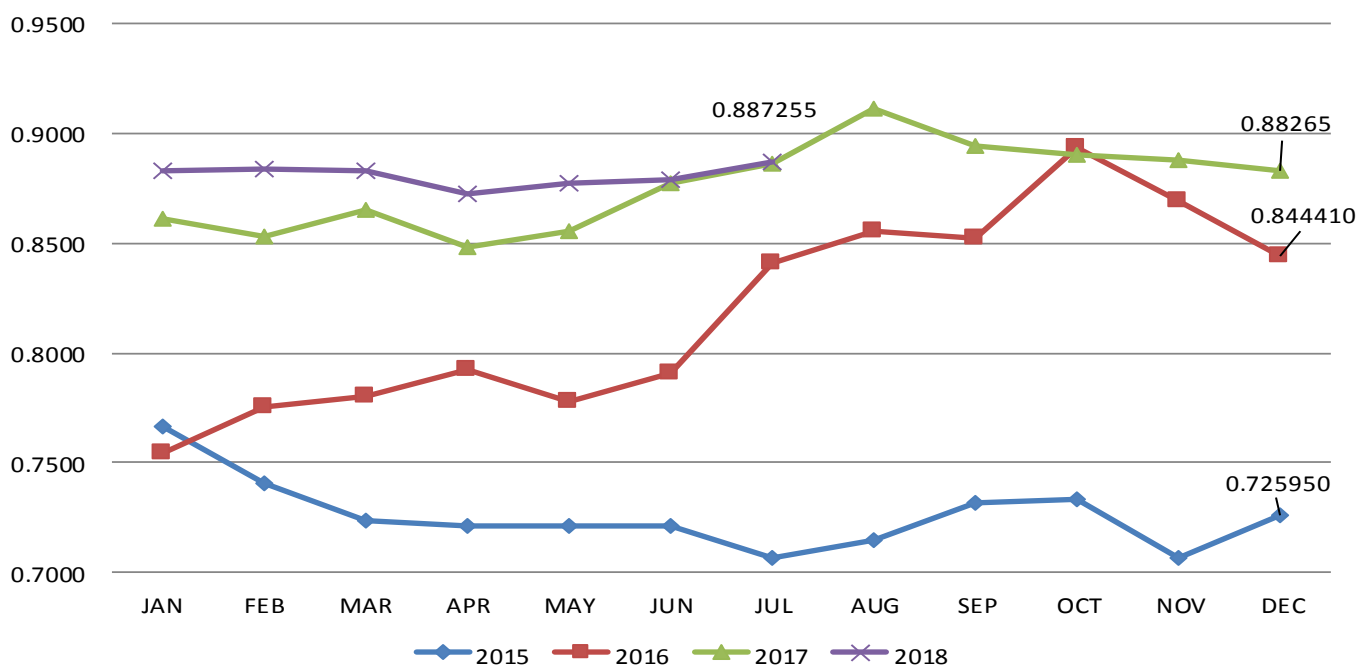
Employment

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.



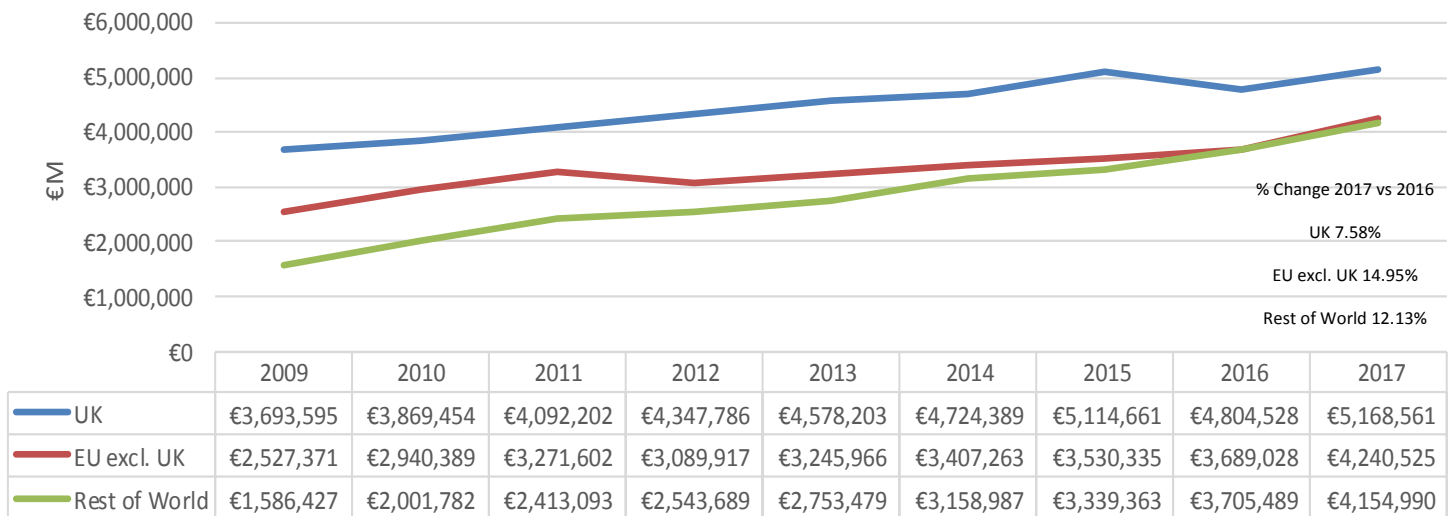


2. Agri-Food Trade

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

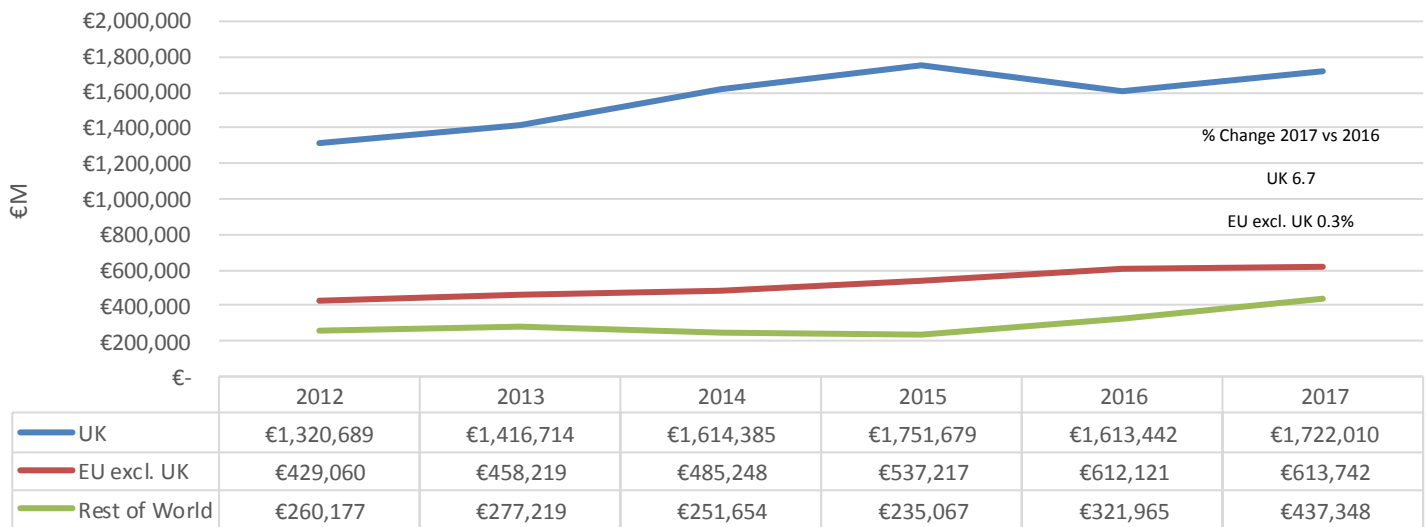


3. Prepared Consumer Foods Trade

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

(€000's)	Exports			Imports		
	Great Britain	Northern Ireland	United Kingdom	Great Britain	Northern Ireland	United Kingdom
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 under Budget 2018:

- A loan scheme aimed at providing up to €300m working capital support to SMEs (less than 499 employees), at least 40% of which will be available to food businesses. This follows the successful Agriculture Cashflow support loan scheme, which provided €145 million in cash flow support to farmers in 2017.
- Provision of €25m to facilitate the development of new Brexit response loan schemes for farmers, fishermen and food businesses.
- Further funding of €4.5 million to Bord Bia – now allocated an additional €14.5m since the Brexit vote in order to support affected companies and to enhance their market diversification activities in particular.
- Additional funding to Teagasc to support product diversification through the development of a new National Food Innovation Hub.

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 is being planned for later in the year.

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](#)

Queries:

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