



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	8.6%
% of Merchandise Exports	10.3%

According to the **Census of Industrial Production** the **Food and Beverages**

Sector accounts for:

21% of all Industry Turnover

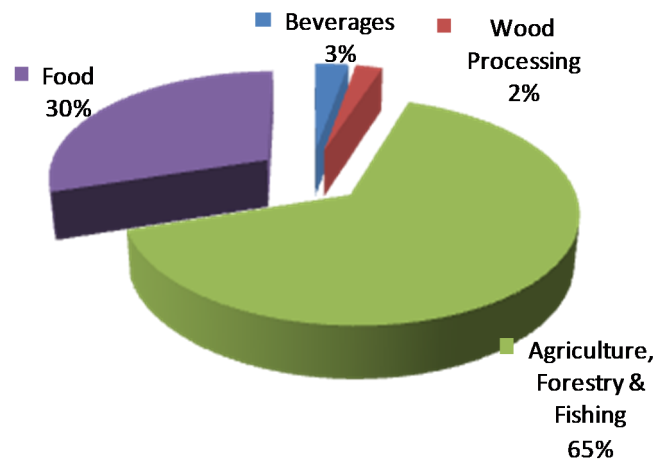
(23% of all Manufacturing Industry Turnover)

22% of all Industry Gross Output

(24% of all Manufacturing Industry Gross Output)

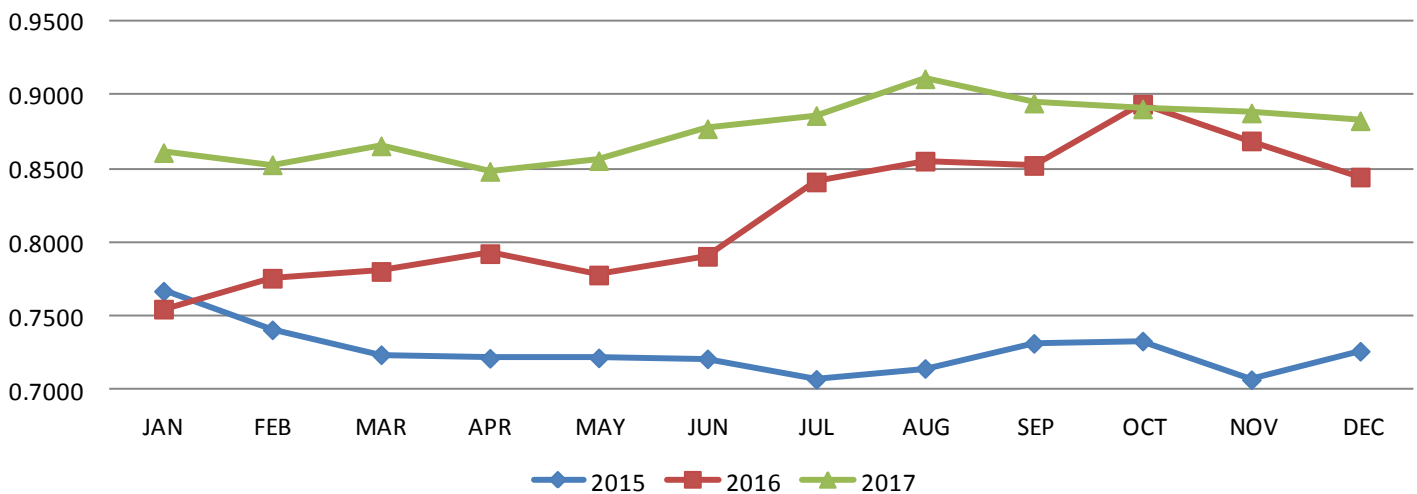
Employment

Employment in the agri-food sector accounted for 173,400 jobs, 8.6% of total employment, on average in 2016.



Source: CSO, [Quarterly National Household Survey, 2016 Average](#)

Exchange Rates (EURO/STG)



Source: [Central Bank](#)



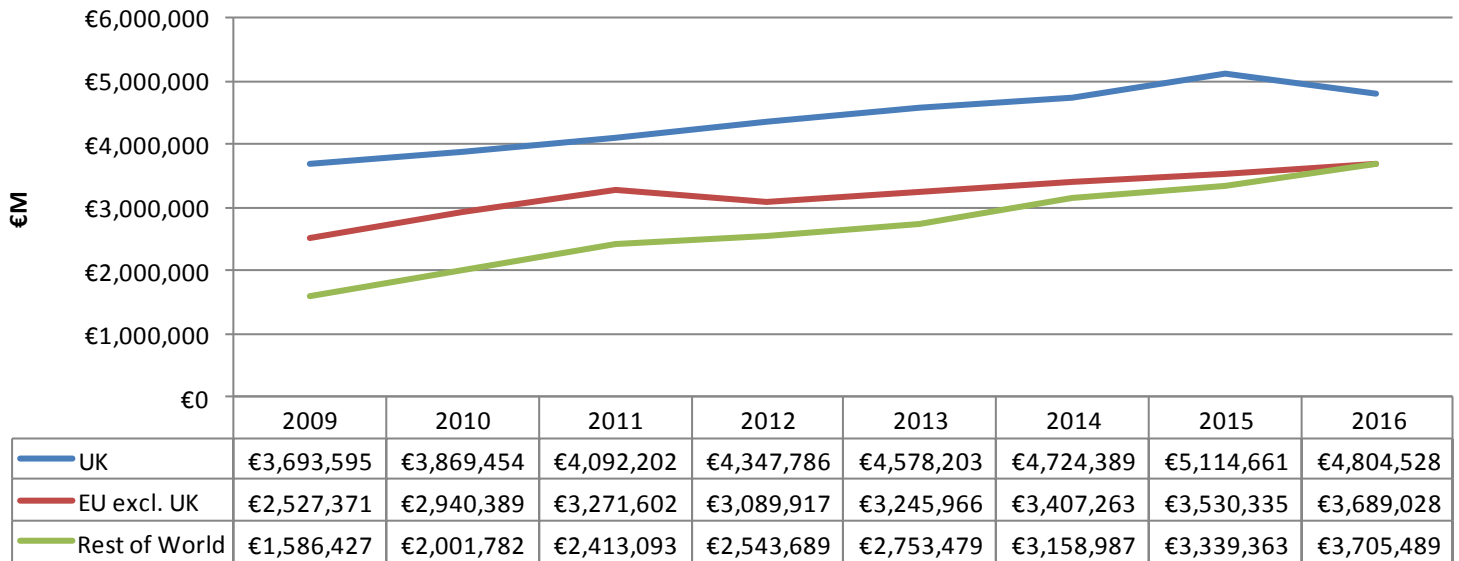


2. Agri-Food Trade

Agri-food exports are broken down into 24 categories identified and agreed by Department of Agriculture, Food and the Marine and the Central Statistics Office.

Between the period 2009 - 2016 agri-food exports increased by 56% from €7.8 billion to €12.2 billion. Exports to the UK during this period increased by 31%, with exports to the rest of the EU increasing by 47%. However the most significant export growth was seen in exports to non - EU destinations (+134%) driven primarily by growth in exports to Asia (244%) and the America's (133%)

World Wide Agri-Food Exports, 2009 - 2016



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 2016 agri-food exports to the UK totalled **€4.8 billion (39%)** while imports were **€3.7 billion (40%)** with a trade surplus of €1.1 billion.

Agri-Food exports and imports by Category, 2016

(€000s)	United Kingdom		Great Britain		Northern Ireland	
	Exports	Imports	Exports	Imports	Exports	Imports
Beef	1,113,448	98,616	1,002,598	84,243	110,850	14,374
Dairy	857,279	415,177	801,386	265,832	55,893	149,345
Pigmeat	408,182	127,072	382,548	120,119	25,635	6,953
Cereals	339,582	659,748	269,090	592,995	70,492	66,752
Beverages	301,642	339,362	216,140	300,932	85,502	38,429
Live Animals	259,200	192,920	190,158	186,246	69,043	6,674
Fruit & Vegetables	239,155	389,003	189,264	336,058	49,891	52,945
Poultry	217,308	174,315	196,309	151,759	20,999	22,556
Animal Foodstuffs	211,769	257,782	148,862	165,152	62,907	92,630
Forestry	176,544	53,149	125,910	35,290	50,634	17,859
Fish	64,262	165,592	54,483	149,527	9,779	16,065
Sheepmeat	52,027	17,980	51,408	17,831	619	150
Other Meat & Meat Produce	46,949	19,569	43,330	18,394	3,618	1,175
Other agri-food	517,182	820,698	468,859	771,558	48,323	49,140
Total Agri-Food Exports	4,804,528	3,730,984	4,140,345	3,195,936	664,183	535,047

Further information on agri-food trade can be found in Chapter 4 of the [Annual Review and Outlook, 2016 - 2017](#)



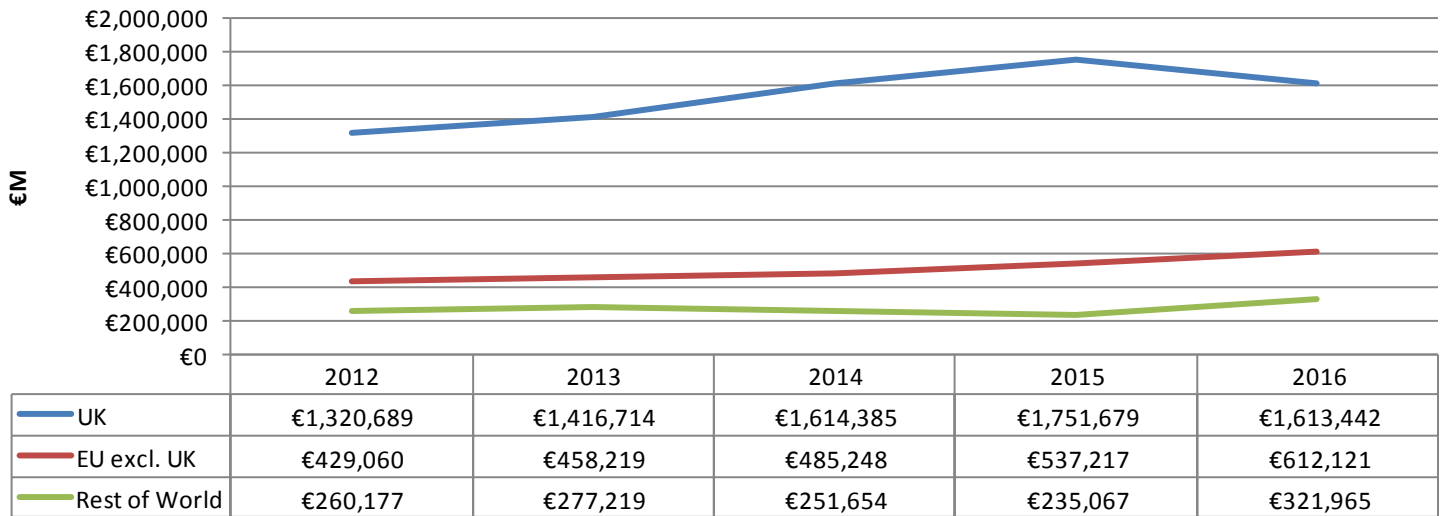


3. Prepared Consumer Foods Trade

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 - 2016 prepared consumer food exports increased by 27% from €2.0 billion to €2.54 billion. Exports to the UK during this period increased by 23%, with exports to the rest of the EU increasing by 43%. Exports to the rest of the world increased by 24% from €260 million to €322 million between 2012—2016, driven primarily by exports to USA which increased by €155 million during the period.

World Wide Prepared Consumer Food Exports, 2012 - 2016



Prepared Consumer Food exports and imports by Category, 2016

(€000s)	UK		Great Britain		Northern Ireland	
	Exports	Imports	Exports	Imports	Exports	Imports
Meat Preparations	581,382	248,464	548,044	227,231	33,338	21,233
Chocolate-based products	212,437	206,603	202,134	204,801	10,303	1,801
Breads	175,474	67,178	156,052	64,862	19,422	2,317
Dairy Preparations	136,498	65,209	133,057	64,021	3,441	1,188
Waters & Juices & Soft Drinks	109,302	220,193	98,040	210,582	11,261	9,611
Other Food Preparations	85,570	127,073	74,844	117,611	10,725	9,462
Fruit-based bakery	71,753	57,396	69,152	53,975	2,601	3,421
Cereal based Products	61,017	244,399	28,082	216,445	32,935	27,953
Fruit & Vegetable based	53,831	208,673	43,465	180,643	10,366	28,030
Extracts, Sauces, Soups	42,057	133,216	35,945	129,941	6,112	3,275
Sugar-based products	38,217	103,681	33,063	98,799	5,154	4,881
Savoury Snacks etc	13,418	44,548	11,468	40,971	1,950	3,577
Biscuits	11,379	103,192	9,909	101,743	1,470	1,449
Pizza/Quiche	11,184	77,707	8,165	70,679	3,019	7,028
Frozen Confectionery	9,922	27,387	7,942	26,891	1,981	496
Grand Total	1,613,442	1,934,918	1,459,362	1,809,197	154,080	125,721

Source: CSO Trade Statistics

Further information on PCF trade can be found in Chapter 4 of the [Annual Review and Outlook, 2016 - 2017](#)





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 Irish agri-food sector, which is particularly exposed given the sector's 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 from potential changes to the EU-UK trading relationship, changes to regulations and standards, border controls and certification, and the related areas of veterinary and health certification.

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.
- Provision of €25m to facilitate the development of new Brexit response loan schemes for farmers, fishermen and food businesses in 2018.
- Additional funding to Bord Bia in order to support affected companies and enhance their market diversification plans (€10m additional funding has been allocated since the Brexit vote, and a further €4.5m was provided for in Budget 2018).
- Additional funding to Teagasc to support product diversification through the development of a new National Food Innovation Hub.

DAFM is continuing its consultation through:

- National Stakeholder Consultative Committee (most recent meeting 18 January 2018) and regular ongoing contacts with representative organisations and companies.

Minister and DAFM engaging in the Negotiation process through:

- Bilateral meetings, in capitals and en marge of Agri-Fish Councils.
- Contacts with European Commission and Barnier Task Force.
- Submission of observations on papers presented by the Task Force.

Market diversification strategy is being intensified through Minister-led trade missions. Following missions to Japan and Korea, USA and Mexico, and Saudi Arabia and the United Arab Emirates in 2017, a further Mission is planned for the US and Canada in February 2018, and other destinations for 2018 will be announced shortly.