Department of Agriculture, Food and the Marine
An Roinn Talmhaíochta, Bia agus Mara

Brexit Fact Sheet – Irish Agri Food Sector – May 2017

A: IMPORTANCE OF THE AGRI-FOOD SECTOR IN THE IRISH ECONOMY

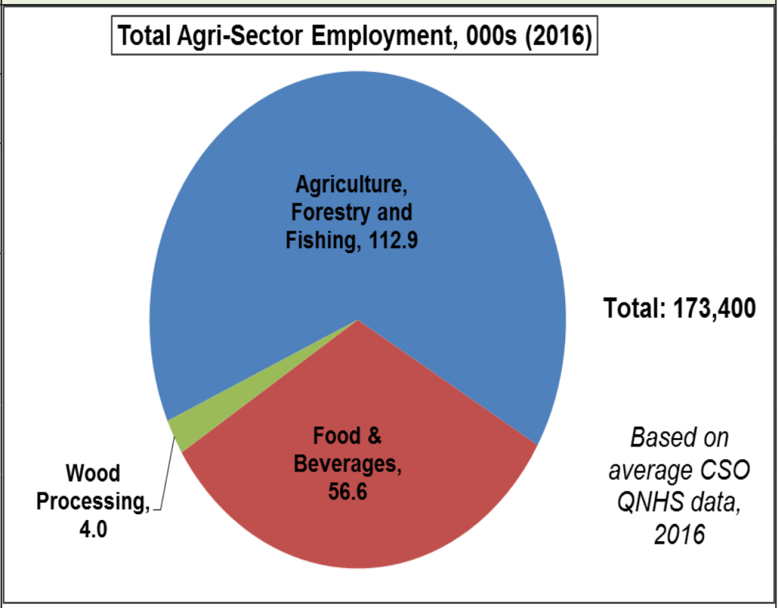
Key Indicators for Agri-Food Sectors	
Contribution to GDP (2014)	**7.6%**
% of employment (2016 avg)	**8.6%**
% of merchandise exports (2016)	**10.4%**

According to the Census of Industrial Production, 2014 the Food and Beverage Sector accounts for

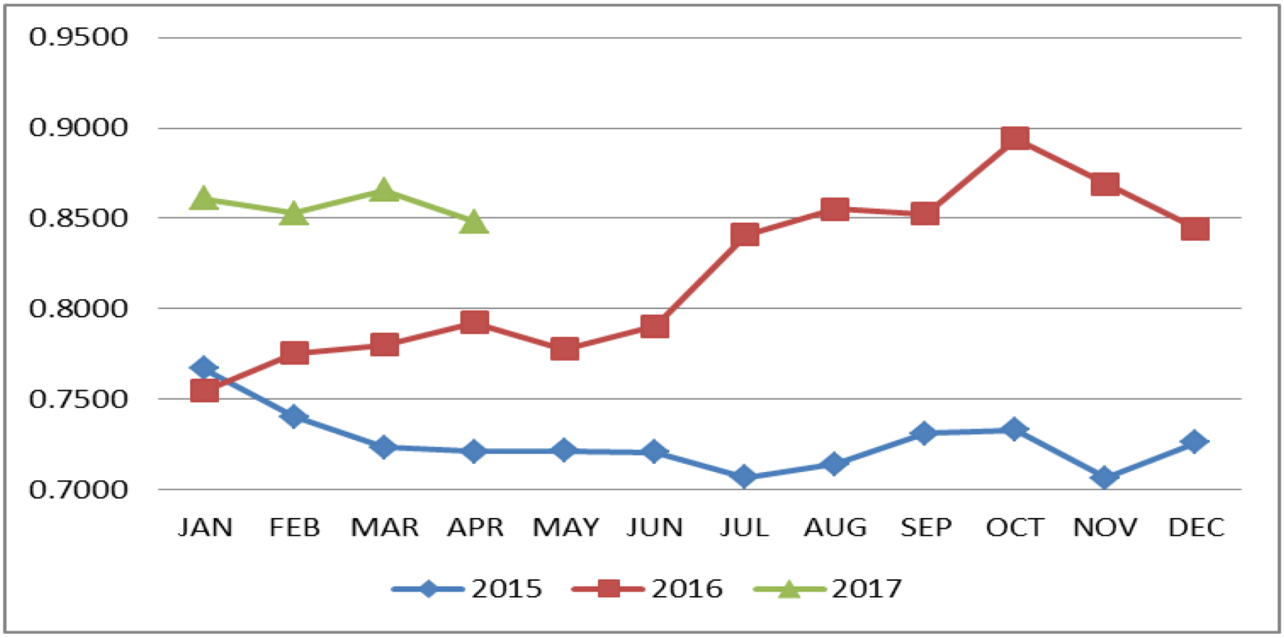
21% of all Industry Turnover

22% of all Industry Gross Output

Employment in the Agri-Food Sector



B. EXCHANGE RATES (Euro/STG)



Source: Central Bank

<u>BREXIT ANALYSIS & PLANNING DOCUMENT</u> 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.

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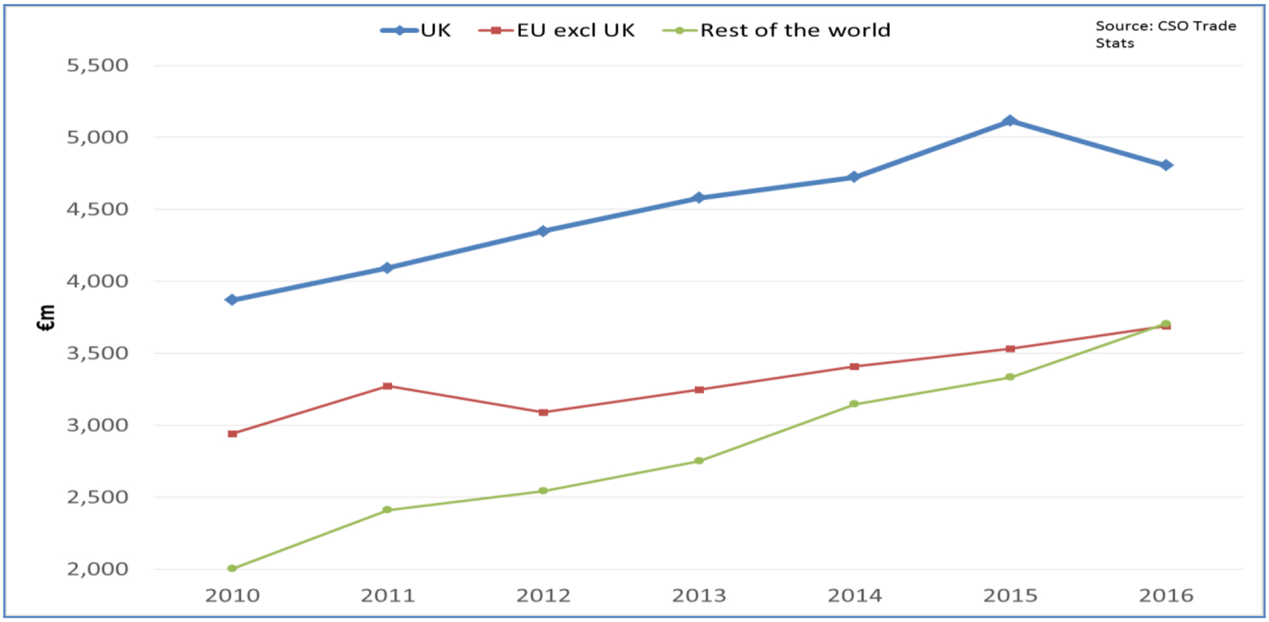
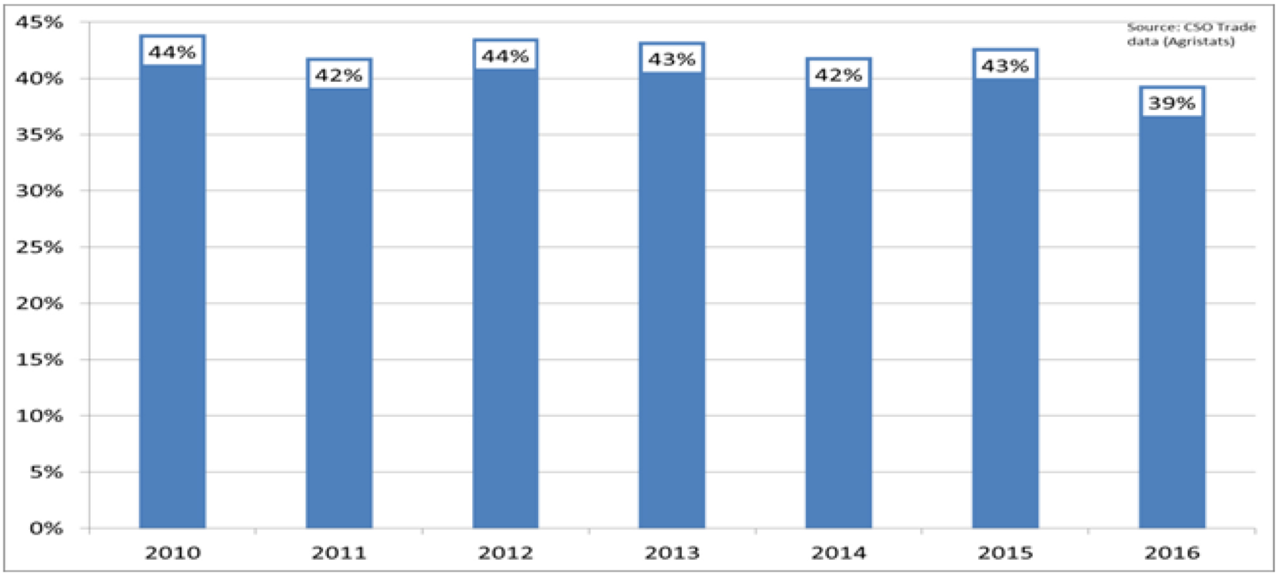
C: AGRI-FOOD TRADE[1]

Total agri-food exports increased by 38% between 2010 and 2016 to **€12.2 bn** (total imports were €8.2bn) including growth in exports to the UK (+24%) and the rest of the EU (+25%). However, the most significant export growth was seen in exports to non-EU destinations (+85%), driven particularly by growth in exports to Asia (+185%) and the Americas (+103%).



Despite the growth in new markets, the UK remains by far our single largest trading partner for the agri-food sector, in 2016 total agri-food **exports** to the UK totalled **€4.8bn (39%)** while **imports** were **€3.7bn (40%)** with a trade surplus of €1.1bn.



[1] CSO data, "agri-food" includes edible food and drink and non-edible products by forestry, hides and skins

Total Agri-food exports and imports[2] 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**

Prepared Consumer Foods (PCF) [3]

The prepared consumer foods category includes a range of value added products The UK remains a key market for PCF accounting for 63% (€1.6bn) of export value and 57% (€1.9 bn) of import value.

Total PCF 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**

[2] CSO Agri-stats
[3] Prepared foods eg bakery, biscuit, soups, sauces with the exception of dairy based enriched powders, value added meats, value added seafoods, value added horticulture, non-alcoholic beverages

D: AGRI-FOOD BREXIT CHALLENGES AND DEPARTMENT RESPONSES

CHALLENGES

- The Irish agri-food sector is particularly exposed to the impact of Brexit, given the sector's disproportionate reliance on the UK market compared to other sectors of the Irish economy.

- A number of analyses have been conducted on the potential impact of a UK exit from the EU on Ireland's agri-food sectors. All of these analyses show that the result would be unambiguously bad for the Irish agri-food sector.

- Short-term challenges for the sector mainly arise 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 arise from changes to the EU-UK trading relationship, changes to regulations and standards, border controls and certification, and the related areas of veterinary and health certifications.

RESPONSES

DAFM provided the following supports under Budget 2017:

- Low-cost flexible finance for farmers – Agri Cash Flow Support Loan Scheme of €150m, which has now been fully subscribed.
- Additional funding to Bord Bia (€2m, bringing total additional funding to date to €3.6m) and Bord Iascaigh Mhara in order to support affected companies.
- Increased funding under the Rural Development Programme and the Seafood Development Programme.

DAFM is continuing it consultation through:

- National Stakeholder Consultative Committee (most recent meeting 11 April 2017)
- The All Island Civic Dialogue process (most recently on 3 May 2017).
- Regular ongoing contacts with representative organisations and companies.

Minister and DAFM continuing engagement with EU Member State and UK/NI counterparts through:

- Bilateral meetings, in capitals and en marge of Agri-Fish Councils.
- Contacts with European Commission and Barnier Task Force.

Market diversification strategy being intensified, including through Ministerial leading of trade missions (Saudi Arabia and the United Arab Emirates earlier in 2017, following visits last Autumn to South East Asia – further trade missions are planned in 2017)