

Delivering Growth

An update on actions to support the NI agri-food industry



Northern Ireland
Executive

www.northernireland.gov.uk

Agri-Food
Strategy Board

Delivering Growth

Ministerial Foreword

2016 is the Year of Food and Drink. A year in which we celebrate all that is good about the food and drink produced by our farmers, fishermen and processing companies. It is therefore timely for us to present a formal update on key actions delivered in support of the agri-food sector since the launch of the AFSB Going for Growth report.

The Executive published its response to Going for Growth in October 2014 acknowledging the importance of the sector and welcoming the AFSB's vision for a sustainable, profitable and integrated supply chain. We have delivered, or are on course to deliver, the vast majority of government actions outlined in our response, supporting the industry in moving towards the AFSB's ambitious growth targets set for sales, exports and jobs.

This success has come against a backdrop of significant challenges for many in the sector and an ever changing environment in which to operate. The last number of years have seen significant volatility in commodity prices triggered by events outside of our control. These have impacted on every part of every sector in the industry, with significant downward pressure on farmgate prices and falling producer incomes and we are inspired by the resilience of those who continue to work in the sector to deliver such high quality produce.

We are embarking on our largest ever Rural Development Programme (RDP) which includes significant additional Executive funding of up to £250m to deliver the Farm Business Improvement Scheme (FBIS) - recommended by the AFSB. FBIS will provide support for knowledge transfer, innovation, co-operation and targeted capital investment to sustainably develop the farm sector. We are delighted that the first

phase of the scheme has already launched. Complementary support for capital investment in the processing industry is also proposed. Alongside this, the Executive has progressed a number of important initiatives such as funding a new Agri-Food Quest Competence Centre, a dedicated industry centre for research & development excellence for the sector. We are also working with the AFSB to develop and deliver an industry-led, commercially focussed marketing body which will provide strategic leadership and direction for marketing and promotional activities for the sector.

We have continued to successfully target new and emerging export markets in which to sell our local produce, with 49 new markets opening since the launch of Going for Growth and support for export-led growth through 15 agri-food trade missions.

We have quality agri-food produce whose provenance is internationally recognised. Year on year, local food and drink companies continue to achieve recognition for their excellence. We punch well above our weight in food and drink awards. In 2015 alone, 150 local products from 70 different companies received Gold Stars in the Great Taste Awards.

We are proud that significant progress has been delivered through a partnership approach, not only across the Executive, but alongside and within the industry. We hope that the incoming Executive and all elements of the industry will continue to work together for the benefit of the sector, our local economy, environment and society.

Michelle O'Neill
Minister of Agriculture and
Rural Development

Jonathan Bell
Minister of Enterprise, Trade
and Investment

March 2016

Delivering Growth

Chair's Foreword

It is now three years since the Agri-Food Strategy Board published Going for Growth, outlining ambitious targets for the growth of the agri-food sector in NI. However, it is only now that we can really start to see the impact of our plan, as momentum is built up through the introduction and implementation of projects and schemes. We believe that despite the extremely challenging business environment, particularly for primary production, those targets continue to be realistic and achievable. We are happy to report that good progress has been made by both Government and Industry towards achieving those targets as detailed within this progress report, with an increase of over £1bn in turnover estimated in the last four years.

From an industry perspective, we have seen success in terms of our request for a comprehensive Farm Business Improvement Scheme, worth up to £250m to help those in the primary production sector in improving their businesses. The Executive has agreed to provide a scheme through which farmers and producers can access a range of support for training and skills development, innovation, co-operation and capital investment. We continue to work towards establishing an industry-led, commercially focussed marketing body which will provide strategic leadership and direction for marketing and promotional activities on behalf of NI food and drink, providing a unified voice for the industry as we target new and existing markets. For our industry to remain competitive in the longer term, it must be underpinned by a consistent supply of high quality raw materials. We identified the need to be innovative in how we might deliver this and have made significant progress in developing a framework by which to improve the quality of our livestock through the enhanced use of genetics.

When accessing new markets, we know we can compete on the basis of quality, but what helps us differentiate further is the world-leading traceability that we can offer. The industry has developed a best-in-class Food Fortress Scheme, which the whole of the sector has bought into with 100% of feed produced by our commercial compounders being covered by the Scheme. We aim to explore the possibilities for extending a similar guarantee of traceability along the whole agri-food supply chain.

There has been much discussion, in the current volatile global environment, on supply chains and the steps needed to ensure those chains are strong and flexible enough to withstand market fluctuations. If we have learned anything from the past 12 months, it is that the status quo cannot remain. Sustainable supply chains rely on healthy and strong relationships between all partners, and we have started the process of strengthening those relationships through the Supply Chain Forum. This area is very much a work in progress, and requires the commitment of all elements of the supply chain to achieve success – the future success of our agri-food industry relies on an integrated supply chain, and ultimately it is only the industry itself which can deliver such an outcome.

It is timely that we record the progress made in supporting the agri-food sector during 2016, our Year of Food and Drink. As detailed within the report, the agri-food sector has achieved a lot in terms of growth within existing and new markets, and investment for the future in terms of benchmarking, skills development and training for our young people. The Year of Food and Drink offers a great opportunity to show our customers, and our global competitors, just what we can do and I look forward to further success!

Tony O'Neill

Chair, Agri-Food Strategy Board

Introduction

The importance of the agri-food sector to the NI economy is well known, and has been recognised by its prominence in both the Programme for Government and the Economic Strategy.

In May 2012, the Agri-Food Strategy Board was established by the Agriculture Minister, Michelle O'Neill MLA, and the then Enterprise Minister, Arlene Foster MLA and was tasked with developing a long term strategy for the agri-food sector.

That strategy, **Going for Growth**¹, was published in 2013 and outlined a vision for the industry of:

'Growing a sustainable, profitable and integrated agri-food supply chain, focused on delivering the needs of the market'

The AFSB outlined recommendations for both industry and government to action in order to achieve that vision.

The **Executive Response to Going for Growth**² was published in 2014 and demonstrated the Executive's commitment to the sector, outlining actions to be taken by departments to deliver on agreed recommendations. The majority of actions are interdependent, with sustainable growth in the sector reliant on a number of measures being delivered through a collective approach, both within individual sectoral supply chains and between industry and government.

This publication outlines key achievements and progress to date.

¹ http://www.agrifoodstrategyboard.org.uk/uploads/cms_file/1413452701-32.pdf

² http://www.agrifoodstrategyboard.org.uk/uploads/cms_file/1413458243-69.PDF



Contents

Executive Summary:

Delivering Growth	3-4
Introduction	5
Headline Achievements	8-9

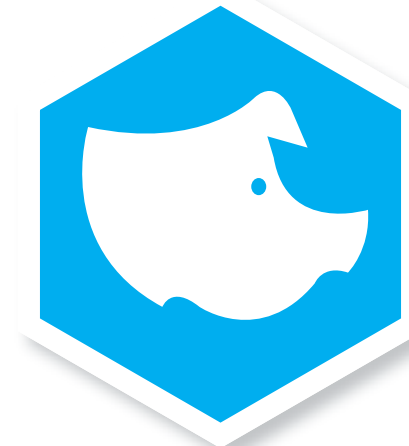
Delivering Growth through:

Growing Market Share	10-11
Working Together	12
Sustainable Growth	13
Innovation	14
Skills	15
Better Regulation/Food Fortress	16
Financing Growth	17-18



Sector Review:

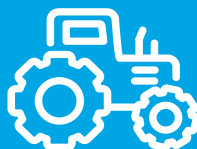
Beef and Sheep.....	19
Dairy	20
Poultry and Eggs	21
Drinks and Beverages	22
Bakery and Snacks	23
Pig	24
Arable Crops, Fruit and Vegetables	25
Fish and Aquaculture	26



HEADLINE ACHIEVEMENTS



£1bn increase
in turnover in
4 years



Farm
Business
Improvement
Scheme



3000 Farmers
enrolled in
Business
Development
Groups



Agri-Food
Quest
Competence
Centre



Livestock
Genetics Hub



Food Fortress
Scheme



Strategic
Marketing
Body



Supply Chain
Forum



Sustainable
Land
Management
Strategy



New Export
Markets



Gas to the West



Devolution of
Corporation Tax



Sustainable
Utilisation of
Poultry Litter
(SUPL)



Agri-Food
Loan Scheme



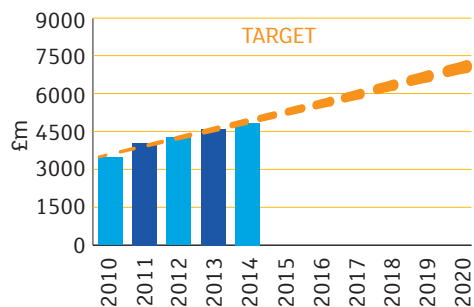
Food
Innovation
Centre at
CAFRE



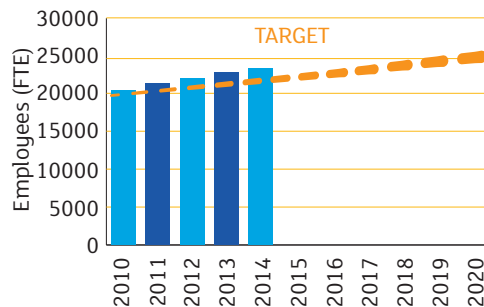
NIEA
Prosperity
Agreements



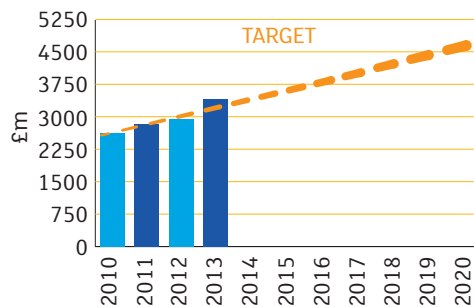
Progress against Targets - by 2020



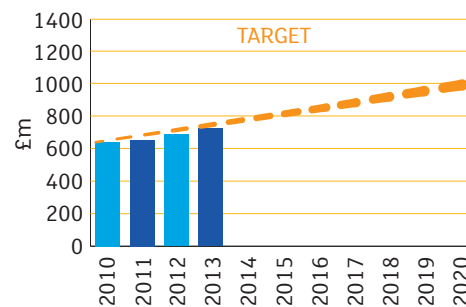
Grow turnover by **60%** (from 2010) to **£7bn**



Grow employment by **15%** (from 2010)



Grow external sales by **75%** (from 2010) to **£4.5bn**



Grow value-added by **60%** (from 2010) to **£1bn**

Support For Food Companies

Number of Projects
1300

Total Assistance
£38 Million

Total Investment
£442 Million

New Jobs
2500

Salaries Generated
£55 Million

Invest NI Events
1230
Company attendances



Market Access

- 49 new markets secured including Canada, Singapore, Thailand, India, Brazil and Indonesia
- Provisional approval to export pork to China
- Dairy Industry export programme developed
- Official Brucellosis Free status achieved



Strategic Marketing Body

The AFSB are leading on establishment of an industry - led Strategic Marketing Body for the agri-food sector, supported by DETI



New suite of market intelligence information secured



Northern Ireland Year of Food and Drink 2016

A year long programme of promotional events right across Northern Ireland



NI Regional Food Programme

£1m promoting 89 projects



Great Taste Awards

70 Companies
200 Gold Stars

Support For Food Companies

Number of Projects

670

Total Assistance

£9 Million

Total Investment

£30 Million

Invest NI Marketing Events

1183

Company attendances

Meet the Buyer

432

Company attendances

Sector Trade Missions

30

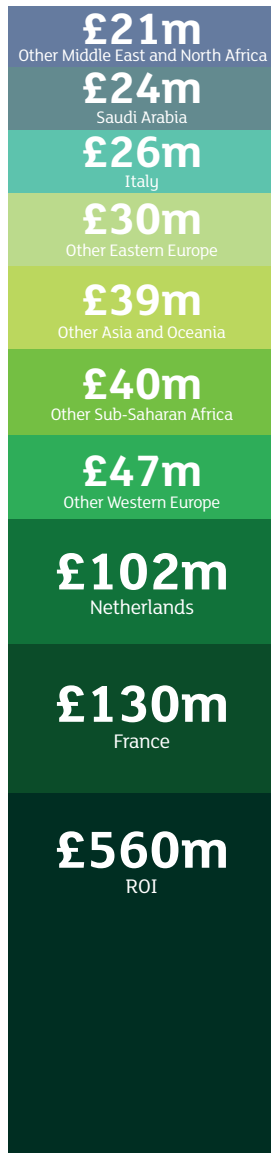
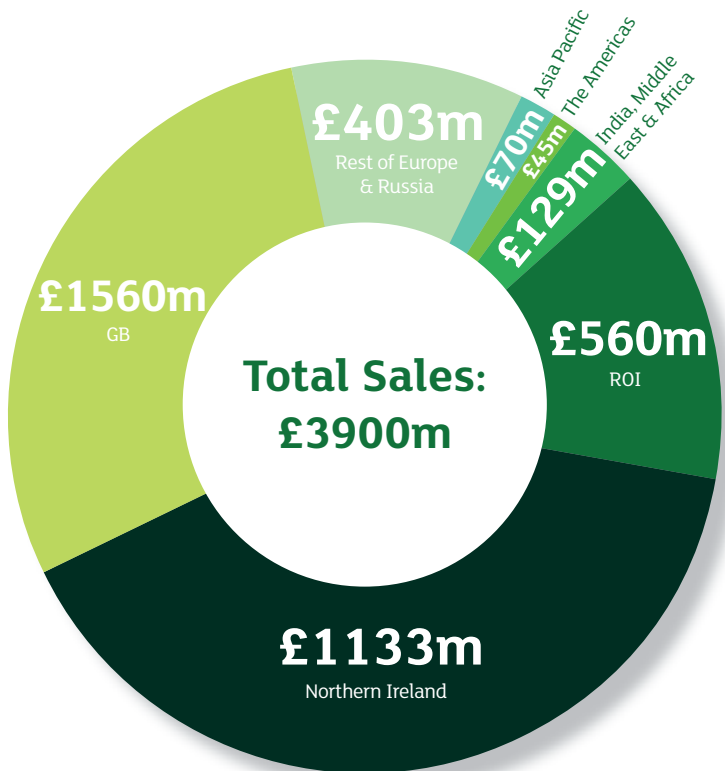
Company attendances

Multi Sector Missions

23

Company attendances

Sales by Trade Area 2014



Top Ten Export* Destinations 2014

Total Exports by Subsector 2014



Exports to ROI by Subsector 2014



*Exports are outside of the UK



Agri-food Co-operation Scheme developed as part of the Farm Business Improvement Scheme



3 New **Collaborative Network** Projects supported by Invest NI



1 in 8 of all farmers enrolled in **Business Development Groups**



Consolidation Hub established at Belfast Docks to improve logistics



'Access 6' Collaborative **logistics solutions** for SMEs developed



Supply Chain Forum established to improve communication and collaboration across the agri-food supply chain

Support For Food Companies

Number of Projects

4

Total Assistance

£190k

Total Investment

£490k



Sustainable Land Management Strategy developed by expert working group



Environmental Farming Scheme offering 5 year Environmental Agreements



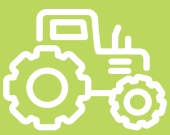
CO₂ Reduction – **NIEA Prosperity Agreements** signed with leading agri-food companies




Healthy Eating project team investigating opportunities for improving human health through animal nutrition



The **SUPL** project - developing innovative solutions for **sustainable use of poultry litter**



£700k funding for 70 new slurry spreading machines through **DARD Manure Efficiency Technology Scheme**



Grant of up to **£32.5m** agreed to support **gas provision in the West of NI**

Support For Food Companies





CAFRE

- Opened **£3m** world-class Food Innovation Centre
- Over **1000** visitors in first year
- Supports **2000** agriculture and food businesses to innovate and adopt new technologies every year



DARD Research Challenge Fund 5 additional projects, £600k funding



European Innovation Partnerships (EIPS) developed as part of the Farm Business Improvement Scheme



Agri Food Innovation Funding NI Horizon 2020 Contact Point established to facilitate applications for EU Funding

- At least 8 successful proposals to date
- €2.7m to NI



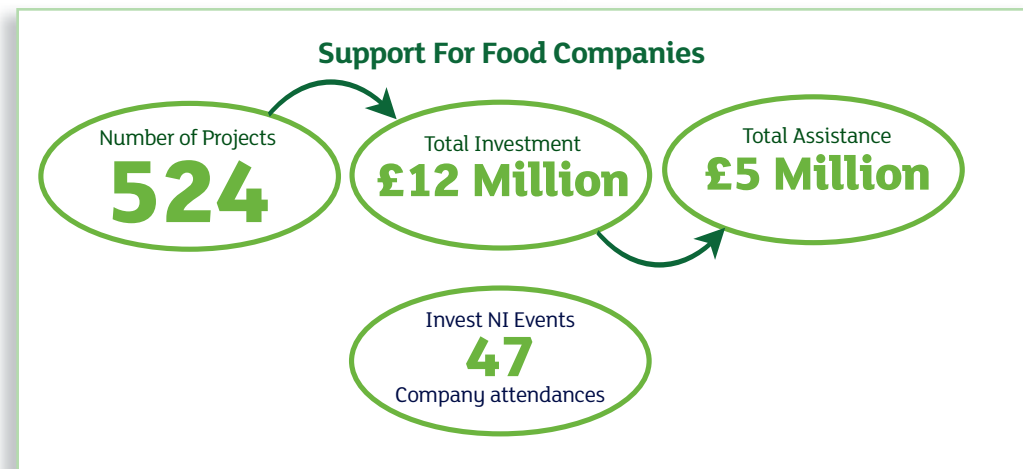
50% increase in DARD funded Postgraduate Studentships. Research includes milk quality, beef supply chains and environmental threats to commercial fisheries




2015 Major Innovation Conference hosted by NIFDA and supported by Invest NI



Innovation and Technology Evaluation Demonstration Scheme (ITEDS) developed as part of the Farm Business Improvement Scheme





CAFRE

- 15% increase in FE and HE agriculture and food enrolments the last 3 years
- Training delivered to over 10,000 people per year working in the agri-food sector



Farm Exchange Visits Scheme developed as part of the Farm Business Improvement Scheme



166 candidates completed the new **Agriculture & Land Use GCSE**



Farm Family Key Skills launched as part of the Farm Business Improvement Scheme



Over 3,000 farmers have joined **Business Development Groups** as part of the Farm Business Improvement Scheme



Better Regulation



Making Life Simpler: Improving Business Regulation in Northern Ireland – DETI review of business red tape published



Regulatory Impact Assessment guidance for all Executive Departments



The AFSB Better Regulation subgroup- assessing regulatory burden and impact on the agri-food sector



Publication of the Strategic Planning Policy Statement reducing 20 separate planning policy statements to one



New legislation introduced to simplify and reduce environmental regulation, assisting businesses and protecting the environment

Food Fortress

Food Fortress Scheme Established in conjunction with Institute for Global Food Security.



World leading animal feed monitoring scheme



100% of feed produced by commercial compounders covered by the scheme



Feed Advisory Register in place



Powers secured to set the NI rate of **Corporation Tax** in 2018



Agri-Food Loan Scheme to increase access to credit. 10 loans now approved for c. **£2.8m**



Access to Finance
A suite of 6 funds c. **£170m** debt or equity finance for business growth or development



Agri-food Processing Investment Scheme
£27m Capital Investment to improve economic performance and competitiveness of the agri-food sector. Opening 2016

Type of Support	No of Projects	Total Assistance £	Total Investment £
Finance Vouchers	24	75k	153k
Processing Marketing Grant	51	5m	13m
Selective Financial Assistance	47	21m	344m
Overall Total	113	26m	358m

Support For Food Companies



Farm Business Improvement Scheme

The Farm Business Improvement Scheme, is a package of measures worth up to £250m aimed at knowledge transfer, co-operation, innovation and capital investment being delivered as part of the 2014-2020 Rural Development Programme. It is made up of seven schemes:

Knowledge Transfer

Business Development Groups £17m

To improve business and technical efficiency of 3000+ participating farmers through collaboration and knowledge exchange, with 30% of participants to gain a Level 3 qualification.

Farm Family Key Skills £3m

Targeted training programmes aimed at 15,000 participants, covering key areas such as: Business Planning; Health and Safety; Animal Health and New Technologies.

Innovation

Innovation and Technology Evaluation Demonstration Scheme £2.5m

On-farm evaluation and demonstration scheme to raise awareness of innovative technologies and techniques to encourage uptake at a commercial level.

Farm Innovation Visit Scheme £1m

Farm Innovation Visits across EU with focus on Innovation; Sustainable Farming and Forestry; Farm Diversification, Short Supply Chains; and the development of new business opportunities and new technologies.

Co-operation

Agri-Food Co-operation Scheme £3m

Supporting new co-operative initiatives that lead to more effective and sustainable supply chains, focussing on Short Supply Chains and Micro Businesses.

European Innovation Partnerships £1.25m

Collaborative Innovation Projects to advance innovation in the agricultural and horticultural sectors, supporting up to 15 groups.



Capital

Business Investment Scheme Up to £190m

Two tier Capital Grant element of the Farm Business Improvement Scheme:

Tier 1 - To mitigate the impact of farming on the environment, improve animal welfare and biosecurity and improve health and safety on farms, with maximum project cost of £30k.

Tier 2 - Aimed at transformational change in terms of increasing productivity driven growth, efficiency and sustainability of market orientated farm businesses, with maximum grant of £250k.

Achievements




Industry project to develop a livestock genetics data hub



NI granted Official Brucellosis Free status means reduced testing for farmers

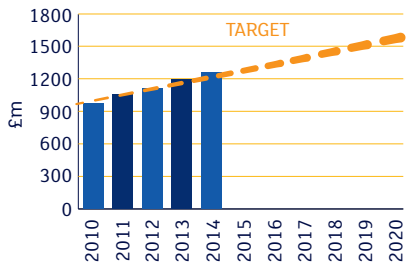


TB Strategic Partnership Group established to develop a strategy to reduce tuberculosis in cattle

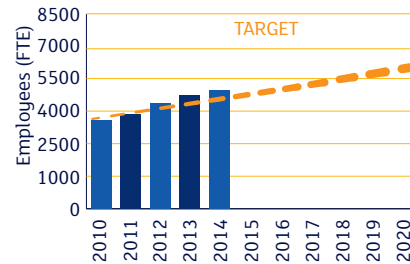


Introduction of Bovine Viral Diarrhoea Legislation in collaboration with Animal Health and Welfare NI

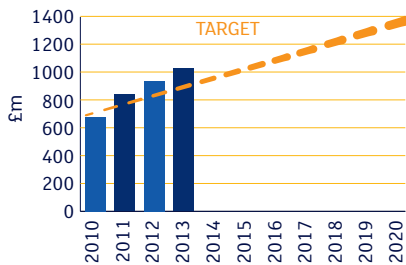
Targets - by 2020



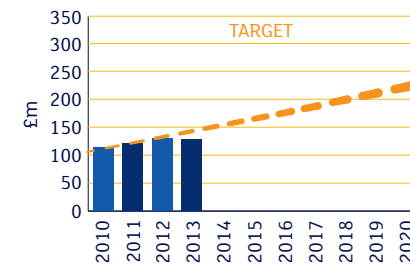
Grow turnover by **60%**
(from 2010) to **£1.6bn**



Grow employment by **34%**
(from 2010) to **5,000**
full time equivalents



Grow external sales by **78%**
(from 2010) to **£1.25bn**



Grow value-added by **65%**
(from 2010) to **£191m**

Support For Food Companies



Achievements



Increased focus – including financial incentives – on quality of milk product including improvements in butterfat and protein content



90% of NI milk produced under a Voluntary Code of Practice agreed by Dairy UK (NI) and UFU



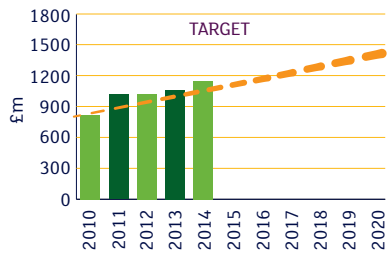
€625K Euro Dairy Export Programme launched by Dairy Council NI to drive sales in target markets



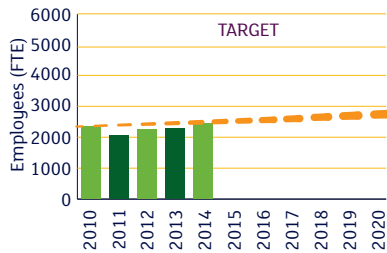
USA Dairy Programme hosted by Invest NI

- 20 producers & processors
- Attendance at World Dairy Expo Wisconsin
- Visit to the Innovation Centre for US Dairy

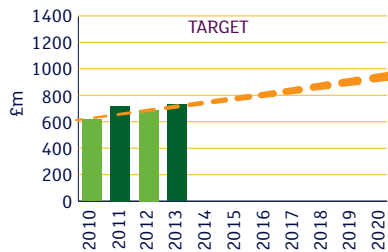
Targets - by 2020



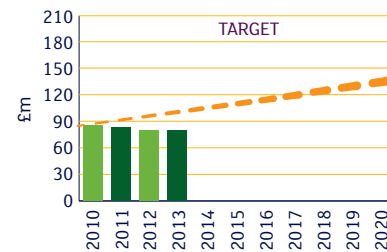
Grow turnover by **65%** (from 2010) to **£1.45bn**



Grow employment by **2%** (from 2010) to **2,250** full time equivalents



Grow external sales by **80%** (from 2010) to **£1.1bn**



Grow value-added by **65%** (from 2010) to **£142m**

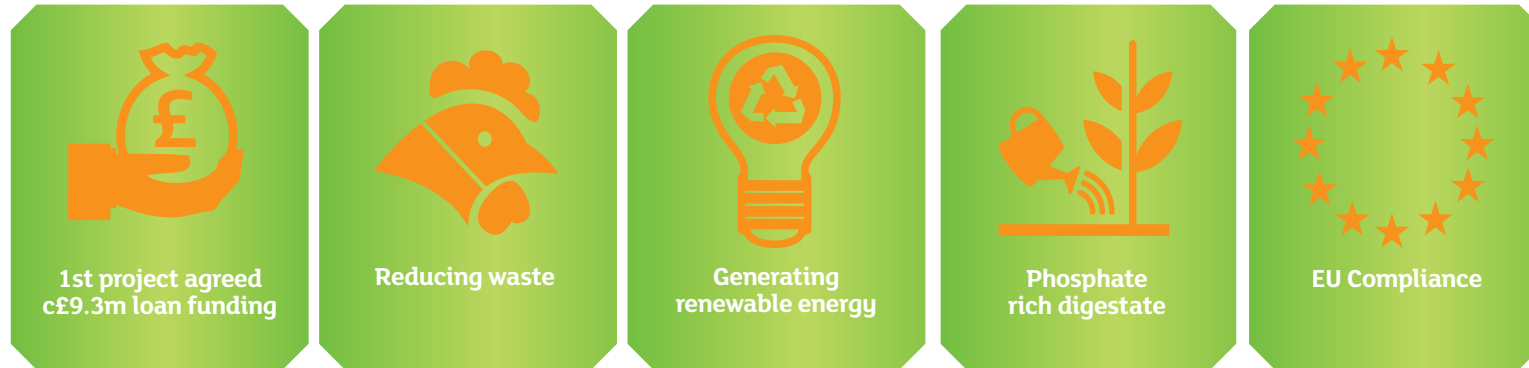
Support For Food Companies



Achievements

Sustainable Utilisation of Poultry Litter (SUPL) Loan Scheme.

Seeking to provide a sustainable outlet for treatment of poultry litter, assisting future planning processes.



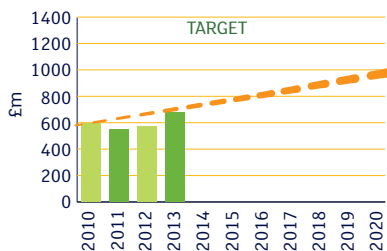
Targets - by 2020



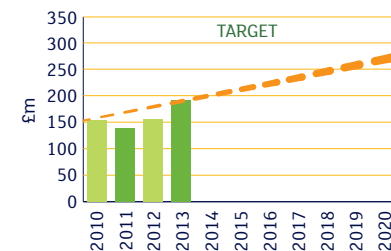
Grow turnover by **70%**
(from 2010) to **£1.25bn**



Grow employment by **23%**
(from 2010) to **6,700**
full time equivalents



Grow external sales by **77%**
(from 2010) to **£1.05bn**



Grow value-added by **70%**
(from 2010) to **£262m**

Support For Food Companies



Achievements



12 new export focussed drinks brands have been created

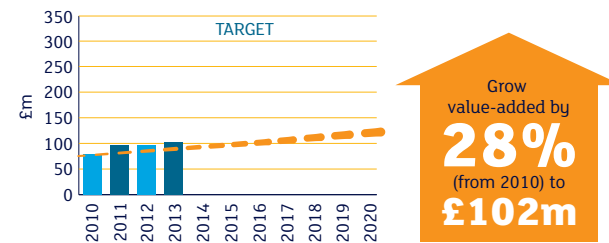
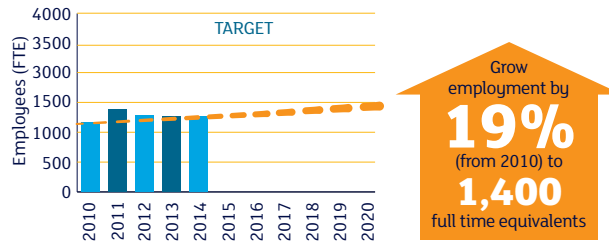
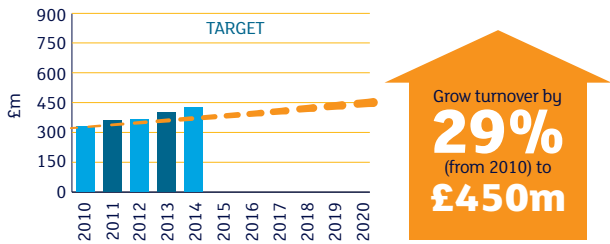


Invest NI Beers, Wines and Spirits category mentoring and development programme launched



Protected Geographical Indication (PGI) secured for Whiskey, Irish Poitín and Irish Cream

Targets - by 2020



Support For Food Companies

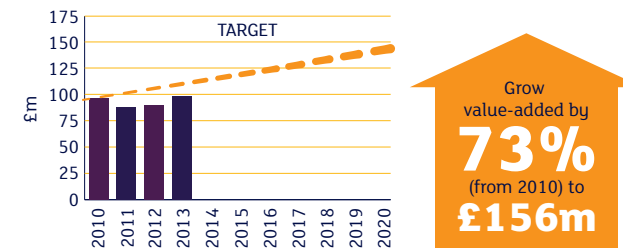
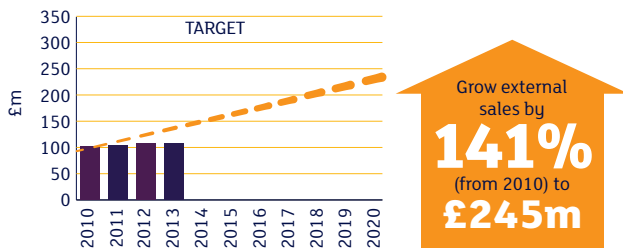
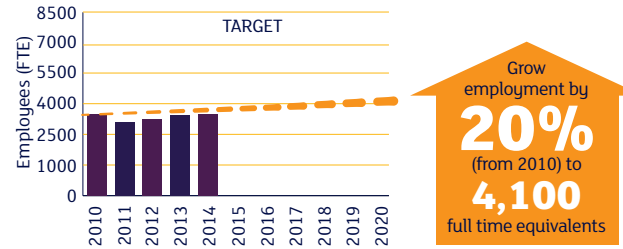
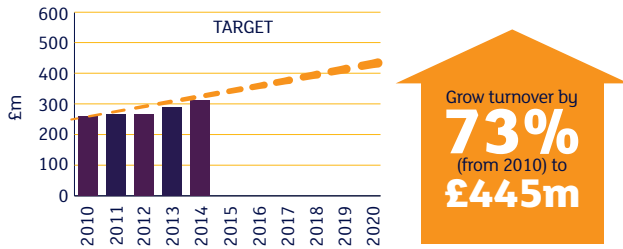


Achievements

Major Bakery and Snacks Innovation Seminar hosted by Invest NI and CAFRE.



Targets - by 2020



Support For Food Companies



Achievements

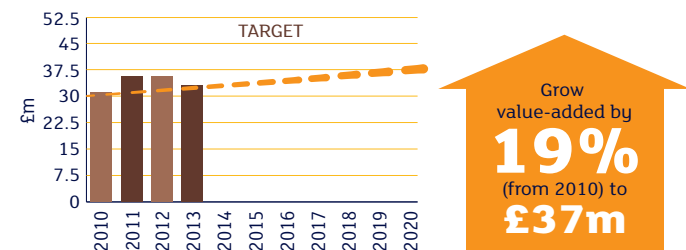
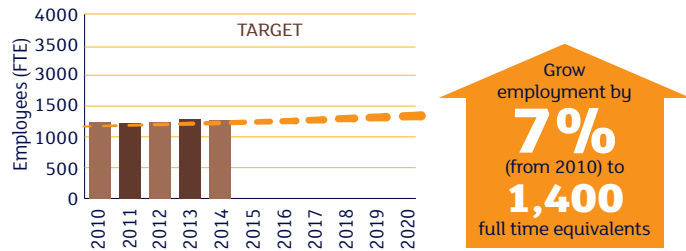
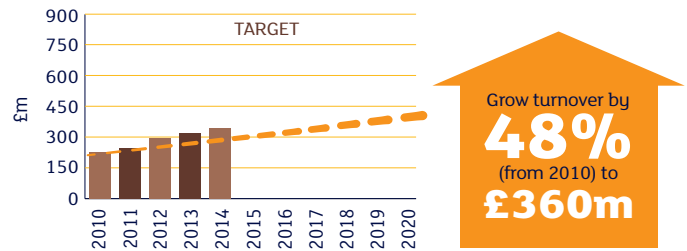


Dedicated Farm Family Key Skills Programme launched to improve Biosecurity on Pig Farms



Additional Dedicated Intensive Senior Technologist in place in CAFRE

Targets - by 2020




Support For Food Companies



Achievements




Plant Health Consultative Forum established



Launch of all island TreeCheck app for public reporting of diseased trees



Protected Geographical Indication (PGI) Applications for "Iveagh Rapeseed Oil" and "Brighter Gold Rapeseed Oil" have been submitted

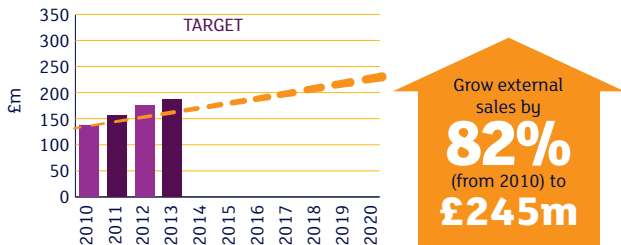
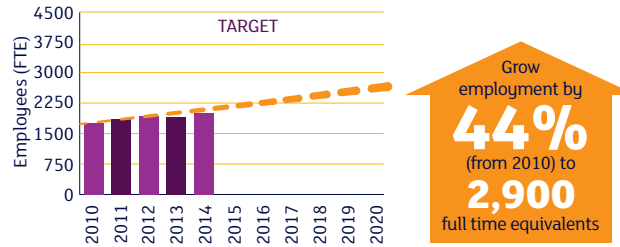
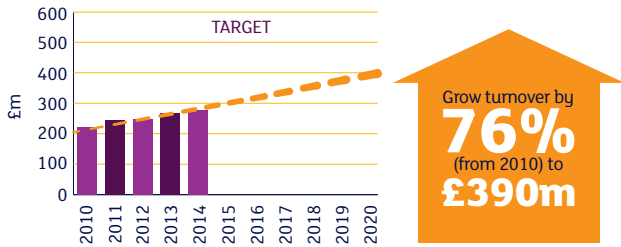


DARD Postgraduate Studentships researching plant health, including vegetables and trees, home grown forage, and the local honey bee population



Industry funded NI Stakeholder Potato Promotion Group (NISPPG) established to promote local potatoes

Targets - by 2020




Support For Food Companies



Achievements



Fisheries Taskforce established to involve industry in strategic discussions



Secured additional £1.2m of fishing opportunities for local fishermen in 2016



Aquaculture Initiative providing £180k to promote and support aquaculture development in NI



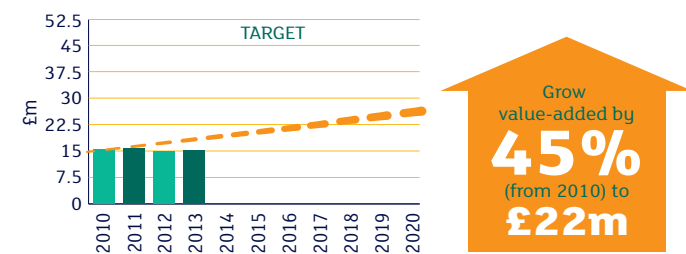
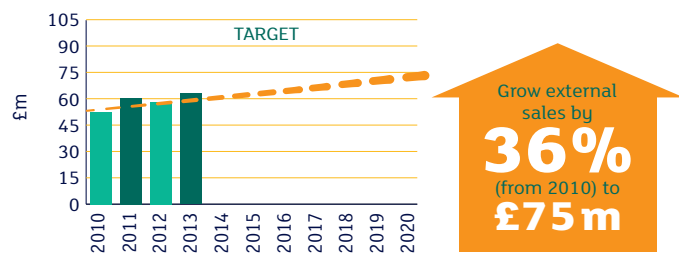
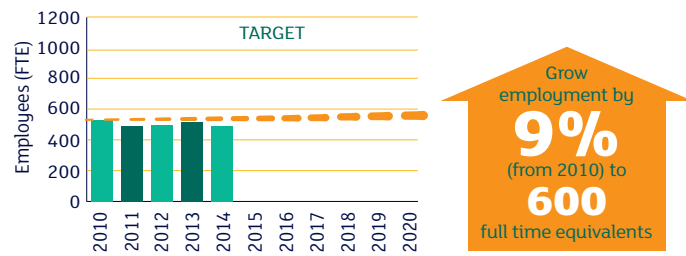
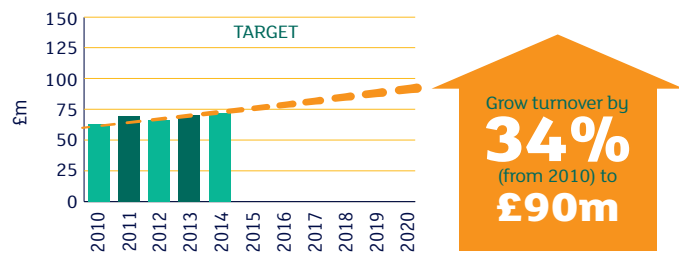
European Fisheries Fund provided €36m grant to the NI fishing industry



Marine Stewardship Council Certification for Irish Sea Herring Fishery and Bottom Grown Mussel Fishery



Protected Designation of Origin (PDO). Application submitted for Lough Neagh Pollan



Support For Food Companies



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