



**DEVELOPING A STRATEGIC PLAN FOR  
THE AGRI-FOOD SECTOR IN NORTHERN  
IRELAND**

**CALL FOR EVIDENCE**

August 2012

## CONTENTS

### **1. Introduction**

Agri-Food Strategy Board

Objective of Call for Evidence

### **2. The Agri-Food Sector in Northern Ireland**

Importance of the Agri-Food Sector in Northern Ireland

Future Developments in Northern Ireland

### **3. Questions for Stakeholders**

### **4. How to Respond**

Confidentiality & Data Protection

### **Annex A**

Agri-Food Strategy Board Terms of Reference and Membership

### **Annex B**

Question template for responses

## 1. INTRODUCTION

- 1.1 In this Call for Evidence paper, the Agri-Food Strategy Board (AFSB) seeks views and comments on the development of a Strategic Plan for the agri-food sector in Northern Ireland.

### **Agri-Food Strategy Board**

- 1.2 The importance of the agri-food sector to the Northern Ireland economy has been recognised in the Executive's Programme for Government 2011-2015 <http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf> and the Economic Strategy <http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>.
- 1.3 The AFSB has been appointed by the Minister of Agriculture and Rural Development and the Minister of Enterprise, Trade and Investment to provide strategic advice to the Northern Ireland Executive, taking account of the wide range of sectors and stakeholders.
- 1.4 The Board will outline the longer term Strategic Plan for the sector to 2020 and a key objective will be to identify growth targets, strategic priorities and actions to achieve the expected strategic outcomes. The Board will also advise on implementation of the Plan and the resources necessary to deliver these strategic outcomes.
- 1.5 It is the Board's intention that the Strategic Plan identifies short, medium and long term targets and actions for the primary and processing sectors. The Strategic Plan will also set the vision for the agri-food sector to 2020.
- 1.7 The Terms of Reference for the AFSB and a list of Board members are attached at **Annex A**.

## Objective of Call for Evidence

- 1.8 The AFSB is committed to developing a Strategic Plan for the agri-food sector that is **market led and action based**. The Board is also of the view that the Strategic Plan must address the challenges and opportunities facing the sector.
- 1.9 The AFSB considers it essential that the views of stakeholders in the agri-food sector contribute to the development of the Strategic Plan. The AFSB is therefore seeking evidence from a wide range of organizations that have an interest in the sector.
- 1.10 As part of this process the Board has established 9 sectoral sub-groups to gather input from those with direct experience in the relevant sub-sector. The sub-sectors being considered by the sub-groups are:
- Bakeries/Snacks;
  - Beverages;
  - Milk and Milk Products;
  - Feed and By Products;
  - Fish and Aquaculture;
  - Arable, Fruit and Vegetables;
  - Pig Meat;
  - Poultry and Eggs; and
  - Red Meat.
- 1.11 It will also be important to obtain the views of wider stakeholders and the AFSB is therefore inviting all interested parties to respond to the questions contained in this Call for Evidence document.

## 2. THE AGRIFOOD SECTOR IN NORTHERN IRELAND

### Importance of the Agri-Food Sector in Northern Ireland

- 2.1 The agri-food sector (comprising the agricultural industry and the food and drinks processing industry) plays a significant role in the Northern Ireland economy. The sector contributes in the region of £1 billion per annum of value added and has demonstrated a strong track record of export growth.
- 2.2 Within the Northern Ireland economy, the Food and Drink Processing Sector is the largest manufacturing sector with 23% of manufacturing output producing £3.7 billion sales and it is also the largest manufacturing employer with 20,000 employees (in 2010). In Agriculture the gross output was £1.5 billion from 24,471 farming enterprises and approximately 47,000 workers (in 2010).
- 2.3 Turnover in the Northern Ireland Food and Drinks Processing Sector increased last year from £3.4 billion to £3.7 billion in 2010, representing a growth of 8.3%. Over the last 10 years, sales from the food and drinks processing industry to outside Northern Ireland have increased by 66% *in real terms* with sales of almost £2.4 billion recorded in 2009. This represents approximately 70% of the value of all sales from the food and drinks processing industry.
- 2.4 It is not just the scale of the agri-food industry that is important to the regional economy; it is also its distribution of activity right across the region, supporting the Northern Ireland Economic Strategy's cross-cutting principle of balanced sub-regional growth. Furthermore, recent research indicates that for every full time equivalent (FTE) job created in the food and drinks industry here, a further two FTE jobs are created in the wider regional economy.
- 2.5 The global prospects for food production have changed dramatically and positively over the past three or four years and the agri-food sector has the potential to respond to the additional demand that is evident.

## **Future Developments in Northern Ireland**

### Changes to Regional Aid

- 2.6 In addition to future developments in terms of CAP, RDP and CFP, potential changes to Regional Aid will also impact on the agri-food sector in Northern Ireland. Regional Aid defines the manner in which grant support can be provided to businesses.
- 2.7 The European Commission is currently consulting with Member States on the State Aid rules for Regional Aid from 2014. DETI officials, along with their counterparts in Scotland and Wales, are working closely with the Department of Business, Innovation and Skills (BIS is the UK lead on Regional Aid) to ensure the interests of the devolved administrations are fully and appropriately reflected in the UK's interactions with the Commission. In particular, DETI is keen to ensure that, post 2013, Northern Ireland's continuing unique circumstances are reflected in the revised Regional Aid Guidelines
- 2.8 In addition to revisions to the Regional Aid Guidelines themselves post 2013, BIS has also confirmed its intention to remove NI's automatic entitlement to 100% Assisted Area coverage, on the basis that the economic analysis no longer supports it. This will mean that, when the next UK Assisted Area map is developed, only those areas of NI that have assisted area status will be able to receive Regional Aid from 2014 onwards, and those areas may not cover 100% of NI's population. While it is too early to estimate the impact this may have for the business growth of the agri food and other sectors, this will obviously have implications for how Regional Aid, and in particular Invest NI's Selective Financial Assistance, can be implemented post 2013.

### Common Agricultural Policy (CAP) Reform

- 2.9 The EU Commission outlined their legislative proposals for reform of the CAP on 12 October 2011. These included a move towards flat rate payments at a regional level by 2019. The other headline

issue was greening which is aimed at increasing the contribution to the environment which farmers make in return for direct payments.

- 2.10 CAP Reform is scheduled to be implemented in 2014 although this depends on when agreement is reached. EU Budget negotiations which will determine the size of the overall CAP Budget are scheduled to conclude by the end of 2012 but it is also quite possible that these will take longer which in turn would delay a CAP Reform agreement. The Commission's proposals would see a cash freeze in CAP expenditure during the 2014 – 2020 period which could equate to a reduction of around 15% once inflation is taken into account.
- 2.11 The DARD Minister and officials are playing an active role in the CAP Reform negotiations. DARD, taking into account consultation responses, published a response to the EU Commission proposals. This was presented to the EU Commission by the DARD Minister on 19 April 2012.

#### Rural Development Programme 2014-2020

- 2.12 The new Rural Development Programme 2014-2020 will be an important source of funding for future delivery of the Agri-Food Strategy Board's Plan. The EU negotiations on the rural development proposals are continuing. The DARD Minister and officials are working with Defra and the other Devolved Administrations to ensure the Commission's proposals remain flexible enough to meet our future rural development needs.
- 2.13 A key issue – and a crucial part of the negotiations – will be just how much funding is available for Rural Development actions. The DARD Minister is pressing for an increased allocation for Northern Ireland.
- 2.14 Potential new areas for support in the EU proposals include innovation and research and development; support for a more competitive and balanced food chain; and a renewed focus on job creation and business support.

- 2.15 There is also an increased emphasis on the coordination of all EU funds and programmes and the potential flexibility this could provide in achieving the Executive's wider economic objectives. However, we will need to ensure that any coordination between funds is not overly bureaucratic and delivers real benefit for rural areas.

### Common Fisheries Policy (CFP) Reform

- 2.16 It is widely accepted that the Common Fisheries Policy (CFP) requires radical reform. It has failed to deliver healthy stocks, with over-fishing widespread across EU stocks and certain sectors of the industry are economically challenged. The general objective of the CFP reform package is to ensure fisheries and aquaculture activities that provide long-term sustainable environmental, economic and social conditions, and contribute to the availability of food supplies.
- 2.17 The Danish Presidency achieved a "General Approach" at the Fisheries Council in June on the two proposed Regulations (CFP Basic and Common Market Organisation). The Presidency also submitted a progress report for Council to note on the later proposal for a European Maritime and Fisheries Fund, on which there had been insufficient time for agreement to be reached.
- 2.18 The agreement of a "General Approach" by EU Fisheries Ministers is an important first step in securing genuine and effective CFP reform. The DARD Minister and her officials are working closely with the other Fisheries Administrations and counterparts in the south of Ireland to advance our views on the CFP reform package to ensure that these are reflected in the positions taken at Council and at working groups. The European Parliament is expected to complete its first reading of the basic Regulation and the CMO Regulation before the end of the year. A final decision on the CFP Reform package is likely to be reached mid-2013 during the Irish Presidency under co-decision procedures.



### 3. QUESTIONS FOR STAKEHOLDERS

3.1 The Agri-Food Strategy Board wishes to obtain the views of all interested parties. These views will play a key role in informing the market led, action based Strategic Plan which will be developed by the Board.

3.2 The Board has identified the following list of core questions which respondents are invited to consider:

(i) What sub-sector are you providing information on?

What are the Strengths; Weaknesses; Opportunities; Threats in the sub-sector?

(ii) What are the key cross cutting issues facing the sub-sector in relation to:

- marketing (e.g. trade barriers, accessing new markets);
- finance (e.g. access to funding, input costs, tax structures);
- innovation (e.g. improved collaboration, added value);
- capability (e.g. development of skills, availability of labour, management training);
- environmental (e.g. infrastructure to recycle and process waste, natural gas);
- planning;
- regulatory obstacles or issues;
- scale within Northern Ireland or is an all Island approach or wider option required;
- policy issues or barriers;

- Common Agricultural Policy reform;
  - supply chain;
  - food safety/security; and
  - any other major sub sectoral issue?
- (iii) What opportunities for growth do you see in the sub-sector and how would you recommend these are developed?
- (iv) What is holding back and inhibiting the growth and development of the sub-sector?
- 3.3 In providing responses to these questions please use the question template which is attached at **Annex B**.

## 4. HOW TO RESPOND

- 4.1 Your views and comments are invited on the questions set out in the question template attached at **Annex B**.
- 4.2 The Call for Evidence period will close on **Friday 14 September 2012**. Responses to the Call for Evidence should reach the Agri-Food Strategy Board on or before that date, and should be forwarded to [info@agrifoodstrategyboard.org.uk](mailto:info@agrifoodstrategyboard.org.uk). Or by post to:

AFSB Support Branch  
Room 654, Dundonald House  
Upper Newtownards Road  
Belfast  
BT4 3SB

- 4.3 All responses should include the name and postal address of the respondent.

### **Confidentiality & Data Protection**

- 4.4 Your response may be made public by the AFSB. If you do not want all or part of your response or name made public, please state this clearly in the response by marking your response as 'CONFIDENTIAL'. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been specifically requested.
- 4.5 Information provided in response to this Call for Evidence, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA)). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. This means that the Departments

are only able to refuse to disclose information in very particular circumstances. Should you require further information about the confidentiality of responses, please contact:

Information Commissioner's Office – Northern Ireland  
Room 101  
Regus House  
33 Clarendon Dock  
Laganside  
Belfast  
BT1 3BG

Telephone number: 028 9051 1270

Alternatively, your request can be sent electronically to  
[ni@ico.gsi.gov.uk](mailto:ni@ico.gsi.gov.uk)

Further information can also be accessed on the internet at  
[http://www.ico.gov.uk/Global/contact\\_us.aspx](http://www.ico.gov.uk/Global/contact_us.aspx)

## ANNEX A

### AGRI-FOOD STRATEGY BOARD – TERMS OF REFERENCE

#### **Purpose of the AFSB**

The AFSB's role is to provide strategic advice to the Agriculture and Enterprise Ministers, taking account of the wide range of sectors and stakeholders. It will lead the further development of the existing *Focus on Food* Strategy into a longer term strategy and associated implementation plan for the agri-food sector, in line with the Programme for Government 2011-15 Target 1.24.

The Board will consider growth targets, strategic priorities and actions to achieve the expected strategic outcomes. The Board will also advise on implementation and the resources necessary to deliver these strategic outcomes.

The Board is accountable to the DARD and DETI Ministers.

#### **Membership**

The Board consists of an independent Chairperson and twelve members, eight industry members selected by Ministers with the relevant skills and experience to develop a strategy, along with four senior officials nominated by DARD, DETI and Invest NI.

Members are appointed in accordance with the spirit of the NI Commissioner for Public Appointments Code of Practice. Appointments are for an initial period of up to 3 years.

#### **Main Responsibilities**

The main responsibilities of the Board are:

- to offer advice on issues relating to the agri-food industry in NI taking account of the views of all elements of the food chain, including primary production, processing, and the food manufacturing industry and reflecting the views of other industry stakeholder organisations;

- to develop the Focus on Food strategy into a long term strategic vision for the agri-food sector;
- to provide advice to Departments/Invest NI on how the Agri-Food Strategy and its strategic outcomes can be achieved and on the resources necessary for delivery;
- to contribute to the development of associated annual operational plans, targets and Key Performance Indicators;
- to reach agreement with a range of stakeholders on their roles in delivery;
- to help monitor the performance of the sector against targets and identify any necessary remedial action.

### **Meetings**

The Board is expected to meet at least four times a year and more frequently in its first year of operation. Location of meetings will be decided by the Chair in discussions with the members of the AFSB.

### **Consultation**

The Board should engage with representatives of the sector and other relevant organisations on the range of issues for which it is responsible and for the benefit of the agri-food sector as a whole. The purpose of such consultation is to gather views, build consensus and secure the sector's commitment to delivery of agreed actions.

Consultation is expected to take place in various forms and at different levels, including on an individual basis via each member's constituency and business networks and formally as a Board.

### **Support Team**

DARD, DETI and Invest NI are providing the secretariat and general policy support to the Board.

## AFSB Membership

### Chair

- **Tony O'Neill** (Convenience Foods & New Business Director, Moy Park and Chair of NIFDA)

### Industry Members

- **Declan Billington** (Managing Director of John Thompson and Sons Ltd, current director of NIFDA and former Chair of CBI (2006-08))
- **Owen Brennan** (Chief Executive and Executive Chairman of Devenish Nutrition; current President of NI Grain Trade Association)
- **Dr David Dobbin** (Group Chief Executive of United Dairy Farmers and InvestNI Board member)
- **Jim Dobson** (Group Managing Director and co-owner of Dunbia)
- **Trevor Lockhart** (Chief Executive of Fane Valley Co-operative Society, Chairman of Linergy and Linden Foods and former Chair of the Industry Advisory Panel)
- **Ian Marshall** (Dairy farmer, Deputy President UFU and AgriSearch Trustee)
- **Francis Martin** (Managing Partner of BDO Northern Ireland and Past President of NI Chamber of Commerce)
- **John Thompson** (Dairy farmer, former UFU President and original AgriSearch Trustee)

### Government Members

- **Dr Mark Browne, Deputy Secretary** (Deputy Secretary Policy, DARD)
- **David Small, Deputy Secretary** (Deputy Secretary Delivery, DARD)
- **Jeremy Fitch** (Managing Director, Clients Group & Business International, Invest NI)
- **Dr Graeme Hutchinson** (Director, Economic Policy, DETI)