

Report of the 27th Meeting of the Food Wise 2025 High Level Implementation Committee (HLIC), 30 June 2020

Attendance:

State Bodies by WebEx: Tara McCarthy (Bord Bia), Gerry Boyle (Teagasc), Jim O'Toole (BIM), Orla Battersby (EI), Dr Micheál Lehane (EPA)

Other Government Departments by WebEx: Declan Hughes (DBEI), Georgina Hughes-Elders (DPER), Noel Regan (DCCAIE)

Secretariat (DAFM): Seán Bell and Wila Bruce.

Apologies: Cecil Beamish (DAFM), Julie Sinnamon (EI), Brian Carroll (DCCAIE) and Ken Spratt (DTTAS)

Item 1: Introduction

Minister Cowen began by welcoming the Committee to his first meeting of what is the twenty seventh meeting of the High Level Implementation Committee of Food Wise 2025. He apologised that he would have to leave the meeting during the first agenda item as he had been called to the Dáil for a Vote.

The Minister welcomed Dr Michéal Lehane, Director of the Office of Radiological Protection and Environmental Monitoring with the Environmental Protection Agency (EPA), as a new member to the Committee and thanked the EPA's Dr Matt Crowe for his work on the HLIC over the last four years.

Minister Cowen said that the Programme for Government fully commits to supporting farmers and food businesses, which underpin the vitality of rural Ireland. The sector has come through a difficult number of years, dealing with many challenges such as Brexit, COVID-19, a new Common Agriculture Policy (CAP), significant market disruption in the beef sector and extreme weather events.

Farm families and food businesses are the heartbeat of rural Ireland, and the Department and its Agencies will work with the sector to improve farm incomes and protect the family farm for future generations. The Programme for Government commits to driving innovation

to reduce emissions and build on Ireland's green reputation for producing high-quality and sustainable produce at the least environmental cost, ensuring the long-term outlook for the agri-food industry remains positive and vibrant.

Minister Cowen said he is very optimistic for the agri-food sector and the Programme for Government outlines a range of ambitious initiatives and policies, approaches and strategies that reflect the approach this Government intends to take. The Minister concluded by saying that he will ensure that the Department and its agencies play a leading role in delivering on our commitments in the Programme for Government and he looks forward to working with the Committee.

Item 2 – Agri-Food Strategy to 2030

S Bell gave a presentation on the Agri-food Strategy to 2030, the successor to Food Wise 2025, and covered the following

- Agri-Food 2030 Timeline
- Committee Progress
- Programme for Government
- Food Wise 2025

T McCarthy said that the 2030 Strategy priorities should not become separate pillars but strategic priorities and should be connected. It would be beneficial to see priorities such as environmental sustainability and market focus running through all the pillars/ themes of the strategy. She said that BB is available to assist throughout the process.

S Bell said that there will not be separate pillars and the Committee recognises the importance of avoiding silos. This point has also been made by Bord Bia's Chairman at the last Committee meeting. A meeting will be organised with Bord Bia around the end of July.

J O'Toole said BIM had presented at the recent Committee meeting of the 2030 Strategy where he highlighted the need for seafood to be given prominence within the strategy.

G Boyle asked to what extent will the Programme for Government targets be reflected in the 2030 strategy.

S Bell said that the 2030 is an industry-led strategy and the PfG targets will be considered as part of the Committee's deliberations.

The **Secretary General** said that the PfG has been negotiated and agreed and that the 2030 Strategy will have to consider the PfG.

M Lehane said that the Department should take account of the implicit and explicit actions in the PfG.

B Callanan said that Food Wise Strategy was endorsed by Government and this one was capable of the same success.

Item 3: Covid-19 and Brexit response

S McPhillips began by saying that in terms of the Covid-19 response, the delivery of essential services has been the Department's priority and this will continue. The Department is working with all the agri-food stakeholders and the EU to ensure that the sector is considered as part of the ongoing whole-of-Government response, which includes:

- Following a campaign by Member States, spear-headed by Ireland, the European Commission introduced a scheme of aids to private storage under the CAP for certain dairy products, and certain beef and sheepmeat cuts.
- €85m in supports for the beef sector was provided for in Budget 2020.
- A further €50 million to provide for a support scheme for beef finishing farms which have been severely impacted by the economic effects of the Covid-19 pandemic. DAFM is currently designing draft terms and conditions to effectively target the scheme. The scheme will also have to be submitted for State Aid approval under the Covid-19 Temporary State Aid Framework.
- In May, the Covid-19 voluntary Temporary Fleet Tie-up Scheme for fishing vessels was announced.
- Farmers, fishers and food businesses will also benefit from access to the Government's liquidity and investment responses to Covid-19 impacts, including the expansion of the Future Growth Loan Scheme for capital investment and Microfinance Ireland loans for working capital. While the banks have extended their payment break from three months to six months for those directly impacted by Covid-19, the Government has announced an expanded Credit Guarantee Schemes, which will support working capital lending to SMEs, including farmers and fishers.
- In addition, food businesses are eligible for the Covid-19 Working Capital Loan Scheme, as well as Enterprise Ireland supports to maintain business continuity and liquidity. Bord Bia has provided an additional €1m Covid-19 Response Marketing Package for food businesses to accelerate eCommerce and expand marketing activities.

P Savage updated the Committee on the Department's Brexit response. There have been four rounds of negotiations to date which have resulted in limited progress. The UK has indicated that they will not be seeking an extension to the Withdrawal Agreement beyond 31st of December 2020. Therefore, as much progress as possible is needed before 1 January 2021. The fourth round of negotiations took place between 2 and 5 June and no particular

progress was reported. On 12 June the EU Commission published a detailed schedule for future relationship negotiations during July and August with five rounds of face to face negotiating sessions scheduled alternating between Brussels and London.

P Savage said that Ireland needs to be prepared for a disorderly Brexit or one with a limited free trade agreement in January. This will require new SPS and customs systems from January, which will require increased infrastructure, staffing and IT. Covid-19 has caused delays in infrastructure; however, DAFM will catch up over next few months which will require more staff due to the UK's phased import controls and certification up to July 2021. Ireland will need to produce documentation that is required via updated IT systems for import and export sides. DAFM will continue to work with the State Agencies to ensure a seamless approach and will also integrate with other Departments such as Revenue on these IT systems.

P Savage concluded by saying that the Brexit Stakeholder group had recently been reconvened to refocus on communication and planning.

T McCarthy said that food services has been severely impacted by Covid 19 and in particular the seafood, beef, dairy and craft beers sectors. Although, the retail sector has increased by between 25-30% bakery, deli and artisans have been badly hit. Bord Bia has developed a Covid 19 hub which focuses on podcasts, market reports and future proofing toolkits. Covid-19 has had a limited impact on high quality Irish beef pricing in Ireland however the volume of Irish beef export is an issue for the sector. Bord Bia have undertaken various marketing campaigns including a European steak campaign targeting 22 retailers. Similar campaigns for seafood and horticulture are being progressed. As trade shows have been cancelled, Bord Bia are looking at going digital using videos, databases and websites. Bord Bia are also offering a marketing grant campaign and mentoring for small businesses. In terms of future proofing, Bord Bia are tracking 14 consumer indicators to understand consumer behaviours.

T McCarthy added that we will need to build on the lessons learned from the pandemic and restore confidence in the market. Bord Bia will launch '*Bord Bia's Risk Readiness Radar*', on 2 July which builds on the work of the Brexit Barometer. It provides an in-depth analysis of the level of risk facing the industry including Covid-19, Brexit, market diversification, sustainability, consumer insights and innovation.

Bord Bia will continue to engage with customers through supply chain mentoring and webinars. On farm audits have been conducted remotely and they are examining protocols to go back on farm safely.

G Boyle stated there has been a lot of interest in Meat Technology Ireland and the benefits of value-added products and diversification. **G Boyle** said that companies are aware that research and innovation improves competitiveness which reduces costs.

On Covid-19, **G Boyle** said that Teagasc had continued its services to farmers, although in many cases this was provided virtually. The transition to a virtual world was working well although farm visits are resuming. Almost 50% of staff are back in the office. Teagasc will provide a blended form of service delivery in the future. They have produced two videos a week since March and the virtual environment has been positively received by most farmers. There are challenges with education as there is no national agreement on students going back into colleges and they would like clarity on the guidelines before September. Farm incomes will be down overall with dairy and tillage least affected. The beef sector will need continued support and beef incomes will be considerably down in 2020. Beef incomes increased last year and this was due to BEAM and BEEP schemes.

S McPhillips agreed that the analysis by Teagasc has assisted in getting Exchequer funding to help the beef sector.

J O'Toole said that Ireland's five largest seafood markets were France, UK, Spain, Italy and China and they had all been severely affected by Covid-19. There have been market closures, significant prices drops of between 30-70%, problems around renationalisation and logistic issues in terms of availability of containers. The food service sector may now face risks such as creditworthiness and cash flow leading to casualties in the sector. On a more positive note, the EU and domestic markets are beginning to show signs of some recovery. The horizontal measures introduced by the Government have benefitted the sector during Covid-19, including the recently launched voluntary Temporary Fleet Tie-up Scheme for fishing vessels. BIM are advising their clients how to avail of these grant aid supports and so far, uptake has been positive. BIM are continuing to work to keep supply chains open and particularly to get product to Asia. Colleges have closed but they are developing blended learning systems. Courses are now online however, some practical-based courses will have to wait until August before reopening. BIM are also working with the food processing sector to ensure businesses can adapt to increased demand in the retail sector. On a positive note, our most valued export is organic salmon and that has maintained its premium position.

J O'Toole concluded that BIM is working with Brexit Division on trade and landbridge issues.

The **Secretary General** said that the Government's July stimulus package for small businesses may provide some initiatives for the Sector.

O Battersby said that a Business Response hub has been set up to deal with applications and enquiries regarding Covid-19 and has been very successful. EI is continuing to work with Irish Companies to help them avail of business response supports recently unveiled by the Government. These supports are designed to help businesses stabilise and adapt to the evolving situation, in preparation for getting back on the road to recovery. There has been good uptake on the Covid-19 Business Financial Planning Grant worth up to €5,000 which is designed to help Companies develop a robust financial plan, including the preparation of documentation required to support applications for external finance from banks and/or

other finance providers. Uptake on the 'Sustaining Enterprise' Fund has been slow with customers taking a wait and see approach.

In terms of Brexit, EI are ready to put a six-month plan to their board next week and are planning to re-launch client supports to see what is fit for purpose and what might need to be changed. **O Battersby** will update the Committee further at the next meeting.

The Secretary General thanked the Committee for an informative meeting and stressed the need for all to continue with support for the sector with the effects of the pandemic and also to keep a focus on Brexit.

Economics and Planning Division

7 July 2020