

28th Meeting of Food Wise 2025 High Level Implementation Committee

Thursday 17 September 2020 @ 9.30

Attendance:

DAFM: Sinéad McPhillips, Bill Callanan, Cecil Beamish, Paul Savage.

State Agencies by webex: Tara McCarthy (BB), Jim O'Toole (BIM), Michéal Lehane(EPA), Orla Battersby (EI), Frank O'Mara (Teagasc)

Other Departments by webex: Declan Hughes (DBEI), Noel McCabe (DPER), and Noel Regan (DCCAIE).

Secretariat: Seán Bell, Wila Bruce

Apologies: Gerry Boyle (Teagasc) and Georgina Hughes-Elders (DPER), Brian Carroll (DCCAIE), Ken Spratt (DTTAS)

Item 1: Introduction

Minister McConalogue thanked everyone for joining the meeting. He said it was an honour to be involved in the high level work that is ongoing within this group in the implementation of Food Wise 2025 and which has brought a strategic direction to the agri-food sector.

Minister McConalogue said that the Programme for Government commits to supporting farmers, fishers and food businesses, as the key economic and social driver underpinning the vitality of rural villages and towns across the country. While the sector faces significant challenges such as COVID-19, Brexit, and trade uncertainty in general, environmental concerns, and future CAP and CFP reform; the sector also has many opportunities to develop further and prosper. The agri-food sector has a strong international reputation as a supplier of safe, nutritious and sustainably produced food. International consumers seek out our food and beverage products in what is a very competitive international market. We should be proud of this and work to build and enhance that reputation for the benefit of our farmers, fishers and all other stakeholders within the sector.

Minister McConalogue said that we know farm families and food businesses are the heartbeat of rural Ireland, and we will work with the sector to improve farm incomes and protect the family farm for future generations. We will drive 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. The Minister concluded by saying that 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 agencies play a leading role in delivering on our commitments in the Programme for Government.

Item 2: Report of 30 June Meeting

Minutes agreed.

Item 3: Brexit

Minister McConalogue said that the Government launched an updated Brexit Readiness Action Plan, and a new communications campaign for business and has put in place a range of business support and advisory services but more is needed. DAFM as part of a whole of Government approach, has been preparing for Brexit for over four years (since before the UK's Referendum in June 2016) to be as ready as possible for all Brexit scenarios. DAFM will intensify our outreach to our stakeholders over the coming months. The Revenue Commissioners have written to all business that traded with the UK to remind them of the need to prepare for Brexit. These letters included a notice from the DAFM for relevant companies trading in agri-food products. The eighth negotiating round took place in London from 7-10 September against a backdrop of political uncertainty arising from the publication by the UK Government of the Internal Market Bill. We, and our EU colleagues, outlined to the British representatives our very strong concerns about the UK's Internal Market Bill. Clearly, any unilateral departure from the terms of the Withdrawal Agreement is not acceptable. Our view is that such a departure damages the trust needed to deliver a successful outcome to the Future Relationship negotiations.

Minister McConalogue said that we welcome the Commission's continued emphasis on the importance of full implementation of the Withdrawal Agreement including the Protocol on

Ireland/Northern Ireland. The lack of progress in the EU-UK negotiations to date has been very disappointing; with the UK refusing to engage substantially on key EU issues such as level playing field, fisheries and governance.

- Our key asks remain:
 - continued free access to the UK market, with zero tariffs and zero quota restrictions, and with minimal additional customs and administrative procedures,
 - minimisation of the risk from UK trade agreements with third countries, and
 - maintenance of existing reciprocal access to fishing waters and resources.

The Minister concluded by saying that he recognises the ongoing work of the Agencies in preparing for Brexit, and he would ask the Agencies to continue these preparations and to continue to communicate the key messages to stakeholders

P Savage said that Brexit negotiations finished last week with little progress. It is now likely that there will be a requirement for import controls to/from the UK as well as export certification from 1 January 2021. DAFM is continuing to improve infrastructure, in Rosslare and Dublin ports and Dublin Airport. Dublin port has extensive facilities, with good capacity for control checks and is already carrying out controls on imports from 3rd countries. Over the next few months the IT systems will be tested and simulation exercises will be conducted to ensure they are running smoothly for January. Also, collaborative work is ongoing with the OPW, Revenue and Dept of Health. A significant investment has been made into IT systems, import systems and export certification in conjunction with Revenue to ensure they are operating under the customs umbrella. Additionally, staffing resources are in place, a considerable amount of staff were taken on last year and further recruitment is ongoing. These staff are currently being trained as port inspectors. Overall all preparations are coming together well.

P Savage stated that there is now an increased focus on communication, the Brexit Readiness Action Plan was launched by government last week. There has been continued engagement with stakeholders throughout the Covid-19 pandemic and participation in the whole of government action plan. Updated information is available on the DAFM website

which will move to the central government website. A communication campaign will launch later in the month on SPS controls and registration. The Commission is updating its own Readiness Notices regularly. For now, DAFM's focus will be on communications, training and simulations.

T McCarthy said Bord Bia are working on three key areas of Brexit supports:- capability development; market insights and market engagement. Capability Development didn't slow down with Covid-19. Bord Bia has run a series of Brexit webinars and Logistics Webinars reaching over 200 clients. The Readiness Radar was launched in July and each client received a Gap Analysis Report. The results show that 90% of companies are increasingly confident in their supply chain and Brexit readiness. However, 42% have not identified customs agents and do not intend to do so and 49% have not calculated the cost of customs procedures. BB will focus on this to year end. 180 companies are about to finish the Customs Readiness Programme. More waves of the programme will be organised depending on demand. The Brexit Action plan has been published on the Bord Bia website. It is a living document, with input and feedback welcomed. There will be a Brexit webinar built around the Action Plan on 29 September.

In terms of Market Insight, UK consumer Pulse is measuring consumer sentiment towards Irish food and drinks. It found that 87% of British consumers are open to buying Irish, 52% are open to produce from South America and 44% from USA.

Market Engagement is ongoing, a Virtual UK Trade Reception will take place in early November. There are a number of engagements organised with key retailers and customers. Businesses have been largely focused on the Covid-19 crisis but Brexit is still happening and will require continued communications. Bord Bia will run a beef consumer campaign to raise the profile of Irish beef in the UK. Market diversification work has now become digital, there will be virtual trade missions with DAFM to target 5 countries in Asia and the Middle East.

T McCarthy said that BB clients are currently in discussion over who is responsible for paying tariffs if and when they are implemented. Bord Bia's research concluded that companies are confident in their logistical preparations in place. Bord Bia are advising

customers to prioritise what they can control. T McCarthy noted that managing uncertainty is an important skill which needs to be developed in the agri-food sector,

P Savage advised that hauliers have concerns around logistics and there is a need for clarity from the UK. Revenue are preparing a new communications campaign on this issue.

The Minister asked when the Readiness Radar data was collected on the 42% of clients who do not have a customs agent and the 49% who have not calculated the cost of custom processes and if this has improved.

T McCarthy said this data was recorded in April. Bord Bia are working with the companies through sector managers to target the most vulnerable companies and will increase the number and frequency of engagement as the year progresses.

F O'Mara passed on apologies from G Boyle who was unable to attend. He said that Teagasc is supporting the agri-food sector through innovation and new market opportunities. The innovation area is ongoing and all Covid 19 protocols are in place. The Prepared Consumer Foods Sector is a large sector in terms of UK exports. DAFM has provided support of €10 million in the last two years which funded the PCF innovation Centre in Ashtown. This facility is available for companies to come in, experiment and get support around new products/processes. This has given innovation a boost in advance of Brexit and the Covid-19 crisis. Covid-19 protocols are in place and the facility is busy. There was another investment of €5.5 million in the Bia Innovator at the Athenry campus. It is envisaged to be open by 2021. This facility will target SMEs in the west and mid west. The meat Sector continues to benefit from ongoing support through Meat Technology Ireland. They will shortly be launching new technology that works on genetic index for animal quality to produce best quality meat this builds on the genotyping investment by ICBF.

The dairy sector has seen a lot of activity on innovation with companies collaborating with Teagasc at the Dairy Processing and Technology Centre. The National Food Innovation Hub at Moorepark is a flagship facility containing 12 suites and labs that companies can rent to

do their own research on innovation. This globally unique facility is expected to be ready by April 2021. There has been an impressive uptake in innovation by the sector.

Teagasc are running outreach programmes and events, such as, the food industry gateways and other webinars. Teagasc are also working with Bord Bia on grass-fed animals to establish environment credentials. The FAPRI economics unit will be available to support DAFM in assessing the impacts of Brexit on the agri-food sector.

J O'Toole said BIM are supporting DAFM in planning for Brexit. BIM are also providing support to the seafood sector to manage the trade impacts of Brexit. An assessment of 193 seafood enterprises was undertaken which examined the impact of Covid-19 and Brexit and used a red-amber-green system to classify businesses vulnerability. The assessment also identified supports and provided relevant information to clients. BIM are also assisting businesses in processing paperwork, finding logistical solutions and listening to their Brexit concerns. Businesses are concerned about how to manage uncertainty, particularly small enterprises. Although, many businesses involved in the seafood sector are already exporting to 3rd countries and are familiar with export certification. BIM are working with smaller companies and directing them to training needs. BIM are also collaborating with Bord Bia and SFPA to ensure all clients are provided with necessary assistance.

O Battersby said that EI have updated their website and are moving from the Brexit 'prepare stage' to the Brexit 'readiness stage'. There is a 60 day plan made for corporations and another sectoral 60 day plan. €20 million in funding is being divided out through €5,000 'be prepared' grants for IT and supply chain upgrades as well as funding for the cost of recruiting customs intermediaries. Enterprise Ireland is also working on joint initiatives such as workshops with DAFM and Revenue. Communications and webinars are ongoing to ensure all clients are ready.

The **Minister** acknowledged the tremendous work to meet the current challenges around Brexit and reminded the Committee of the need to continue this over the coming months.

Item 4: Covid-19 response

The **Minister** acknowledged that Covid-19 was an unprecedented challenge for the Department and the State Agencies, and as part of the whole-of-Government response, the focus has been on providing the necessary supports for the sector to both respond to and weather the crisis. The Department and agencies were asked to update the Committee on their Covid-19 response.

S McPhillips said that the Department's priority is to ensure business continuity in the supply of food and services. This includes, payments being made on schedule, new payments coming on stream for beef finishers, further work on market access in collaboration with Bord Bia and Ireland's embassy network, smooth running of collaborative work with DBEI, such as the credit guarantee scheme/future growth loan scheme, the continuity of food safety controls. HSE and HSA protocols are in place and support from DAFM for outbreaks in factories.

T McCarthy said that Bord Bia have a three point plan for Covid-19 response (1) Reassurance - top of mind for clients and customers (2) Recovery - staying on top of issues and providing the right support and (3) Growth - finding opportunities.

Reassurance – Bord Bia set up a crisis management team as an initial response to Covid and they meet regularly. This informed staff and ensured they were working in line with government guidelines. BB has gathered held a number of webinars and podcasts for customers and consumers. They have continued to support clients and customers through grants and remote audits. Bord Bia have also looked at future proofing to try and put certainty around the uncertainty. T McCarthy said that we are now navigating a new normal. Consumers are eating better to protect themselves from within against Covid-19. Recovery – BB are investing in a new digital studio and website. This is an investment in the new way of working. Furthermore, the industry will up-skill as businesses move to digitalise themselves. Growth – Bord Bia are bringing insight into action. They are filming virtual pitches, supporting 23 companies doing 50 projects in Prepared Consumer Foods sector. There has been a national PR launch for beef promotion to find new viable markets using

the grass-fed standard. A series of gathering moments have been created by Bord Bia to put businesses in front of buyers. These gathering moments provide the infrastructure, for virtual meetings in order to build and maintain relationships. The CSO trade figures show total exports are only down by 1%. This is viewed as a great result given the volatility of the market. The key driver is dairy, increase in production and value. However, the beef sector was hit hard in the UK and the EU and alcohol sales have fallen due to the closure of food service, pubs and duty free traveller shopping. The economic outlook is challenging. Customer behaviours are being tracked. The main challenge for next 6-9 months is around travel policy. The inability to get customers to Ireland is a significant barrier. The start-stop nature of current times creates huge uncertainty and is a challenge for companies. Bord Bia are providing companies with insight to how to prepare for this.

F O'Mara said that the colleges have reopened and have adopted blended learning methods which are working well so far however, there is an issue regarding access to funding for laptops for socially disadvantaged students. Teagasc are currently working to access funding for these students. On the advisory side, the full advisory programme is being delivered on-line. The Basic payment scheme applications were all successfully completed remotely during lockdown. In terms of Knowledge Transfer, the Grange open day was abandoned and replaced with a virtual Beef Week. This was successful and will be followed by a virtual Sheep Week. These events were a short term solution and cannot replace in person events in the long term. In terms of research, the centres are currently working at full capacity. Most operated during Covid-19 and the majority of labs and field staff are back to working in a semi normal way, office staff continue to work from home. F O'Mara also noted the role Teagasc played in supporting the national public health effort around Covid-19 i.e. providing PPE and now leading a research project to track changes in the virus and how the virus compares inside and outside of Ireland.

J O'Toole said BIM's response to Covid included the implementation of the Business Continuity Plan. Most staff are continuing to work remotely however field staff have continued to work on the ground. BIM is in regular contact with DAFM providing updated analysis on the sector. The current focus is on processing grants to the sector and they are administering the Temporary Tie Up scheme. BIM are also assisting processing plants with

technical solutions to respond to market requirements. The BIM educational programmes now include blended learning programmes and the colleges reopened successfully in August. **J O'Toole** said the impact to the sector has been severe. The main focus now is to keep supply chains open and avoid market disruption. J O'Toole advised that grant aid provision and services are the best way to assist the Sector.

O Battersby said Covid 19 has created significant liquidity issues for food and drink companies. Efforts are being made by EI to have claims dealt with promptly. The Covid-19 Business Financial Planning grants provides up to €5,000 to work with consultants to prepare a business and financial plan. The LEAN Business Continuity Voucher is available to eligible companies to access up to €2,500 in training or advisory services.

The **Minister** acknowledged that these were challenging times and thanked the Committee and their organisations for the tremendous work.

Item 5: Environmental Sustainability – Food Wise Monitoring Report

The **Minister** said that the Programme for Government had strong environmental ambitions and made a commitment to hold a strategic focus on environment in order to meet the 2030 targets. He then asked Bill Callanan to update the Committee on the Food Wise Monitoring Report.

B Callanan said that this report was prepared following a request from the Chair of the 2030 Committee, Tom Arnold. The report sets out a number of key recommendations to consider during the 2030 process. **B Callanan** highlighted the importance of having a system in place for continuous environmental sustainability monitoring and the ability to take appropriate action.

Item 5: Update on Agri-food Strategy to 2030

The **Minister** said that the new government had committed in the Programme for Government to launching a new strategy within 6 months. This strategy should be an

ambitious blueprint for the agri-food industry that supports farmers and aims to reverse declining biodiversity through environmental protection.

The **Minister** also said that he met with T Arnold and is satisfied that good progress is being made and that the new agri-food strategy will make a great contribution towards the viability of the agri-food sector.

S Bell said that the next 2030 Strategy meeting will take place on 1 October and is expected to focus on the Climate Smart Environmentally Sustainable Agri-food Sector. S Bell also noted that there will be an additional meeting on 5 November. He also highlighted that the SEA process was ongoing and will influence the text of the next draft strategy.

The **Minister** said it is important that the 2030 Strategy will enable a successful sustainable agri-food sector.

Item 6: Update on Food Wise Actions Qtr 2 2020

W Bruce said that good progress has been made in quarter 2 2020 of the Food Wise 2025 actions with 87.5% of actions either achieved or substantial action undertaken and ongoing with a further 12.5% Commenced and Progressing.

Work is ongoing on a document summarising Food Wise 2025 which will be presented to the Committee later this year.

Item 7: AOB

D Hughes said that DBEI are working closely with SBCI in promoting the on access to finance schemes including a Future Growth loan scheme of €800 million. The local enterprise offices are working with smaller business on Covid-19 and Brexit responses. Skillnet are providing customs training online. DBEI has been working on significant upgrade investments in the food processing sector to respond to Brexit and the Covid-19 crisis.

The **Minister** thanked everyone for their contribution, ongoing work and business like approach to the meeting. He said he is looking forward to continuing the work of Food Wise 2025 and addressing the challenges in the next weeks and months.

Economics & Planning Division

19th October 2020