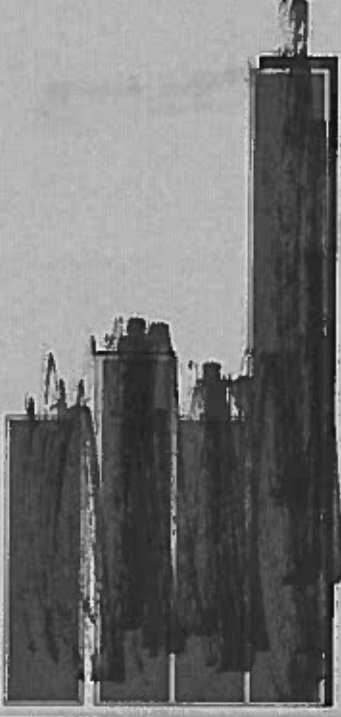


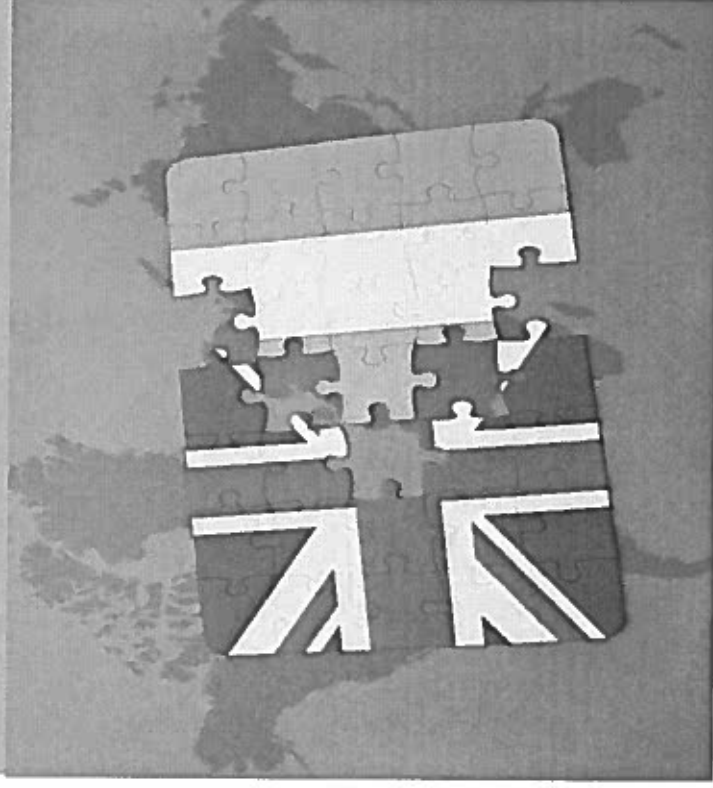
S.W.O.T. analysis on Irish agriculture as part of objectives of CAP strategic plan post 2020 and the Brexit impact

By:

Jim & Edel Conway,

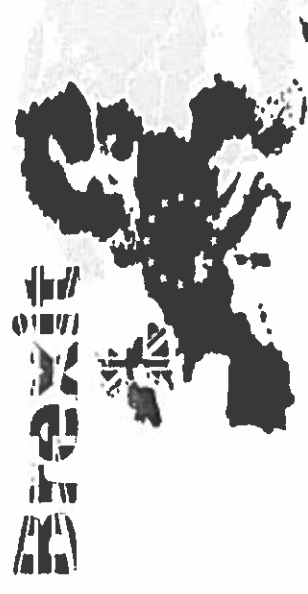


Dairy Farmer,



Aims of this submission

- Outline the broad impact of Brexit on Ireland and linking this with objectives of the CAP Strategic Plan, post 2020.
- Discuss the specific impact of Brexit on Agriculture in the Republic; and in Northern Ireland.
- Evaluate if we are ready via a SWOT analysis of the impact of Brexit on Irish Agriculture and link this with the objectives of the CAP Strategic Plan, post 2020
- Draw conclusions and recommendation, based on aims.



Impact of Brexit on Ireland linking with objectives of the CAP Strategic Plan, post 2020

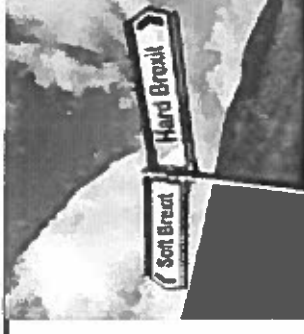
Brexit has serious implications because of close economic/trade links with UK. **Agriculture**, food, tourism, energy, retailing, financial sector most likely to be impacted.

For example:

- Trade input with UK equates to **35% of Irish GDP**. So, it is a key trading partner.
- UK takes **43% of Irish indigenous exports**, so it's a very important trading partner.

The nine specific objectives of the CAP Strategic plan post 2020 focus on contributing and improving the economy of the member states. The impact of Brexit on the Irish economy regarding the operation of Agriculture and the other key trade links may thwart this performance based model of delivery.

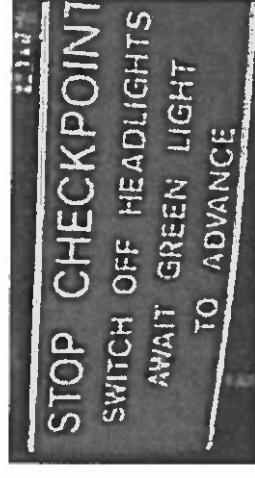
Specific impact of Brexit on Agriculture in the Republic of Ireland



- A **hard** Brexit will see UK leaving the EU Customs Union and the Single Market. Tariffs would apply on trade between Britain and EU countries including Ireland, which would increase prices and impact on cross-country investment between UK and Ireland.
- Irish exporters to the UK would also face tariffs, at levels set out by the World Trade Organisation (WTO).
- If Britain and the EU can still agree future trading arrangements then a “**softer**” Brexit, with fewer barriers to trade in future, could have a smaller hit on the Irish economy.
- Ireland will lose a **key ally** within EU if and when UK leaves as we share similar views on agri business, taxation, regulation, state involvement in economy etc.

Impact of Brexit on Agriculture in Northern Ireland

- Loss of access to EU structural Funds.
- Excluded from CAP and from full access to EU markets.
- Lose economic link with Republic which is valued at €3 billion cross boarder trade (Inc. agri trade) in 2016.
- Creation of an external EU land boarder with Republic with impact on daily farming activities.



SWOT analysis on impact of Brexit on Irish Agriculture and linking with the objectives of the CAP Strategic Plan post 2020

Strengths

- Irish milk prices are strongly linked to world commodity prices, therefore the impact of Brexit should have little impact on overall farm sales, in the long term.
- Global demand for milk products continues to increase, long-term prospects for dairy farming remain positive.
- Britain remains physically our closest neighbour, with whom we share language, a border and strong existing trading relationships.
- These strong ties should help maintain our market share in Britain, and consequently hold up demand for our farm produce after Brexit.

Weaknesses

- Exposure to Britain by my dairy processor is relatively high.
- This may lead to short/medium term threats, in the event of a hard Brexit, as my processor must find alternative markets.
- The lead-in time for changing dairy output is significant.
- Other than taking drastic actions, it is hard to govern milk output in the short to medium term.
- There is virtually no farm enterprise alternative which is fully insulated from the difficulties Brexit may bring about.
- As a remaining member of the EU 27, we don't have the capacity to enter our own separate trade deal with Britain.

Opportunities

- Brexit may result in less liquid milk imported from Northern Ireland, which could boost retail sales of milk by Irish processors.
- The option to change and diversify or augment enterprise must remain an option to me and my young farm successor.

Threats

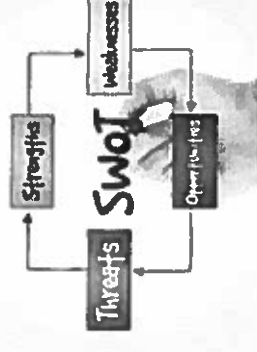
- A rapid and hard Brexit may significantly reduce demand for our farm produce over the short term, leading to a cash-flow crisis, in the event of a significant drop in prices.
- Further deterioration of European solidarity, and the rise of nationalism may reduce demand for produce traded across borders.
- Britain's exit will adversely affect the objectives of the CAP Strategic Plan post 2020 budget. Farm payments may be reduced for instance.



Conclusions of SWOT analysis at farm level

From a farming perspective, each farmer has a number of choices and strategy options, having undertaken a SWOT analysis.

- By examining the weaknesses, farmers can make plans to counteract the vulnerabilities of their business models.
- In the same way they can take actions to avoid threats. i.e., the plan is firstly to continue farming, with a cautious eye on the future and seeking opportunities to diversity with support from CAP 2020.
- Also, have sufficient reserves, or credit facilities available in the event of short term trading difficulties with the UK.
- Finally, as the real terms of the exit of the UK become known, there may not be a lot of time to assess how the changes will affect future farm profitability.



Summary

To recap:

- Brexit will have a significant impact on the economy and trade in Ireland.
- Brexit will have a specific impact on Agriculture in the Republic of Ireland and in the North of Ireland.
- On interpreting the SWOT analysis at farm level the conclusion is the Irish farmer must be prepared, supported and ready to adapt, specifically re the CAP Strategic Plan objectives post 2020.

