Ballyhoura Rural Development Conference
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The Global Food Landscape in 2031 and Opportunities for Ballyhoura

Presentation by

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Outline

- Factors impacting on the Global Food Landscape
- Opportunities for the Irish Agri-food Sector
- The Agri-Food Sector in Ballyhoura and Opportunities
- ‘Middle Agriculture’ model

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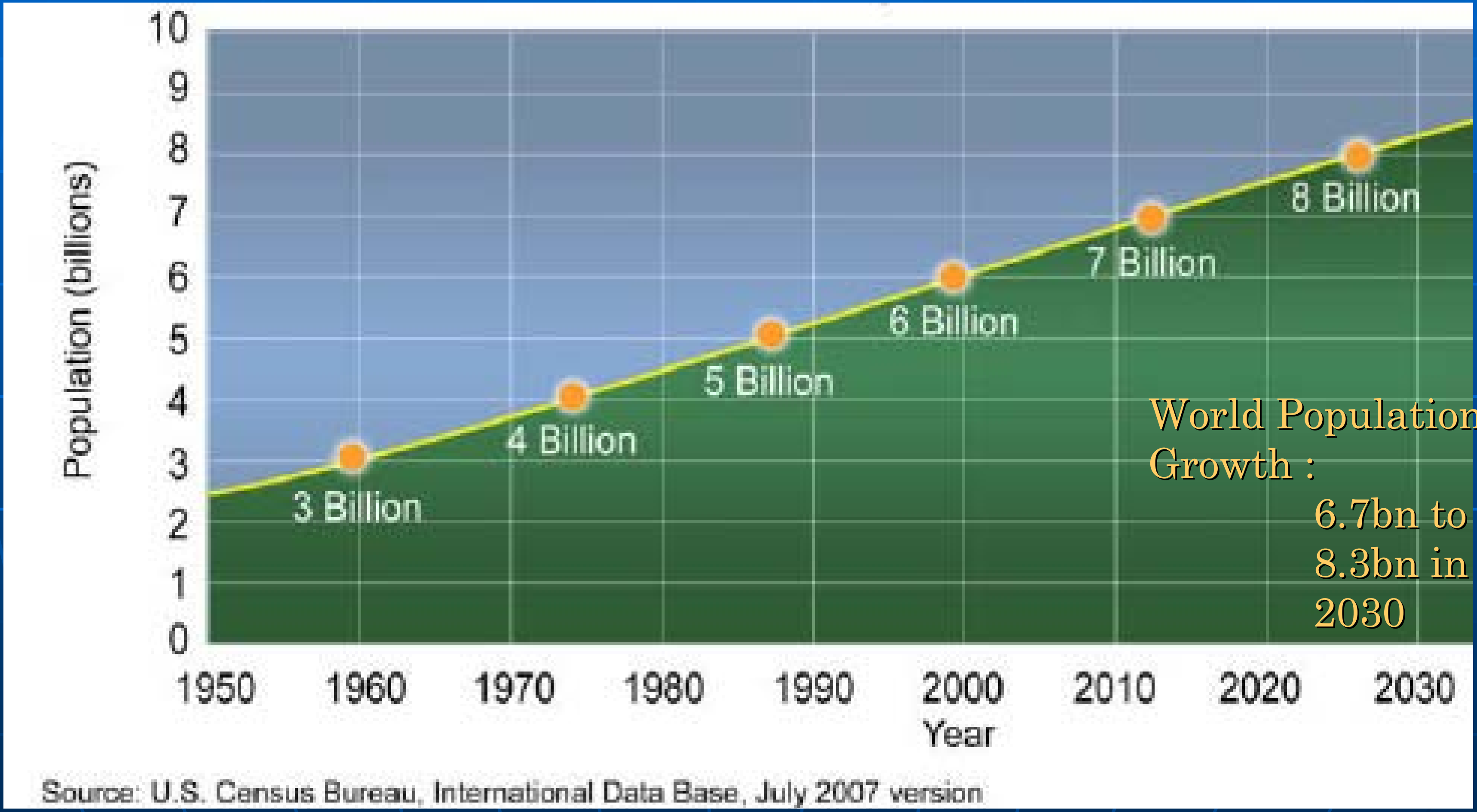
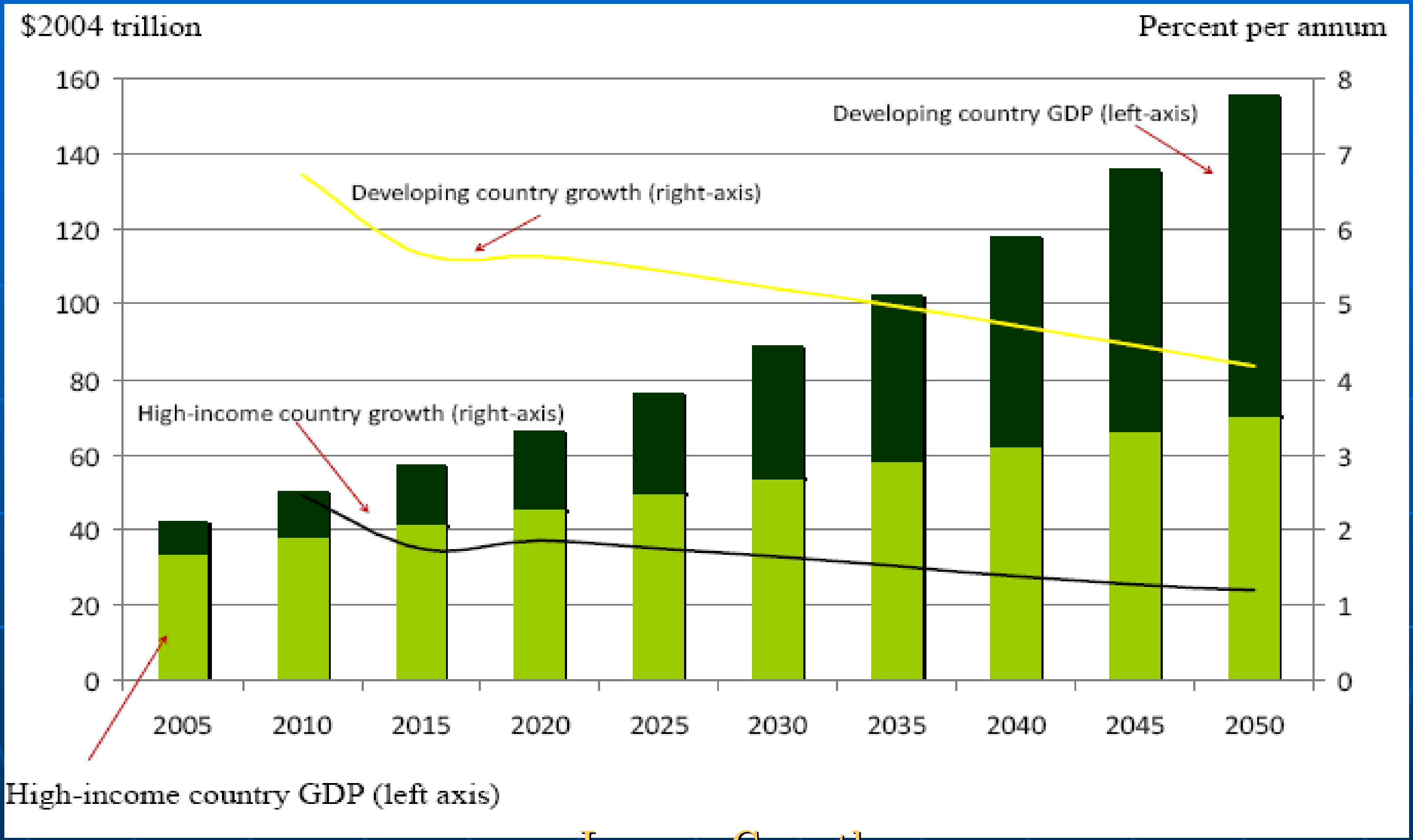
World Population



Income Growth



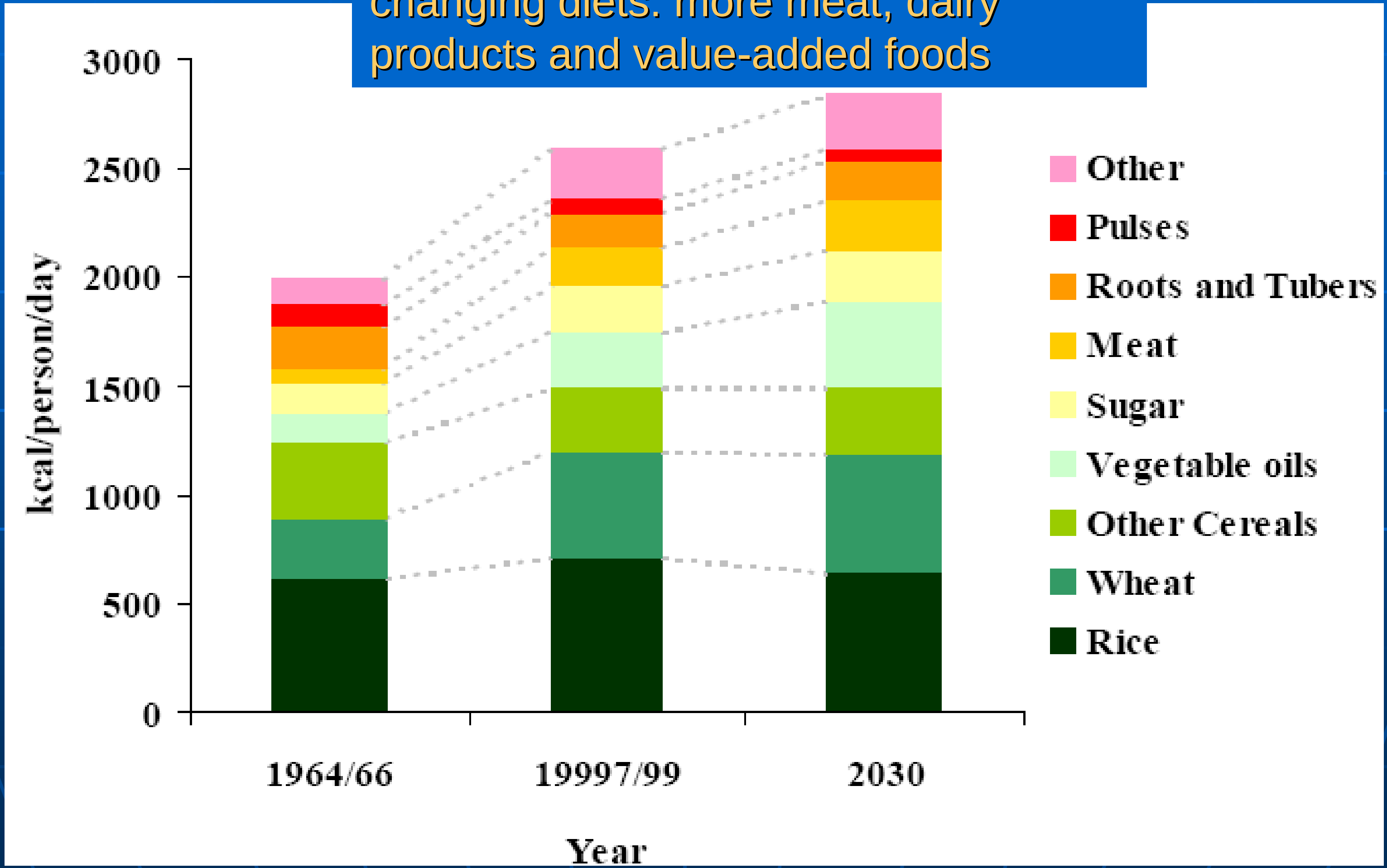
Source: Mensbrugghe, et al (2009)

Income Growth

Average 2.9% per annum to 2050; 5.2% for developing countries

Changing Dietary Patterns

Urbanisation and affluence lead to changing diets: more meat, dairy products and value-added foods



Opportunities for Irish Agri-Food Sector

- Strong growth in agriculture projected to 2050
- Positive outlook for prices in the medium term, although increasing volatility
- Expected high global demand for dairy products and rising shortfall in EU beef supplies
- Developed country markets will continue to provide premium outlets for Irish exports
- Consumers in developed country markets will increasingly seek out foods with credible, health, wellness and sustainability attributes
- Consumers desire to buy local and to know origins of food

Food Harvest 2020

Overall Vision

Act smart	Think green	Achieve growth
Prioritise R&D	Prioritise environmental protection	Increase the value of primary output in the agriculture and fisheries sector by €1.5 billion by 2020
Improve skill levels	Capitalise on natural advantages and resources	Increase value-added output by €3 billion by 2020
Maximise adoption of best practice	Build environmental credibility through research and actions	Achieve an export target of €12 billion by 2020
Foster creativity and entrepreneurship	Develop an umbrella 'Brand Ireland'	
Rationalise and collaborate at industry level	Satisfy consumer requirements and preferences	
Improve focus on consumer preferences	Conserve biodiversity	
Review institutional support and regulatory burden	Align sustainability across the supply chain	

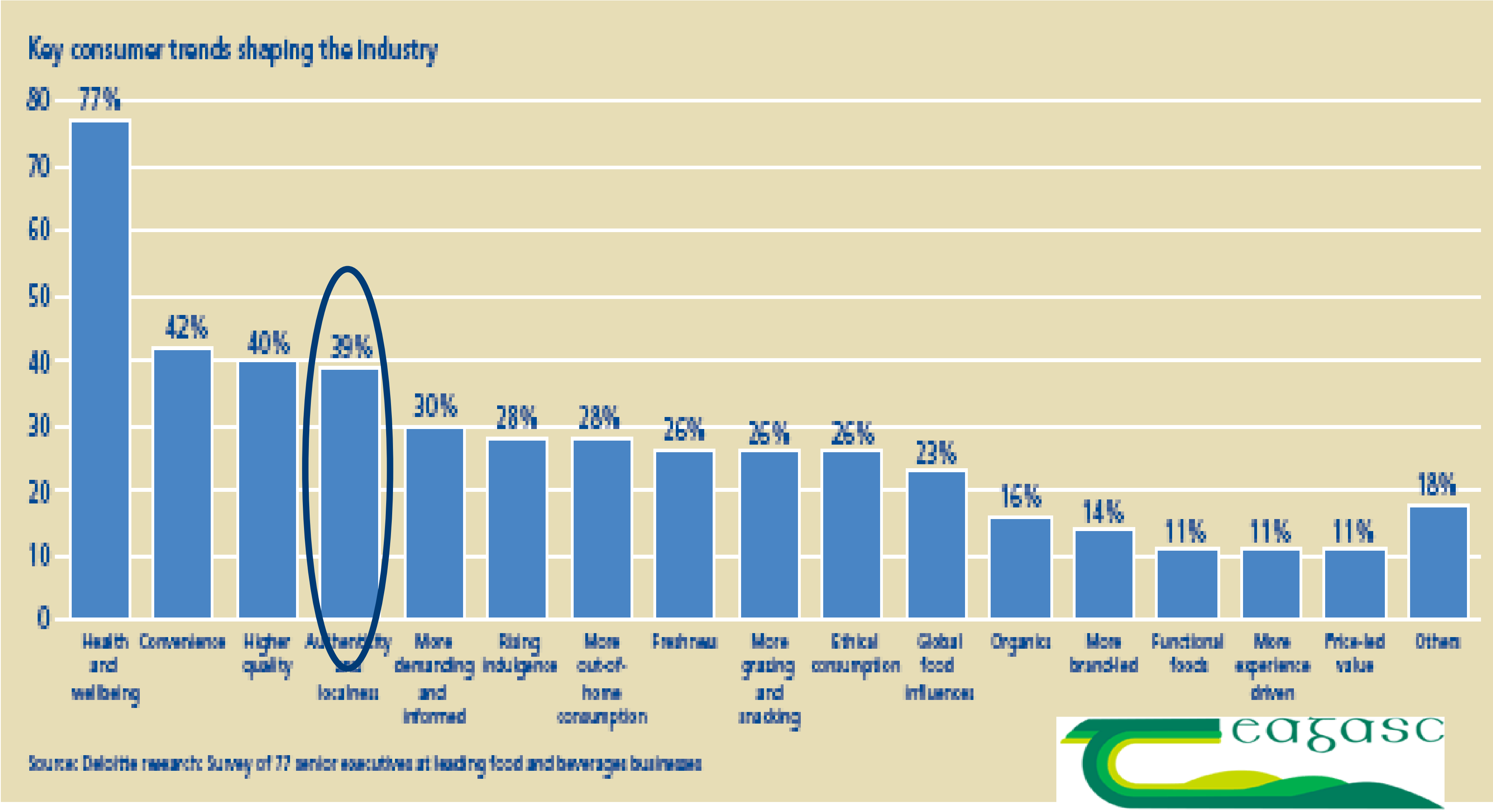
Food Harvest 2020

- The Report sets out a strategy for the medium-term
- It identifies the key actions for an export-led recovery and a smart food economy
- Vision - the delivery of high quality, safe and naturally based produce
- Focus is on SMART and GREEN growth
- Recognition of the role of artisan and local food production

Food Harvest 2020-Local Food

- Promote sustainable and locally embedded food procurement policies and systems
- Promote and broaden the opportunities for consumers and visiting tourists to purchase local food, including local markets
- Conserve and promote distinctive local food traditions at EU level and with bodies such as the Taste Council and Slow Food
- Explore possibilities for mentoring by larger companies
- An "integrated agri-food-tourism strategy has the potential to serve a growing demographic of tourists interested in authentic, culinary experiences from food trails to cookery courses."

Key Consumer Trends 2012



Opportunities for local food

- Values-led development
- As opposed to …
- Value-led development

Artisan and Speciality Food Sector in Ireland

- Growing consumer demand for speciality food products
- Desire for local produce
- Comprises over 400 businesses; employs about 3000; estimated output value of €475 m.
- Growing at 10% annually

Ballyhoura

- Ballyhoura – at the heart of the Golden Vale
- Strong agricultural sector and thriving food heritage
- Range of different sized food companies
- Major changes underway and further changes with future CAP reform
- Restructuring in farming and food industry – loss of jobs locally
- Emergence of niche market for direct sales to consumers and for quality speciality local foods

Opportunities

- Bord Bia research shows positive consumer attitudes in Ireland to local food
- Changing life styles in Ireland post 'Celtic Tiger'
- Growing opportunities for new businesses focused initially on direct sales
- Opportunity for growth through local public procurement strategies
- Opportunities in the growing health and wellness sector, e.g. removal of non-natural additives and low salt products
- Technical challenges can be addressed with support from Teagasc
- Importance of local brand – Ballyhoura
- Linking local food to local tourism – helps to develop "brand awareness"

Opportunities for Local Farm Households

- Irish farms: significant proportion are economically vulnerable
- Alternative enterprises: rural economic diversification (e.g. LEADER, €425 m.)
- Farmers ‘slow’ to engage in LEADER
- Barriers to change: farm holders disinclined towards service-based, sales and processing activities – ‘farmers want to farm’
- Pace of economic diversification is and will be slow among members of farming community

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‘Middle Agriculture’ Movement

“The agriculture of the middle initiative is a multicentred ensemble of interests loosely organised around the sociological, economic and ecological concerns of sustainability related to midsize farms, ranches, and fisheries, which have difficulty marketing food products directly to local customers or selling agricultural commodities through increasingly global marketing structures”

Three-way Classification of Irish Farms

- **Economically Viable (26%)**
  - Family farm income is sufficient to cover family labour and return on non-land assets
- **Sustainable (32%) … "The Middle"**
  - Farm is not economically viable but farmer and/or spouse has off-farm job
- **Economically Vulnerable (25%)**
  - Farm is not viable and neither farmer nor spouse has an off-farm job

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Opportunities for Farmers
'Middle Agriculture' Model

US based: USDA, Wisconsin, Penn. State

- Governance
  - Farmers 'must not only move up the value chain but take a greater ownership of the value chain'
- 'Federated cooperative structure':
  - Critical mass to achieve scale and to contract necessary industry expertise: marketing, branding, processing, distribution…
- Targeted at growing niche in food markets catering for culturally and environmentally – conscious consumer

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Federated Cooperatives

- A common seal to endorse food products/brands of local coops, highlighting “middle agr.” values
- A third-party certification methodology bringing consistency and guarantees
- Regional/national coordination of activities and flows of product
- Professional broad-scale marketing and advertising
- Research, education and other professional supports

US White Paper

"This situation presents us with a unique market opportunity. There is a burgeoning market demand for foods that are produced in accordance with sustainable agriculture standards and it is precisely the farmers "of the middle" who are in the best position to produce those products"

‘Middle Agriculture’ product

- Producer groups maintain own brand identity and close producer/consumer links
- Strong Irish family farm identity: *inclusive of conventional farmers not only ‘alternative’ producers*
- Branding strategy: quality, free range, non-intensively produced by *family* farms
- Contributing to social and environmental sustainability
- Irish potential recognised internationally *‘Pathways for Growth’*
- Branding and marketing required to realise value-added – ‘new generation’ cooperative

Conclusion

- Help build a strong local food culture well integrated into the broader local economy
- Ensure more local involvement in local food production and farmers' markets
- Improve viability of more farms
- Develop innovation culture in the broader rural economy

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Thank You