

**Conference Proceedings**

**From Ideas to Action**

**Teagasc Rural  
Entrepreneurship  
Conference**



# Contents

## Session 1

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Chief Economist, Friends First

John Concannon

Managing Director, *JFC* Manufacturing

Joan Mulvihill

Family Business Centre Manager, BDO Simpson Xavier

Paul Mc Carthy

Rural Business Specialist, Teagasc

The *JFC* Innovation Awards for Rural Business in association with Teagasc and The Irish Farmers Journal.

## Session 2

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Ballycastle, Co. Antrim

Angela Lacey

Deerpark Farm Services,  
Carrick on Suir, Co. Tipperary

Avril Allshire

Caherbeg Free Range Pork and Angus,  
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### Keynote Address

#### From Ideas to Action Teagasc Rural Entrepreneurship Conference

October 19<sup>th</sup> 2006

Jim Power  
Chief Economist  
Friends First



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### Themes

- The international background
- The financial background
- Irish economic Background
- Irish economic outlook
- The economic challenges ahead
- Some issues



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### International Economy

- Easing of US activity, particularly housing activity – not a surprise, but concerns growing
- Euro Zone recovery story still in place
- UK economy growing at steady pace
- Japanese recovery on track
- Chinese momentum very strong
- Global background relatively solid, but easing inevitable due to higher interest rates & oil prices



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### Financial Background

- UK rates could go higher from 4.75%
- No more in the US, possible easing in 2007
- ECB could deliver ¾ % by end-2007
- Bank of Japan moving up gradually
- Exchange rate markets quite stable
- Sterling stability & modest dollar weakening, nothing dramatic

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### IRISH GROWTH FIRST HALF 2006

<b>GDP</b>	<b>+5.3%</b>
<b>GNP</b>	<b>+7.9%</b>
<b>CONSUMPTION</b>	<b>+6.5%</b>
<b>INVESTMENT</b>	<b>+2.6%</b>
<b>EXPORTS</b>	<b>+5.9%</b>
<b>IMPORTS</b>	<b>+7.1%</b>

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### The Economic Outlook

- Consumer dynamics positive, despite rising interest rates & oil, but some post SSIA risks
- Exports & manufacturing making better contribution, but challenges remain
- Strong housing starts & general construction activity
- Inflation could hit 4.8% later in 2006
- 'The 5% Economy'

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 <b>Irish Forecast</b>			
	2005	2006f	2007f
GDP	5.5%	5.3%	4.6%
Consumption	6.6%	7.0%	6.5%
Investment	12.5%	8.0%	6.0%
Exports	3.9%	4.5%	4.5%
Unemployment	4.4%	4.4%	4.5%
Inflation	2.5%	4.0%	3.5%
			

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 <b>Medium-Term Perspective</b>	
	• GDP growth 5% p/a 2007-2009
	• Unemployment to remain low
	• Quality of employment needs to be watched
	• Significant wealth creation will remain a feature
	• Immigrant market to grow
	

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 <b>The Big Economic Issues</b>	
	• Globalisation
	• Damage to external competitiveness
	• Future labour supply / Quality of Labour
	• Infrastructure & Public Services
	• IT Capability
	• Unbalanced nature of economic development
	• Threats to rural economic sustainability from demise of agriculture & pressures on manufacturing
	• The Housing Market
	

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### Changing Economy

% Employed	1998	2005
Agriculture	9.1%	5.9%
Production Industries	20.2%	15.3%
Construction	8.4%	12.5%
Wholesale & Retail	14.1%	13.8%
Hotels & Rest.	6.5%	5.7%
Transport, Storage etc	5.8%	6.1%
Financial & Business	11.4%	13.3%
Public Admin & Def	4.7%	5.1%
Education & Health	13.9%	16.1%
Other Services	5.8%	6.0%

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### Sectors under Pressure

- Agriculture
- Manufacturing – both indigenous & foreign-owned
- Areas that can be replaced by cheap Chinese imports
- Small retailers
- Hotels
- Over supply in some parts of construction

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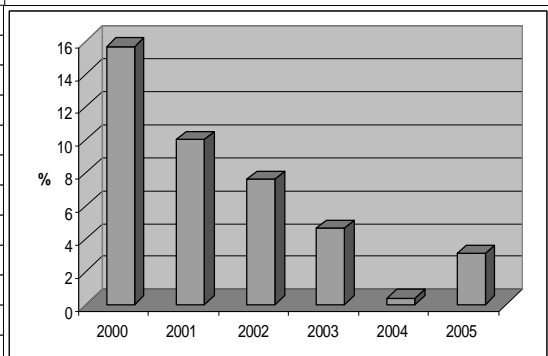
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### Manufacturing Output



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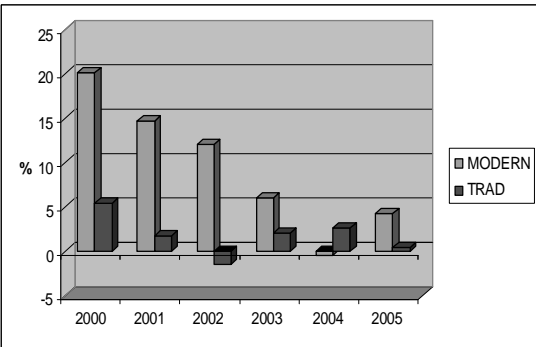
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### Manufacturing Growth Divergence



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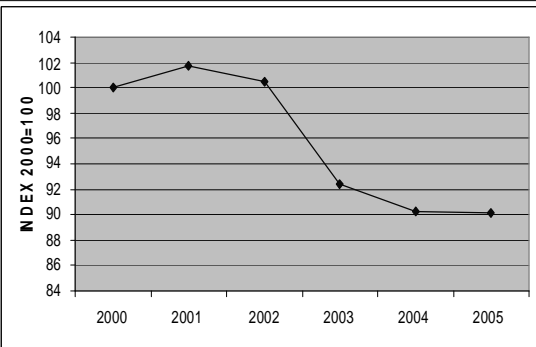
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### Manufacturing Output Prices (ex VAT)



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### Sectors with Potential

- Vibrant consumer market, but changing nature of retail development
- Immigrant market will become increasingly important
- Service industries eg:personal services, financial services
- IT & Bio-Technology
- Homes for the elderly
- Childcare facilities
- Environmental Issues / Alternative Energy
- Construction development. Watch T21 & National Spatial Strategy
- Health awareness – organic branded foods, exercise etc
- Tourism product will have to change, but significant potential
- Increasingly affluent population

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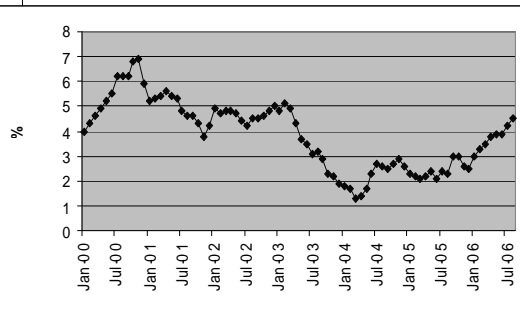
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### Consumer Price Inflation



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### Price Changes (Jan'00-Aug'06)

Overall CPI	+29.2%
Food	+15.6%
Health	+56.9%
Childcare	+61.0%
Health Insurance	+71.8%
Clothing & Footwear	-14.2%
Electricity	+52.7%
Local Authority	+239.6%

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### Price Changes (Jan'00-Aug'06)

Petrol	+47.5%
Motor Insurance	+1.2%
Financial Services	+26.0%
Mortgage Costs	+108.9%
Furniture	+8.4%
Natural Gas	+53.0%
Household Appliances	-7.1%
Telephone Comm.	-7.0%

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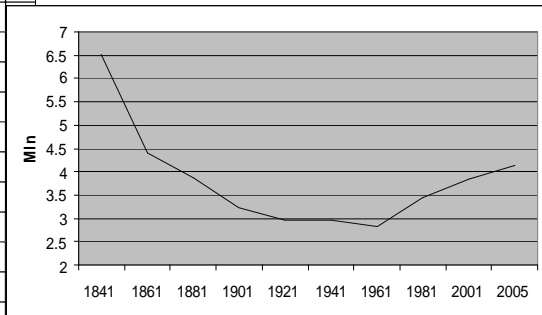
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## Population



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## Population change 1990-2005

TOTAL POPULATION	+725,200
NATURAL INCREASE	+403,000
NET INWARD MIGRATION	+322,200 (44.4% of Increase)

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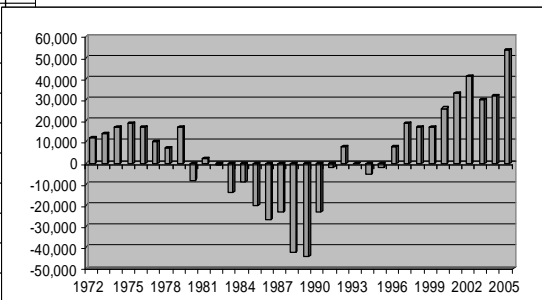
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## Net Migration



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 <b>YOUNG GROWING POPULATION</b>					
AGE	2001	2006	2021	2036	
0-14	21.5%	20.8%	19.8%	16.0%	
15-34	31.9%	31.2%	23.4%	23.6%	
35-49	20.7%	21.1%	23.1%	16.9%	
50-64	14.7%	15.7%	18.4%	21.6%	
65+	11.2%	11.2%	15.3%	21.9%	
					

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 <b>Significance of Housing Market</b>	
	<ul style="list-style-type: none"> <li>• Construction activity &amp; direct employment</li> <li>• Construction output valued at €30 bln, Housing 65%</li> <li>• Mortgage market has grown from €25 bln to €100 bln in 6 years</li> <li>• Major driver of financial sector employment</li> <li>• Important contributor to tax take directly &amp; indirectly</li> <li>• VAT €2.6 bln, &amp; Stamps €800 mln</li> <li>• Equity market effect</li> <li>• Housing stock valued at €530 bln, significant consumer 'wealth effect'</li> <li>• Economy is too dependent</li> </ul>
	

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 <b>IS IRISH HOUSING MARKET A BUBBLE?</b>	
	<ul style="list-style-type: none"> <li>• Strong fundamental forces driving demand</li> <li>• Supply side response lagged</li> <li>• Demand still very strong, but market has to be approaching equilibrium</li> <li>• Affordability now deteriorating, but not a crisis situation</li> <li>• Soft landing most likely and most desirable outcome, but external risks need to be monitored closely</li> </ul>
	

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### The Labour Market

- 60% of jobs created in past year in public sector + construction
- 63% of jobs created in past 2 years in public sector + construction
- Foreign nationals accounted for 55% of jobs created over past year
- Female participation 52.5%
- Male participation 72.8%

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### Employment Changes 2 years to Q2 2006

Agriculture, F&F	-2,500
Manufacturing	-12,100
Construction	+56,700
Financial & Business Services	+30,300
Wholesale & Retail Trade	+24,200
Education	+17,700
Health	+24,200
<b>TOTAL</b>	<b>+180,800</b>

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### Business Environment

- Business costs increasing 10% per annum
- 2002-2005 Electricity 47%, Gas 69%, Water 77%, Waste 136%, Commercial Rates 33%, Labour Costs 33%
- 'Rip Off Ireland' has ignored input costs
- Limited pricing power – margin compression
- Policy makers should pay more attention

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## The Economic Future

- Growing population, strong inward migration
- Changing demographics
- Economic outlook positive, notwithstanding obvious challenges
- Increased affluence, but changing spending patterns
- Price awareness will continue to rise
- Health issues will become more important
- Globalisation & competition issues for every sector of economy

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**ANY QUESTIONS?**

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# Session 1

**Chairperson: Matt Dempsey**  
**Editor, Irish Farmers Journal**

## **Innovation and Idea Generation – *The JFC Story***

*John Concannon, M.D. JFC Manufacturing, Tuam, Co. Galway.*

### **Introduction:**

Developing your ideas on business is a very good trick if you are able to do it. Many people try it regularly and plenty more try and never make it happen. Why do some people succeed and others don't? Let me tell you that the one who succeeds has determination – they never give up. They keep trying and they never envisage their idea or their product or process failing.

The most important thing is not to be afraid of a 'No' answer because that is the time when you need the determination to keep going. Within this, the most important ingredient required is *vision*. Now vision is a small word but it means so much in business. Successful people with business ideas create a compelling vision and follow through with determination to make it happen. They clearly see what they want to achieve – the result or outcome they desire. Yet, at first, they might not see how they are going to find the correct formula of small ideas that come together to ultimately make their plan work.

You must start making small steps towards doing it and you must start writing your plan. If you are not able to write it down it will not happen. Because you will never work it out in your head alone. You need all the pros and cons written down and only that way can you separate the wood from the trees.

### **The Origin of Ideas:**

Where do ideas come from? Wherever you are currently reading this piece right now there are ideas around you if you are only able to capture them. The mind requires food in order to develop ideas. So depending on the idea you must put in the right fuel to start your new engine of ideas. It is awfully important when you are in product or idea development to acquire all the information possible about what you are getting into. By this, I mean going to trade shows, conferences, reading magazines and talking to people involved in the same business to learn everything you can from as many angles as possible about your product, idea or new business. It is also often well worth going to some university which has a suitable course available that meets your specific needs.

### **Making the Most of New Ideas:**

It is only occasionally that you get a chance to grab a good new idea and you must be able to identify it and go for it the first chance you get! If you don't your idea is out there and someone else will find it.

I have seen very poor ideas with a good operator and they make a lot of money from it. On the other hand, I have also seen good ideas with bad operators and they never make a penny from it. You get out of business what you put in and there is no substitution for hard work!



### **The Importance of Change:**

*Change* is something that people find hard to do and we all must ask ourselves when are we going to change. In order to change you must first feel change and you have to know how to kick into action and start to “*Do it Now*”.

This conference might be the first step and out of all that are here I think only a very small few will ever go on and do what they have planned and achieve what they want to achieve.

Bringing the Ryder Cup to Ireland was a great idea and probably one of the biggest PR projects undertaken in Ireland since we stopped winning the Eurovision. And fair play to Michael Smurfit! Ireland was shown in 155 countries all over the world and the event was watched by an estimated 1.5 billion people. Great! But what happened was that the Yanks brought their own hurricane with them and it was more like a ploughing championship than a golf tournament. We had rain like you never seen!

Now how do you interpret an event like this? Was it good or bad? I think it was great and the next time around they will get Anna May McHugh to host it as she is well-used to dealing with such rain every September of October.

### **Who Can Kill Great Ideas?**

One of the most common things in Ireland is talk and I can remember back when I started there was a lot of talk about what ‘Johnian’ was going at now with plastic buckets. There were a few guys in the pub one day who were talking about what I was going at now and I heard it back. At this point, I had already tried a few things before I got into plastic. It seems one day I passed and the boys were looking out the window and commented “there he is, off now again with them bloody buckets and what harm but they have got a grand bit of land at home”.

Any chat like that did not stop the JFC story and we have kept the flag flying. Comments from negative people can kill a good idea. However, sometimes it can be good because when you are selling any of your products buyers will be very negative so you have got to be prepared for that. Being turned down by a bank or an enterprise agency can leave you feeling like the wind had been taken out of your sails or stops you dead on your tracks. But if that stops you forget about your idea because you must be able to sell your idea to them and be able to get them on your side. You have to be able to get your message across and be prepared to fight negativism. You have to let them know that you have the *confidence* in your product and your ideas.

### **Successful Salesmanship:**

One of the best things I ever did was to go on a few sales training and marketing courses as this will give you the confidence to be able to sell yourself No.1, and your ideas No. 2. Believe me, if you have no confidence in yourself or no belief in the products you are selling, you will never succeed in sales! And if there is any doubt in your mind about the product or any slight fault you will not, and could not, sell with confidence.

What we are all doing is trying to get new customers, and when we have them, to hold on to them! Sometimes, we in JFC could be a week, month, or even a year after one customer. Therefore, when we get that new customer we need to keep hold of them.

Always keep in mind that the customer could be lost in a few minutes if not handled correctly. Having the customers coming back is vitally important and we have been successful in this because we strive to sell good quality products all the time.

**Acquisitions:**

JFC's international acquisitions started back in 2000 when the company faced a crisis as Foot and Mouth got a grip on our then main markets in Ireland, England and Holland. There was no easy way, and fortunately, the company had already been eyeing-up one acquisition of PD Roto Moulding in London.

Faced with laying people off or having to diversify, the decision was easily made and JFC acquired PD. The next step was to close the London plant and move the complete business back to the Tuam plant. After that in 2003 the company made further diversifications with the move into recycling of plastic bottles and into the manufacture of plastic in the UK. This meant the purchase of three companies, Delleve Plastic, Reprise in St. Helens and the later acquisition of the Knotwood products range.

**Future Challenges in JFC:**

The most exciting challenge over the years for JFC was the building of a new production facility in Warsaw, Poland. After market entry in 1998, the *vision* was of a new plant production on a green field site. This gives JFC a major advantage in selling its products in Eastern European countries and the competitive edge required to successfully compete against German, French and other Central European manufacturers. Innovation and R&D played very important parts as JFC had to design and develop complete new product ranges to be successful in East European markets.

**People Behind the Ideas:**

It is a great credit to the team of staff at JFC and their pivotal role in growing the business to date. Through their efforts, our group with its headquarters in the West of Ireland continues to expand its activities internationally. They are all vital cogs of an organisation that has, for the last 20 years, been constantly expanding. The prospects in Europe provide opportunities for any company willing to diversify into new products and markets and with the help of the likes of Enterprise Ireland and the dedicated staff in their international offices, companies like JFC can continue to achieve further growth and expansion.

## **Crossing the Commitment Line to Action**

*Joan Mulvihill, Family Business Centre Manager, BDO Simpson Xavier*

Around the time I was asked to speak at this conference I'd been fortunate enough to have heard an eminent sports psychologist, speak about golf. If you're anything like my dad who's a farmer, you probably don't have time to play, perhaps you've never swung a club in your life but it's unlikely you escaped the Ryder Cup last month.

Golf, Psychology, BDO Simpson Xavier, Teagasc, Farmers, Business – its quite a stretch but if I had to sum up the message of that psychologist it would be this; “There's a time for thinking and there's a time for doing”. Each player in this year's Ryder Cup was faced with hurricane winds, rain, sunshine, the media, the fans, the pressure, the team, the competition, the pride and the prize and that's all before he gave a thought to the course, the hole, the distance, the direction, his swing, his club, his stance. And yet phenomenally, he can tee up, close his mind to everything around him and take the most beautiful shot you've ever seen.

So in many ways it's just like starting a business. You're out there, its competitive, the conditions aren't always perfect but you've assessed the situation, you know the way you want to go, you've done your preparation and now its time to tee up, to commit yourself to your goal.

In my role at BDO Simpson Xavier, I work exclusively with family-owned, owner-managed businesses. Many of these businesses are run by entrepreneurs who've started from scratch with an idea. Admittedly, some have been a bit luckier than others, some have taken more risks (some have had to), some have grown at fantastic speed and have changed direction more than once, while others have played an equally rewarding steady game, always staying their course. But regardless of the speed and the direction, the common factor has been their ability to commit, their ability to cross the line that divides thinking about something and doing something.

The role of the business adviser is not dissimilar to that of the golf caddy. We are with you in preparation and practice, we can advise you on direction and will be on hand to point out the pitfalls, we will walk the course with you, even share your load but when it comes to taking the shot, that is down to you.

This conference is all about the journey from ideas to action. At BDO Simpson Xavier, we specialise in helping our clients to generate, protect and enhance their wealth. We travel that journey with our clients by working closely with them, understanding their objectives and their concerns and by providing practical and meaningful advice. This session has been designed to share with you our top tips to help you develop your idea further, to point out the pitfalls and provide you with a checklist for getting started.

Few of us have had Eureka moments. Instead, many business ideas come to us gradually, with a small kernel of thought that evolves to a true business idea with a plan and some understanding of the start-up requirements. It is followed by a need to take the business plan out of the living room and into the wider world, introducing it to others in the hope of inspiring them to support us in our efforts to establish it in the market. The purpose of this paper is to guide you through the idea generation process through to the development of your business plan that you will take to the market.

## 1. The Ideas to Action Process – Generating Ideas

The process of generating viable business ideas follows a relatively informal process of brainstorming, screening, business planning and implementation. It is a question of funnelling ideas from creative thinking through to logical evaluation and ultimately identifying the idea of greatest potential. There is a common myth that creativity comes from creative people. Many entrepreneurs are not necessarily creative – instead, their business has been borne out of some practical need in the marketplace or some change in their own personal circumstance. Creativity is not dependent upon experience, talent or the ability to ‘think outside the box’. There are practical ways of coming up with business ideas – think about the following:

- Things that ‘bug’ you
- Things that bother others or stop people from doing what they want, when they want and at the price they want
- New advances in science and technology
- Problems that need to be solved
- Changes in all aspects of our world that are forcing change  
- demography, society, technology, science, politics

You’ll probably have noticed too that you’re at your most creative in the most inconvenient circumstances. Rarely do our best ideas come to us when we’re in the throes of something routine. Studies show that we are more creative when we are tired or while on holiday resting, when we’re stressed or when we’re engaging in sport – at all the times when we’re least likely to have a pen and paper to hand to jot the idea down! But this is indeed what you must do. Keep a log of your ideas or you’ll forget them. By committing your idea to paper you’re taking the first steps to committing to a business idea.

Over time you’ll notice that some ideas were the result of a ‘rush of blood to the head’. Out of a hundred ideas or more, there may be only one or two real opportunities so the more ideas you have the better your odds of success. Keep thinking, keep writing and periodically screen your ideas.

### **The top four anchors of a good business idea;**

1. They create or add significant value to the customer or end user
2. They do so by solving a significant problem or meeting a specific need for which someone is willing to pay a premium
3. They have a robust market, profit margin and money-making characteristics
4. They are a good ‘fit’ for you and for what you would like to do and there is a good fit with the timing and marketplace.

### **The Ideal Business Idea**

And if these are the characteristics of a good business idea then the ‘ideal’ business idea would look like the following:

1. Requires no initial investment
2. Has a recognised measurable market
3. A perceived need for the product/services is widely recognised
4. Not impacted by government regulation
5. Requires no labour force
6. Provides strong gross margin
7. Buyers purchase frequently – high stock turn
8. Receives favourable tax treatment
9. An established distribution system is in place
10. Has a publicity value
11. Customers pay in advance
12. No risk of product liability

Is it any wonder that [www.myhome.ie](http://www.myhome.ie) recently sold for €50million?

## **2. The Ideas to Action Process – Business Planning**

Assuming your business idea has met with the four anchors if not all of the top 12 ‘ideal business’ criteria, you’re in a good position to get started on your business plan. At this early stage, it’s a good idea to apply the same practical, good sense that you’ve applied to the idea generation process. It’s all about understanding your target market and figuring out what they need. So think about the following:

- Who will be reading it?
- What will they need to know?
- How will they want it presented?
- What do you want from them?

It’s likely that your first draft will be for your eyes only. It will be your first attempt at challenging your idea and putting it to the ‘commerciality’ test. Your business plan should fully examine the potential of the opportunity, the key success factors and the critical risks. It should also act as your roadmap to getting the business up and running and most crucially, it should include how you intend to raise any capital required.

### **The Do’s and Don’ts of a Good Business Plan**

#### The Business Plan Do’s

- Involve others in your thinking
- Make the plan logical, comprehensive, and short
- Demonstrate commitment
- Identify critical risks and assumptions
- Be open about any current or potential problems
- Identify alternative sources of financing
- Spell out the proposed ‘deal’ and how investors will win
- Be creative in gaining the attention of potential investors
- Remember that the plan is not the business
- Know your target investor group
- Let realistic market and sales projections drive the financial forecasts

#### The Business Plan Don’ts

- Don’t have unnamed ‘mysterious’ people on the management team
- Don’t make ambiguous, vague or unsubstantiated statements
- Don’t estimate sales based on production capability rather than demand
- Don’t describe technical products using jargon that only an expert can understand
- Don’t spend money on developing expensive brochures that you don’t need at this stage. To quote a fine American I once worked with, “You need to focus on the steak, not on the sizzle”.

## **3. Using outside help**

At the start of this paper, I said it’s down to you to make this happen and behind every great golfer there’s a great caddy! There are people who can help you in your endeavours and if you’re serious you will not be afraid to seek them out. They will point you in the right direction of any grants for which you may be eligible, available research, regulatory bodies and with good judgement, potential funding / investors.

The first steps can be daunting but in the words of Henry Ford  
“If you think you can or if you think you can’t, you’re right!”

## Make it Happen

*Paul Mc Carthy, Rural Business Specialist, Teagasc*

Standing still is not an option. Why?

In 2005 Direct Payments including payment of arrears equaled 94% of income on Irish Farms. (National Farm Survey)

The 2006 figure is likely to be 70%. Outside of dairying, payments are likely to represent 100% of income, with many farmers eating into their payments to prop up their business. Payments are also playing an increasing importance among specialist dairy farmers.

This would not be so serious, if farmers incomes were not less than  $\frac{3}{4}$  of the average industrial wage. On top of all that, the Single Farm Payment is only in place until 2013, by which time with inflation, its value will be seriously diminished. Indeed, I ask the question, are any of us comfortable relying on these payments.? I believe this sets in context the importance of this conference and the huge task that lies ahead.

On a positive note, on average, it takes three to five years to get a business up and going. Hopefully, by which time it will be contributing to income. We have the payments in place for a number more years so time is still on our side to make it happen.

***“The need to create more local employment through small local enterprise is the most critical element to promote the economic and social development of rural areas.”***

Key finding in Co. Galway Rural Resource Study - April 2005

I believe that this key finding sets the challenge for those of us that work with rural communities to develop and support entrepreneurship.

At the end of this talk I would like that all of you believe and know how to make your ideas happen in a very practical way. Remember, every decision is a decision, and if you are not proactive with your ideas, then you have made a conscious decision not to do anything about them. Remember, the clock is ticking...

The decision to diversify is a big one, and to make it happen, you need all the help you can get. The approach we take in Teagasc is as follows. To date over 15,000 farm families have participated in the Options Programme. When the adviser meets with the farm family to discuss all of the options, some choose diversification. From the database, we then offer these farmers the opportunity to attend a Rural Business Start-up course. This involves about 12hours of training over 2.5 days. We cover much of the material we are discussing today such as

- Idea Generation
- Researching your idea
- How to market your business
- Legal, Insurance, Taxation issues
- Grants, funding and business supports - Leader and the County Enterprise Boards
- The money side of your business
- A visit or a talk from a rural entrepreneur
- Completing the Business Plan

Following the course, we challenge participants to complete a business plan for that idea. This is submitted and corrected for FETAC accreditation. We then provide a one to one mentoring session to discuss your business idea and plan and advise you as to your next steps.

### **Outcomes**

In the last year, over 300 people completed the course and approximately 100 completed business plans. The geographic spread of these courses were delivered in Donegal, Cavan/Monaghan, Sligo, Mayo, Galway, Roscommon, Westmeath, Leitrim, Tipperary South, Limerick, Louth and Kerry. This autumn we have courses scheduled for Wicklow, Clare and Galway.

Of more interest to you will be the type of businesses people went into.

- Agri & Agri Services
  - Fertiliser Spreading
  - Turfgrass
  - Hedge cutting & Laying
  - Stonewall Building
  - Animal Husbandry Services
  - Producing Kerry Cow Replacements
- Tourism
  - Heritage Farm
  - Farm Tours
  - Self catering
  - Guest House – B&B
  - Genealogy
  - Boat Marina

- Manufacturing
  - Woodwork – gates, kitchens, windows
  - Metal/iron works
  
- Services
  - Landscaping
  - Computer training
  - Rural Taxi
  - Handmade Wedding Stationary
  - Auctioneering & Overseas property
  
- Equine
  - Livery – B&B for horses
  - Arena's, Cross Country Courses
  
- Food
  - Free range eggs
  - Cheese
  - Party / family events catering service
  - Ice Cream
  - Homemade Bread
  - Fresh Fish Sales

The upshot in the number of Farmers Markets in recent years has led to further opportunities for farmers. One of the most challenging things for many businesses is having a good distribution channel for their products. Farmers Markets are a great low cost outlet for farmers starting out. We have also dealt with a number of farmers who are achieving significant returns, sometimes in the region of €30,000 and over by selling their produce at Farmers Markets. Obviously, to achieve this level of success, many things have to be right, such having a product that people want, the presentation, the price etc.

“Experience is the name every one gives to their mistakes”

Lady Windermere's Fan

Since, I am up here I may as well tell you where farmers are generally good in terms of getting their ideas down on paper and putting a plan together and areas they find more challenging.

#### **Areas farmers are good at when it comes to ideas**

- Often have very good ideas
- Not afraid to take on a building project
- Can build very cost effectively using skills
- Keen to get moving fast
- Always thinking about future and long term family impact
- Farmers have good business instincts



### **Areas that challenge farmers**

- Writing down, describing and working on their idea
- Doing sufficient market research – build first-think later
- Figures – don't want to take responsibility for them

### **Finally, some take home messages**

- **Urgency** – Don't get a false sense of security from cheques in the post. Don't be like the man that won the lotto who was asked what he will do with the money and replied. "I'll keep farming until it's all gone."
- **Be Positive** – There are opportunities in an area that you have strengths.
- Understand your own **strengths** and **weaknesses**.
- Accept that **it won't be easy**
- Good **help is available** – Make use of it.
- Excellent **training courses** are available for you to develop new skills and help you overcome challenges.

To End

**“Don't be afraid. Believe in your ability, your idea and most of all yourself. There is no point in looking back in five years and saying ...if only”.**

David Tiernan,  
Glebe Brethan Farmhouse  
Cheese.

## **The *JFC* Innovation Awards for Rural Business in association with Teagasc and The Irish Farmers Journal.**

Today, we are giving you a great incentive to do something about your ideas. The JFC Innovation Awards for Rural Business competition is totally geared at getting you to do something about your business ideas.

To enter, all we are asking is that you complete the simple entry form and in your own words write a plan for that idea. The overall winner will receive €5,000 cash, €5,000 free advertising and €5,000 in business support.

Full instructions are on the Entry Kit we have provided you with. As per the entry kit, when describing your idea focus on:

- **A Clear Description of your idea-** what are you proposing?
- **The Market Opportunity:** Describe the target market and explain why there is a need for it and the benefits for the customers.
- **Why will customers buy your product?**
- **Target Customers:** What is the profile of your customers.
- **Distribution :** How will you reach your customers
- **Promotion & Sales:** How are you going to promote and profitably sell your product/service.
- **Competition:** Who are the key competitors and what are you going to do differently.
- **Key Measurement Points for success:** e.g. number of customers, projected sales, costs.

A useful guide and blank business plans are contained on [www.teagasc.ie/startingyourownbusiness](http://www.teagasc.ie/startingyourownbusiness)

# Session 2

**Chairperson: Gerry Scully**  
**Teagasc, Programme Manager, Rural Development**

## Turning Problems into Opportunities

*Patsy Mc Bride Watertop Activity Farm, Ballycastle, Co. Antrim*

Name: Patsy Mc Bride age 50 years.

Married to Pauline, 5 children (10yrs to 19 yrs)

Address: Watertop Farm, 188 Cushendall rd, Ballycastle, Co Antrim, BT54 6RN (telephone, 02820763785)

### **Background**

- Green mounts Agricultural College, two year course, (Advanced National Certificate in Agriculture.)
- Founder member and first club leader of ‘The Glens Young Farmers Club.
- Six month exchange programme to New Zealand in 1981
- Nuffield scholar in 1985, looking at farm diversification.
- Founder member of Glens of Antrim Rural Community Development association
- Served four years on the BBC Agricultural Advisory Committee
- Served four years on the Council for Nature Conservation and the Countryside (CNCC)
- Founder member and presently a director in the Green Glens Marketing cooperative.
- Host farmer for” Good Farming Practice” workshops.

### ***Farm business interests.***

- Manages 246.2ha sheep and beef cow,( hill farm)
- Family partnership with Father, Paddy and brother, Terence.
- Managing 800 ewes Scottish blackface, Cheviot and mules, with all replacements bred on farm.
- 60 beef cows using Blonde and Limousin bulls, breeding own replacements. Most calves sold at 1 year old ,

### ***Diversification***

- Started Pony-Trekking in 1969(The Loughareema Trekking Centre).
- Developed the first open farm in Ireland, in 1986 (Watertop Open Farm)
- Now developing aspects of “Experiential Learning”.

## **Key Area**

### **Sustainability of the family farm.**

“Today our approach to sustaining the farm business is to look at our perceived disadvantages and try to turn them into something positive, and to our advantage.

We are trying many different methods of supplementing farm income, from adding value to our livestock and our existing farm enterprises, to developing tourist activities and concentrating on environmental aspects of the farm business (GFP programme, ESA, CMS.).

Sustainability is the key issue

Most of Watertop farms ideas came from visiting other people’s farms and enterprises.

It wouldn’t matter whether a farmer visiting Watertop was thinking of starting a Tourist Venture, a Manufacturing Business or even a Worm Farm.

The challenges and obstacles and difficulties facing any farmer thinking of ways to supplement their income, are fairly similar.

What it takes to overcome these challenges can be helped by a visit to Watertop Farm or any of the Focus Farms in the programme.

Patsy Mc Brides experience and knowledge gained on his study of diversification in Europe and elsewhere, would make a visit to Watertop Farm useful for anyone considering supplementing their farm income.

## **Key Messages**

- Start small
- Do your research!
- Do your homework
- Have a mentor
- Treat grant aid as a help to do it better
- Don't expect help from anyone
- Take a calculated risk
- ALWAYS be positive!
- The secret of success.....  
Realise your limitations.
- Don't over commit yourself
- Don't do it if you don't have to
- Listen, but don't listen to negative thinking
- Don't expect too much from your business
- Don't do it without backup (i.e. Wife, family etc.)

## **To Contact Watertop Farm:**

Phone 02820763785 BT546RN

[www.watertopfarm.co.uk](http://www.watertopfarm.co.uk)

# Making Money From Farmer Paper Headaches

*Angela Lacey, Deerpark Farm Services, Carrick on Suir, Co. Tipperary*

## **An Introduction to Deerpark Farm Services**

Angela and James Lacey both come from farming backgrounds and currently run a top class suckler herd in Deerpark, via Carrick-on-Suir. Both have first hand knowledge and experience in running a successful beef farm including all aspects of farm management and administration. Hand in hand with that is dealing with all the necessary paperwork and associated form filling which has now become the norm in farming today.

Angela has always been of the opinion that the day a Herd Register was introduced, a lot of farmers would be struggling to fulfil the requirements for registration due to lack of time and confidence. The paperwork required for a Herd Register would appear daunting and stressful to most farmers who are more comfortable with “getting on with the job they were trained to do”.

Deerpark Farm Services came into being in 2002, after extensive research and personal experience indicated that there was no service or assistance readily available to assist farmers in conforming with the newly introduced EU Legislation. After a number of submissions to the Department of Agriculture, Angela and James were given the green light in December 2002.

Deerpark Farm Services has been steadily increasing business with clients being directed by Department Inspectors who were, and still are, finding non-compliances during farm visits.

Such is the need to bring farm records up to date, the Department of Agriculture, in April 2005, granted Deerpark Farm Services a licence to run the business under Department regulations and provide full access to their records.

## **Deerpark Farm Services – The Product**

Deerpark Farm Services aims to assist the farming community in organising herd profiles, bovine registers and general farm administration.

Our solution to solving farmers paperwork woes is to develop a Management Priorities Plan, which, in order to conform to EU Legislation, targets a 100% traceability in the herd.

Our Management Priorities Plan is an individual plan that sets specific achievable objectives and targets and allows flexibility to revise these if necessary. We tailor make a plan to suit each farmer’s individual needs.

## **Client Base**

Middle to lower income farmers – Our market research indicates in excess of 25% of farmers experience difficulty with the required paperwork.

## **Client Requirements**

A helping hand to achieve accurate herd traceability and farm administration.

## **Why our clients need and use this service**

1. We put the paperwork in place to satisfy Department requirements, freeing the farmer to attend to what he/she does best – farming.
2. We take the stress and the fear factor out of dealing with Department Inspectors and the possibility of penalties being incurred.
3. We establish and maintain registers and records in a manner that is easily accessible and understood by the Client. We make herd traceability possible.
4. Like the Client, we don't keep office hours – we are available to our clients when they need us.
5. Our average Client believes 100% traceability is unrealistic and unachievable. Fortunately for our Client, we don't agree!
6. The all important price – affordable – we don't have high overheads so we can offer our client a personalised, friendly, efficient service based on individual needs at a price that won't break the bank.
7. Most importantly – We become the link between the farmer and the Department.

## **Motivation to start Deerpark Farm Services**

Firstly, I recognised that I had the following personal traits that led me to believe I could make Deerpark Farm services a successful enterprise –

- A strong need for independence and control
- Drive and energy
- Self confidence
- Tolerance of uncertainty
- A sense of social responsibility
- A people's person



And secondly I am confident that I have the ability to keep the business on track by -:

- Problem solving
- Setting realistic goals and targets
- Calculating and identifying risk
- Prepared to make a long term commitment
- Using feedback – both positive and negative
- Taking the initiative
- Tapping resources

### **Risk – What was/is Deerpark Farm Services attitude**

Identification of the risks that are considered acceptable would be our primary concern and can be summarised by the following seven questions -:

1. What evidence is there that the market wants to buy this product/service? Risk – that the market place won't support this idea or that there is an alternative/similar product/service already supporting the market.
2. What evidence is there that the market is aware of it's need for this product/service? Risk – I could fail to target and reach the people who are in need of this product.
3. Can you establish the financial and emotional investments required to get the business off the ground and maintain it in the long term? Risk – Failure to convince financial backers that this is a viable concern and that I do have the commitment personally to make this work. Failure to manage to meld this business into my family commitments without either of them suffering?
4. What is the cost of delivery of the finished product/service to the client? Risk – That the cost of providing the service will become uneconomical if I don't manage it effectively.
5. Have I the ability to be able to look ahead and forecast accurate sales and volume? Risk – That I don't have the foresight to look ahead and be able to put accurate forecast cash flow figures together.
6. Can I build up a profile of customers and their needs? Risk – That I have profiled the prospective clients and the areas of need incorrectly.
7. Do I really understand the business I am in? Risk – That I am unsure of the business and the product being successful because I may have made an error of judgement in developing a product/service that is surplus to the farming community.

I consider that these are all acceptable risks which can be overcome by the fact that as a business we are -:

- confident in ourselves and the product/service we are marketing
- optimistic, initiative, inventive energetic, hardworking persistent and determined
- continuing to regard the business as an ongoing challenge
- constantly reviewing the clients needs and areas of concern – that we are in touch with our clients requirements
- reviewing the product/service

### **Personal experiences in setting up Deerpark Farm Services**

- Having worked for a number of years on a voluntary basis assisting farmers to keep their paper work in order and on track, I recognised that I had the skills and experience to start my own business after being involved in farm administration. I did the hard yards, up front, by thoroughly researching the product/service, resourcing, funding and market perspectives.
- I was constantly hearing from the farmers I dealt with that they found it unrealistic and unachievable to conform to and then maintain the high standards they believed the Department expected. I had to ensure that I maintained ongoing regular contact with both the Department and the farmer to reinforce confidence.
- I found it difficult to get funding for the business because mainstream financial institutions had a lack of understanding of what I was trying to do. I became frustrated with the initial resistance to our product/service but persistence and total confidence in the product/service paid dividends.
- I discovered that starting up your own business, no matter how much you believe in your product/service, is hard work and for every step you take forward, you take two back. You have to be prepared for the upside and the downside.

### **Pitfalls – What people need to be aware of**

1. Cash flow management - No matter how successful the sales of your product/service are or how creative your ideas are, your business will struggle if you cannot manage your cash flow effectively.
2. You cannot harbour negativity. You must believe in your product/service and you must believe in your ability to achieve a successful result. You and your product will be criticised at some point in time.
3. You cannot depend on some-one else to deliver the goods!! It is **your** business and the amount and quality of time and effort you put into it will reap the rewards and go a long way towards ensuring your business is a success and not a failure.
4. Do be prepared to delegate but still maintain control.

### **Advice to farmers starting out**

A business management plan is the most effective tool for anyone who is starting their own business. Make this your first point of reference.

Other points that I would consider essential are:-

1. Self assessment – ask yourself – Do I have what it takes to be an entrepreneur? am I self confident; am I task orientated; am I a risk taker and do I have leadership qualities?
2. Product/Service assessment – Be realistic – Is your product/service going to work in the marketplace?
3. Market Research – Do the who, what, when, where, how and why questions before you take the big step into business.
4. Financial support – How much are you going to need and how are you going to fund it?
5. Get assistance in starting out – use all the resources available to you in setting your business up.
6. Use the S.M.A.R.T objective principle as the foundation of your business practices -

S	SPECIFIC
M	MEASURABLE
A	ACHIEVABLE
R	RELEVANT
T	TIME BASED
7. Set yourself an Action Plan which allows you -:
  - a. space and time to develop your business
  - b. a period of adjustment in your new role as business owner
  - c. have a contingency plan to share the workload and delegate where and if necessary
8. Plan for growth and be prepared to employ qualified personnel.
9. Give the client what he pays for – a first class quality product/service. Your client is the future of your business and the key to whether you thrive or fail.

## **Acknowledgements**

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- Thamas Galvin
- Peggie Hickey
- P O'Loughlin
- The Irish Farmers Association
- Irish Cattle and Sheep Farmers Association
- John Dowley
- Irish Creamery Milk Suppliers Association
- Clonea Macra
- Department of Agriculture and Food

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## **Adding Value to Farm Produce**

*Avril Allshire, Caherbeg Free Range Pork and Angus,  
Roscarberry, West Cork*

### **Background**

Ladies and Gentlemen, It has been a pleasure to be invited to address you today. Willie Allshire's parents established a printing and stationery business in Carrigaline, which used to be a small village about 5 miles from Cork City. It was in this environment that Willie gained much of his business experience as he worked in the business from the time he was 10 years old. He did branch out on his own and established a haulage business with a partner. This did not work out and subsequently, Willie set up in opposition to his father with another printer and they established a second printing business in Carrigaline. By the time I met Willie, he was once again working with his father and looking after all aspects of the business including accounts, and sales. Willie and I then bought the business from his father. This may appear very tedious background information, but it has a purpose. Willie always worked. School was a very different matter and as he did not find it of any great benefit, he left after his Intermediate Certificate. Perhaps these two aspects of his life have helped lead to some of our small success in the business. He just doesn't understand the phrases: "you can't do that" or "it won't work".

### **Inspiration & Action**

My parents had a mixed farm in Kilbrittain, which is about 5 miles from Bandon just at the start of West Cork. As the eldest of six girls, I had to do my share although, as I was almost always unwell, it was generally perceived that the best place for me was in the kitchen. My love of food and cooking has been largely self-taught, but I really enjoy using our products and showing off at meetings where I'm invited to speak. The family farm included cows, dry stock and sheep with not a pig in sight. In fact my father detested pigs. So I wish he was around now to hear his opinion on our ventures!

### **Next Step**

In 1995 we bought a farmhouse and 17 acres, half of which was boggy not to put too fine a tooth on it. As our immediate plan was to use the house for weekends, holidays and eventually retirement, we were happy that the land all to about 3 acres would continue to be rented to a local farmer. On some of that 3 acres, we planted an orchard, which unfortunately, is now rather neglected. We actually spent our honeymoon in the house at Caherbeg, largely because of my ill-health, and just never returned to Cork city. When our eldest son was a year old, the farmer didn't rent the land so it lay fallow and in the field next to the house, all one could see was a field of dockleaves. As I'm asthmatic, sprays are not really welcome, so I suggested getting one or two pigs. This turned into two litters totalling 20. We reared them outside in paddocks surrounded by mains fencer. Then Willie was invited to supply Drinagh Co-Op supermarket in Skibbereen and this proved to be a good break for us. The herd grew, but so also did demand. Our second son, Maurice, arrived a year later and when he was a year old, I contacted the Rural Development officer in Teagasc West Cork. I

wanted to grow blueberries on some of the boggy land and was researching this project unknown to Willie. Anyway when Arthur Richardson heard what we were doing already, he made an appointment to meet Willie. Arthur persuaded Willie to participate in the Rural Development course which he was running at the time. Between Arthur and Paddy Ward, we are now in our present situation. The blame is almost certainly at their feet as they introduced Willie to another idea – how to add value to our pork. Within 3 months of the initial idea, we had installed a stainless steel lined portacabin and purchased the equipment necessary to make sausages and dry cure bacon on a small scale – we were planning to add value only to the meat being produced on the farm.

### **Rosscarbery Recipies**

Within another 6 months, we had purchased another small local business – Rosscarbery Recipies.

### **Under Scrutiny**

Then we were into a different league as we were supplying supermarkets, and came under closer scrutiny from the Food Safety Authority very, very quickly. The situation was that our 200 sq. ft. portacabin was too small! At the time, this did not sit well as we did not have the volume to afford to move into a larger building. It was pointed out that there was no flow – either clockwise or anticlockwise, and we were using the unit to make both sausages and bacon. The fact that the processes were being done on different days was irrelevant.

### **Bureaucracy**

The rules and regulations to an extent can and do appear like bureaucracy gone mad. It really doesn't matter how big or indeed how small you are, the rules are the same if you're working with meat products. At present, if you're making to sell directly over your own counter, then operating in a temperature controlled environment isn't being applied, but for how long! We were not planning to poison anyone, and this is one concept which is nearly impossible for many official people to understand. I remember at a meeting with the Food Safety Authority having to point out that the bottom line was that this was our business and we just could not afford to fail. I think I got through on that occasion. At the end of the day, we were told in plain English either to put up or shut up, literally.

### **Expansion**

The result is that we moved into a 3000 sq. ft. premises on the farm. This occurred almost two years ago. However we're not finished there with bureaucracy. We continue to make sausages on just one day per week and bacon on another so no crossover. However the day we produce the sausages, we have to take a sample from each batch and these samples are frozen in case they have to be analysed. As well as that, we also have to take a composite sample and this has to be analysed each week, fresh! We produce in a temperature controlled environment and this is monitored on a computerised system with an on the wall monitor in the office.

## **Headaches**

However on a daily basis, there has to be a paper backup. This is called “watching your rear end” and can be incredibly frustrating. It is also very difficult to explain why things don’t happen as you want them to, when and how. Trying to get the money together can be one of the most difficult, depressing and indeed exhilarating parts of establishing a business. You know the business will work, but you have to translate all your ideas onto paper and it has to convince the bank and possibly a grant aiding body. We have been really lucky as the West Cork Enterprise Board has been incredibly supportive over the past number of years. If you meet someone with vision, hold onto him or her for dear life as he or she is worth the weight in gold. They have visited us on a number of occasions and even informally take a keen interest in what we’re at. Now, to the banks. We plan to expand into another area, and when we approached one bank looking for additional capital, we were turned down flat. This despite an auctioneer’s valuation, which showed that the asset far, far outweighed the money sought and that the particular bank had been used for all transactions since the business started, so knew us well. I was in a panic wondering what on earth we could do, but Willie, when he got over the initial shock, just got mad, and approached another bank. The first bank had asked for all the paperwork and an auctioneer’s valuation, while the second bank took the paperwork including the valuation and then despatched two of its own officials to actually visit us and go walkabout on the premises. What a difference! Guess who our main bank is now and indeed who we would recommend. Be prepared to move if you don’t get what you want initially. Somewhere out there is at least one other person or institution who will share your vision.

Another pitfall, and one which might or might not apply to you is time off. Holidays – many farmers now expect to be able to take a couple of days at least here or there every year or so. We have just returned from our first holiday in 7 years. We enjoyed two nights in Kilkenny and attended the ploughing championships in Carlow on two days! Trying to get help you can trust can be very difficult and then you have to make sure not to abuse it. You can farm out the children but not free range outdoor pigs! All of the meat for the Rosscarbery Recipes is sourced locally. Whether the locals know it is another matter, but we feel that it is important to purchase all the meat from the nearest factory, which is sourcing its pigs in West Cork. If we don’t support them, why should they support us?

The business is getting better although the workload hasn’t decreased to any great degree. Having begun with Caherbeg Free Range Sausages, Dry Cure Rashers and Ham, then taking on the Rosscarbery Recipes Range of Sausages, we have increased our range since moving into the new building by developing the Rosscarbery Recipes Dry Cure Rashers, Bacon and Ham. Last January, we installed a cooking area in the processing unit and are presently using it to bake ham, and make trial batches of Rosscarbery Recipes Pork Pâté, and Black and White Puddings. Here we go again, another raft of regulations and we’re in the process of complying with the required HACCP standards. More expense in terms, not just of the cost of building this unit and complying with the regulations for it, but also ensuring that our HACCP plan is written up and operational. Paper, paper and more paper. I don’t think you can drown in paperwork, but I reckon it can suffocate, if not literally, then in terms of translating an idea into reality.

## **Awards**

We have entered the Great Taste Awards over the past four years and have accumulated Bronze, Silver and Gold Awards culminating in the Award for Reserve Best Producer from Ireland in 2004.

Lately Willie has developed smoked dry cure bacon and ham. So Christmas this year is going to be tough going. Then again every Christmas since we started supplying the public has been tough. If it wasn't for my family with whom we spend Christmas Day, our sons would definitely not have received any Christmas Dinner on Christmas Day as we have been totally exhausted.

I mustn't forget our Irish Angus herd, which actually started with three in-calf Simmental X heifers, but we both like the Angus breed so only three of the 30 animals are not pure bred Angus or Angus X now. We have processed most of this meet, but for the past couple of years have concentrated on the pigs. You just can't do everything!

Our two sons are being reared in the business – indeed in all aspects of it – so that they know what's happening. The finances may not mean too much at the moment, but they do understand that we cannot afford some of the things that others enjoy like annual holidays. However I'm not sorry, because they're also being reared with an appreciation of good food, respect for the animals we rear and process, and hard work. At the end of the day, I think Willie and I are in agreement that we will not be handing the business to the lads on a plate; if they want it they will have to come with their own contribution despite the on farm experience gained whether feeding pigs or turning up in the processing unit at 7 am to pack sausages and bacon every week during their summer holidays, as they did this summer.

The other aspects which I believe are an absolute necessity for venturing into a small business such as we have are commitment, vision and passion. We have such a belief in our business that we have on more than one occasion committed everything including the family home to the business. To date it has worked out!

Passion comes into play when you have to get up in the morning at just after midnight to head to Dublin with a delivery; or have to organise loins for slicing at that hour of the morning; or on a cold winter's morning to feed pigs at 4 or 5 am before heading into the processing unit. Then there's the day that you have to make a cold call – that is probably the hardest as you may exit the shop with your tail between your legs. It's not easy, but we believe in the quality of our products and that's half the battle.

There's no point in starting diversification and doing something you don't like.

## **Future**

Other products in the pipeline include Pork Pâté; Black & White Pudding; increasing our volume of cooked ham – green and smoked; a toasted cereal called Granola; Rosscarbery Recipes Pork Cake; and Rosscarbery Recipes Farmhouse Ice-cream.

I recently found a quotation, source unknown, “get an idea and everything else will follow”. Well, it may but not without commitment and hard work.

Thank you for your time and attention. I hope that something of what I have said may be of use to you.

Please visit [www.caherbegfreerangepork.ie](http://www.caherbegfreerangepork.ie)



## Turning Waste into Profit

*Martin Eves, Enviro Grind Ltd, Pettigo, Co. Donegal*

### **History to date**

I first became involved in the landscaping industry in America and went on to buy the company that originally employed me. After returning to Ireland, I established a system for shredding and producing bark mulch. Enviro Grind Ltd was established in 1997 to provide a mobile Grinding & Shredding service. This was further developed to include Green Waste Composting and produced Bio fuel and Chip for the Board mill Industry. The company went on to become the largest mobile shredding and grinding company of wood and organic waste in Ireland.

From a largely mobile operation, Enviro Grind has now moved towards a concentration of its operation taking place on site in Pettigo. This change is to some degree a result of new regulations on treatment of the various forms of waste, eg Landfill & Bio-Waste Directives, and the increasing cost of keeping an operation such as ours on the road. However, the company still offers a mobile Grinding & Shredding service where necessary.

In 2004 we developed a unique Gypsum Board (Plaster Board) Recycling System and acquired a DBFO contract with Gypsum Industries in Kingscourt, Co Cavan. Enviro Grind is now in co-operation with 3 other large European Equipment Manufacturers offering this system to the world market and currently working on a system design and installation for a major Gypsum Board Manufacturer in Australia.

In January 2005, construction was completed on a new 4500 sq m Production & Compost facility, using the most up to date In Vessel Composting Technology available today. The facility has the capacity to process in excess of 20k tons of wet organic waste and produce a high quality compost at the back end, thus closing the loop and creating a value added product from a traditional waste stream. The plant is designed and built to the highest standards to meet current and future regulations regarding the processing and composting of organic waste such as Canteen/Catering waste and Pre/Post Food Processing waste. We have recently been granted Animal By-Products approval from the Department of Agriculture & Food and in fact are one of the first Composting Plants in the country to receive this approval.

We currently accept a range of feed stock from Green/Garden Waste, Wood Pallets/Demolition Wood Waste, Forest Waste, Logs & Stumps and Plaster Board Waste. From these we create a range of products such as Wood Chip & Beddings for the Agri & Equestrian Markets and Wood Chip Fuels. Various grades of Garden Mulches are also produced from raw bark bought in from Sawmills.

Organic waste currently being reprocessed in the Compost facility includes Sludge, Fish Waste, Pre/Post Process Food Waste, Canteen/Catering Waste, Spent Mushroom Compost and Shellfish Waste as well as the previously mentioned Green/Garden Waste.

The company prides itself on customer satisfaction and is happy to blend compost/peat/soil or further process a wood chip, where practicable, to meet customer's requirements. The compost blends are ideal for Sports Fields, Amenities and Landscaping purposes. Bulk deliveries can be made on a country wide basis; alternatively products can be collected on site.

2005 also saw the start of a Commercial Organic/Food Waste Collection Service which now incorporates Donegal, Sligo, Leitrim and Roscommon. This is particularly relevant following the launch of The National Strategy on Biodegradable Waste earlier this year.) It proposed to divert 50% of organic waste from landfill to biological treatment (eg composting) by 2016 and local authorities are encouraged to introduce appropriate landfill restrictions on a local basis.

### **From Ideas to Action**

For me the essential elements of establishing and maintaining the business have been Research, Innovation & Dedication.

I cannot stress enough the importance of researching your product/service. You have to know your product well before you can take any other steps. Research in your prospective market and your customers will help you have a clearer picture of what the customer is looking for. Is there someone already out there providing the same product/service? If they are not catering to the same geographical area this may not be an issue. If they are direct competition, how can you improve your product/service to make it more attractive to the customer? Be aware of any relevant regulations and how they affect you. Check with the appropriate agencies/authorities which permits/licenses are necessary before starting production. Regulations are a useful guideline when establishing a business, but can also be a double edged sword when they impose an administrative burden on a fledgling business. When carrying out your research, don't just concentrate on the past and present – try to look to the future. How do you see your product/service developing, how will market trends/lifestyles affect your business? Common to all business is the matter of financing – this has to be thoroughly researched before proceeding with any plans. Your local Enterprise Board or agencies such as Teagasc will be able to provide valuable advice at this stage, as well as the major financial institutions.

Survival in business requires an innovative and flexible approach and by 2002/2003, with changing regulations, increased competition and ever increasing costs, it was time to take stock and plan how the business was going to develop over the next few years. We redeveloped the business into 3 main areas – Plasterboard Recycling, Wood Waste Processing & Composting.

We developed a stationary Gypsum Recycling System over a period of 18 months – this was installed in July/Aug 2004 in Gypsum Industries in Kingscourt. Production increased, Quality improved, Environmental compliance was facilitated and thus our future in Gypsum Recycling was stabilised.

We further developed our grinding, screening and separation processes with Wood Waste, thus increasing the quality of our products such as Agri/Equi Bedding, Bio fuels, Bark Mulch and Coloured Garden/Play Grade Chip.

The building of an In-Vessel Composting facility was a major undertaking but it has increased our capacity and enables us to produce a top grade product. ABP approval has given us further recognition within the industry.

Throughout the planning, the creating, the building and the changing, I have always held onto the original idea, my dream. Without my absolute belief in myself and what I was doing, none of this would have been possible. I always thought about that film, 'The Field of Dreams' – 'build it and they will come'.

## Energy Crops and Biofuels – Is oil from the soil the new gold?

*Raymond O'Malley, Biogreen Energy Products Ltd.*

This afternoon I want to give you a brief history of BioGreen, a company of which I am co-founder and chairman.

Outline where we are at present.

Where I see the future of Biofuels and Bioenergy in general

### **Biogreen Energy Products**

- Established 2002 by 5 farmers
- Crushed 60 tons oil seed rape in first year
- Crushed 6,000 ton of oil seed rape in 2005
- Will crush 12,000 ton in 2006 /07
- In 2005 we sold 50% of our shares to GVM Golden vale Marts
  - a) We needed cash injection to fuel the rapid expansion
  - b) We needed GVM business management expertise to properly control all aspects of our business

Our business is to (a) Produce Rape Oil for fuel and industrial use and (b) produce rape cake – a by-product of the crushing process for livestock feeding.

**\* 1 Ton of Oil Seed Rape = 1/3 ton Oil and 2/3 ton Rape Cake**

The Rape Oil is further processed by a system of filtration to German standards. By early next year we will further process this oil by deguming i.e. remove long chain fatty acids which will greatly improve its viscosity.

### **Why did we start this business ?**

- a) We could see a future for Biofuels
- b) We expected concerns about environment and climate change, would generate demand for bioenergy in general.
- c) Since 2002 we have seen huge escalation in fuel prices
- d) 2003 EU directive requiring member states to substitute 2% of petrol & diesel consumption with biofuel by 2005 rising to 5.75% by 2010
- e) We received encouragement and help from S.E.I and Wexford Leader, which was a major help in getting us started.
- f) Realisation that over production of food in E.U is a major political and commercial problem but new opportunities in the energy sector are dawning and We as Farmers have to position ourselves to embrace and prosper from this emerging sector.

- g) Received Excise derogation for our rape oil from Noel Dempsey on 3<sup>rd</sup> August 2005. *It had been promised over 2 years earlier !!* It gave us the green light to turn our original idea into a sustainable business.

## AT PRESENT

- a) Selling the bulk of our Rape Oil into the transport industry as substitute for diesel
- b) Installing conversion kits into trucks
- c) Working at turning the rape straw and rape cake into a fuel for biomass burners.
- d) Encouraging more farmers to grow oil seed rape ( and we need Teagasc to come up with the blueprint for a yield of at least 2 ton per acre)

## FUTURE

Biofuels, biomass, bioenergy has become a very sexy subject but is all the talk matched by action and results ? Is this industry going to be the next cash cow for farmers ?

Production from any cow is dependant on quality inputs and if a cow is not well nourished there won't be any offspring. So far the herdspeople of the bionenergy industry have been lethargic and possibly neglectful ?

There are huge opportunities for the Irish nation in general and for farmers in particular. CAN I DEAL WITH A FEW:-

- a) Recent government green paper informs us that Electricity generation will be 70% dependent on gas – 80% of which will come from the UK which is having trouble with its own gas supplies. There is mention in several places of a target of 15% from renewable sources by 2010, rising in subsequent years. Many of our intensive livestock farmers will have a huge slurry problem with the Nitrate directive. Anaerobic digestion is one obvious answer for such farmers and indeed for local authorities with a waste problem. Can we harvest this gas for electricity generation and reduce our dependency on imported gas – What action would this require ?
- b) Wind Energy – I would love to see the German model adopted here, whereby wind turbines are community built, owned and run. No planning problems arise, and everyone including farmers gain financially. Green electricity in Germany commands a premium price for approx 10 years to defray the capital costs and then the price reverts back to market rates. Green house gases are dramatically reduced. Why can't we adopt this policy in Ireland? There are 2 essential questions to be answered here \* Are we genuinely interested in the environment and climate change \* Do we still cling to the belief that big is beautiful and our energy needs can only be provided by mega corporations.

- c) Government green paper refers to co-firing of up to 30% biomass at the 3 peat generating stations. There must be opportunities here for farmers and co-op's. Government bioheat grant programme is providing grant aid of 30% towards installing biomass boilers – good boost to generating demand for biomass. *1 Acre of oats can heat the average house.*
  
- d) Biofuels – *my pet subject* Ireland has given the EU commission a commitment to reach a Biofuels market penetration figure of 2% by 2008 rising to 5.75% by 2010. These are very ambitious targets considering our very low base at the moment. However, the green paper does admit that importation of biofuels may be necessary to achieve this target. What really upsets me is that while our Government is messing with green papers and reports, the rest of the developed and developing world is moving on. Brazil is a massive producer of ethanol from sugar cane, in fact the price of brazilian sugar has doubled in the past 12 months because energy pays better than food !! In the USA ½ of the feed corn production will go into ethanol by 2008. US petrol now contains a min 10% ethanol and this figure is rising – in a country where the President is the oil mans Man. So far in Ireland our politicians are more concerned with what Bertie got for dessert in Manchester than the future of Ireland's energy needs. They were very fast indeed to close down our sugar industry and very slow to put measures in place to encourage our biofuel industry.

I am optimistic for the future, because whenever we as a nation put our political and commercial heads together, we make things happen, by manipulating our taxation system eg we are world leaders in horse breeding, we have transformed our economy in 20 years and our urban and rural renewal schemes have driven decay from our country.

Today I am proposing that we adopt similar policies towards renewable energy and become world leaders. Surely the security of future sustainable competitive and environmentally friendly home produced energy supplies, is a worthwhile goal.

As chairman of Biogreen we have made things happen in a small way. Big things are waiting to happen but we as a nation have got to decide that we want Bioenergy to work.