



**AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY**

The Irish Agriculture and Food Development Authority

# **Agriculture and Food: Contributing to National, Regional and Local Economic Recovery**

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Director Teagasc**

LAMA Spring Seminar  
“Economic Revival – A Role for Local Government”  
Fairways Hotel, Dundalk  
29 – 30 April 2011

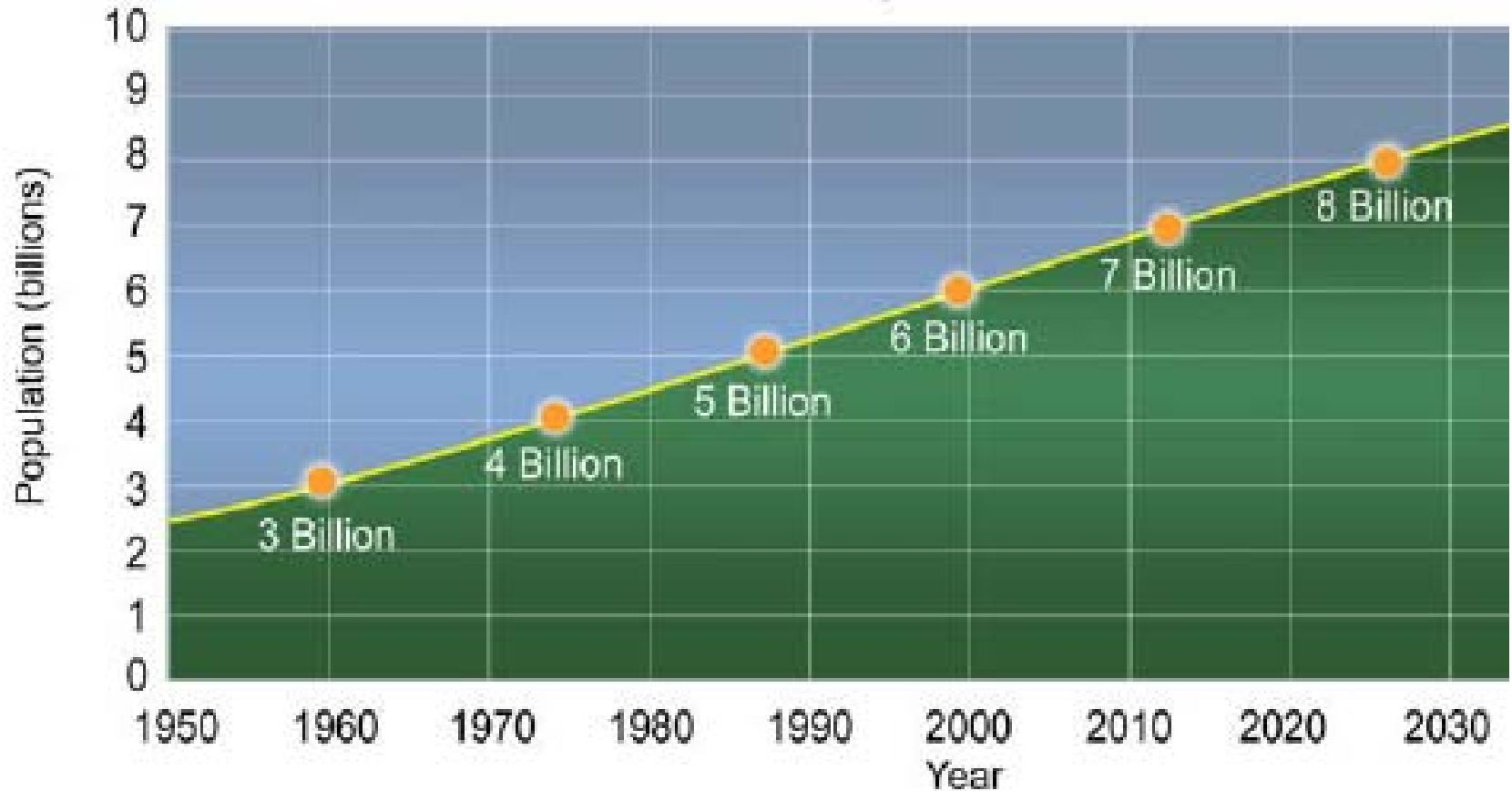
# Outline

- The economic importance of the agri-food sector
- Factors impacting on the global food landscape
- Opportunities for the Irish agri-food sector
- Leveraging global opportunities for local development (regional specialisation, local food, bioenergy)
- Conclusions

# Irish Agri-Food Sector

- Largest indigenous sector; 10% of the economy
- 170,000 jobs; 50% indigenous exports; 30% total net exports
- Every €100 exports adds €50 to GNP vs. €20 for pharma and ICT
- Huge contribution to regional and rural employment and incomes
- Rapid ascension of the value chain in recent years, e.g. IMF 16% global exports, high incidence of MNs
- Low level of R&D spend 0.2% to 0.3% of sales, high incidence of SMEs
- Big opportunities for growth, e.g. dairy sector post quota abolition

# World Population



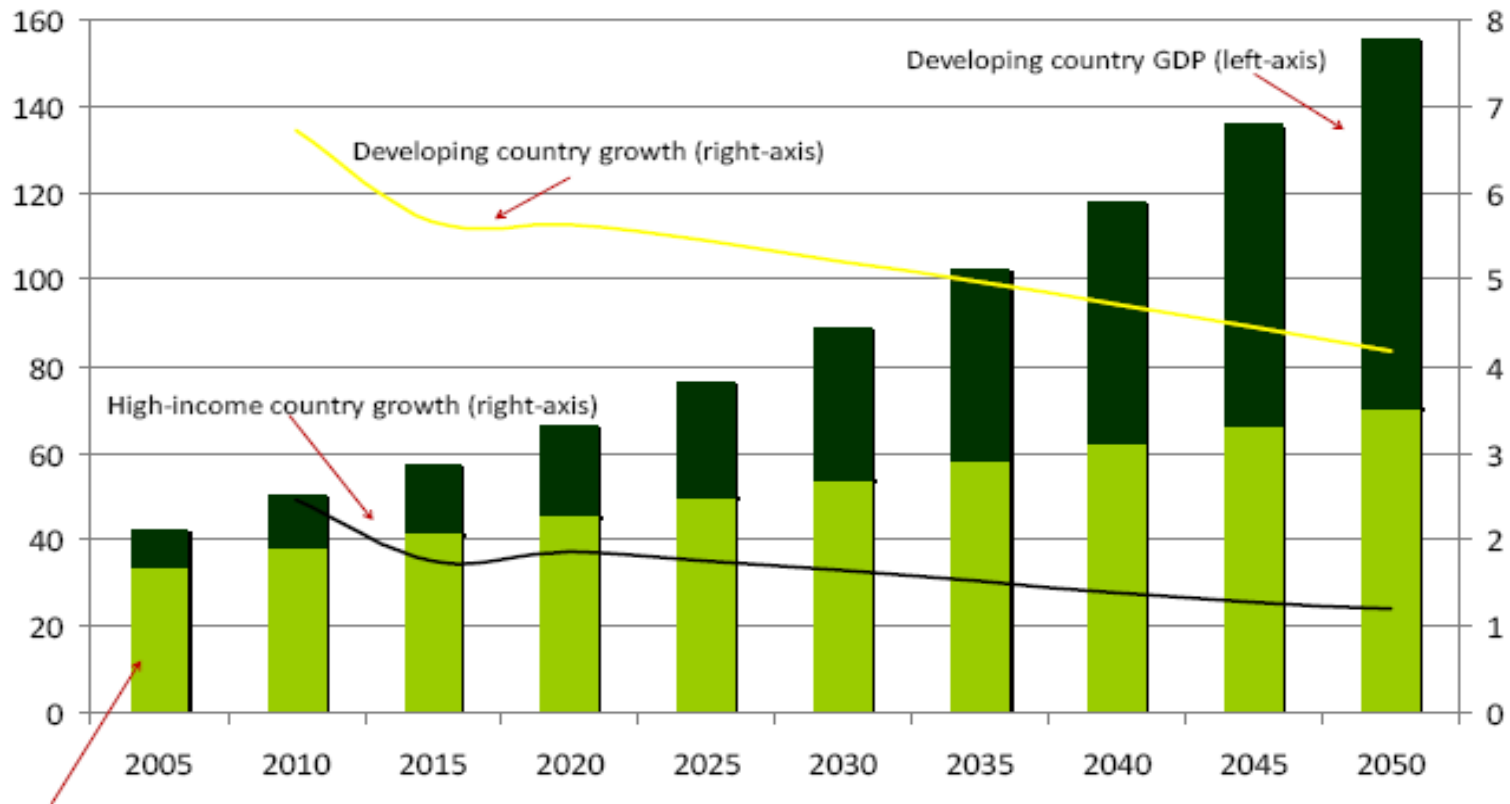
Source: U.S. Census Bureau, International Data Base, July 2007 version

World Population Growth : 6.7bn to 8.3bn in 2030

# Income Growth

\$2004 trillion

Percent per annum



High-income country GDP (left axis)

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

# World Population

- Relentless growth in population
  - >200,000 persons every day
  - 75m persons per year
- Virtually all of the growth is concentrated in the developing world

# The Ageing Population

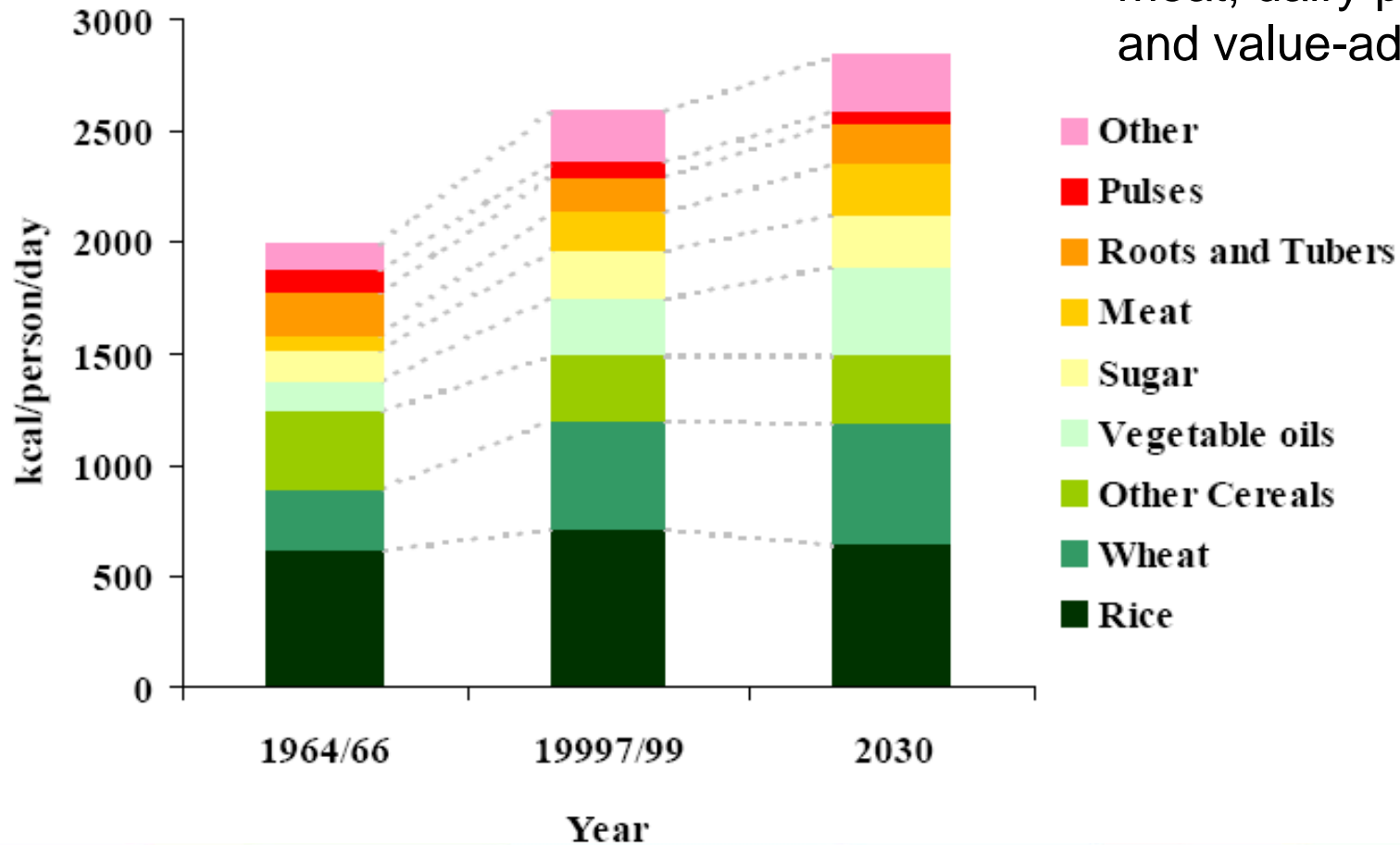
- People are living much longer
- Globally the number of persons aged 60 years or over is expected almost to triple, from 705m (11%) in 2005 to 2 billion (22%) by 2050. (80+ years will increase nearly 5 fold)
- Over 50s in the US already control 70% of disposable income

## Growing Urbanisation

- During 2008 the proportion of the population living in urban areas reached 50%. Virtually all of the world's population growth will be absorbed by the urban areas of the less developed regions.
- Globally the level of urbanisation is expected to rise to 70% in 2050.
- Europe's level of urbanisation will rise from 72% today to 84%, while urbanisation in North America, Australia and NZ will grow from 80% to exceed 90%.

# Changing Dietary Patterns

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



# Opportunities for Irish Agri-Food Sector

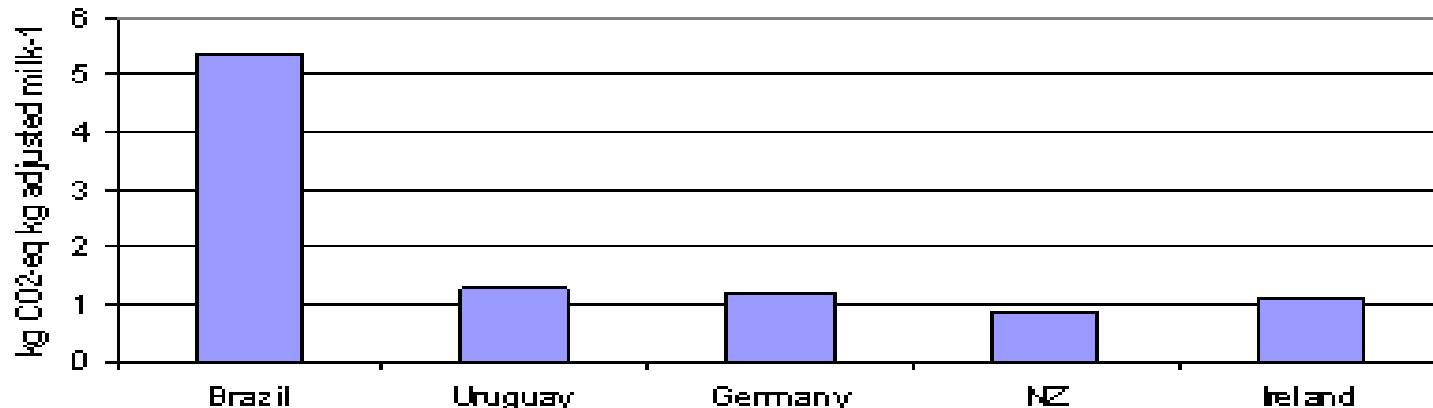
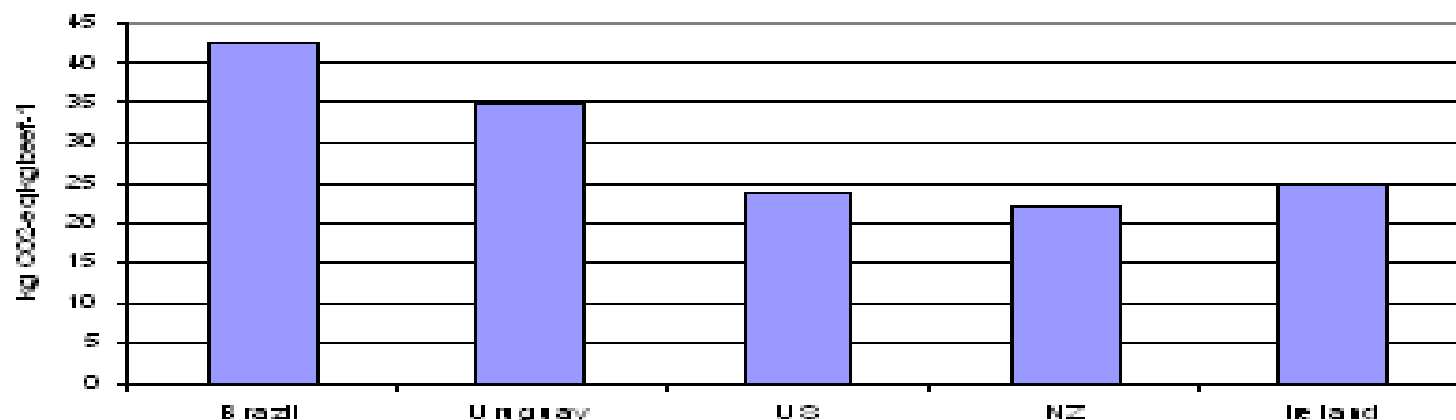
- Strong growth in agriculture output projected to 2050.
- Positive outlook for prices in the medium term, although increasing volatility.
- Expected high global demand for dairy products and rising shortfall in EU beef supplies.
- Developed country markets will continue to provide premium outlets for Irish exports.
- Food Harvest 2020 sets out ambitious but achievable targets for the sector.

# Opportunities ...

- Consumers in developed country markets will increasingly seek out foods with credible, health, wellness and sustainability attributes.
- Consumers, domestic and international, desire to buy 'local' and to know origins of food.
- Internationally, consumers perceive family farms, the dominant model of production in Ireland, as being 'best in class' (carbon footprint, sustainability, animal welfare, quality of life, etc.)

# Irish food production ... competitive carbon footprint

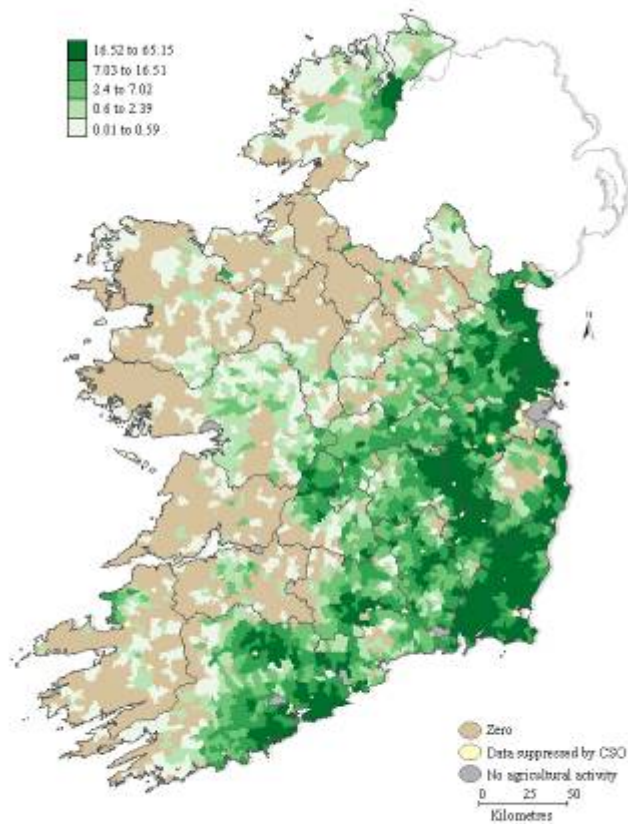
## Relative farm gate GHG efficiencies



# Leveraging these opportunities for local development ... key role(s) for LAs

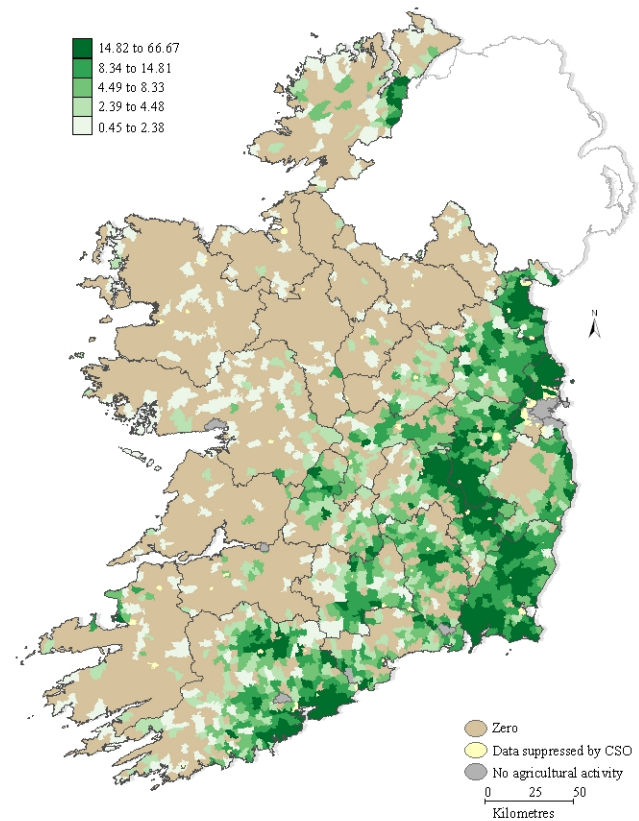
- Increase in regional specialisation of agricultural production and processing
- Opportunities for local food
- Opportunities for bioenergy

# Cereals



Cereals as percentage of agricultural area used 2000

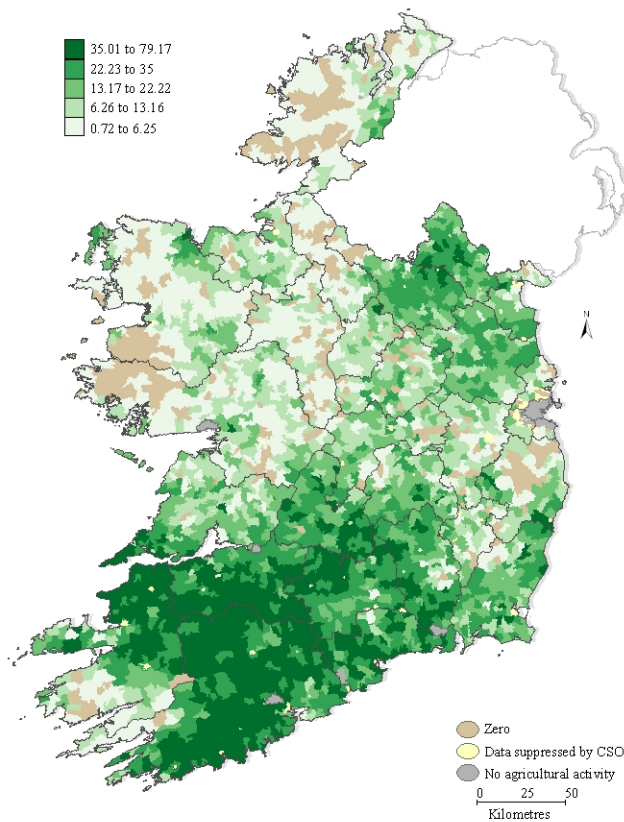
# Specialist Tillage



Specialist tillage farms\* as percentage of total 2000

\*Tillage crops contribute >2/3 of total SGM

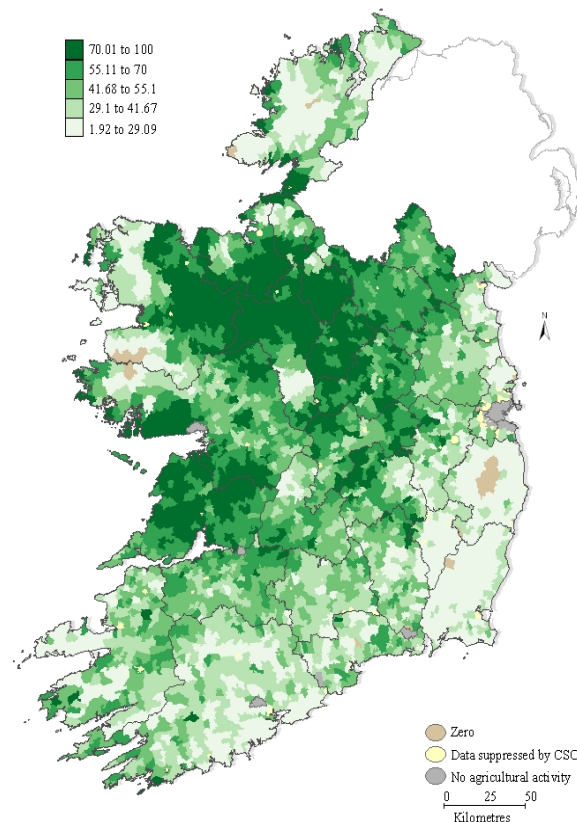
# Specialist Dairy



Specialist dairy farms\* as percentage of total 2000

\*Dairying contributes >2/3 of total SGM

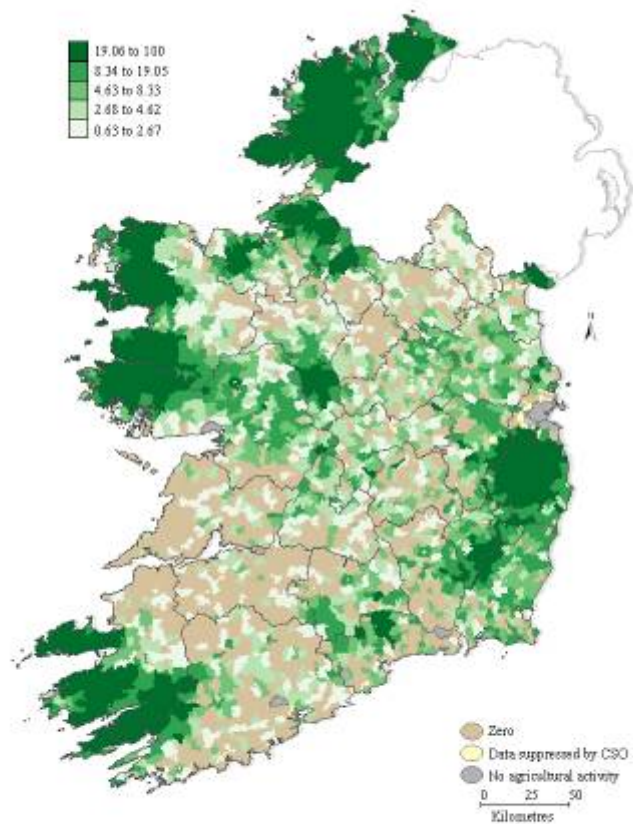
# Specialist Beef



Specialist beef farms\* as percentage of total 2000

\*Beef contributes >2/3 of total SGM

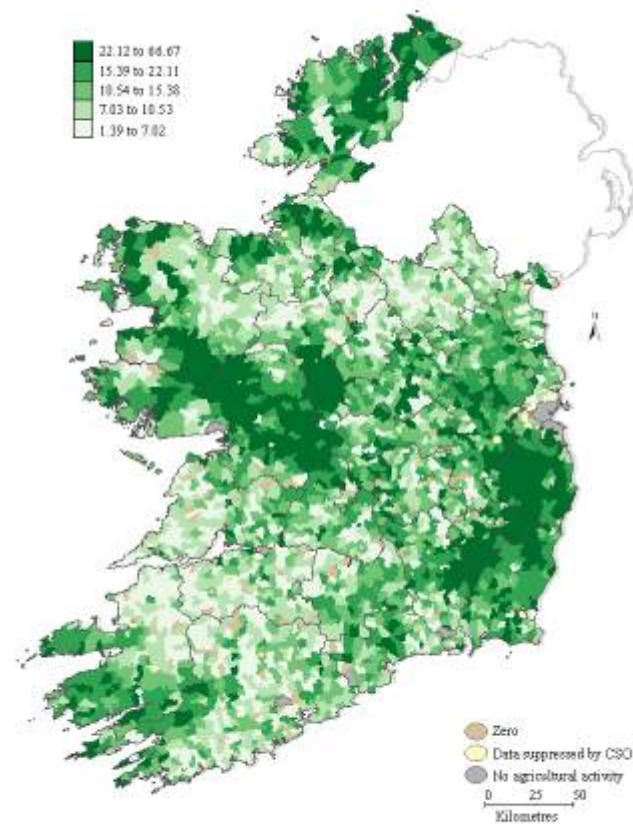
# Specialist Sheep



Specialist sheep farms<sup>1</sup> as percentage of total 2000

<sup>1</sup>Sheep contribute >2/3 of total SGM

# Mixed Grazing



Mixed grazing livestock farms as percentage of total 2000

# Increased specialisation in agriculture

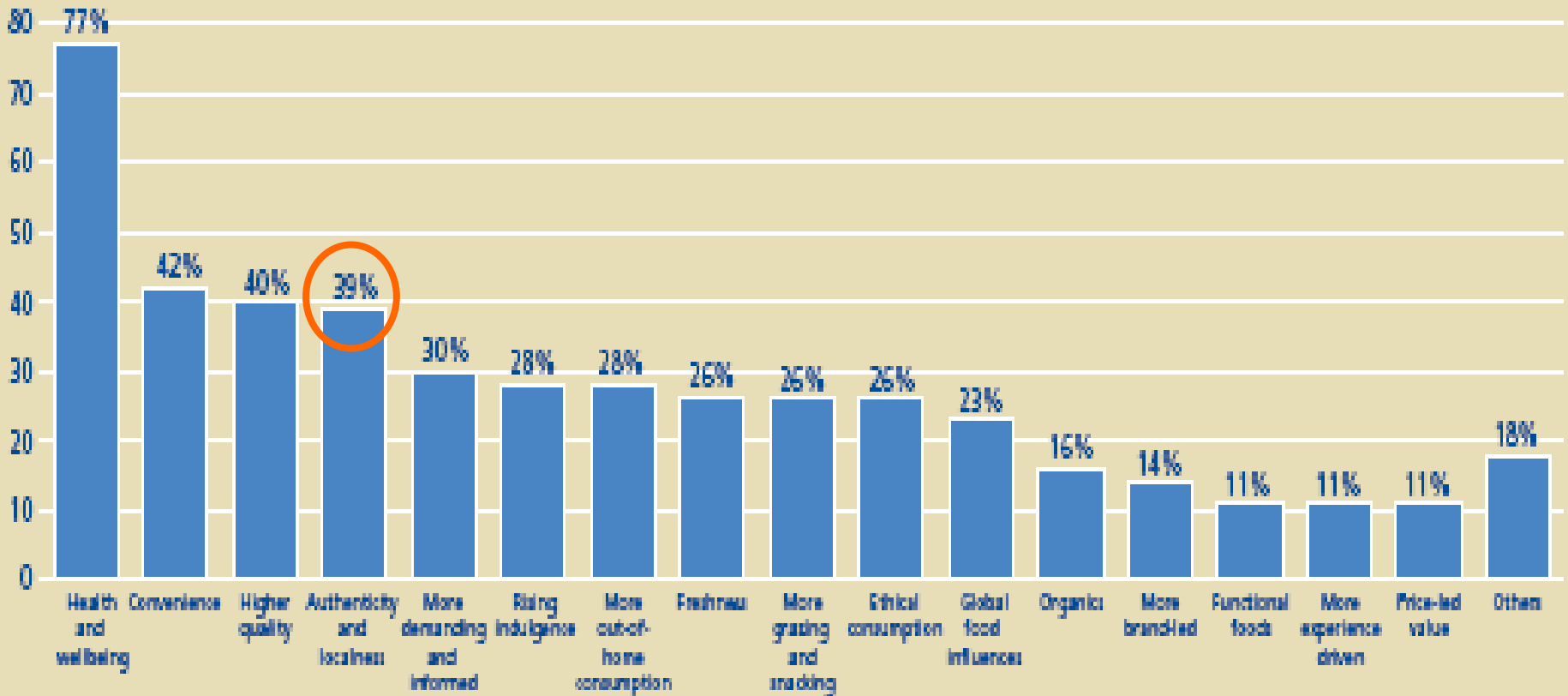
- These maps show:
  - Intensive farming is located in the South and East of Ireland
  - Extensive farming is located in the North and West
- In response to changes in EU policy we are likely to see intensification of these patterns in the coming years.
- For Local Authorities these developments are going to present opportunities and challenges.

# Implications of regional specialisation for LAs

- Challenge for LAs ...facilitate economic development whilst simultaneously ensuring compliance with national policy concerning the environment, habitats and cultural assets.
- In the South & East it is likely that there will be significant pressure to expand production resulting in greater need for integrated planning supports.
- In the North and West there is the possibility that significant areas of land will be transferred to successors that are not farming. It is unclear what they will do with this land: Sell? Lease out? Afforestation? Abandonment?

# Key Consumer Trends 2012

Key consumer trends shaping the industry



Source: Deloitte research: Survey of 77 senior executives at leading food and beverage businesses

# Local Food

- 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
- Role for LAs: support for local infrastructure (farmers markets', local abattoirs); promote integrated agri-food-tourism (signage, food trails, e.g. Kilkenny Trails Apps); help develop local brands

# Trail Kilkenny Apps

The screenshot shows the iTunes Preview page for the 'Trail Kilkenny' app. The page is titled 'iTunes Preview' and features navigation links for 'Store', 'Mac', 'iPod', 'iPhone', 'iPad', 'iTunes', and 'Support'. The app is listed by 'GlobalMotion Media, Inc.' and is categorized as 'Travel'. The description states that the app allows users to view Kilkenny's best Food and Craft trail members. The 'iPhone Screenshots' section displays two views: 'INFO' and 'EXPLORE'. The 'INFO' view shows the app's title, location (County Kilkenny, Ireland), and proximity (5081 miles). The 'EXPLORE' view shows a list of guides, including 'Kilkenny to Bennetsbridge...', 'Thomastown to Inistige...', 'Castlemorris Wood Walk...', and 'Kilmacoliver Walk, Ireland'. The app is free, released on Jan 25, 2011, and has a rating of 4+.

**Trail Kilkenny** By GlobalMotion Media, Inc. [View More By This Developer](#)

Open iTunes to buy and download apps.

**Description**  
Everytrail and Trail Kilkenny have collaborated to create Kilkenny's first iPhone app. The app will allow you to:  
-View Kilkenny's best Food and Craft trail members from the "Taste of Kilkenny Food Trail" and "Made in Kilkenny"  
[GlobalMotion Media, Inc Web Site](#) [Trail Kilkenny Support](#) [...More](#)

**iPhone Screenshots**

**INFO**  
Kilkenny  
County Kilkenny, Ireland  
Proximity: 5081 miles

**EXPLORE** [Map View](#)

**Guides**

- Kilkenny to Bennetsbridge,...**  
Kilkenny, Kilkenny, Ireland  
5076 miles away | 7.5 miles long  
Walking, Photography
- Thomastown to Inistige,...**  
Thomastown, Kilkenny, Ireland  
5086 miles away | 6.8 miles long  
Walking
- Castlemorris Wood Walk,...**  
Kilkenny, Ireland  
5083 miles away | 3.7 miles long  
Walking
- Kilmacoliver Walk, Ireland**  
Kilkenny, Ireland

**Free**  
Category: Travel  
Released: Jan 25, 2011  
Version: 1.2  
Size: 10.6 MB  
Language: English  
Seller: GlobalMotion Media, Inc  
© 2011 GlobalMotion Media, Inc  
Rated 4+

Requirements: Compatible with iPhone, iPod touch, and iPad. Requires iOS 4.0 or later.

**Customer Ratings**  
We have not received enough ratings to display an average for the current version of this application.

**More iPhone Apps by GlobalMotion Media, Inc**

# Bioenergy

- Opportunities to use locally-sourced biomass for heat, electricity and gas.
- Huge potential in forestry (17% land area target) and biocrops (Willow and Miscanthus), 70,000 ha target.
- Role for LAs: facilitate planning (e.g. ADs); promote “lead market initiatives”, e.g. mandatory public procurement of biomass for use in public facilities, establishment of “District Heating Systems”, establishment of “Rural Sustainable Energy Zones”.

## Conclusions

- Big opportunity for the agri-food sector driven by global population and income trends
- Need to appreciate the multifaceted aspects of agriculture's potential ... the 4 Fs ... Food+Feed+Fuel+Fibre ... + agri-environmental goods and services, including tourism
- In Ireland ... increased regional specialisation ... intensive and extensive regions in terms of resource exploitation ... different responses required from LAs
- Opportunities for local food and bioenergy ... key role for LAs ... support the creation of sustainable value chains ... “farm to furnace” and “farm to grid”

Thank You