Innovation at the core of Brexit response: the case of dairy

Presentation to Oireachtais Members Briefing, Buswells Hotel, Dublin October 25th, 2017

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Key message

Brexit constitutes a competitiveness shock … the response has to be to improve our competitiveness through innovation …
**FOOD & DRINK EXPORTS**

The sector recorded the 7th consecutive year of growth in exports during 2016.

- **37%** of Irish food & drink exports are destined for the UK, valued at €4.13 billion.

**€11.15 billion**

- the value of Irish food & drink exports, an increase of 2% since 2010.

- Irish food & drink is sold in **180 markets worldwide**.

- International markets account for **€3.49 bn or 31%**.

Other EU markets account for **€3.53 bn or 32%**.
Products produced from raw milk (%)

- IMF 33%
- Butter 24%
- Skim 13%
- Cheese 22%
- Casein 5%
- WMP 3%
Estimated potential tariffs (%) on UK food imports of ‘hard’ Brexit

[Bar chart showing estimated tariffs for different categories of food: Other (0%), Beverages (0%), Processed Food (10%), Other Meat (20%), Dairy (30%), Beef (70%)]
Potential impact on farm incomes of ‘hard’ Brexit

-40%
-35%
-30%
-25%
-20%
-15%
-10%
-5%
0%
-5%
-10%
-15%
-20%
-25%
-30%
-35%
-40%

Dairy
Cattle Rearing
Cattle Other
Sheep
Tillage

- Policy Shock
- Price Shock
- Price & Policy Shock

Agriculture and Food Development Authority
Research activity: from farm to gut
Teagasc’s integrated programme for dairy

Animal & Grassland Programme
- Animal Breeding
- Pasture
- Research Staff
- Sustainable Systems

Food Programme
- Quality & Safety
- Milk Chemistry
- Research Staff
- Processing
Innovation the key to growing export markets

Technologies to extend shelf life to reach far away Markets

SMART ingredients – nutritional base for foodstuffs elsewhere in the world beyond the UK market

World-leading expertise in quality / safety, e.g., Beef and Dairy - reassure new buyers in new markets.
Key infrastructure for innovation

- State of the art technology pilot plant … Moorepark Technology Limited (MTL)
- Planned new “Food Innovation Hub”
- Top quality scientists with international reach to support Irish-based companies
MTL Board - Teagasc have a 57% shareholding
€10 m investment in MTL upgrade & extension

€8.8 m investment in new Food Innovation Hub

€19 m.
The concept of the Food Innovation Hub is straightforward; it integrates three major components; the Teagasc Food Research Centre Moorepark’s research capability (the “software”); the state of the art pilot plant facility – Moorepark Technology Limited (the “hardware”); and custom designed secure company laboratory and office units (the “Industry”).
Thank you