



**An Roinn Talmhaíochta,
Bia agus Mara**
Department of Agriculture,
Food and the Marine

A photograph of several piglets in a field of green grass. One piglet is in the foreground, looking towards the camera. The background shows rolling hills under a blue sky. The text 'Market Access Annual Report 2018' is overlaid on the bottom left of the image.

Market Access Annual Report 2018



**An Roinn Talmhaíochta,
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Department of Agriculture,
Food and the Marine

Market Access

Annual Report 2018



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Ministers Foreword



I am pleased to introduce the inaugural ‘Market Access Annual Report’, which provides an overview of the substantial progress made in terms of market access to third countries for Irish food producers and the ongoing efforts of my Department in this area. This is intended as the first in a series of annual reports, and follows on from the action plan on market access which I launched in April 2017. Market development is a key theme of our shared Food Wise 2025 strategy for the development of the agri-food sector¹.

The work of my Department on market access is focused on the development of new third country markets, but also on the ongoing work to maintain access to existing third country markets and to improve the terms of our existing access, which is equally crucial.

The Department’s market access effort includes work at political, diplomatic, and official/technical levels. The work of staff right across the Department is central to this effort. Staff involved in the protection of public and animal health, the provision of laboratory services and the certification of exports, are all directly involved in supporting the Department’s efforts to access new

¹ “Agri Food Sector” includes: primary agriculture, horticulture, the food and beverage industry, fisheries and fish processing, forestry and forestry processing

markets, for example through the provision of critical information to competent authorities in third countries, the facilitation of inspection visits by third country officials, or the agreement of export health certificates.

Overall, agri-food exports to countries outside the EU have increased from around €2.7 billion to €3.5 billion in the period 2014 to 2017. This represents an increase of €765 million or 28% in the 3 year timeframe. Third country markets also form an increasing proportion of total agri-food exports. In 2017, approximately 30% of our agri-food exports were to non EU markets. This represents a marked increase from 2009 when they accounted for 20% of the value of exports. This shows how our industry has evolved in recent years.

In 2017, two out of the top three destination markets for Irish food, China and the USA, were non-EU markets. Ten out of the top twenty markets for Irish agri-food were non EU markets. This includes countries as diverse as the Philippines, Saudi Arabia and Nigeria.

The agri-food sector has to constantly evolve in response to major European and International policy developments such as CAP reform, international trade negotiations and now Brexit. While the Department's wide ranging work on market access pre-dated the decision of the UK on Brexit, it has clearly taken on an added impetus since then. Since I launched the action plan on market access in April 2017, market access achievements have included:

- securing beef market access to China this year, (the subject of a special case study in this report),
- an assessment of Ireland's food safety control programmes

as part of an EU wide Systems Recognition exercise by the US Food & Drug Administration,

- the re-registration of IMF (Infant Milk Formula) plants for export to China
- hosting a Brazilian dairy audit in October 2018 and
- agreeing revised live cattle certificates for Libya.

More detail on this and other commodities and market openings is contained in this report.

I would like to thank everyone who has worked so hard to ensure our success so far. This includes officials throughout my Department, the industry and Bord Bia. The role of the Department is to open up these markets but it is then up to the industry, with support from the Department and Bord Bia, to avail of these opportunities. Ultimately the food industry are the people on the ground making sales, dealing with customers abroad, shipping product and contributing to the success of the Irish agri-food industry. Of course, this export success is built on our strong reputation for quality, safe and nutritious food, produced in an environmentally sustainable and welfare friendly way, by Irish farmers and fishermen.

I encourage all parts of the food supply chain to continue to work together on market development, and I look forward to working with you in securing more new markets, and developing and expanding our existing markets.



Michael Creed TD

Minister for Agriculture, Food and the Marine



“The agri-food sector has to constantly evolve in response to major European and International policy developments such as CAP reform, international trade negotiations and now Brexit.”

Value of Irish agri-food exports 2017 and top 20 destinations

	€ Millions
1 United Kingdom	€5,168.5
2 United States	€1,125.5
3 China (incl. Hong Kong and Macao)	€974.2
4 Netherlands	€913.1
5 France	€875.0
6 Germany	€753.4
7 Italy	€367.7
8 Belgium	€291.1
9 Spain	€277.6
10 Poland	€171.0
11 Sweden	€163.6
12 Saudi Arabia	€152.2
13 Denmark	€139.2
14 Nigeria	€130.8
15 Canada	€104.7
16 Japan	€94.5
17 Australia	€83.7
18 Philippines	€83.0
19 South Africa	€82.2
20 United Arab Emirates	€77.0



Chapter One

Seven point action plan on Market Access



In April 2017, the minister for Agriculture, Food and the Marine, Michael Creed T.D. outlined a seven point action plan to increase international market access for Irish food and drink exports. This report provides an overview of some of the substantial progress made since then in terms of market access for Irish exports.

1 Establishment of a High-Level Market Access Committee

This Committee has been established and is chaired by an Assistant Secretary General. This internal Committee meets on a regular basis to review progress on current market access applications, deal with issues arising on existing markets and to prioritise future applications.

The committee brings together representatives from across the Department of Agriculture, Food and the Marine (DAFM) including the following divisions:

- Meat and Dairy Policy
- Veterinary International Trade
- Marine Programmes
- Dairy Controls & Certification
- Brexit/International Trade

Other divisions can attend as required and Bord Bia also updates the committee as necessary. The Market Access Unit within Meat and Dairy Policy division provides the secretariat to the committee.

2 The allocation of additional market access resources in DAFM

DAFM's market access effort includes work at political, diplomatic, and technical levels. This includes veterinary, laboratory and inspectorate staff, Brexit/International Trade Division, Meat and Dairy Policy Division and others, in completing market access questionnaires, facilitating incoming inspection visits, participating in diplomatic meetings and agreeing export health certificates and so on. All of this closely inter-connected work facilitates the accessing of new markets and the maintenance of existing markets. Please see overleaf for an Organogram of market access & trade related work across DAFM and related stakeholders.

Additional administrative staff has been allocated to the Market Access Unit within Meat & Dairy Policy Division to focus specifically on increasing international market access for Irish meat. Furthermore the veterinary structure of DAFM was reconfigured to include the establishment of the Veterinary International Trade Division (VIT) headed by an Senior Supervisory Veterinary Inspector. This division focuses on the veterinary aspects of market access and certification across meat, dairy, live animals and other products. The two work areas have a close working relationship and work collaboratively on a wide range of market access work.

Organogram of Market Access & Trade Related Work Across DAFM and Related Stakeholders



3 Market profiling exercise for potential third-country and EU markets for Irish exports.

The Minister requested Bord Bia to undertake an exercise to identify priority markets across the food and drink categories, which can be targeted for promotion, market access applications and trade missions. This exercise provides an invaluable tool for

Irish exporters and for DAFM and its agencies in determining the strategic priorities for agri - food trade.

Ireland currently exports to 180 countries worldwide and the initial results of the market prioritisation project were launched at December 2017 Foodwise Conference in Croke Park.



Top 15 Global Priority Markets Listed In Alphabetical Order

Top 5 Meat & Dairy	
Meat (Beef, Sheepmeat & Pigmeat)	Dairy
Japan	Indonesia
Malaysia	Japan
Mexico	Malaysia
South Korea	South Korea
Vietnam	Vietnam

Prepared Consumer Foods	Beverages	Seafood
Australia	Australia	Australia
Belgium	Canada	Belgium
Canada	China	Canada
France	Czech Republic	Czech Republic
Germany	France	Denmark
Hong Kong	Germany	Finland
Japan	Italy	Hong Kong
Kuwait	Japan	Indonesia
Netherlands	Mexico	Israel
Qatar	Netherlands	Kuwait
Saudi Arabia	Poland	Malaysia
South Korea	Russia	Saudi Arabia
Sweden	Slovakia	Switzerland
UAE	South Africa	UAE
United States	United States	United States

For ease of reference these are listed in alphabetical order as opposed to priority order. China was not considered for the 'deep dive' analysis as it was believed that a very significant level of market intelligence and information on the market was already available to the industry.

In consultation with industry a ‘deep dive’ was carried out on 5 markets for the meat and dairy sectors as follows:

- Meat: Japan, South Korea, Vietnam, Malaysia & Mexico
- Dairy: Japan, South Korea, Indonesia, Malaysia & Vietnam

Other work is ongoing in relation to Beverages, Prepared Consumer Foods and Seafood. The objective of the ‘deep dive’ analysis is to highlight where the market opportunities exist that fit with the capabilities and credentials of the Irish industry and what propositions are likely to resonate with trade buyers and ultimately consumers. It utilises demographic data, economic data and data around tariffs for imports into those counties.

Following the market prioritisation exercise technical barriers to trade such as those arising out of animal health status or disease considerations must be considered. Many of these barriers only become apparent once a competent authority for market access (DAFM) starts to engage with its counterpart competent authority in a third country. Accordingly this is a very useful first

“DAFM actively works and engages with various competent authorities in third countries in order to try and remove various technical barriers to trade and to improve certification conditions.”

step in terms of planning the countries that can be targeted for promotion, market access applications and trade missions.

4 An intensified programme of trade missions

Trade missions undertaken since the launch of the Action plan in 2017 included the USA, Mexico, Japan and South Korea. Trade missions for 2018 focused on China, USA, Canada, Vietnam and the UK. The most recent trade mission at the end of October 2018 was the first agri-food Trade Mission to Malaysia and Indonesia. Government of Ireland agri-food trade missions are explored in more depth in chapter two.

5 Barriers to Trade

Ireland is one of the most globalised economies in the world particularly in terms of Agrifood. DAFM actively works and engages with various competent authorities in third countries in order to try and remove various technical barriers to trade and to improve certification conditions.

In relation to meat, DAFM has undertaken a review of existing export markets in which conditions of certification present barriers to trade or additional costs for exporters. This review was carried out in collaboration with industry and some priority markets were identified that would be visited by a high-level DAFM team to resolve outstanding issues to open the market for trade.

One example of the work around removing barriers to trade and improving certification conditions relates to the agreed bilateral veterinary health certificates for beef. During the period, since the launch of the Action plan, enhanced beef access has been achieved for the export of Irish Beef to Israel, Saudi Arabia, Singapore and South Africa as follows:

Overcoming Barriers to Trade for Meat and Live Animals

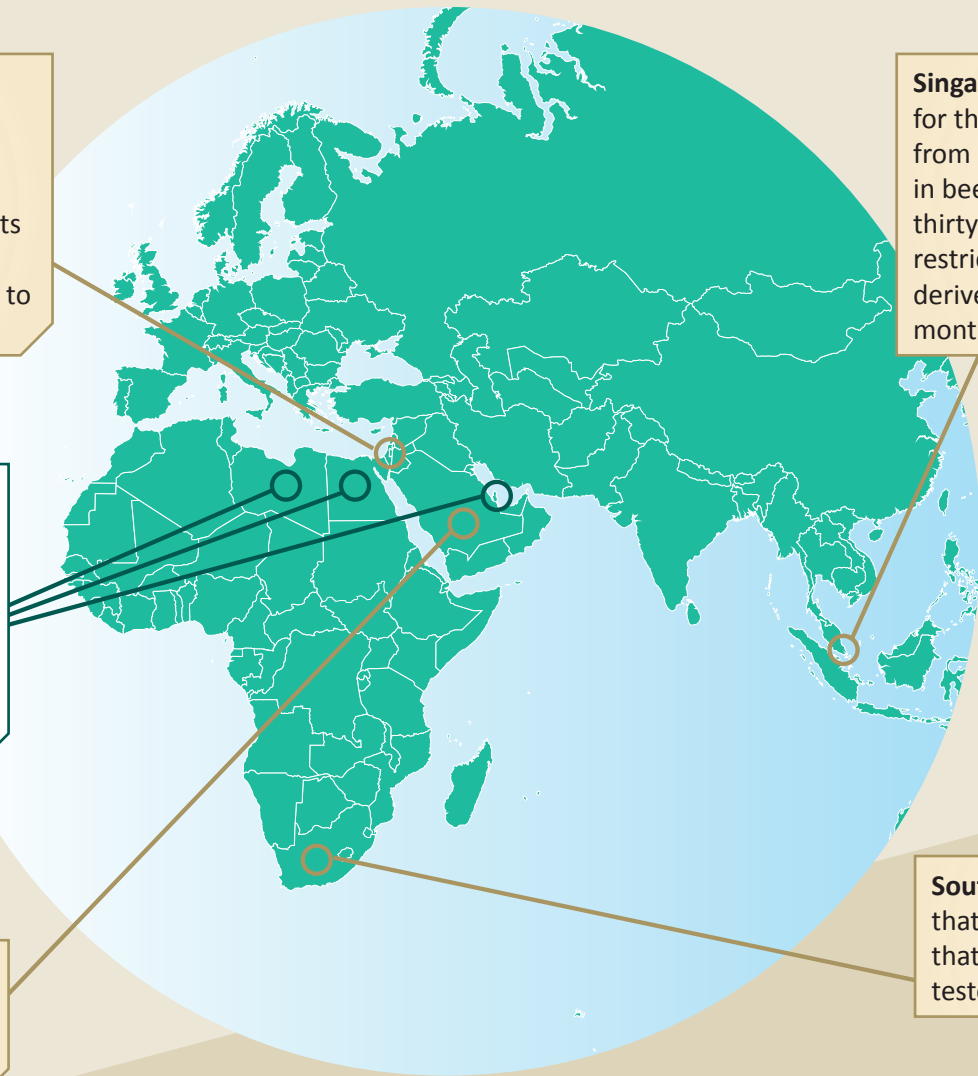
Israel - the main changes from the previous certificate are that the new certificate provides for the export of bone-in beef cuts derived from cattle of all ages as well as boneless beef cuts and offal from cattle of all age. The previous certificate restricted exports to boneless beef only.

New live cattle certificates were agreed with **Egypt, Libya and Qatar** which are now more favourable to Irish exports, as the animals may be drawn from a larger cohort, and the certificates are aligned with bilateral certificates agreed by other EU Member States.

Saudi Arabia - the new certificate covers the export of beef and processed beef products including minced beef and cooked beef

Singapore - the new certificate provides for the export of boneless beef derived from cattle of all ages as well as bone-in beef from cattle aged less than thirty months. The previous certificate restricted exports to boneless beef only derived from cattle aged less than thirty months.

South Africa - The main change is that there is no longer a requirement that animals aged over 72 months be tested for BSE.



6 Increased engagement with the European Commission

Many of the major DAFM market access successes in recent years, such as achieving beef access to China and to the USA, have arisen as a result of intensive bilateral negotiations with individual third countries and a series of engagements at political, diplomatic, official and technical levels.

Nevertheless DAFM actively engages and works with the European Commission to achieve common goals. There is a high degree of crossover between market access priorities agreed by DAFM and the Commission's priorities.

DAFM actively supports measures to encourage a common approach to resolving issues relating to market access for EU products internationally. This is particularly important in ensuring that any EU veterinary health certificates that are agreed, and could replace bilateral certificates, are not less favourable than previously agreed bilateral certs.

Some examples of the engagement, from a market access perspective, with the EU Commission include:

- DAFM attendance at an EU- Korea SPS meeting on the 19th of September 2018 – beef market access to Korea is a high priority for DAFM
- Various incoming study visits to Ireland have either been organised in conjunction with the Commission or have included a visit to the Commission's offices in Grange (Directorate F, Health and Food Audits and Analysis, Directorate-General Health and Food Safety)
- DAFM attendance and participation in the DG Trade SPS market



The Berlaymont Building Headquarters of the European Commission

- access working group, that is held in Brussels three times per year, through both the relevant policy and veterinary divisions
- Bilateral meetings in January 2018 between DAFM officials and Commission officials on a range of market access issues
- Ongoing informal contacts at official levels by email and telephone.

7 Market Access portal

The online Market Access portal was launched in May 2018 and provides a one-stop-shop for detailed market access and export

information on open agri-food markets around the world. Please see the case study below.

Case Study Launch of DAFM Online International Market Access Tool

On the 11 May 2018, shortly before the departure of the Trade Mission to China, the Minister for Agriculture, Food and the Marine, launched the online International market access information portal ahead of leading a significant Trade Mission to China. The portal is openly available at:

<http://www.marketaccess.agriculture.gov.ie/>

This portal was developed as part of the 7 Point Action Plan on Intensifying International Market Access, which is a key pillar of DAFM's Brexit response measures, as well as the Market Development theme of the Food Wise strategy.

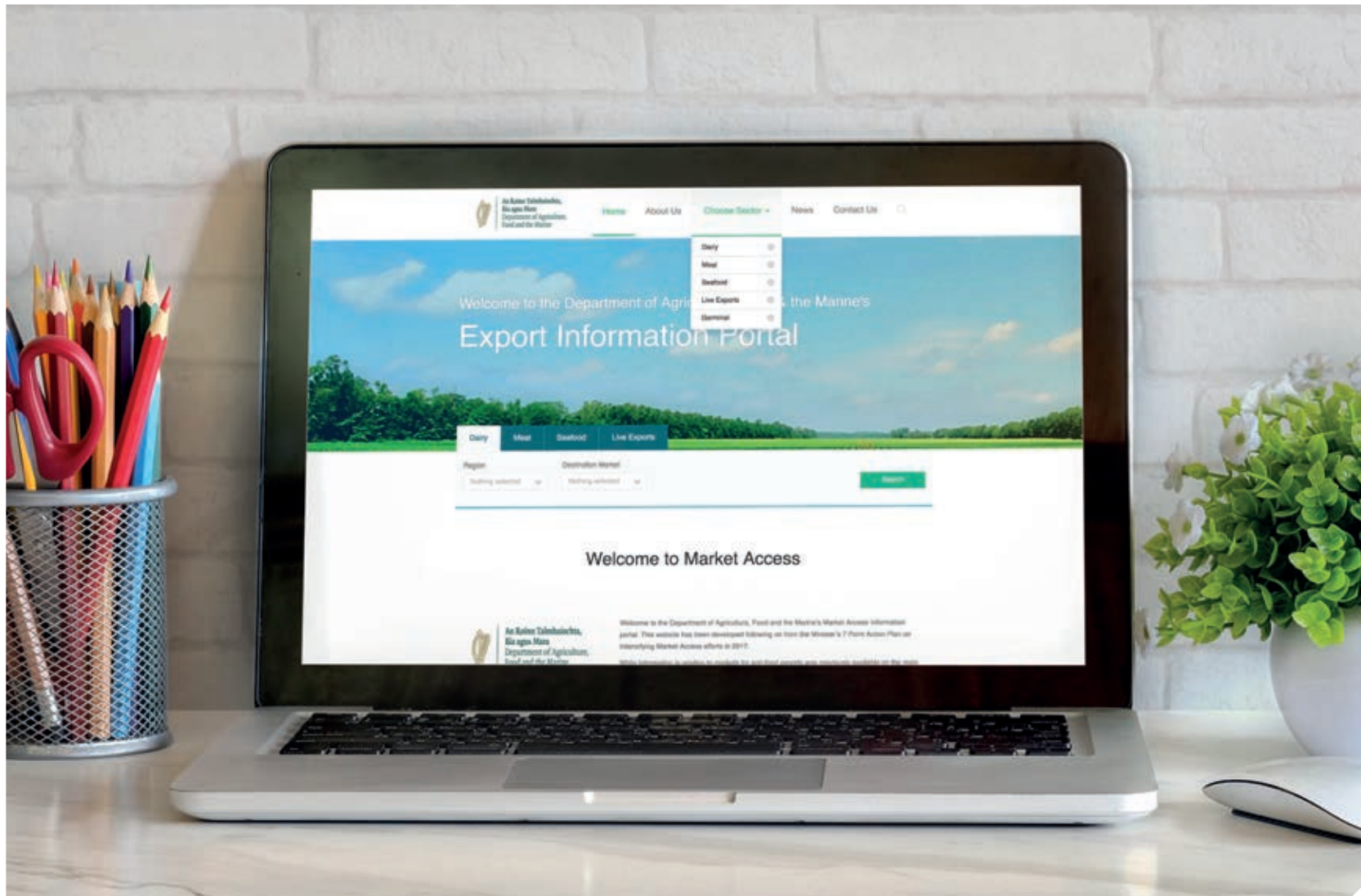
Agri-food exports totalled €13.6 billion in 2017, an increase of 11% on 2016 levels. Irish food products are exported to around 180 destinations all across the world. This represents a very wide range of commodities and products being exported to diverse markets all over the world. Therefore the online portal provides a one-stop-shop for detailed market access and export information on open agri-food markets around the world.

The portal initially will provide information across some of the major agricultural export sectors of dairy, meat, seafood

and live animals. It will be reviewed on an on-going basis and additional categories can be added as the need is highlighted.

The information provided includes certification arrangements, exporter terms and conditions, individual country trading statistics and the typical products exported to individual markets. This information will be updated on an ongoing basis where there are changes in trading conditions or where new markets become open to export. The portal also contains specific email addresses per sector where further information may be requested.

This portal will be a very valuable tool for our producers and exporters. As a major part of our ongoing response to the challenges posed by Brexit, DAFM market access efforts continue to progress across a range of areas. As new markets are opened or certification conditions are changed, this will be reflected by the necessary changes to the web portal.



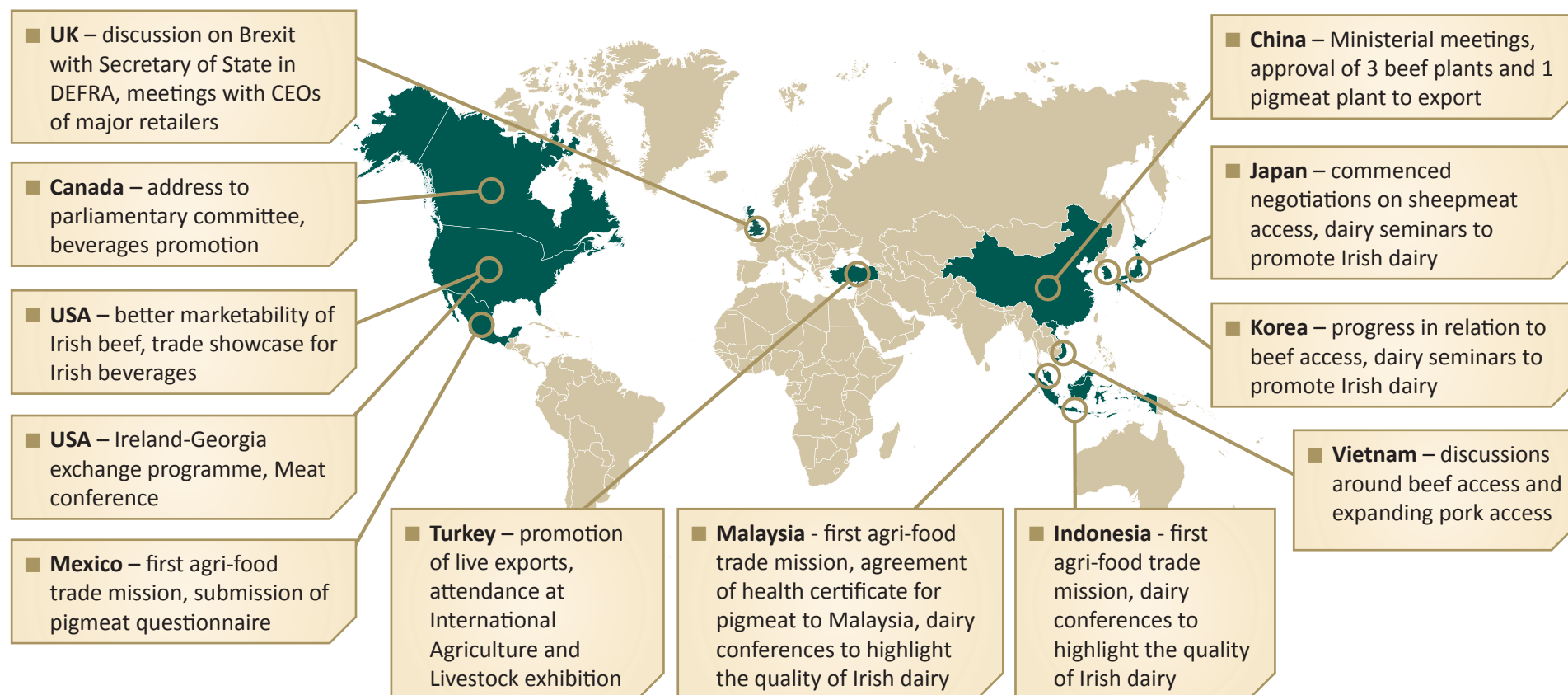
Chapter Two

Trade Missions



As outlined earlier, the trade missions since April 2017 have included countries as diverse as Japan, Mexico, China, Indonesia, Canada, Malaysia, USA, South Korea, Vietnam and the UK.

The global reach of trade missions since the launch of DAFMs Action Plan in April 2017 is shown in green in the map.



USA & Mexico – 18th June to 23rd June 2017

The Minister for Agriculture Food and the Marine Michael Creed T.D. led a weeklong trade mission to the US and Mexico from the 18th to the 23rd of June 2017.

Main Outcomes:

- Minister Creed met with representatives of the new US administration to gain a better understanding of their key policy priorities in the agri-food sector.
- Irish beef exports received a positive endorsement when the United States Department of Agriculture (USDA) approved a proposal to advertise the distinctive qualities of Irish beef in the US market including:
 - it has been raised on more than an 80% grass diet;
 - out to pasture for six-eight months a year, on a sustainable, fully traceable family quality-assured farm;
 - has been raised without the use of growth hormones; and
 - that antibiotics have been used responsibly.
- This will increase the marketability of Irish beef in the USA.
- The success of Irish beverage exports to the US, which grew to in excess of €575 million in 2017, was marked at a trade showcase in Chicago. The event included 25 Irish drinks exporters engaging with Binny's Beverage Depot, the largest drinks retailer in the Mid-West, and other trade customers from the region.
- Minister Creed was the first Irish Minister for Agriculture to visit Mexico as part of a trade mission. He also engaged with political counterparts in Mexico in order to forge new opportunities for Irish food companies.
- Irish pork and beef access were topics of discussion during the visit to Mexico and a comprehensive pigmeat questionnaire was submitted to Mexican officials.

- Technical meetings were held with officials from Mexico, including in SENASICA. This provided DAFM with an overview of their market access processes and subsequently led to a pigmeat audit to Ireland in November 2018.



Minister for Agriculture, Food and the Marine, Michael Creed T.D. in Chicago focusing on Origin Green and Dairy.

From (L to R) Nicola O'Connell, Glanbia Ingredients Ireland, Minister for Agriculture, Food and the Marine, Michael Creed T.D., Tara McCarthy, CEO Bord Bia. Source press office

Japan & South Korea – 11th November to 18th of November 2017

Main Outcomes:

- Minister Creed began the process of negotiation to open the sheepmeat market to Japan.

- Department officials held technical discussions with their Japanese and South Korean counterparts.
- Progress was made in Ireland's application for beef access to the South Korean market, following a visit to Ireland by a Korean veterinary delegation earlier in 2017.
- Minister Creed also hosted a number of promotional events such as the Bord Bia Origin Green Dairy Seminar, which facilitated further engagement between Irish food companies and potential customers.



Turkey -1st February 2018 - Minister Creed and Sínead McPhillips meet with Turkish officials

Turkey -1st February 2018

Main outcomes:

- Minister Michael Creed T.D. attended the "International Agriculture and Livestock Exhibition" in Izmir, Turkey. Minister Creed's attendance at this important event in the Turkish agricultural calendar is part of the Minister's continuous efforts to increase the live export trade for Irish cattle.
- The Minister met with the Turkish Minister for Agriculture and ESK, the Turkish Meat and Milk Board.
- The Minister also met with key stakeholders involved in the Turkish livestock sector to discuss progress in the live export trade.



Minister Creed, Tara McCarthy CEO Bord Bia, promoting Kerrygold products during the trade mission to Japan/South Korea 11th of November to the 18th of November 2017

USA & Canada -26th February to 2nd March 2018

Main outcomes:

- Minister Creed held bilateral meetings with two US State Commissioners for Agriculture. The groundwork was laid for a subsequent food safety inspector exchange programme to take place between relevant officials (both Veterinary and Dairy inspectorate) from DAFM and from the US State of Georgia. (Please see over)
- Attendance at the annual Meat Conference, facilitated by Bord Bia. This conference was attended by an estimated 1,300 targeted attendees.
- Minister Creed also visited Ottawa for a series of high level political meetings in Canada's administrative capital, including with Canadian Minister for Agriculture Lawrence McAuley.
- The Minister addressed the Canadian Parliamentary Standing Committee on Agriculture and Agri-Food.

- Other meetings included a round table with the Liquor Control Board of Ontario, and a beverages promotional event in downtown Toronto.

Food Safety Inspector Exchange Program between Ireland and the US State of Georgia

Arising from the Trade Mission to the USA Minister Creed and Commissioner Black of the Georgia Department of Agriculture (GDA) agreed to develop an exchange program to facilitate deeper relations with the US aimed at broadening access.

The novel Inspector Exchange Program co-hosted by the GDA and DAFM took several months to coordinate and took place in 2018.

GDA inspectors with wide experience of regulated food industries in the US traveled to Dublin, Ireland on September for a ten-day tour where they had a first-hand look at Ireland's artisan dairy



products, beverage production, meat processing, bakeries and supermarkets.

The GDA welcomed a Superintending Veterinary Inspector and a Dairy Controls and Export Certifier to Georgia in October. The two inspectors with extensive background knowledge of Ireland's meat and milk industry spent a week helping to broaden and share best practices with the GDA. Their visit to Georgia included meeting state and federal officials at the GDA in Atlanta, touring laboratories, shellfish facilities, dairy farms and milking plants, and a sheep processing facility.

One of the primary focuses was to gain a better understanding of the food safety programs operating in a variety of regulated facilities in both jurisdictions. In addition a peer review of existing policies and procedures was undertaken to help strengthen food safety programs overall.

It was acknowledged that the importance of an integrated food safety system means taking an international approach to enhancing food safety for consumers on every continent.

In a press statement issued by the GDA it was hoped that the programme would help to generate national and international awareness by sharing the successes and cooperative learning experiences gleaned from the programme.

“One of the primary focuses was to gain a better understanding of the food safety programs operating in a variety of regulated facilities in both jurisdictions.”



Case Study Canada – A market going from strength to strength

Canada is the world's 10th largest economy and is one of the world's top 12 trading nations with a highly globalised economy. In 2017, it exported \$420 billion USD. The United States, the United Kingdom and China are Canada's largest trading partners. Canada is a mixed economy which experiences a relatively low level of income disparity. GDP per capita \$42,157.93 USD. Canada's 2017 GDP growth rate was 3.0%. Canada ranks 38 in terms of total population with 36.29 million people.

Canada is Ireland's 15th largest market in terms of total exports accounting for €104 million in 2017 an increase of 3% on 2016 figures and an increase of 15% since 2012.

Ireland's top 5 exports to Canada are Beverages, Dairy products, Piguemeat, Sheepmeat and Seafood which account for 89% of total exports to the country.

Beverages are responsible for 67% of Ireland's total exports to Canada. Liqueurs and cordials, make up the majority of this figure totalling almost €39 million euro. Whiskey and Malt beer account for a further €15 million and €13 million respectively.

Dairy Products saw a decrease of 49% on 2016 figures. However a 2016 increase in dairy exports to Canada was largely related to a 339% increase in natural butter exports, which have since reduced to their previous levels.

Piguemeat exports to Canada have increased steadily from 310



tonnes in 2012, to 1652 tonnes in 2017. The increases in Piguemeat exports are primarily due to an increase in the export of frozen bellies "streaky" cuts and the frozen meat of non-domestic swine.

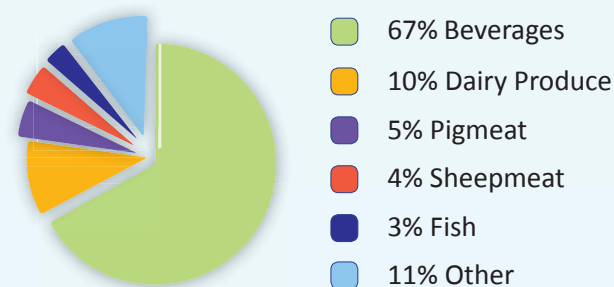
The export of Sheepmeat to Canada has seen rapid growth in recent years. Exports of Sheepmeat has increased from 24 tonnes in 2013; to 369 tonnes in 2016 to 1039 tonnes in 2017. Fresh or chilled sheep short forequarters and frozen sheep short forequarters saw large increases.

Imports from Canada reached a high of €97 million in 2017. Ireland’s main imports from Canada are Cereals and Cereal Preparations, Animal Foodstuffs and Forestry, with main imports in these categories being bread, dog or cat food and coniferous wood respectively.

Minister for Agriculture, Food and the Marine, Mr. Michael Creed TD led a food promotion mission to Canada (Ottawa and Toronto) from 28 February to 1 March 2018. In Ottawa he met with key political contacts, including the Canadian Minister for Agriculture and Agri-food, Parliamentary Secretary to the Minister of Agriculture and Agri-Food, the House of Commons Standing Committee on Agriculture and Agri-food, and the Canada Ireland Inter- Parliamentary Group. In Toronto he participated in a Bord Bia Irish Food and Beverages promotional event and met with key distributors. The Minister

also attended an event entitled the “Irish Spirit of Sharing”, promoting Irish whiskey companies.

Percentage of Exports to Canada by Sector 2017



Source: Central Statistics Office, Trade Statistics 2017 Global Affairs Canada



London, St Patrick's Day, March 2018

Main outcomes:

- Minister Creed had a high level meeting with Secretary of State for Environment, Food and Rural Affairs, Michael Gove, with the focus of the discussion on Brexit.
- The Minister attended the launch of "The Insight Centre" modelled on Bord Bia's existing "Thinking House" centre in Dublin. This will help position Irish exporters with their customers

through a shared understanding of the changes in consumer trends and how to meet them commercially. It will contribute to building Ireland's position in our most valuable export market.

- Minister Creed and Bord Bia's CEO hosted meetings with CEOs of Sainsbury's, Marks and Spencer, McDonalds, Ocado and Amazon to underline the strategic importance of the Irish food and drink industry as a sustainable partner and supplier to the UK as well as to unlock further commercial opportunities.



Left to right: Minister Creed, Tim Steiner, CEO of Ocado, the world's largest dedicated online grocery retailer, Bord Bia CEO Tara McCarthy at the retailer's state of the art fulfillment centre outside London.

Vietnam, St Patrick's Day, March 2018

- Minister of State Andrew Doyle T.D. took the opportunity provided by his St. Patrick's Day visit to Vietnam to try to progress Ireland's application for beef access to the Vietnamese market, and to further support the expansion of Irish pigmeat exports, including pork offals.

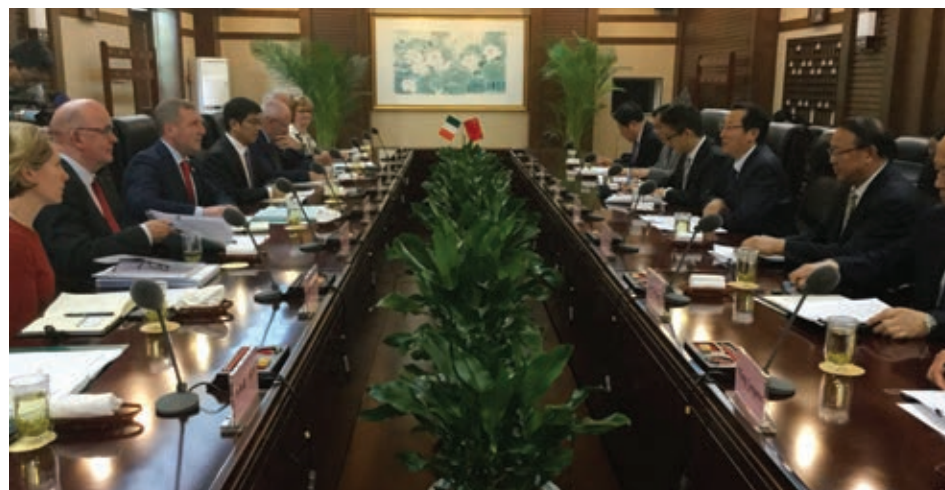
China- 14th May to 18th May 2018

Main Outcomes:

- The intensive itinerary, encompassed over 20 official engagements in 4 cities including Beijing, Shanghai and Hong Kong.
- Minister Creed met with key influencers in the Chinese administration including with his counterpart, the Minister for Agriculture and Rural Affairs, Minister Han Changfu and the Minister for a newly established Chinese Agency, the State Market Regulatory Administration, Minister Zhang Mao.
- In Hong Kong SAR the Minister met with the Director of Agriculture Fisheries and Conservation, Dr S.F. Leung.
- Prior to the Trade Mission, in April 2018, three Irish plants had been approved by the Chinese Authorities to export Irish beef to China. During the trade mission discussions were held with various agencies and following this a further three beef plants and one pigmeat plant were approved.



Minister Creed with Minister Zhang Mao (State Agency for Marketing Rules) May 2018



Trade Mission Meeting between Minister Creed and Minister Han Changfu, Minister for Agriculture and Rural Affairs – May 2018

Case Study ABP & Irish Beef in China

Background: ABP Food Group became the first Irish beef processor to secure orders for Irish beef in China, following the opening of the Chinese market earlier this year. ABP has been in the vanguard of Ireland's exporting story for sixty years, working closely with Bord Bia and DAFM sourcing and developing new markets for Irish beef.

Research: In anticipation of Ireland getting access to the Chinese market, ABP established a Chinese presence in 2011 and embarked upon a comprehensive research strategy which focused on foodservice, manufacturing and retail. The objective was to find the segment best suited to ABP's product mix and then, use the insights from the research to position ABP as the best choice for Chinese customers interested in buying safe, traceable Irish beef.

Approach: The expansive nature of the Chinese beef buying sector along with the absence of detailed data meant that the most effective way to carry out the research was to adopt a "boots on the ground" approach. This meant visiting all of the major cities on the Chinese east coast from Guangzhou to Harbin to learn about the market and to gain a first-hand understanding of the Chinese consumer.

Findings: With demand for quality imported beef growing at 20% per annum and consumption at less than 5kg per person, the research findings showed that there was strong demand for quality imported beef. It also indicated that ABP's product mix would be better directed to foodservice and online retail. The decision was also made not to focus on manufacturing beef as that segment



Above: Minister Creed at Signing Ceremony – China May 2018

was well serviced by cheaper import options from South America. Traditional retail targeted by Australia and New Zealand was also discounted given the distance to market for chilled vacuum packed product.

New Product Development: With the research completed, ABP's international team then developed a range of products especially for the Chinese food service and online sectors. The key USP's for product development focused on naturally produced beef which was fully DNA traceable and subject to ABP's unique award winning Ultra Tender process. A key factor in the development of these products was the hosting of a series of inward visits by potential Chinese customers to ensure all new products were appropriate to the market and the end consumer.

Access: The cumulative impact of the preparatory work enabled ABP to "hit the ground" running when market access was announced in 2018. Initial contracts were signed with Wowprime to supply beef to its market-leading restaurants throughout China and with Hopewise Beijing to sell beef online in China through the JD.com platform. Additional customers have since been added in Qingdao, Beijing, Fuzheng and Shanghai.

	China	Ireland
Population	1.37 Billion	4.77 Million
Annual GDP Growth Per Capita (World Bank 2016)	6.11%	2.85%
Annual Beef Consumption per Capita	3.9kg	18.6kg

- China has 287 times more people than Ireland and contains 20% of the world's population.
- An increase in beef consumption per capita of 1kg is equal to 1.4 million tonnes of beef.
- The Chinese currently consume 3.9kg of beef per capita annually. This figure is expected to grow dramatically as the average GDP per capita increases as a result of higher wages and more affluent lifestyles.
- China imported 688,000 tonnes of beef in 2017 – over 100,000 tonnes more than Ireland's current production levels.
- By 2022 it is estimated that China's official beef imports will stand at 2.3 million tonnes annually.

Malaysia & Indonesia- 27th October to 1st November 2018

The Minister for Agriculture Food and the Marine Michael Creed T.D. lead the first agri-food trade mission to Indonesia and Malaysia.

Main outcomes:

- The trade mission to Indonesia and Malaysia provided opportunities for the kind of constructive engagement at both official and commercial level that can lay the foundations for increased trade in agri-food in the future by raising the awareness of Ireland as a source of sustainable food produce and enhanced Indonesia and Malaysia's understanding of Irish dairy and meat markets and facilitated opportunities for Irish exporters.
- During the trade mission Minister Creed held a series of high level meetings in Jakarta and Kuala Lumpur. It was during the meeting with Malaysian Minister for Agriculture and Agro-Based Industry that a veterinary health certificate for the export of pigmeat from Ireland to Malaysia was agreed. This was very positive news, as the Malaysian market has been on the radar of the Irish pigmeat industry for some time. A pigmeat audit will be scheduled for 2019.
- A highlight of the events in both countries were the Bord Bia Dairy conferences. These provided an opportunity to highlight the very high quality of Irish dairy produce. Both conferences were attended by more than 140 prominent business people from across the two countries, providing a valuable networking

opportunity for the Irish dairy companies travelling with the Ministerial delegation.

- A technical meeting was held with officials in the Malaysian Department of Veterinary Services in relation to various market access issues.



Minister Creed and his team meeting Stephen Rudyard from FAO (Food and Agriculture organization of the United Nations) during the trade mission to Indonesia

“It was during the meeting with Malaysian Minister for Agriculture and Agro-Based Industry that a veterinary health certificate for the export of pigmeat from Ireland to Malaysia was agreed.”



Chapter Three

Market Access Update
by Sector



This chapter outlines various market access updates since the launch of the Action Plan for meat, dairy, seafood, live animals and some other products. It summarises the ongoing work in relation to negotiations on veterinary health certificates, incoming inspection visits and so on. There are also a number of case studies in relation to:

- Beef market access to China
- Meat market access to Kuwait & Qatar
- Dairy success achieved by Ornuia exporting to Nigeria
- The re-opening of the live crab export market to China

Meat

CSO figures show that Ireland exported almost €3.8 billion worth of meat with a volume of over 1 million tonnes in 2017. At present Irish meat is exported to around 70 countries around the world, both within the European Union on general commercial documents and outside the European Union, either on the basis of bilaterally agreed veterinary health certificates or on general meat certificates. Products exported include:

- Beef
- Poultry
- Pigmeat
- Cooked meats
- Sheepmeat

The amount of meat exported to third countries varies between the different categories and generally represents a relatively small, but growing, percentage of our overall meat exports. For example in 2014, 9.5% (in value terms) and 17.6% (in volume terms) of our meat exports were to third countries. By 2017 these figures had increased to 12% (in value terms) and 20.8% (in volume terms).

The difference between value and volume figures is a reflection of the fact that third country markets are often an important outlet for our exporters for lower value, but higher volume, product categories, such as offal products. Although it is recognised

that offal products may not always be covered by certification arrangements with third countries, DAFM always endeavours, in consultation with the industry, to see that they might be included in any veterinary health certificates.

New Meat Markets Opened & Ongoing Work

As well as contributing to the objectives of Food Wise 2025, obtaining access to new international meat markets has gained increased importance as a result of Brexit. In 2017 the UK accounted for around 50% of the value of our beef export. It is important to note however that the approval system is not the same for each country and that the approval process is longer for some countries than for others. Market access successes typically may take years to emerge as opposed to results being seen in a matter of months. The timing is usually dependent on the third country concerned.

Since April 2017, agreement has been secured for the export to nine new third country markets as follows:

- Beef to China – please see separate case study for further details
- Bovine tripe to Namibia,
- Pork & pork offal to Chile
- Beef to Qatar

- Sheepmeat to Qatar
- Poultrymeat to Qatar
- Beef to Kuwait
- Sheepmeat to Kuwait
- Poultrymeat to Kuwait

Furthermore during this period, enhanced beef access was agreed with Israel, Singapore, Saudi Arabia and South Africa, as noted earlier. In 2017 the Egyptian authorities re-approved five establishments for the export of beef to Egypt allowing trade to recommence. Three establishments were also re-approved for export of beef to Israel in 2017. Ireland also facilitated the change from the bilateral certificate to the EU health certificate for the export of beef, sheepmeat and pigmeat to Hong Kong at the end of 2017.

In addition, the Market Access Unit is also engaged in ongoing written negotiations with authorities in various third countries to which Ireland is also seeking access for meat. This includes:



- Completion of detailed market access questionnaires;
- Providing additional responses and information as follow up to these questionnaires or to audit visits;
- Negotiations in relation to possible veterinary health certificates and establishment applications;
- Participating in a range of technical and diplomatic meetings in order to try and address market access issues where appropriate.

DAFM has agricultural attaché positions in Brussels, London, Rome, Paris, Geneva, Washington, Beijing and Abu Dhabi and a Research Officer based in Moscow. The focus of these posts varies according to the location, with some concentrated primarily on trade development and assistance and others focused on representation of Ireland's interests in EU and international organisations.

DAFM is now expanding this global representation by placing agriculture attachés in Tokyo, Seoul, Mexico and Berlin.

The positions in Tokyo, Seoul and Mexico are to assist in the process of gaining access for Irish agriculture products given that Free Trade Agreements have recently been agreed by Japan, Korea and Mexico with the EU. They also reflect the outcome of Bord Bia's Market Prioritisation Report, which has identified these countries among the priority markets for the Irish agri-food and fisheries sectors over the coming years.

The decision to reinstate the position in Berlin (which DAFM relinquished in August 2014), is informed by the need to diversify our export markets from the UK, and Berlin will provide a basis to support further trade development work not only in Germany but in Eastern Europe.

Case Study Opening of the Chinese Beef Market: Perspective from the Competent Authority

The Chinese Beef Market had been on the horizon for a number of years and DAFM was delighted to announce the opening of the Chinese market to Irish beef on the 16th of April 2018. The opening of the Chinese market represents the culmination of several years work.

Significant progress towards securing market access for Irish beef in recent years including the lifting of the BSE ban by Chinese

authorities on Irish beef in 2015 and a successful General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) inspection visit, focused on competent authority systems, took place in 2016. Following approval of our control systems, Minister Creed signed a protocol on the export of frozen boneless beef from Ireland to China with the AQSIQ Minister Zhi Shuping in Dublin in April 2017





CNCA Audit in Dawn Charleville 01/09/17 – Photo taken at the end of a successful audit

Left to Right: Tom Hanley VI Dawn Charleville, Eilish O'Brien RSVI, Michael Moran VI HQ, Noel Donworth Operations Manager Dawn Charleville, Mr. Wang Gang CNCA, Michael Betts Technical Manager Dawn Charleville, Ms Pang Ping CNCA, John Power TAO Dawn Charleville, Ms Jiangyaun Fu Chinese interpreter, Ms Min Yin Chinese interpreter Dawn Charleville.

In August 2017 a Certification and Accreditation Administration of the People's Republic of China (CNCA) inspection was carried out to assess individual processing plants. The CNCA inspection was focused on a sample of individual plants, selected by the Chinese, which had applied for access to the Chinese market. Following on from detailed negotiations including an official visit to Beijing in February 2018, in April 2018 the first three beef plants were approved and listed by the Chinese authorities. Subsequently, in June 2018, after successful Ministerial discussions as part of the Trade Mission to China in May, a further three beef plants were approved.

Ireland became the first Western European beef exporter to secure access with six beef plants now approved to export beef to China. The opening of the Chinese beef market presents an exciting opportunity for the entire Irish beef sector, from farmer's right through to processors, and is in line with the market development theme of the national Food Wise 2025 strategy. The 'First mover advantage' presents a major opportunity for Irish beef industry.

The market is currently open to 6 Irish beef plants and DAFM officials are working towards progressing applications for additional beef plants approvals, in order to increase Ireland's ability to supply the market. This was the subject of a bilateral technical meeting at Senior Officials level in Beijing at the start of November 2018. At this meeting DAFM submitted revised and updated plant applications, and supporting documentation, on behalf of a number of beef plants. At the time of writing this



Left to right: Colm O'Cribin, Paula Barry Walsh, Sinead McPhilips, Dr. Wang Gang GACC and Dr. Liu Jian GACC – Bilateral meeting in Beijing, November 2018

information is under consideration by the Chinese authorities.

Within the last 30 years Chinese demand for meat has quadrupled, and the country now consumes one quarter of the world's meat supply. On average Chinese beef consumption per capita is 4kg, compared to average Irish consumption of 19kg of beef per capita per year. However, despite increases in domestic beef production in China, consumer demand for premium imported beef is forecast to rise significantly, driven by increasing urbanisation, higher disposable incomes and health awareness. For example, the import of frozen boneless



Photo taken of the DAFM nominees accepting the award on behalf of a wider DAFM team at the 2018 Civil Service Excellence and Innovation Awards - 22nd November in St. Patrick's Hall, Dublin Castle

Left to right: Minister for Public Expenditure and Reform Paschal Donohue T.D., Aleksandra Szyszka, David Nolan, Nick Barwise, Adrian Clarke (all DAFM), Robert Watt Secretary General D/PER, Katherine Licken Secretary General Department of Culture, Heritage and the Gaeltacht

beef, the category for which Ireland has market access, has grown nine-fold within the last five years. Overall beef imports to China have increased from under 100,000 tonnes in 2012 to around 600,000 tonnes in 2016. Frozen boneless beef accounts for around 80% of these imports. According to USDA forecasts China is expected to consume over 8.5 million tonnes of beef in 2018. This is more than any other country outside the USA and almost 4% ahead of 2017 consumption levels.

The long-term collaborative project to successfully gain market access for Irish beef to China was nominated for an award in the 2018 Civil Service Excellence and Innovation Awards 2018, where it won the award in the category for 'Excellence through Collaboration'. The award was for collaboration in a very broad sense as a large number of Divisions within DAFM including the Market Access Unit within Meat and Dairy Policy, International Trade, Veterinary International Trade, Veterinary Public Health Inspection Services (VPHIS) implementation were involved in collaboration with colleagues in Bord Bia and Department of Foreign Affairs and Trade, in particular the Embassy in Beijing, and in partnership with the Chinese Embassy in Dublin and the Irish meat industry. A strong successful model for internal, cross-Department and agency collaboration and a close working relationship with industry stakeholders the Government and the administration of an export destination has been developed. This can serve as a template for further market access efforts.



Incoming Inspection Visits

In advance of granting approval for specific markets, the authorities in the relevant importing country carry out either systems audits to ensure that Ireland's systems are equivalent to their own or that Ireland can meet with their export requirements; or establishment audits to ensure individual exporting establishments meet with their import requirements.

Since April 2017, DAFM has hosted the following inspection visits:

- In June 2017 DAFM hosted a systems inspection visit from MFDS, South Korea as part of the process in trying to gain access for export of beef to Korea.
- In August 2017, CNCA China carried out an approval audit of beef establishments.
- DAFM hosted an FSIS (USA) inspection visit in September 2017.
- In November 2017 DAFM hosted an inspection visit from Chile which focused on BSE controls in Ireland.
- In November 2018, an inspection team from SENASICA, Mexico carried out a systems inspection visit as part of the process of DAFM gaining access to Mexico for pigmeat.

Study Visits

As well as hosting incoming inspection visits, DAFM also hosts study visits from authorities in international countries. These study visits can be part of a wider EU study visit or to foster bilateral co-operation in the areas of Agriculture and Trade.

- In March 2017 a study visit took place by Mexico as part of EU study visit. The focus of the visit was on EU controls and how they interact with national controls.
- A discovery visit took place in March 2018 in conjunction with

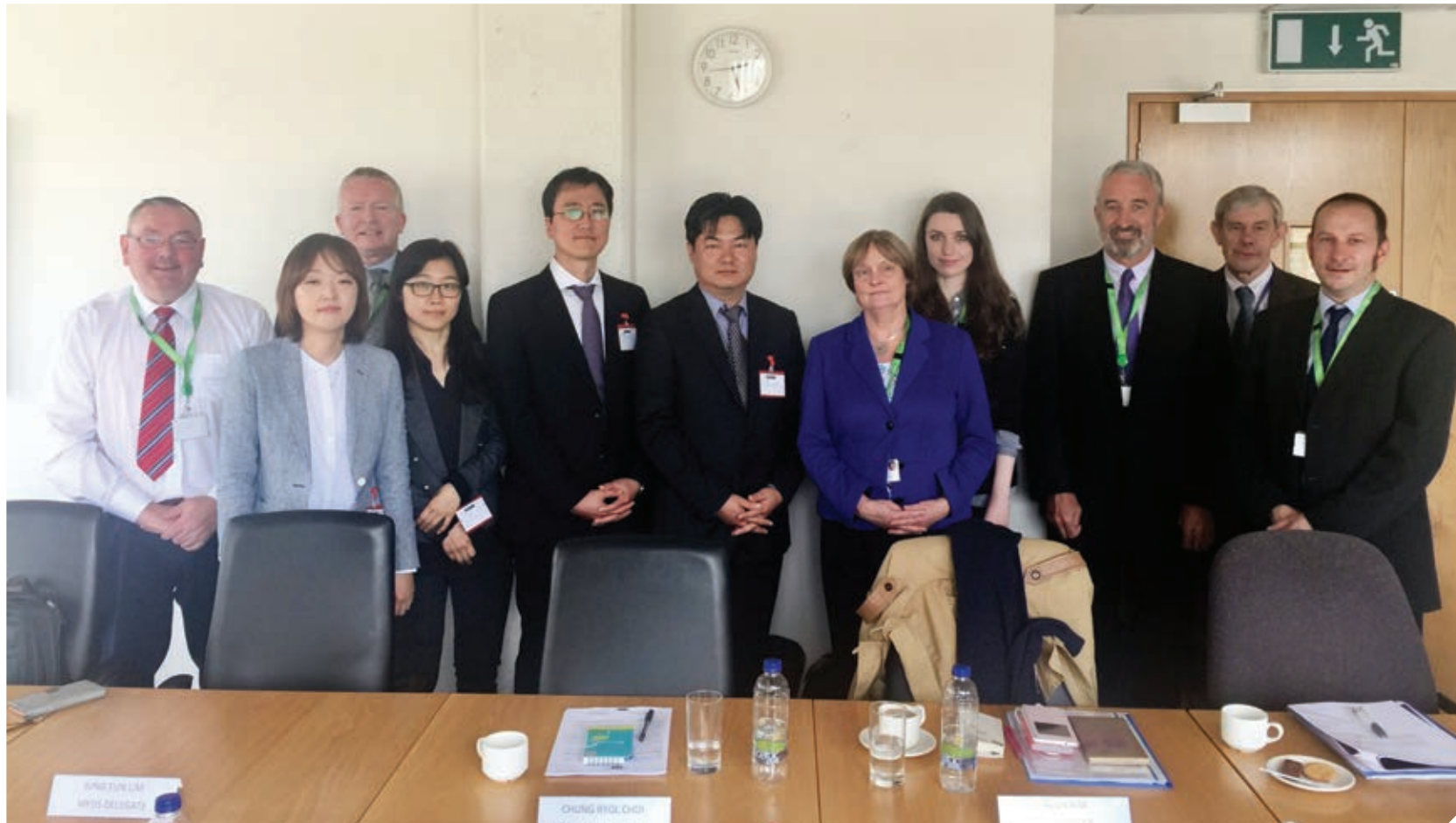


Closing Meeting with SENASICA (Mexican Pigmeat Audit) – November 2018

Left to Right: Ciaran O'Sullivan VI, Alejandro Labastida Rubio, Guadalupe Ivette Vera Lazo, Michel Moran SVI, David Nolan SSVI, Paschal Corcoran HEO

SFSI Ireland. Two Kuwaiti officials visited Ireland to learn more about controls and food production systems.

- In September 2018 – Korean officials from the Animal and Plant Quarantine Agency (APQA) South Korea took part in a study visit to Ireland. This bilateral study visit concentrated on traceability
- In September 2018 – the Chinese knowledge transfer study visit took place with the opening meeting hosted by DAFM
- In November 2018 a further study visit was carried out by officials from the Ministry of Food and Drug Safety (MFDS) and the Ministry of Agriculture, Food and Rural Affairs (MAFRA) from South Korea which focused on the Implementation of the National Residues Control Programme.



Closing Meeting with Korean Ministry of Food and Drug Safety (MFDS) – June 2017

Left to Right: Michel Moran VI, Ms Lim, Jung Eun MFDS, Peter Maher SSVI, Ms Park, Ji Min MFDS, Mr Park, Jae Woo MFDS, Mr Choi, Chung Ryol MFDS, Paula Barry Walsh DCVO, Clare Byrne AO, David Nolan SSVI, David Lynch, Nick Barwise

Case Study Meat Market Access to Kuwait & Qatar

Negotiations had been on-going for a number of years via Chief Veterinary Officer correspondence and also through diplomatic meetings in the Gulf region with officials in Kuwait prior to the agreement reached in October 2018. This agreement was reached with the Public Authority for Food and Nutrition (PAFN) of Kuwait under which Irish beef, sheepmeat and poultry is now eligible for export to Kuwait.

Speaking at the time of the market opening, the Minister said that: *“This agreement follows on from bilateral negotiations between my Department and Kuwait, with the ongoing assistance of the Irish Embassy in Abu Dhabi, including our Agricultural Attaché in the Gulf Region who is based in the Embassy.”*

“The opening of this new market is a reflection of the confidence held by the Kuwaiti authorities in the high standards of food safety and the rigorous controls in Ireland. It marks another important step in the development of Ireland’s agri-food links with Kuwait and with the whole Gulf region.”

Ireland previously hosted a week long discovery visit for Kuwaiti officials in March 2018, led by Sustainable Food Systems Ireland (SFSI), but which DAFM and the agricultural attaché collaborated in, and which helped to progress and added impetus to these negotiations.

The post of agricultural attaché in the Irish Embassy in the United Arab Emirates (UAE) was first created by DAFM in 2016, with a remit to include various countries in the Gulf region. The Irish Embassy in Abu Dhabi, UAE, is also accredited to Kuwait and Qatar. The culmination of these agreements on a veterinary health certificate for meat (beef, sheepmeat and poultry) for both Kuwait and also Qatar earlier this year is a testament to DAFM’s decision to create a new post there. A successful Trade Mission to Saudi Arabia and the UAE was also held in February 2017.

These new markets come under the market development theme of the Food Wise 2025 Strategy, under which DAFM and Department of Foreign Affairs and Trade will work closely to increase the number of markets worldwide to which Irish meat exporters have access.

Irish agri-food exports to Kuwait amounted to €17.1 million in 2017 of which around 93% is accounted for by Dairy exports. Irish agri-food exports to Qatar amounted to €8.8 million in 2017 of which around 70% is accounted for by Dairy exports. However, there is potential for the growth in meat exports to the region also. According to some market research estimates the Qatari meat market is expected to become a million tonne market by 2020.

Dairy

Ireland is a global leader in the dairy sector in terms of the safety, sustainability and traceability of our dairy production on family farms, our processing in facilities that range from global household names to niche cottage industries, and our justified and hard-earned reputation for quality.

There are approximately 18,000 dairy farmers in Ireland who, down through generations, generously share their knowledge and continuously improve standards in the industry and in their communities. Over the coming years, Ireland will continue to be amongst the world's fastest growing dairy producers.

More than 90% of Irish dairy production is exported and in general there are few restrictions on our dairy produce exports. In 2017, Ireland exported dairy products to approaching 140 countries with a value exceeding €4.6 billion; of this, over €2.1 billion of Irish dairy products was exported to third country (non-EU) markets, representing 45% of the total value of our dairy exports.

The key challenges of volatility, market turbulence, balancing production with environmental concerns and the requirements

for safe and nutritious dairy products are the same in Ireland as they are in the other major dairy producing countries. The quality of Irish sourced milk is and will continue to be a key competitive advantage in our promotional efforts in the world's markets.



Market Access

Irish dairy does not experience any acute market access issues. Enhanced market access for Irish dairy was secured with a number of destination markets in 2017 and 2018.

As well as contributing to the objectives of Food Wise 2025, enhancing access to international markets for Irish milk and milk products has gained increased importance as a result of Brexit. In recent years, the UK has been the top market destination for Irish dairy. The UK accounted for over 50% of the value and volume of Irish cheddar cheese since 2014, and over 25% of Irish butter exports in both value and volume terms.

Similarly to meat, DAFM is engaged in ongoing negotiations with authorities in various third countries to which Ireland is exporting milk and milk products. This includes the completion of market access questionnaires; negotiations in relation to health and veterinary certificates and establishment approval applications as well as participating in a range of technical and diplomatic meetings in order to try and address market access issues where appropriate.

Work is ongoing, in collaboration with the agricultural attachés situated in a number of Irish Embassies and our wider network of network of Irish representations overseas to maintain access for Irish dairy exporters in other destination markets. Negotiations continue into 2019 with a number of trading partners in order to further enhance market access for Irish dairy product.

Dairy Certification

All consignments of dairy produce leaving Ireland, and destined for non-EU countries, are subject to inspection and certification. Since 2017, DAFM has reached agreement with third country competent

authorities in the following destination markets, resulting in renegotiated bilateral certification requirements for various product categories:

- Japan
- Mexico
- New Caledonia
- Serbia

These certificates provide continued assurance to third country competent authorities of the quality Irish dairy produce and dairy ingredients. Since 2013, Ireland has exported milk and milk products to over 160 destination markets worldwide.

Over 80 applications have been processed by DAFM during 2018 from Irish dairy companies seeking market opportunities in third countries.

Dairy Controls & Systems Audits

A number of market access projects were completed during the period covered by this report, including: submission of detailed and technical questionnaires on Ireland's dairy controls system to Colombia (December 2017) and facilitation of incoming audit visits of those systems by authorities in Brazil (October 2018) and the USA (June 2018); registration of Irish dairy exporters with authorities in Malaysia (April 2018), as well as the renewal of registration of Irish infant formula manufacturers with authorities in China (November 2018). An overview of this is set out below:

Throughout 2017, DAFM staff across a range of functions made significant contributions toward the submission of a detailed and technical questionnaire on Ireland's dairy controls system to authorities in Colombia. This questionnaire outlined DAFM's

responsibilities for ensuring the quality of Irish dairy produce, and has provided a foundation for ongoing negotiations to agree a bilateral health certificate for these products.

Ireland was one of a number of EU Member States that engaged with the US Food and Drugs Administration (USFDA) for what is formally entitled a “Systems Recognition exercise”. The process was initiated in 2017 with the submission of a detailed technical questionnaire concerning Irish dairy, seafood, and prepared consumer food sector controls. This was followed by an audit visit of Ireland’s food safety systems in June 2018 by 4 teams from the FDA. A number of Ireland’s official food safety control agencies were involved in this exercise alongside DAFM, including the FSAI, HSE, Sea Fisheries Protection Authority, Marine Institute and the European Commission. A successful outcome to this process will present a number of advantages to Irish food exporters doing business in the USA.

During November 2018, DAFM hosted an incoming visit from officials of authorities in Brazil, to carry out an audit of the Irish dairy products inspection system. These visiting officials visited a number of Irish dairy establishments that are currently exporting to Brazil, or seeking to commence exporting to Brazil in the near future. DAFM officials accompanied the Brazilian auditors throughout their visit, demonstrating the nature of Ireland’s official controls at national and local level. These visits represent important opportunities for third country authorities to develop an understanding of our food safety systems.

Ireland supplies approx. 10% of the world’s infant milk formula. The Infant Formula industry utilises milk from Irish farms and represents a significant value-added segment of the dairy sector

which has multiple positive effects for rural Ireland in terms of an outlet for quality farm produce as well as a source of high quality employment. China is a market of strategic importance, where Ireland is a global leader in the dairy sector in terms of the safety, sustainability and traceability of our dairy production. In December 2018, DAFM submitted applications from Irish infant milk formula manufacturers seeking to renew their approval by Chinese authorities to supply product to that market.



“Finding new routes to market for premium Irish dairy products has taken Ornuia to Africa, Middle East and China.”



Case Study Ornuia and Irish Dairy Exports to Nigeria

At an overall level Nigeria is the top African destination for Irish dairy products, in particular for milk powders such as Fat Filled Milk Powder (FFMP), Whole Milk Powder (WMP) and Skimmed Milk Powder (SMP). Total Irish dairy exports to Nigeria in 2017 were some €95 million or 45,900 tonnes which made the country the 6th highest dairy market overall in volume terms and the 9th highest in value terms.

Finding new routes to market for premium Irish dairy products has taken Ornuia to Africa, Middle East and China. These market regions are very different, posing different challenges and demanding new ways of engaging with consumers. For example, 95% of African consumers shop in open markets, packed with thousands of retail stalls, or small shops. Some open markets can have a million people passing through them each day. Distribution here is key and Ornuia has invested heavily in recent years in the local supply chain. For example, Ornuia opened a Kerrygold packaging facility in Lagos, Nigeria to enable Ornuia to be more responsive to local demands and consumer trends.

Nigeria has a population of approximately 190 million people, almost a fifth of the entire continent of Africa and is predicted to be the third most populous country in the world by 2050. Being home to Africa's largest retail milk powder market, Ornuia targeted Nigeria as a strategic investment market in 2014, aiming to:



- further consolidate their presence in the largest economy in Africa
- deliver more competitive Ornuia brands to end consumers
- develop sustainable route-to-market solutions for Irish dairy products

The 2015 Ministerial Trade Mission to Nigeria is an example of Ornuia's close working relationship with the Department and Bord Bia. The Kerrygold packing facility in Lagos, which packs

Irish milk powder into consumer retail sachets and tins, was officially opened in December 2015 by the then Minister for Agriculture, Food & the Marine, Simon Coveney TD on this Trade Mission. The visit created an energy around the factory opening that was appreciated by Nigerian consumers and gave Ornuu brands (Kerrygold and Forto) a great momentum. These brands have been progressing well in Nigeria, maintaining consistent growth throughout a recent oil price related recession, and the company is in a strong position looking to the future.

Ornuu works collaboratively with both the Department and other state agencies, actively participating in many of their initiatives and activities. On the eve of Brexit and with their on-going dairy expansion, it is essential that Ornuu drive greater market diversification. The commitment of the Minister and the DAFM in helping Ornuu to reinforce consistent messaging around Ireland's sustainability credentials is also of enormous value.

The work of the Department of Agriculture, Food and the Marine is paramount in certifying the safety and quality credentials of Irish dairy exports, in supporting Ornuu to build new markets for their products through bilateral dialogues and trade missions, and in protecting the excellent reputation of Irish dairy. With passion, commitment and drive, their combined ambition continues to help build a vibrant and sustainable dairy industry for all. For this Ornuu are enormously grateful.



Seafood

According to the Central Statistics Office (CSO) the value of Irish seafood exports totalled €614 million in 2017. The approximate volume of seafood exports was 237,000 tonnes.

The Sea Fisheries Protection Authority (SFPA) as Ireland's competent authority for seafood safety is responsible for the health certification of seafood exported from Ireland to third countries.

A total of 6,795 consignments of seafood, totalling 78,893 tonnes, were exported from Ireland to third countries in 2017. The main third countries, by volume, to which Ireland exported seafood, were Nigeria, China and Ghana.

Please see the boxed case study below in relation to the re-opening of the live brown crab market to China as an example of the ongoing market access work in relation to seafood both through DAFM and the SFPA.

Case Study The re-opening of the live brown crab export market to China

In 2015 Sea Fisheries Protection Authority (SFPA), a public body under the aegis of DAFM, in Ireland was formally notified by the Chinese General Administration of Quality, Supervision, Inspection and Quarantine (AQSIQ), the government organisation that conducts import controls in China, that they had discovered that a number of consignments of live brown crabs (*Cancer pagurus*) exported from Ireland were shown to contain the heavy metal cadmium at levels exceeding the Chinese limitation standard.

This led to an in depth series of communications and discussions with the Chinese authorities, supported by Irish Embassy staff in Beijing, to help resolve the issue. As a result of differences between the cadmium testing approach outlined in European legislation and the testing approach in place in the Chinese system and the biological variability of accumulation of cadmium in certain tissues in crab, a suitable technical solution

was required. During this time the SFPA was unable to certify any consignments of live crab to China.

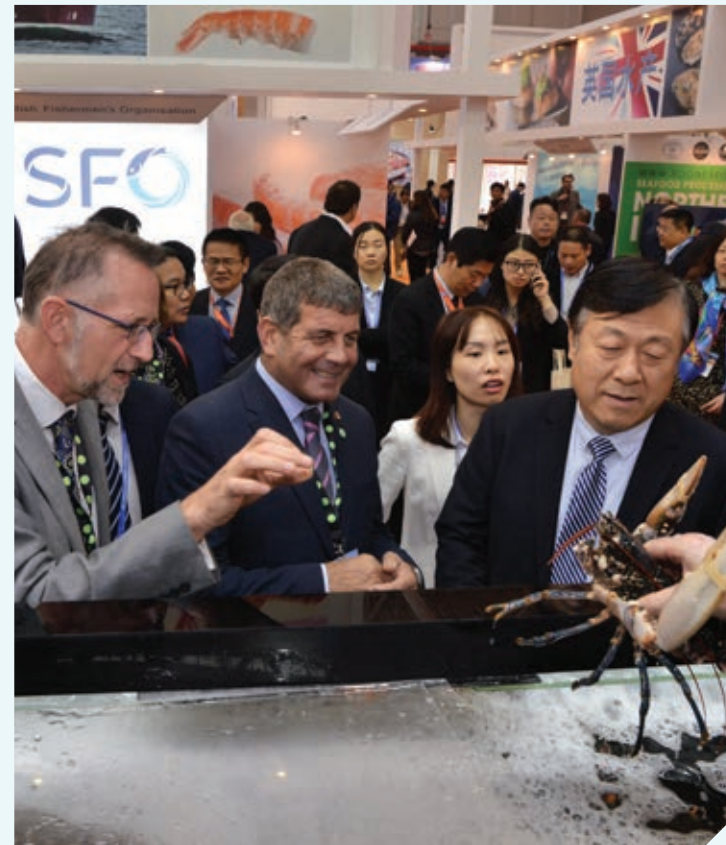
As part of these ongoing negotiations with the AQSIQ, the SFPA hosted a 4 person AQSIQ audit team for eight days in May 2016. The purpose of the visit of this delegation team was to inspect Ireland's system of food safety official controls applicable to edible aquatic animals. The majority of the trip focused on our system of official controls on live brown crab (*Cancer pagurus*) in particular heavy metal analysis of crab. The audit included the following visits:

- A trip to the SFPA Headquarters in Clonakilty for introductions and opening meetings which were followed by a visit to the BIM Seafood Development Centre.
- A trip to Galway to visit the Public Analyst Laboratory where samples of various foodstuffs are analysed for different contaminants.

- A visit to the Marine Institute (MI) laboratory facilities where information was provided on various testing programmes carried out in the Institute.
- A visit to a live crab holding facility in Sligo supervised by the SFPA.
- A visit to a live crab holding facility in Donegal supervised by the SFPA which included a trip to sea to observe operations on a crab fishing vessel.
- The trip was concluded with a closing meeting in Dublin to discuss initial findings of the Chinese audit team. This also included a presentation provided by Bord Bia on the Origin Green programme.

This was followed by a reciprocal visit of SFPA and Marine Institute staff to the AQSIQ offices in Beijing to discuss the final stages of a solution. These on-going negotiations and communications resulted in a technical agreement, endorsed Diplomatically by Minister Creed at a meeting with his Chinese counterpart in April 2017 which permitted the resumption of SFPA-certified trade flows of live crab to China. The essence of the agreement was that a new format health certificate for the export of 'Live Aquatic Animals to China' was agreed for use in the export of live crab. Changes to the new certificate were the result of the significant dialogue with AQSIQ importing authority in China to resolve the issue of Cadmium-related certification.

When the market re-opened for exports of live crab in 2017 a total of 512 consignments were exported to China that year. As of the end of November 2018 approximately 790 consignments of live brown crab have been exported to China.



Minister Doyle welcoming Vice Minister Yu to the Origin Green Stand at the Seafood Expo in Qingdao, China, November 2018

Live animals

Live Exports Statistics

The majority of the live animal trade takes place within the EU. During 2018 up to the start of November, 211,465 animals (according to the EU TRACES database) have been exported to 14 EU Member State markets (Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Poland, Romania, Slovakia, Spain, The Netherlands and United Kingdom).

In the same period, there were 18,904 live cattle exports to third country markets including Turkey, Libya, Morocco, Russian Federation, Lebanon and Rwanda (according to the EU TRACES database).

During 2018, year to date, pre-export quality control checks on export documentation in respect of 706 equidae exported to third countries (USA, Canada, Australia, China, Japan, Singapore, South Africa, Korea, Qatar, Bahrain, Turkey, and United Arab Emirates) has taken place.

The infographic overleaf set the numbers of live cattle exported to 3rd countries up to mid December in 2018.

Ongoing Work around Live Exports

In January and May, invitations were extended to the Director of Veterinary Services of Algeria, to visit Ireland to include discussions on live trade in livestock. These followed revised certificates proposed to Algeria in November 2017, which are more closely aligned with sanitary conditions enjoyed by other EU countries

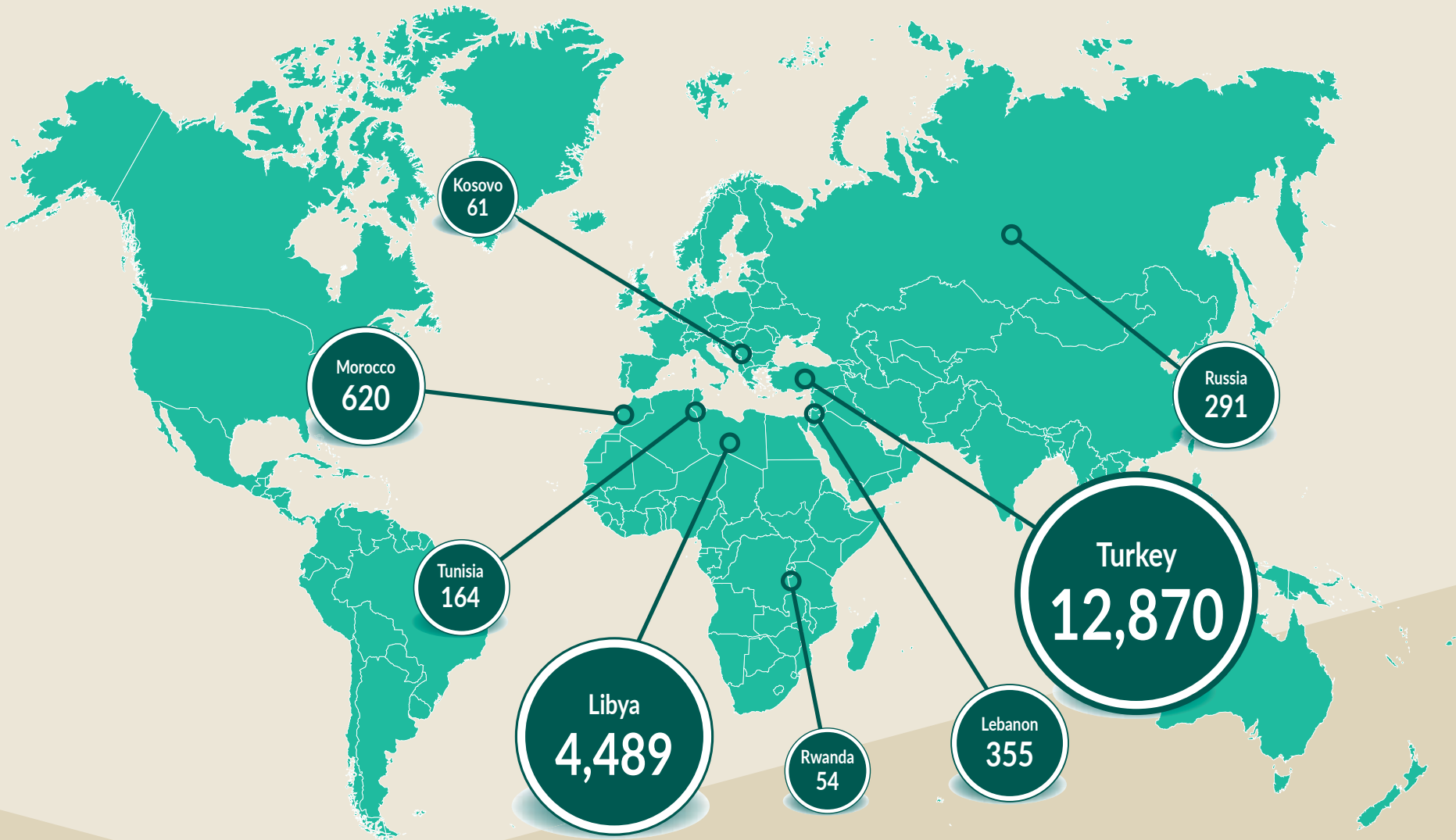
such as France, for trade in cattle for breeding, production and slaughter.

In June 2018, following review of sanitary conditions for the export of sheep to Qatar, a formal proposal was made to the veterinary authorities there for an agreement on a standard health certificate for such trade.

In July 2018, the Deputy Minister with responsibility for livestock in the Egyptian Ministry of Agriculture led a delegation to Ireland. The delegation met with DAFM officials and trade in livestock was a priority in discussions. Proposals for amendments to age and weight limitations to existing agreed certificates for fattening and slaughter cattle were made, as well as proposals for a new certificate for trade in breeding cattle, and engagement is ongoing. This included discussions in Cairo in December 2018 between Minister of State Pat Breen and the Egyptian Deputy Minister for Agriculture at which the Egyptian Ministry said that they were willing to consider amending existing health certificates and putting a new certificate for breeding stock in place.

In August, the Head of the International Cooperation Office of the Libyan National Centre of Animal led a delegation to Ireland. The delegation met with DAFM officials and the principal discussion concerned trade in livestock, principally cattle but also equidae. Libya and Ireland exchanged proposed amendments to the agreed certificate for trade in fattening and slaughter cattle, and discussed formal conditions for trade in breeding cattle. Revised sanitary certificate models have since been proposed to Libya and engagement was ongoing leading to the agreement of the proposed certificates at the end of November 2018.

Live Cattle Exports to Third Countries



Other Products

Veterinary International Trade Division also manages, inter alia, the negotiation of Third Country veterinary certificates for germinal products, animal feed, animal by-products and dairy products. It also services the Commission animal health meetings in Brussels on a monthly basis which is relevant to trade as issues such as African Swine Fever are covered which have a significant bearing on live animal and animal product certification.

During 2018 new market access in relation to the following product categories has been facilitated for the following countries:

Germinal products

Exports of bovine semen to South Africa, Uruguay, Malawi and Australia and bovine embryos to Australia.

In addition, export to China and Mexico is under examination.

Animal feed

Exports of animal feed of plant/mineral origin to the Ukraine. Certificates have also been devised to facilitate trade in animal feed containing plant/mineral/dairy ingredients to Albania and Iraq.

In addition, export to Ecuador, Kazakhstan, Russia and Belarus is under examination.

Animal by-products

Exports of pet food to New Zealand and Singapore, processed animal protein to Turkey and avian processed animal protein to the USA.

Other small business exports and research material exports have been facilitated with Asia and China.

In addition, the following are under examination – exports of raw material for pet food to Canada and the USA, fishmeal to the USA, processed animal protein to Asia as well as potential future exports of insect protein.



