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The future for Agri-food in Northern Ireland and on the island of Ireland

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Unionism's choices

In the contests for leadership of political unionism now underway the future for agri-food in Northern Ireland is to date largely unconsidered.¹ This is surprising given it is an indigenous sector generating significant business, employment and income locally and one contender, Edwin Poots, is the Minister for Agriculture, Environment and Rural Affairs.

To take dairy as an example, currently the sector is progressive, productive and successful, so that farm families and livelihoods, along with rural well-being, enjoy the benefits. But what are some of the key factors contributing to this positive scenario, and in order to sustain it the overarching strategic economic policy choices awaiting both new unionist party Leaders, along with their partners in the Executive?

Notwithstanding the Assembly's seminal consideration of its Climate Act, political unionism's strategic overview directing its economic policy choices is dominated by next year's contest for seats in the Northern Ireland Assembly, and the fact its elected Members will two years later, in 2024, vote to retain, or not, arrangements in the Ireland/Northern Protocol (the Protocol) for the movement of goods, including animals and agri-food.

This 'democratic consent' provision was included in the Protocol by the UK Government to allay unionist fears (see Art 18). But by choosing to oppose the Protocol in its entirety and seek to have it removed, including presumably the Assembly's vote, debate across unionism on its impact is being conducted predominantly on the constitutional status of Northern Ireland within the United Kingdom, a 'unipolar' approach reminiscent of the Brexit debate.

'The best of both worlds for agri-food'

In giving the Centre for Cross Border Studies' 5th Annual Sir George Quigley Memorial Lecture last year on '*Re-imagining the Island economy... in the aftermath of Brexit and Covid*', I concluded that it's time now in both jurisdictions to re-imagine and define Sir George's vision for an island economy to progress policy and investment so as to sustain prosperity and embed peace, as being that:

- *"the island economy is the totality of economic and social activity on the island".²*

I also recalled the unionist farmer who asked in the immediate aftermath of the UK vote to Leave if 'under the Good Friday Agreement' their cows and milk could be British or Irish or both?' This farmer understood that continuing to have access to the benefits of integrated all-island production and supply chains, along with EU markets and product supports, was a better outcome for the price paid for their milk and so their family's income.³

¹ This Briefing Paper reflects the personal views of the author.

² <https://crossborder.ie/site2015/wp-content/uploads/2020/12/Fifth-Annual-Sir-George-Quigley-Memorial-Lecture-Paper.pdf>

³ Briefly, farm milk production on the island is divided between areas that do so either for all twelve months or seasonally, and Northern Ireland farmers are a significant proportion of the former, thereby helping sustain all year round production at plants across the island to meet global demand in a wide range of value added products, as diverse as infant milk formula and cream liquors, in addition to enhancing competition for liquid milk supply to local markets

The evidence to date is that, as a result of the Protocol, milk and other dairy inputs along with other agri-food products and farm animals are moving seamlessly across the island largely as before. So the integrated supply chains that had developed before Brexit are sustaining a dynamic island of Ireland market, adding value and protecting jobs North and South.

As a result, the sector is continuing to generate global income from world class production utilising shared indigenous resources and leveraging benefits of scale, scope and proximity. To sustain this into the future requires meeting and matching customer and consumer demand on this island, in other EU Member States, along with GB and the rest of the world.

A recent Dairy Industry Ireland (DII) survey established that ***this island now produces 11 billion litres of dairy/milk per annum, largely the same amount as the island of Britain*** and 4b litres of this island of Ireland milk is manufactured into dairy product marketed as such. They say this generates close to €3.6 billion in ‘milk cheques’ to individual farms across the island, an impressive performance for an indigenous sector in either jurisdiction.

A challenging future

The prospects of sustaining this performance are good because the opportunities are there to do so. But the scale of the challenge to respond, adapt and succeed for the sector and the farmers who supply milk and/or other farmed food products must not be underestimated as they are multiple, complex and largely externally driven.

To take dairy again, for producers and processors in a volatile, competitive global market under pressure to be sustainable from recognised climate and environmental challenges there are new and additional market pressures exemplified as follows:

- *“our aim is to disrupt one of the world’s largest industries – dairy – and in the process lead a new way forward for the food system”* (Toni Peterson, Chief Executive of Oatly a producer of plant based alternatives).⁴

The final question asked during my Sir George Quigley Lecture was how I thought unionism would react to a reimagined 21st century island economy? In response I referred to the Ulster Covenant and its commitment to protecting ‘the material well-being of Ulster’. As I said then, to sustain and improve this material well-being for this century needs strategic economic policy choices to be considered and made in a radically altered global context.

Because over 90% of island of Ireland dairy output is sold off-island, including outside GB and the EU, the Protocol is of material economic importance now and into the future for Northern Ireland. It is there to support indigenous high quality agri-food production such as in the dairy

⁴ From ‘Peas add froth to the milk market’ in the Financial Times (8/9th May), quoting from the CEO in their prospectus for a planned NASDAQ listing for an IPO the paper suggested *“could value it (Oatly) as high as €10b”*. The same article pointed out that at \$17b sales per annum the plant-based milk market is a fraction of dairy industry’s current value of \$650b pa but consumer taste and sentiment is shifting, and multinationals are heavily investing in a response, as is the dairy sector itself. See: <https://www.ft.com/content/da70e996-a70b-484d-b3e6-ea8229253fc4>

and wider Agri food sector *on this island*, and while its implementation has created operational issues these can, and likely will, be resolved.

Institutional support

The Belfast/Good Friday Agreement underpins the stable conditions necessary for the sustainable development of economic competitiveness, productivity and well-being for agri-food, along with the rest of the economy. So, the possibility exists for the Agreement's Strand Two provisions for North/South cooperation on agriculture, the environment and health to be evolved to progress joined up, coordinated and/or collaborative actions adapted to this island's unique conditions and circumstances for Agri-food production, including to present proposals to the Protocol's Specialised Committee for future N/S co-operation.

An immediate opportunity to consider what such a process might look like is provided by *Agri-food Strategy 2030*, recently presented to Charlie McConalogue, the Republic's Minister for Agriculture, Food and the Marine, and out for consultation (until June 15th).⁵ As its recommendations set out a series of proposals including in response to challenges such as those faced by the dairy sector, its contents should be of interest to all MLAs, including those in unionist parties, along with everyone else involved in agri-food in Northern Ireland.

Its author, Tom Arnold, is a leading voice internationally on sustainable food production and was recently appointed as the Republic's 'Special Envoy on Food Systems'.⁶ In the Executive Summary (p.16) of this *Agri-Food Strategy 2030* report, the N/S dimension is distilled into a succinct overview of possibilities for future developments this decade:

- *The special status of Northern Ireland, resulting from the Ireland/Northern Ireland Protocol of the UK/EU Withdrawal Agreement, offers a number of possibilities for increased cooperation on an all-island basis, **subject to political will**. There could also be scope for additional novel forms of collaboration, involving the UK and Irish governments and the EU, on some of the EU's Moonshot Missions such as soil health and food (my emphasis added).*

What approach – and so choices – will the new leaders of the two largest unionist parties, and indeed every Party Leader on the island, take to progressing the ambitious opportunities suggested, and that are attainable as a consequence of sharing the benefits of integrated agri-food production? In the Republic a constructive contribution would be for Minister McConalogue to set up a group to scope such island of Ireland opportunities.

Unionism's 'home place'

Farming and agri-food production are at the heart of communities across Northern Ireland for whom the risk of declining farm incomes has been increased by Brexit due to the loss of

⁵ <https://www.gov.ie/en/consultation/bd894-public-consultation-on-the-environmental-assessment-of-the-draft-agri-food-strategy-to-2030/>

⁶ Tom was a contributor to Volume 15 2020 of the CCBS Annual Journal on: *Policies for Agriculture and the environment on the island of Ireland in the post-Brexit World (p123)* <https://crossborder.ie/site2015/wp-content/uploads/2020/09/Final-Digital-Journal-Cross-Border-Studies.pdf>

EU CAP direct payment supports, which previously comprised up to 90% of individual farm incomes. And there is no certainty the UK will maintain this level of support.

Outgoing First Minister and DUP Leader Arlene Foster MLA noted in her resignation speech:

- *“The future of unionism and Northern Ireland will not be found in division; it will only be found in sharing this place we all are privileged to call home”.⁷*

‘This place’ includes food, soil and health which for farmers, their families and local communities is inextricably linked to and influenced by the unique conditions brought about by sharing this island, its indigenous resources and production capacity. A progressive and productive agri-food sector is a necessary ingredient in what sustains ‘home places’ for pro-union farmers and food producers, as well as for everyone else for whom this island is home.

The choices political unionism makes in the coming weeks, months and years are important to the evolution of the agri-food sector in both jurisdictions on this island. Reconciliation of past divisions is at the heart of the Belfast/Good Friday Agreement, and now the Ireland/Northern Ireland Protocol protecting it. So a joined up North/South approach to the future of agri-food on the island would be a positive and significant contribution to continuing that vital work.

⁷ <https://mydup.com/news/statement-by-rt-hon-arlene-foster-mla>

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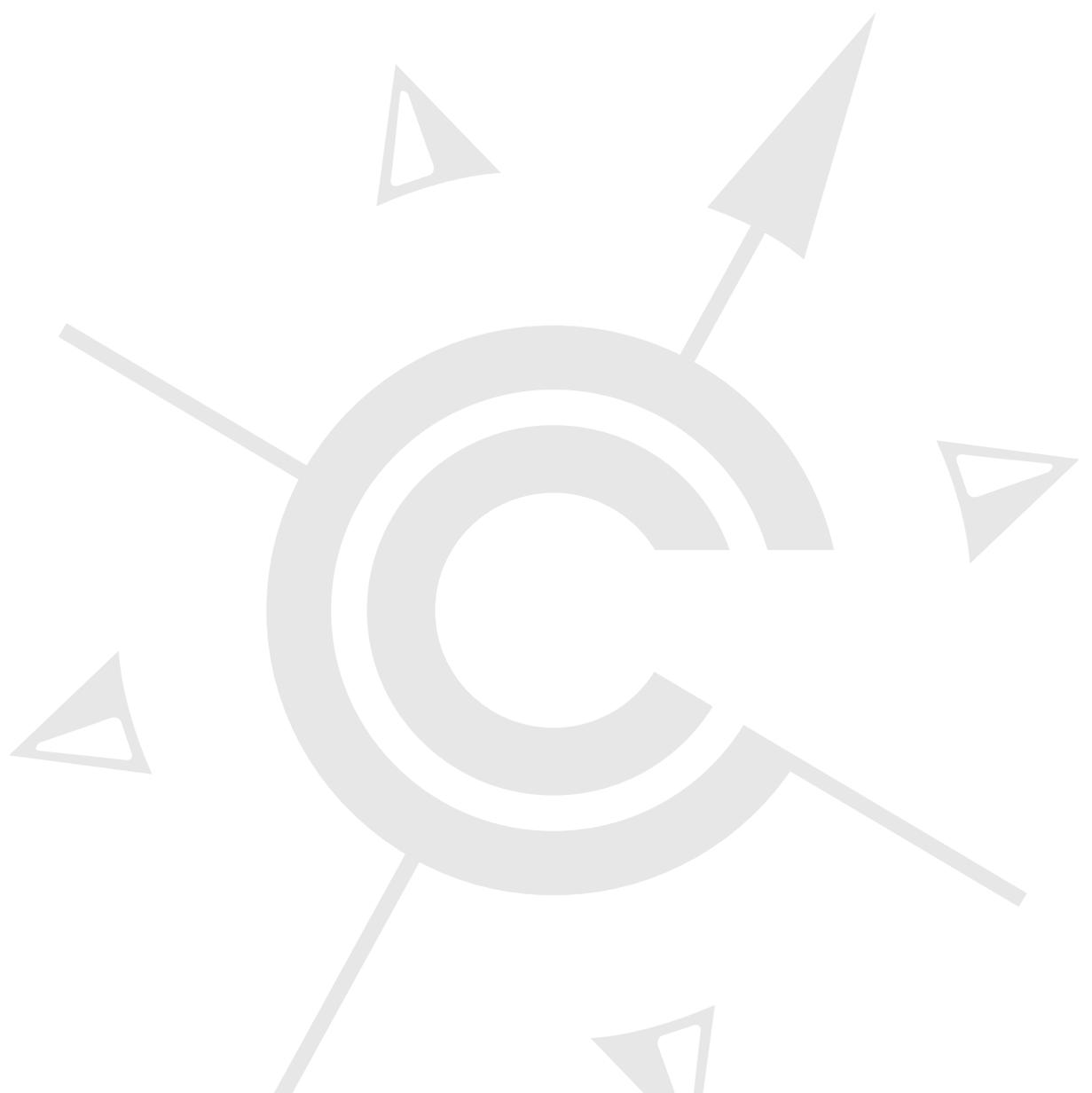
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