

# Our Manifesto 2016



*We Lead. We Export. We Innovate.*





NIFDA  
Chairman's  
Perspective

# The Northern Ireland Food and Drink Industry is by any measure a major success story.

It is now the lead sector within our local economy, employing 100,000 people and generating £2 billion in wages. The sales value of the food we produce will hit around £5 billion this year with at least £3.5 billion of that coming from export markets. Our companies win awards for innovation, quality and flavour; they supply all the major retailers throughout Ireland, GB and beyond, and they compete in an increasingly competitive and volatile global market.

Northern Ireland is good at food...  
but, with a little help, we could be even better!

We believe that our food and drink industry has the scope to create 15,000 sustainable new jobs by 2020. The potential for this was presented in the Agri-Food Strategy Board's Going For Growth report, but we still await the implementation of many of its recommendations to make this happen. The most pressing need is for a Food Export Marketing Body, without which we are at a major competitive disadvantage. Northern Ireland energy prices remain higher than in GB or RoI... we need action to strengthen the grid with greater interconnection to both these neighbours... and delivery of the new gas pipeline to the West.

This manifesto calls for support, but in the spirit of partnership. We can deliver growth in export sales and growth in jobs; we have identified where targeted government help would have a hugely positive effect, and we ask for that help.

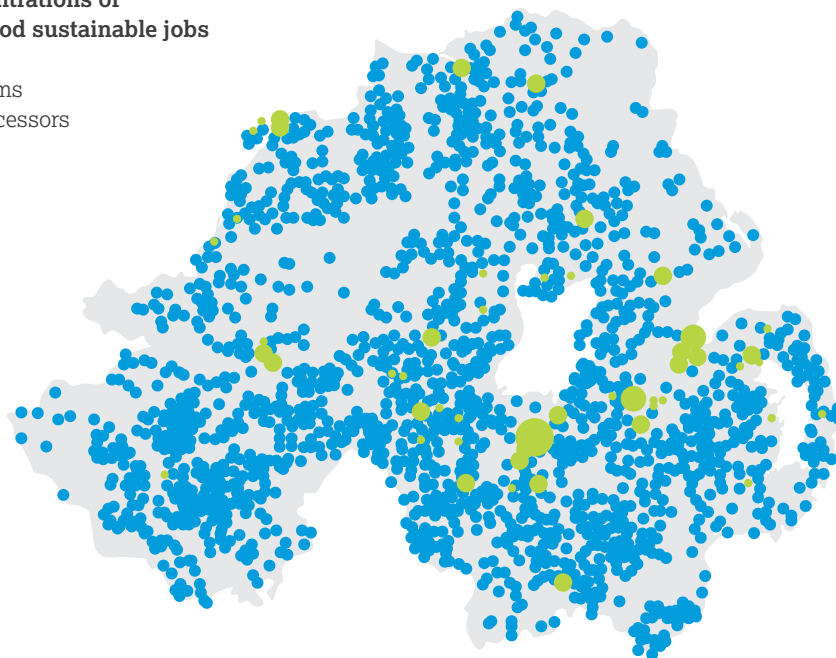
**Dr David Dobbin CBE**  
Chairman NIFDA

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## Industry Facts

### Concentrations of agri-food sustainable jobs

- Farms
- Processors



No.1	We are the largest contributor to sales, exports and employment within the overall Northern Ireland manufacturing sector.
3 for 1	Every direct job in a NIFDA member company generates at least 3 more in the supply chain.
£4.8bn	We sold £4.8 billion of local produce last year, of which over 67% was exported.
100k jobs	We employ 22,000 directly and 78,000 more in farming and support services right across NI as illustrated above.
Best food	Northern Ireland Food and Drink produce is amongst the very best in the British Isles. In the great Taste Awards in 2011 we won 160 gold stars, in 2015 we won 200!

## How have we performed and what are our prospects?

From 2010 to 2014 (the latest available DARD statistics) our members have delivered continuous growth of £1.026 billion or 27 % over 4 years.

However, as the following table demonstrates, the potential for more growth, especially in world markets, is significant.

### Sales growth by destination 2010 – 2014 (DARD)

Region	2010 Sales	2014 Sales est	2014 Share of total sales	2010/14 Growth
	£m	£m	%	%
Northern Ireland	1160	1330	27.9	14.7
Great Britain	1530	1932	40.5	26.3
Republic of Ireland	654	800	16.8	22.3
Other EU	323	570	11.9	76.5
World	79	140	2.9	77.2
<b>Total</b>	<b>3746</b>	<b>4772</b>	<b>100</b>	<b>27.4</b>

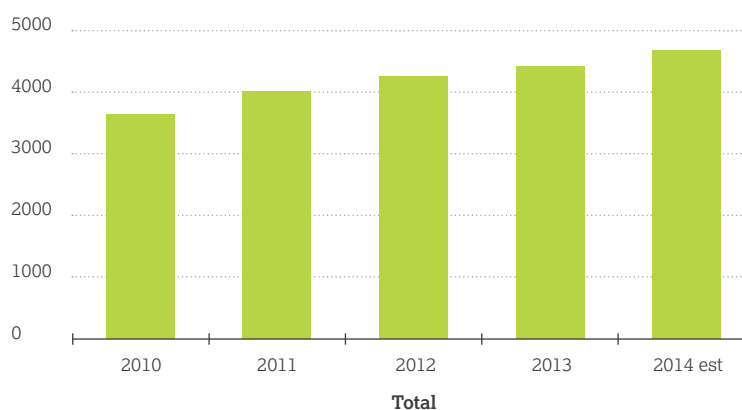
The food industry continues to see a steady growth in demand. The world's population is growing by 1.13 % and with growing per capita consumption in developing economies, food demand is growing by around 2 %. In the next 15 years, global food consumption is expected to grow by 35 %.

With plentiful supplies of clean water, a cool temperate climate, and significant capability and expertise, the Northern Ireland food and drink industry is well placed to benefit from the expanding global demand for food. Our 'Year of Food and Drink 2016' will help highlight the excellence of our industry.

There is considerable scope for further growth of NI food and drink sales into Great Britain, which has an annual trade deficit in food and drink of some £21bn. Northern Ireland food and drink can be labelled British, and with our industry sharing the same currency and legislative framework, access is straightforward.

We need to improve the reach and international competitiveness of our sector. Our nearest competitors in the Irish Republic, Wales and Scotland have already committed significant resources into the growth of their agri-food sectors.

### Total Sales £m



A key opportunity for our industry is export growth. We urgently need a food export marketing body to help realise this significant potential.

NIFDA strongly supports the drive towards a competitive regulatory environment which is driven by risk management and not risk avoidance.

It is important that the NI Executive and UK Government create an environment which gives our members a 'level playing field' with other key competitor food producing regions. (Scotland, Wales, RoI, the EU, US and Australasia.)

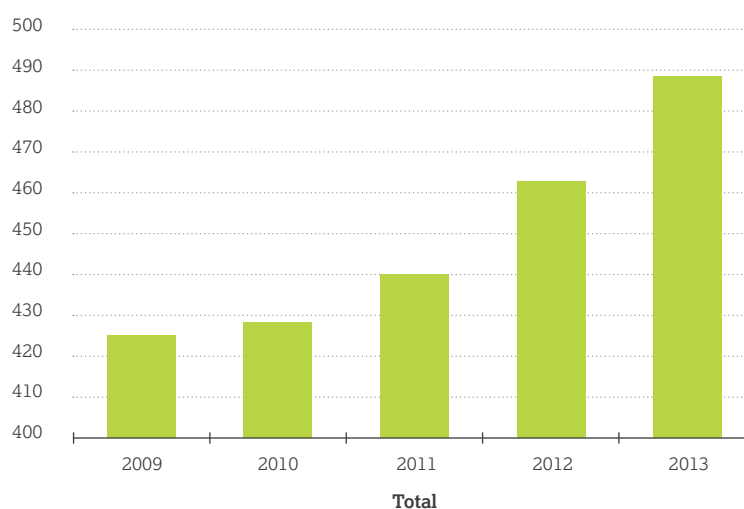
Taking this support as given, our members will continue to deliver sustainable growth in sales, exports and employment. We believe that the Executive's continued support is key to ensuring the ongoing success of our industry and its position as our largest sector, our largest exporter and our largest employer. The agri-food sector has significant ability to provide meaningful careers for the next generation, especially in the rural community, creating much needed prosperity in our region.

In total the agri-food supply chain generates **£2bn** of wages.

(NIFDA estimate from SIC2007 Table 5 (NI).7a  
Annual pay – Gross (£) – For all employee jobs: Northern Ireland, 2015)

We paid wages of over **£489m** in 2013 to direct employees.

**Total Wages £m**



## NIFDA's economic and policy context

Agri-food is a cornerstone of the Northern Ireland economy. Whilst long standing key local industry sectors such as ship building and textiles have declined, agri-food has enjoyed a period of sustained growth.

The industry is even more relevant going forward, with a growing world population and increasing global constraints on available agricultural land and water exacerbated further by climate change.

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We have significant capacity for sustainable growth. We also have a strong science and technology base to deal with the sustainability challenges facing us such as Nitrates and Phosphates.

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### We are great at food and drink!

- Northern Ireland's food and drink sector buys 90% of the local agricultural output.
- The agri-food supply chain supports one in five of all manufacturing jobs.
- From 2007 to 2014 turnover grew by £1.93 bn. to £4.8 bn. This was during a time when other industries were in recession.

The Northern Ireland agri-food sector has shown the ability and tenacity to grow during the most difficult economic climate experienced for a generation. By building on its proven ability, agri-food can help take the Northern Ireland economy forward and significantly grow the private sector.

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## Our goal for Northern Ireland

Create **15,000** new sustainable jobs by **2020** by investing in the agri-food supply chain.

However, this figure alone does not fully capture the benefit to our region. **Agri-food jobs largely exist in the rural community.**

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## What makes our contribution to the economy so important?

- We will create sustainable jobs across the region with **most in rural areas outside of greater Belfast.**
- Our export led growth **will bring new income to the NI economy** and expand our private sector, stimulating a wide range of local businesses and helping offset the expected reduction in the public sector.
- Every job in Food and Drink manufacturing **supports 3 more in our local economy**, in areas such as transport, shipping, cold stores, engineering support, packaging, IT, design, media agencies etc

- **The ongoing expansion in the local food and drink sector has resulted in significant capital investment of £500 million in the last three years. That has been invested in buildings and infrastructure supporting the local engineering and construction sectors.**

Northern Ireland's food and drink sector supports **one in six** of all private sector jobs.

## We can succeed with the right support from the Executive

We very much value the Northern Ireland Executive's declared support for the growth and development of Food and Drink Manufacturing and its allocation of £250 million to farm modernisation.

Going forward we call on the Executive to work with us to remove the barriers which constrain development. Areas such as planning, energy policy and environmental regulations must be reviewed and amended. The right support will encourage further investment in training, innovation and external marketing, **which will accelerate new sustainable growth and job creation.**

We encourage the Executive to support Local Sustainable Investment (**LSI**) giving it as much emphasis as Foreign Direct Investment (**FDI**).

We hope the Executive will work with us to support employment creation.

NIFDA believes remaining in the European Union Market is essential for market access and Agri-Food success.

NIFDA supports the principle of a **sustainable** living wage but will have to raise industry productivity to absorb the additional costs including the costs in other wage differentials. This will be done through skills development, new technology and innovation.

The industry is currently challenged by increasing levels of global price volatility. The impact of global economics, Geopolitics (Russia etc.), oil prices, climate change (impacting on today's harvests), commodity prices and exchange rates are all combining

to create higher levels of turbulence than experienced before.

This instability is very difficult for our industry's supply chain to absorb, especially on family farms (as we are currently seeing with dairy farmers).

It is essential that we develop, with the EU, hedging mechanisms that will address price volatility.

Against a background of increasing volatility, new ways of financing the industry have to be made available. (Cash flow assistance in particular is critical.)

NIFDA welcomes and values the Executive's support in helping to develop an updated strategy for the Industry. **NIFDA now calls upon the Executive to support the implementation of the action plan.** A key deliverable is the **food export marketing body**.

NIFDA commits to working with the Executive to assist in developing innovative methods to achieve workable policy implementation. NIFDA believes that there is scope for significant public sector productivity improvements which would benefit everyone. There is also an opportunity to reduce the cost of regulation to both Business and Government.

NIFDA supports the development of NIEA Prosperity Agreements.

NIFDA supports precision Agriculture and encourages the Executive to invest in its development.

## NIFDA advocates a 'single supply chain' concept with improved transparency and cooperation.



# Our Call to Government: Help create 15,000 jobs

1

## Prioritise agri-food: we are good at Food and Drink

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- We call on the Northern Ireland Executive to work with the main stakeholders in agri-food, including representatives of DARD, DETI, Invest NI, NIEA, FSA, NIFDA and the UFU in order to draw up a 'delivery plan' for the future growth of the sector as outlined in the Agri-food Strategy document. The implementation of this, which is outcome focused, should be adopted by the Executive as a centre-piece of its economic strategy in the Programme for Government.
- To adopt enlightened partnership approaches with the agri-food sector in relation to Food Safety, the environment and planning. (Manage rather than avoid risk.)

We call on the Northern Ireland Executive to make the growth of the agri-food sector a central pillar of its economic strategy.

We call on the Northern Ireland Executive to establish a food export marketing body as a priority.

2

## Support sustainable jobs

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- Establish ring fenced funding to accelerate added value, export led, and sustainable food production. (This should be delivered through DARD, Invest NI, DETI and DEL with oversight by the Industry.)
- The Executive must work with the agri-food sector and banks to ensure that rapid growth is not curtailed by the absence of adequate funding.
- Put in place risk sharing mechanisms to provide security to banks in order to free up working capital and investment funding.
- Adopt business friendly policies which will encourage re-investment such as reducing corporation tax, maintaining manufacturing rate relief, encouraging innovation, training and capital investment.

3

## Remove barriers to growth

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- NIFDA believes that our Food and Drink should be labelled as either British or Irish.
- Reduce the cost of the regulatory burden.
- Prioritise the economic case of planning applications – planning needs to be faster, and recognise the true value of job creation.
- A skills development policy to underpin the agri-food sector growth in production, technical, engineering, R&D and marketing so we can create attractive and well paid jobs to meet our skills needs.
- Support the agri-food industry to access new markets. (Achieve the certifications required.)
- Develop international air connectivity.
- Modernise liquor licencing laws (distilleries and breweries).



Action is required now.  
Our competition is not  
standing still.

Support innovation in  
new products to grow  
the export market.

Support innovation  
in public food supply  
contracts to maximise  
health and freshness.

## 4

### Encourage green competitiveness – input costs

- Take action to reduce the high cost of energy in Northern Ireland and provide more competitive electricity prices to local industry. Ensure that a new gas pipeline to the West offers industry a high pressure gas connection and a reasonable connection charge.
- Take action to strengthen the grid with greater interconnection to RoI and GB.
- Reinforce the grid to provide robust uninterrupted supply and connections to renewable energy sources.
- Electricity costs must support export competitiveness.
- Encourage sustainable fuels for energy on site/farm. (Biomass and Renewable Heat Incentive).
- Encourage commercial and environmental sustainability.

## 5

### Help NI Food and Drink add value to our products and our society

- Enhance innovation through alignment of producer/market orientated research and development and the transfer of the associated knowledge. (Agrisearch and AgriQuest)
- Help the sector to boost farm and processing productivity by promoting best practice, developing new processes and introducing new technology including genetics.
- Health, Dietary balance and special Nutrition focus.
- Help us support Fareshare (Food redistribution charity).
- Help us supply the best food we can to the public sector.

## 6

### Improve Perception and Skills

- NIFDA seeks greater skills development support for the agri-food sector.
- The industry has invested in improving its attractiveness to young people and asks the Executive to support us in attracting talent to the sector and addressing skills shortages.
- Input into HE and FE curriculum planning to ensure output is addressing industry needs.
- NIFDA strongly supports the drive to create more apprenticeship positions, but believes the proposed 0.5% levy is a disincentive to companies who are already investing.
- NIFDA calls for a regional skills shortage list to be established with the Migration Advisory Committee.

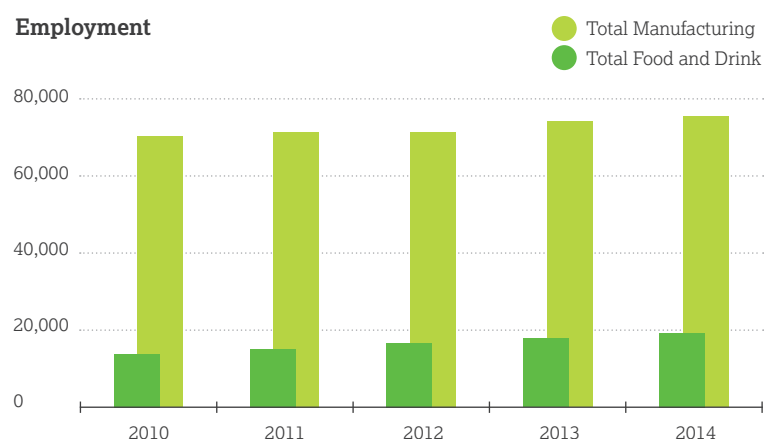
## Who is NIFDA?

Since our formation in 1996, NIFDA has worked to support Northern Ireland's largest industry and employer, currently worth £5billion per year. **NIFDA now represents over 80% of Northern Ireland's food and drink manufacturers (by turnover; over 90% by employment).**

### Our achievements include:

- Changing the perception of our industry
- Agri-Food Strategy Board
- Northern Ireland Food Chain Certification Ltd.
- Food NI and Taste of Ulster
- Agriquest, Northern Ireland Research Competence Centre
- Access Six £23m project
- Appetite for Growth conference series
- Collaborative Network
- Northern Ireland Food and Drink Awards
- Grocery Suppliers Code of Practice Training
- Building credible relationships throughout these islands

For over 100 years our local agri-food industry has been a cornerstone of our economy. The industry has continued to deliver innovation and has a track record of investment and achievement.







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