



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Agri-Food Strategy Board

26 June 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Ms Michaela Boyle
Mrs Jo-Anne Dobson
Mr William Irwin
Mr Oliver McMullan

Witnesses:

Mr Tony O'Neill	Agri-Food Strategy Board
Mr Keith Morrison	Department of Agriculture and Rural Development
Dr Graeme Hutchinson	Department of Enterprise, Trade and Investment

The Chairperson: I welcome to the table Tony O'Neill, chairperson of the Agri-Food Strategy Board; Keith Morrison, director of food, farm and rural policy in the Department of Agriculture and Rural Development (DARD) and DARD senior responsible officer (SRO) for the project; and Dr Graeme Hutchinson, director of economic policy in the Department of Enterprise, Trade and Investment (DETI) and DETI SRO for the project. You are very welcome. None of you are strangers to this Committee and to the Assembly; I have certainly met you all before. Without further ado, I am sure that you have a presentation for us before we go into questions. Tony, I will hand over to you.

Mr Tony O'Neill (Agri-Food Strategy Board): Thank you, Chairman. I have been here before, but I am usually in the back rows heckling. It is not often that I sit at this table. Thank you for the opportunity to address the Committee on this important work. You are well aware of the significant contribution that the agrifood sector makes, particularly in the rural economy. You will have heard how the sector has continued to grow through the recent economic downturn but, even with that good news, there is still much more potential for the sector to expand, and I, along with the rest of the Agri-Food Strategy Board, have been tasked with developing an export-led growth strategy.

External sales already represent a significant strength for the food and drink sector, making up 70% of our sales. However, the total in the food and drink industry represents approximately 2% of the output of the entire Northern Ireland economy. Despite recent expansion, I firmly believe that the potential exists to continue to expand. The industry is unique, and its value is spread across the Province. That is our greatest strength; we are present in every county in Northern Ireland and represented in virtually every town, and we have a huge influence on the urban economy. A total of 23,000 people are directly employed by the food companies, but we have a multiplier effect throughout the economy, and lots of other companies and services service all our industry. So, there are, directly associated with processing, something in the order of 60,000 jobs in Northern Ireland.

When speaking about the work of the board, the Minister of Agriculture and Rural Development and the Minister of Enterprise, Trade and Investment have repeatedly stated that any strategic plan must be industry-agreed and industry-led. I agree with the principle. However, the delivery of any strategy will only happen if government Departments and agencies work with us to make it happen. It is my view — and I know that the Agriculture and Enterprise Ministers hold a similar view — that any strategic plan must recognise the problems of the individual subsectors and target specific recommendations for each of the sectors. Notwithstanding that, there will, no doubt, be issues coming to the sector as a whole, and my colleagues on the board and I will work to develop a plan with subsectoral focus and a holistic and thematic approach across the industry. The board held two meetings in June, and we plan to hold two meetings in July. I am confident that we have the skills and experience around the table to make this a reality.

Some issues coming out of this relate to support for innovation, research and development, ensuring that companies and farmers are equipped with the right skills to push industry forward, and the need to ensure that the regulatory environment is fair and proportionate. It has often proved difficult for the sector to attract the highest calibre of staff. We are now helped by the fact that the agrifood sector is seen as a place to be. We have improved our presence and reputation over the past few years, and we continue to do that and build our attractiveness for young people coming into the sector in the future.

The tradition of considering the agrifood sector to be a low-paid, difficult environment is slowly fading away. We are generally above the average pay for the manufacturing sector, and we offer career opportunities for nearly all elements of our young people, from straight agrifood science right through to science, marketing, accounting and every career aspiration that you could possibly mention. However, we need to continue to build on that, and that is helped in a way by the fact that I have also been involved in the future skills action group to address the issue of skills gaps in the sector. We can build on that strength as well. However, there are many other aspects that will come out over time. I welcome the opportunity to have a two-way dialogue on this one.

The Chairperson: Thank you very much, Tony, for your opening remarks. Keith or Graeme, do you want to add anything at this stage before we go into questions?

Mr Keith Morrison (Department of Agriculture and Rural Development): No, I am happy enough.

Dr Graeme Hutchinson (Department of Enterprise, Trade and Investment): I am happy as well, Chairman.

The Chairperson: Some concerns have been put to me as Chair. There is no representation from what could be described as the fishing industry. How would you comment on that?

Mr T O'Neill: I will take it in two steps. We have a limited number of people on the board, and you cannot represent everybody. However, we have nominated an individual within the board to lead each of the major subsectors, so we have identified an individual to represent the fish sector. We have a lead player on dairy and red meat and so on, and we have covered all the major sectors, including those that are not on the table. We have set up subgroups to look at all sectors, including horticulture and cut flowers and all sorts of things that are not actively represented on the board. We are very conscious of the need to make that voice heard, and we will be looking for contributions from all sectors.

The Chairperson: Is it fair to say that each member of the board not only comes with their expertise and talents but is given a job of work and a role of responsibility throughout the industries?

Mr T O'Neill: Exactly.

The Chairperson: The criticism and frustration that we hear from the industry is that we are very good at publishing report after report after report in this country. I know that that has to be done and it is up to Departments to acknowledge those reports and to action them. If anything has been lacking, it is that there has been no action on the reports that have published to date. A published report that sits on a shelf helps no one. How confident are you that your board's findings will be looked at by Departments and acted on, and that adequate resources will be implanted into the industry to make things happen and to act on and progress your recommendations, whatever they may be?

Mr T O'Neill: I have most of those reports in my filing cabinet; I think that we all have. From the industry side, that is one of the criticisms that we have of the past, and we acknowledge that. The environment that we operate in is as favourable as it ever could be for agrifood, and we have received recognition in recent years. The fact that we are part of the Programme for Government has also led credibility to us. Therefore, I am much more confident than I have ever been that we are being taken seriously. We have the right mix of skills and experience around the table. We will produce a document, but it will be less of a strategic review and more of an implementation plan, because we are very conscious that there have been many strategic reviews. We will review the material already in place to ensure that it is current for today, but we are more interested in moving into an action plan to make that happen.

The confidence is improved by the very active support of both Ministers and their Departments. To date, both Ministers have been very supportive, and the fact that I have very able support alongside me indicates that the resources have been made available. Time will tell as to how radical we call on the Executive to be. However, the signs are good at this stage.

The Chairperson: You have the ear of the Ministers and the support of the Departments. How does the industry view the setting up of the board?

Mr T O'Neill: It is like everything: we have the two extremes. We have fatigue in the environment because we have had five or 10 other reports in the past. However, we also have wild bursts of enthusiasm from people who think that we can fix the world. There is the extreme of people who say that it is just another exercise to those who think that it is going to fix nearly everything. We are, hopefully, going to steer a path down the middle somewhere and make it pragmatic. We have to accept that we are looking to make change happen fairly quickly. We may have to look at a rolling plan of change so that a short-term programme comes into play, but with a longer-term view that we can make bigger things happen over time. It has got much more of an ear across the industry because of the people who are on the board; because they are all very senior people and they carry credibility with them.

The Chairperson: Final question before I put it out to the members: is there a sense among the membership of the board and the wider industry that we are lagging behind other competitors — other member states — with regard to agrifood, export and everything that ties up with that? Do you see that coming out in your board as frustration or panic, or do you see that the people on the board are 100% focused on the job in hand to deliver for Northern Ireland?

Mr T O'Neill: I would be disingenuous to say that we do not think that we are behind other markets, because I have said that in public before. We are conscious of the fact that our near neighbours, whether it be Scotland or the Republic of Ireland, are actively working on this agenda. We have some work to do to catch up. However, we are small enough and fleet of foot and, therefore, we should be able to catch up. However, it means that we are looking at a very aggressive timeline in what we are doing. That is very much where the board is at the moment. If you look at work that has been done in other areas, it has been done very extensively but over a long period of time. We are, let us say, plagiarising some of that work, obviously, for there is a lot of good work that has been done in other jurisdictions. We will look at that; we will use as much of it as we can to fast-track our action plan.

The Chairperson: OK. Thank you very much.

Mrs Dobson: Thank you, Tony, for your presentation. I think the Agri-Food Strategy Board is a very welcome development. I welcome the fact that, going through that list, there is very expert opinion in the make-up of the members of the board. I know it will be an effective voice for farmers, but I hope that that voice is listened to in the industry. Would the Department consider — do you think that the situation could arise — that the board would suggest one thing and DARD would be pushing in the opposite direction? Basically, how many teeth will the board have? Can you outline what powers, if that situation arose —

Mr T O'Neill: We are working on the principle of partnership. We are finding —

Mrs Dobson: So is it an equal partnership?

Mr T O'Neill: Well, we have the advantage. Remember that we can have a tantrum and walk off and go home. Unfortunately, some of these other people do not have that opportunity, because you can still bring them back up here and ask them hard questions. So we do —

Mrs Dobson: The wisdom you have on the board is such an opportunity.

Mr T O'Neill: I think we are approaching it on the basis that, frankly, the management of both Departments want the same solution we do. That is what we have seen so far. Clearly there will be challenges in terms of the way we want to change things and the speed with which we wish to change things. We see that as a challenge to both Departments; let us be blunt. But equally, we are pleased that the attitude so far has been very receptive to that. Until we ask them hard questions, they don't really know how hard it's going to be. Neither do we, to be honest, but so far it looks positive.

Mr Morrison: We are trying to do the same thing, and there is a good opportunity to do that. Of course there is some understanding. I am learning a lot about how the industry operates and focuses and what its priorities are, and I think the industry members are learning a lot about how government works and how you turn the ideas into reality, particularly if you are using public money. So everybody has been very focused on growth, which is what we are trying to target here, and there is very much a partnership approach to try and say how we take this forward together, because we can do it together.

Dr Hutchinson: From a DETI perspective, the economic strategy has identified a small number of priority sectors that have been identified by the industry itself as the areas that merit very significant and concentrated attention activity, one of which is agrifood. What we are certainly seeing in the Department is moving now from the easy issue of identifying it as a priority sector and asking what are the key actions that actually make that commitment good in terms of growing exports and the points that Tony has made about reaching other markets where, perhaps, the sector has not been before, or deepening its reach in traditional markets. That is very much the Department's perspective and Invest NI's perspective on this, as well.

Mrs Dobson: Will the Department consider further, similar boards as a way of ensuring that the industry's voice is heard by officials? I just think that this has been such a long time coming and is such a valuable board. I would like to make sure that it has teeth, as I have said, and its opinions are taken on board. DARD doesn't have a great track record of listening. I think it's very important that, with the experience on this board, DARD does listen to the advice that is given. I am just concerned. If they are going in different directions at that stage, what happens then?

Mr T O'Neill: I think that we collectively make a lot of noise. We will be surprised if people don't listen to us.

Mrs Dobson: Good.

Mr T O'Neill: Let us make it as diplomatic as that. Frankly, there is no interest from the industry side in spending three years doing this if we are not effective. We will not be doing it; it is as simple as that. If it is not working, we will walk away. That is the best test that we can give it. We are not going to put our time and effort into something that does not work. The challenge is well recognised by both Departments. I am optimistic.

Mrs Dobson: OK. Thank you.

Mr McMullan: Thank you for your presentation. I am quite sure that the board will work. I have confidence in it. I have a few questions for you.

How sure are you that you will get the message out to young people? A lot of young people are in further education in the colleges. However, we need to get the story about the agrifood board out there. A lot of people in the industry have not heard of it yet. I know because I am sort of connected to that side of the business too. How can we be sure about getting the story out?

That is the first question. The second one is: do we have a good mix on the board? I notice that three of them are from the dairy industry. What might the public perception of that be? Is that a good mix? I am not looking at the individuals, I am just looking at their titles.

Thirdly, what is your view, from the food industry's perspective, on the national park?

Mr T O'Neill: The third question is very hard.

Your first question was about getting our message out. Clearly, we have just been mobilising for the past number of weeks. In terms of communicating with the general public and, in particular, with young people about skills and opportunities in the sector, we have been fairly active on that through the colleges in recent months. As part of the future skills action grouping, we will adopt programmes under the wing of the Agri-Food Strategy Board. We will make sure that things like the Tasty Careers programme, through the schools, continue and will build on them. We are putting a lot of effort into those things to actually drive up awareness of the opportunities in the sector. At the moment, most of the colleges are well oversubscribed. So, it is clear that we are having an effect. The issue that we have had in the past is that we have a one-year burst and then go to sleep again. We have carried this thing through for the past two years, and we have programmes in place to carry it forward for another two years. We hope, therefore, that it starts to become real.

You asked about the membership of the board. We were clear in selecting the board members that we would pick people on ability. We were more interested in the calibre of the individuals than their representativeness of each of the sectors. We picked people on their skill base. As I said, we have two chief executives from the dairy industry on the team. One of them is looking at the dairy industry and the other is looking at the red meat sector. So, we are spreading the skill according to where we think it can give us maximum value. For instance, John Thompson, who is clearly a dairy guy and a very strong individual, is looking at the horticulture sector. Frankly, we are more interested in what they can do than in where they have worked.

At the end of the day, I accept that my challenge, as chairman, is to make sure that they do not follow, if you like, a company agenda. They have to work for Northern Ireland plc. We operate on the principle that, when they come through the door, they leave their day job behind. They have to think of the general good. That is working so far. It is very interesting and challenging for everybody, including me. You do come with your own baggage. We all have a challenge to face. As I keep telling people, I am at an age at which I am interested in jobs for my grandchildren. My job is not really of interest to me any more. I need to make sure that I do not have to keep them for the rest of my life. *[Laughter.]*

The Chairperson: OK. William Irwin.

Mr McMullan: My third question —

Mr T O'Neill: The national park.

The Chairperson: The matter of the national parks is not really in this Committee's remit, and I am sure that the board has not formed an opinion on it. Therefore, I will give the panel a bye ball on that question. Tony, you may answer it if you want to do so, but I will not push you for it.

Mr T O'Neill: I can answer it, but it will disappoint the man. Frankly, I have not given it any thought, and, to be honest, it has not been top of my agenda. I have read the papers with interest, but I do not know enough about it to make a view. I am sure that I will do so in due course, because I have a view on nearly everything. *[Laughter.]*

Mr Irwin: Thank you for your presentation. Being a farmer, I welcome the setting up of a food strategy board. You have a wealth of expertise among the members. It is good that the Department will work in tandem with the board. That is vital. Our near neighbours in the Irish Republic and maybe in Scotland already have a strategy ahead. We have probably been lagging behind, but it is better late than never. We have a great industry, and we need a clear strategy. The strategy board will have to report, but that will not be a final report but more a work in progress, I presume. Is that right?

Mr T O'Neill: That is my view. We hope to have a framework document in place towards the end of the year. I am cautioning everybody that it is not a document that you put in the filing cabinet but a work in progress that we keep building on.

Mr Irwin: I wish you well and hope that you are very successful in that.

Ms Boyle: Thank you for your presentation, Tony. I welcome the board and its members. It will be very good for the industry and is long-awaited. Your brief states that you will meet four times a year, and Jo-Anne alluded to your working relationship with the Department. I see that, at other times, you will carry out your detailed work through the thematic subgroups and the sectoral groups. Have you met yet?

Mr T O'Neill: We have met twice. There are two elements. I personally meet some or all of the Departments at least once a week. The board is putting extra effort in now to get the process up and working, and we will put a lot more time into it in the first six months than we expect to later on. Four times a year will not start the process. When it is running and operating, four times a year should be enough to make sure that it keeps going and to remove obstacles. However, to get the machine working, we expect to put a lot more effort into it in the first six months.

Ms Boyle: There will be a good close working relationship with the subgroups?

Mr T O'Neill: Absolutely.

The Chairperson: Can you provide, not today but when it is forthcoming, the Committee with a breakdown of the roles and responsibilities of each member? You have said that people are responsible for certain sectors, even though they might not necessarily come from that sector. It would be very useful for the Committee to have sight of that.

You say that the subgroups and members have roles and responsibilities. I do not ask the question to embarrass anyone, but I see that there is no remuneration for members. How big an obstacle has that been to date? If you are asking someone to do a first-class piece of work, there should surely be adequate remuneration for that? Should that be looked at again or is it too late for that? Are we moving forward without it? How do you view it?

Mr T O'Neill: There are two schools of thought on that, considering the fact that the chairman is a paid post. The majority of people on the board are senior captains of industry who give quite freely of their time because they see it as a value. If it turns out that we are not effective, it would be a different position altogether. We had a skirmish to get board members to apply and go through the public appointments process for jobs that were not remunerated. It was an interesting dilemma to ask people to go through a hurdle — a system that was quite difficult — for jobs that they were effectively volunteering to do. It was interesting. However, with the group of people that we have, we are fortunate that the element of remuneration is not top of the list.

Mr Morrison: I agree with Tony. We have seen people coming to the table with a genuine desire to try to help the industry, and they are less concerned about salary. Of course, they are busy people. Getting the first couple of meetings organised was a challenge but they have happened, and we have blocked out people's time and they are willing to give us that time. It has been a very positive start.

Mr Hutchinson: At the double meeting we had last week, we had full representation of the board and very good engagement. The point that you made about remuneration must be seen in that context. Folk have already engaged and been proactive in that engagement.

The Chairperson: Oliver, do you want to come in? Is it about national parks? *[Laughter.]*

Mr McMullan: No.

Mr T O'Neill: If you ask me in six months, Oliver, I might have a view then.

Mr McMullan: RPA is coming, and when the legislation comes through, the local authorities will be doing their community plans, and the food and drink industry is pivotal to their income. Will you go out to the local authorities or will you go through the Northern Ireland Local Government Association (NILGA)? How will you get your story out to local authorities? It would be very helpful if you could get it out, especially to the rural authorities. When they put their plans together, they will be looking at tourism, farming and the catering industry. It will be right across the board. I think that you should get your message out there. Could you bear that in mind, if you have not thought about it?

Mr T O'Neill: I have not in the widest sense. I met the Craigavon development team because it is close to home. However, we will take that on board and see whether we can do that.

Mr Hutchinson: With regard to the call for evidence, we are going out to all the stakeholders to highlight the fact that the strategy board is up and running and to give them the key issues. Part and parcel of what we discussed last week at the board was the fact that we wanted the call for evidence to be as wide and as participative as possible.

Mr McMullan: That is good. Thank you.

The Chairperson: There are no further questions from members. Gentlemen, thank you very much for your time. Tony, it was good to have you here officially. We wish you, the members on the board and the departmental officials who have been tasked to fulfil a role on the board, all the best for the future with the job of work ahead of you. I am sure that I speak for all Committee members when I wish you all the best in your endeavours.

Mr T O'Neill: Thank you very much.