



Northern Ireland  
Assembly

Committee for Enterprise, Trade and  
Investment

# OFFICIAL REPORT (Hansard)

Going for Growth: Agri-Food Strategy Board and  
Department of Enterprise, Trade and Investment

14 October 2014

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Patsy McGlone (Chairperson)  
Mr Phil Flanagan (Deputy Chairperson)  
Mr Steven Agnew  
Mr Sydney Anderson  
Mr Gordon Dunne  
Ms Megan Fearon  
Mr Paul Frew  
Mr William Humphrey  
Mr Danny Kinahan

**Witnesses:**

Mr Tony O'Neill	Agri-Food Strategy Board
Mr Diarmuid McLean	Department of Enterprise, Trade and Investment
Mr John Simms	Department of Enterprise, Trade and Investment

**The Chairperson (Mr McGlone):** We have with us Mr Tony O'Neill, the chairperson of the Agri-Food Strategy Board (AFSB); Mr Diarmuid McLean, head of economic policy division in the Department of Enterprise, Trade and Investment; and Mr John Simms, head of access and agrifood branch in the Department. You are all very welcome. It is good to see you. We look forward to hearing from you about progress. The routine for the meeting — Tony, you are well practised at this stage — is that you make a few opening remarks, which will be followed by a question-and-answer session with Committee members. Thanks very much for being with us.

**Mr Tony O'Neill (Agri-Food Strategy Board):** Good morning, Chair, and thanks for inviting me here again. It has been some time since we last met.

**The Chairperson (Mr McGlone):** In Committee, anyway.

**Mr T O'Neill:** I must be getting old, because I cannot remember. It seems like a long time ago. I was very concerned when I walked through the door and saw Paul Frew rubbing his hands. I thought to myself, "Oh".

**The Chairperson (Mr McGlone):** Well, the meeting is not over yet. *[Laughter.]*

**Mr T O'Neill:** The agrifood sector has continued to grow. I am sure that you are all aware that, since the previous statistics were published, agrifood has grown a further 7%, which reinforces our message

that it is a sector that continues to grow, even in very difficult circumstances. We continue to see progress across all the sectors.

The strength of our produce is recognised across the board. I am sure that you have all heard about the success that we enjoyed at the Great Taste awards, at which Northern Ireland companies broke all previous records. A total of 99 companies secured 264 awards across all sectors, including 11 in the highest sectoral group. You will have heard me say this before, and it is sort of my soapbox, but we are very good at agrifood and very successful at it. In many ways, we are disproportionately successful in our field in the UK and Ireland. That was an outstanding set of results, and it was the most significant performance in the British Isles. The awards demonstrate the quality of the outstanding produce that we have, as well as the creativity of our producers. Many of the awards are won by small, entrepreneurial, artisan-type companies, right through to the big guys. It affects companies right across Northern Ireland.

That is not to say that everything is rosy. Everybody is aware that sustainable competitiveness is still an issue for us and that producers continue to struggle. However, we have seen progress in many sectors. One of the themes that runs through conversations that I have every time that I come up to the house on the hill is the price of beef, which is the highest that it has been in a long, long time. I put that down to the fact that I have moved into the red meat sector. *[Laughter.]* The price of beef is responding appropriately to my injection of enthusiasm. The price is remarkably high at the moment, and we see it stabilising at that level for some time.

Our core vision in 'Going for Growth' is to grow a sustainable and competitive single supply chain right across our industry. That is still a core and key message that we put forward.

You will be aware that, in June this year, the Minister of Agriculture and Rural Development and the Minister of Enterprise, Trade and Investment announced that the Executive had agreed a response to our strategic action plan. The official Executive response is imminent, perhaps within the next few days. It has been signed off by the Ministers, so no doubt you will have it in your hands within hours. That publication has taken longer than we expected it to, and that is one of the frustrations that we have shared over the long period since the Agri-Food Strategy Board was created. Nevertheless, we are pleased to see that the announcement is imminent and that we are moving forward in all areas.

The Agri-Food Strategy Board continues to exist and operate. I am involved in a number of schemes. We continue to operate within our groups in the background, trying to keep many of the issues that we have on the table progressing despite, let us say, the lack of rapid progress across the sector. I was involved in the creation of the agrifood loan scheme, which was an initiative to try to open up access to finance for farmers. It was testing, and, in many ways, it jump-started activity from the banks so that they got back into investing in on-farm capital works.

I am involved in the DETI-led programme that is looking at a single marketing body for Northern Ireland, which is a very topical conversation, and at many of the elements of the Agri-Food Strategy Board's recommendations. A major success in the past number of months has been Executive support for our farm business improvement scheme proposal, which is the major plank of the Agri-Food Strategy Board's recommendations. Although that has been agreed and is in the system, we have a way to go to put it in place, because it will be delivered through the rural development programme (RDP), which will not be effective until the back end of 2015. Unfortunately, we are time-bound, but we were making progress and achieving success nevertheless.

The Agri-Food Strategy Board is scheduled to remain in place into 2015. We are suggesting that it is appropriate to look at extending the board's life. That is required because, owing to the timetable that we have worked to, we have probably lost 18 months of our lifespan to executing the plan. Therefore, we look forward to a situation in which the Agri-Food Strategy Board's life is extended to continue to push the implementation and execution of our plan.

As I said, the Executive response will be in your hands in a few days. I have had the opportunity to see a draft, but I appreciate that you guys will want to look at it in detail. It will probably be appropriate for either me or some of the departmental officials to come back and talk to you about it in more detail when you have had a chance to consider it. We would be very happy to do that.

The challenges in the Northern Ireland agrieconomy are probably more topical today than they were the last time that I talked to you. The public sector is facing increasing challenges, and we can all understand that. We have also talked in the past about rebalancing the Northern Ireland economy. I put it to you that it is even more important in the current circumstances to support the agrifood

industry. We have shown very clearly that we are capable of being successful. We have shown that we have the opportunity to create and build more business and more jobs. Having those jobs distributed throughout Northern Ireland is a key element of what we need for our future economy.

It is even more important in these difficult times that the Executive support continued investment, or an acceleration in investment, in the agrifood industry. I will leave it there and try to answer questions, as appropriate.

**The Chairperson (Mr McGlone):** Thanks very much, Tony. Some of the questions that we have might be best put to the officials from the Department.

To be honest, for a strategy that contains 118 recommendations, of which more than 80 fall to government, the two-page summary that we got from the Department does not seem to go into an awful lot of detail. Even with the best imagination in the world, we need more detail; for example, on progressing the extension of gas network to the west. That may support and help the agrifood strategy, but can you put a bit more meat on the bones of the nine bullet points? Can you tell me, first, of the 80 recommendations that fall to government, how many have been actioned? Secondly, what is the time frame and schedule for those? You have the year 2020 out there somewhere. How is it being benchmarked? Tony, you are an exemplary businessperson, so you know what I am talking about. At this point, we appear to have a strategy document and recommendations. I am hearing that there are 80 of those recommendations. What I am looking to know is, a year-plus on, how many of those recommendations have been lifted and actioned, and what is the time frame for those actions?

**Mr John Simms (Department of Enterprise, Trade and Investment):** Chair, if you like, I can cover a few of those. I do not have the exact numbers from a DETI point of view, but, of the 118, about 80 fall to government and roughly 30 fall to DETI and Invest NI. The list that you have is just some of the headline recommendations that we have been actioning. However, when you get the Executive response, you will see that there are actions beside each of the responses. We will also be coming back to the Committee with more detail to update you on, but, if you want, I can touch on some of the recommendations and tell you about some of the main ones that have been taken forward. For example, gas to the west is one of the issues that the board identified. That is why we —

**The Chairperson (Mr McGlone):** Sorry, is that an issue or part of the strategy?

**Mr Simms:** It is part of the strategy. It was a recommendation that that should be taken forward. That is why we have included it. A number of recommendations are quite specific —

**The Chairperson (Mr McGlone):** Yes, indeed, and perhaps you can give me some detail on this:

*"DETI leading on a comprehensive assessment of NI agri-food marketing and promotional activities and identifying options for improved delivery".*

To be honest with you, that tells me nothing. That is just pulled out of the air and stuck in there, so I am looking to you to tell me what it means.

Secondly, the summary states:

*"the establishment of a Marketing Group comprising Invest NI".*

Tony, you referred to that. Has that been set up? What is it doing?

Thirdly, it states:

*"the DETI Minister and Ministerial colleagues pro-actively promoting NI's agri-food produce".*

That is ongoing. That has been happening anyway and presumably ties in with this.

You have outlined the next bullet point, which is:

*"progressing extension of the gas network to the West".*

I want you to explain:

*"securing funding to create an Agri-Food Competence Centre".*

Has that been done? What has happened around that? If it has not been done, what is being done to make it happen?

The next bullet point is:

*"undertaking a major review of local business regulation, including elements of the agri-food sector".*

What stage is that at? I am sorry, but that does not tell me anything.

The next bullet point states:

*"the development and introduction of an Agri-Food Loan Scheme".*

Yes, I am aware of that. I would be interested in getting an update on its progress and on how successful it has been.

The next bullet point is:

*"working with the poultry industry in its efforts to secure a solution to meet EC requirements and the needs of the industry, including the introduction of a Sustainable Use of Poultry Litter loan scheme".*

Again, I would like a bit more meat to be put on the bones of that.

Obviously, Invest NI has had a long and extensive involvement with the agrifood sector prior to the strategic development. It would be helpful if you could give us some sort of idea of what is going on there, because, to be frank, the summary really does not tell me anything. You kindly said that, of the 118 recommendations, 80 fall to government, and I think that you said that 30-odd are the responsibility of DETI. I know what I would ask on behalf of members. Can you outline what those 30 recommendations are, what the action column is beside those, what progress has been made or is likely to be made, and against what time frame?

**Mr Simms:** I suppose —

**Mr T O'Neill:** Perhaps I will take the heat. I will run through some of them, because I know quite a bit about a lot of them. On the assessment of the marketing thing, one of the key recommendations that we put forward was for the creation of a marketing body for Northern Ireland to sell Northern Ireland plc throughout the world. There is a team set up to look at how to do that.

**The Chairperson (Mr McGlone):** How long has it been in place, Tony?

**Mr T O'Neill:** It has been in place for probably four or six months. I co-opted myself on to the group, because that is one of the bits that I have a significant interest in. We, as a team, have consulted widely with not only industry bodies but the different departmental bodies that are involved in marketing in one form or another. For instance, we will be visiting Dublin in a few weeks' time to talk to them about how they do it. We will visit Scotland to talk to the Scottish Food and Drink Federation to see how it is doing it and what we can learn. Therefore, a programme of work is going on to deliver that project. We expect to report to the Minister for December. There is a definite time frame around that.

The document that I referred you to a minute ago about the Executive response is doing exactly what you asked. It has identified all the actions, who will do it and the dates. You will be much better armed to monitor some of the actions when you get the document in your hand, because you will be able to ask whether we have met those dates.

**The Chairperson (Mr McGlone):** Good enough.

**Mr T O'Neill:** Clearly, this is an official briefing, if you like. You have heard me speak before about the value of Ministers going out into world markets. In some cases, our Ministers feel that they have to

justify going to some of those markets. Our position, as the Agri-Food Strategy Board and as industry, is, frankly, that that is a core part of the Ministers' job. We need them out there representing us in the field. We get rather irritated when they keep saying, "We have to justify the trip". Most of the trips are not very pleasant, involving hard work. You go to China and are working from dawn to dusk. It is quite difficult to do, but we feel that Ministers need to take that as being a core part of their activity. They need to be out there routinely. Forgive me for getting on my soapbox, but when I go to China and talk to the Chinese, they tell me that Scotland Ministers have been visiting China twice a year for the past 10 or 15 years. Scotland is a long-term partner of China. Northern Ireland has been there twice. Do you guys really take that seriously? It is incumbent on our Ministers to accept that this is a long-term game and that they have to be there on a routine basis. We take Ministers going out and doing that as a big sign of support, but they have to do it repeatedly and consider it as a long-term programme.

The proposal for an agrifood competence centre is one that I have been actively involved in. It is a £5 million fund spread over five years to do cutting-edge research on behalf of agriculture. The proposal is with Invest NI for appraisal, and I am optimistic that it will come through in the next number of months. Unfortunately, like many of these things, it has been in that process for three or four years.

**The Chairperson (Mr McGlone):** Sorry, the project has been in that process for three or four years. Does it predate the strategy?

**Mr T O'Neill:** Well, it dates to around the start of the strategy.

**The Chairperson (Mr McGlone):** You say three or four years, but the strategy is from just last year.

**Mr T O'Neill:** The strategy was published last year, but we have been in existence for nearly three years.

**The Chairperson (Mr McGlone):** Right, from 2012, yes.

**Mr T O'Neill:** It has been in the pipeline for a long time —

**The Chairperson (Mr McGlone):** How long ago was this submitted to Invest NI, Tony?

**Mr T O'Neill:** The latest version has been with Invest NI for the past few months.

**The Chairperson (Mr McGlone):** For two months?

**Mr T O'Neill:** It has cycled. There have been many iterations of it.

**The Chairperson (Mr McGlone):** Is Invest NI the only source of funding for the project?

**Mr T O'Neill:** Yes.

**The Chairperson (Mr McGlone):** It is anticipated that the entire £5 million will come from Invest NI.

**Mr T O'Neill:** Yes.

**The Chairperson (Mr McGlone):** OK.

**Mr T O'Neill:** It was done in response to a call from Invest NI to set it up.

**The Chairperson (Mr McGlone):** Yes.

**Mr T O'Neill:** Invest NI went out to the market, saying that it wanted to do it because competence centres are run in many member states in Europe in many different areas of industry. It was triggered by Invest NI but has encountered many difficulties along the way, including the delegated authority to manage and spend the money. Many issues have been addressed, but it is now coming to a conclusion.

You are familiar with the agrifood loan scheme, and it is the same with the poultry industry. I am a recent convert from that industry, so I know most of these bits. The poultry industry had issues around building capacity in Northern Ireland. On the one hand, there is a huge opportunity to build. However, on the other hand, the financial institutions would not invest money in building the industry until it addressed the fundamentals of what to do with poultry litter. It was asked whether it was going to solve the EU requirements for the disposal of poultry litter. Therefore, it was a catch-22 situation. Part of the confidence-building measures with the agrifood loan scheme was to break the reluctance of the banks to invest and to remove many elements of security that were being demanded. That has been successful. Moy Park is probably 50% of the way through its build programme for poultry houses. That is slower than you would have expected, but it is progressing nevertheless.

On the last bullet point about investment in Moy Park, I played a major role in that, and that was the biggest investment that Moy Park and Marfrig had seen in Northern Ireland ever. I think that it is probably the biggest project that Invest NI has seen in the agrifood sector. The factory in Dungannon that is part of that has had its shed built, and machinery is being put inside as we speak, so that project is progressing very well.

**Mr Simms:** May I add to what Tony said?

**Mr T O'Neill:** I hope that you are going to deal with the other couple or three issues that were missed.

**Mr Simms:** Yes. I said that about 30 of the recommendations fell to DETI and Invest NI, some of them are grouped. For example, there are a few marketing recommendations that are caught up with the team that has been set up, which Tony has already mentioned. We will put findings to the Minister in December. Invest NI has set up a marketing group. One of the issues that the industry came up with was the fact that it needed proper market research — it needs to know where to go and when to go. All of that is being examined at the minute. The group, which involves industry and others, is looking at that.

A number of the recommendations fall to the better regulation side of things. The industry and the Agri-Food Strategy Board identified that regulation was an issue for the sector. You may know that the Minister has taken forward a major review of business red tape, and she has a high-powered, high-level team in place to oversee that. Hospitality and agrifood are the pilot sectors that are being looked at as part of that. Hospitality went first, and I think that that has gone very well. We plan to run the same sort of model with the agrifood sector.

**The Chairperson (Mr McGlone):** It has not been started yet.

**Mr Simms:** It has. There has been engagement with the Northern Ireland Food and Drink Association (NIFDA), and there will be engagement with the red meat sector. It is one of the —

**The Chairperson (Mr McGlone):** Sorry. You said that there were two separate pilots and that one had been completed, or maybe I did not pick you up correctly.

**Mr Simms:** Sorry. There will be engagement with the red meat sector. As NIFDA is the representative body for the processing sector, there have been meetings with it to determine the best way in which to take this forward. The hospitality pilot has gone well, so we plan to replicate that with the agrifood sector. The key issue will be identifying the regulations that cause a problem. There is feedback that regulation is an issue and there is too much of it, but we need to drill down to see what exactly the issue is. DETI is taking that forward, and it is definitely on the cards. A report will go to the Minister shortly to get her agreement on the way forward.

Tony mentioned the loan scheme. I think that that is all that was on the list.

**The Chairperson (Mr McGlone):** Your submission states:

*"DETI leading on a comprehensive assessment of NI agri-food marketing and promotional activities and identifying options for improved delivery".*

Can you clarify where that is?

**Mr Simms:** That was the first point that Tony mentioned. The Agri-Food Strategy Board came up with the recommendation for a single marketing organisation.

**The Chairperson (Mr McGlone):** Are the first two bullet points essentially the same thing?

**Mr Simms:** They both relate to marketing, but they are separate recommendations.

**The Chairperson (Mr McGlone):** Right.

**Mr T O'Neill:** Ultimately, they would be delivered by the same organisation.

**Mr Simms:** When you see the detailed response, you will see that Going for Growth identifies a number of broad areas: "Growing market share" was marketing, and "Financing growth" was on the financial side of things. There are a number of marketing recommendations that are all tied in together. For example, Invest NI has set up the working group to see how we can better use market research. What the Minister agrees about the next steps for how we better deliver our marketing product will be very relevant. Is it about working collaboratively? What sort of model do we go for? That will all be tied in. There are a number of streams running in parallel.

**The Chairperson (Mr McGlone):** You anticipate that the marketing will be signed off on and done and dusted by December.

**Mr Simms:** I will recap on what Tony has said so far. We have met the food marketing bodies. A stakeholder event was held, to which a wide variety of interests came. We are going to see Bord Bia and Scotland Food and Drink. There are two models: the Bord Bia NDPB-type model and the Scottish Food and Drink industry model. We will discuss best practice and areas of cooperation. One of the issues that the board has come up with relates to how we can cooperate better with other jurisdictions. Once that is in place, in December, we will put recommendations to the Minister for her to make an assessment on the way forward. It is a priority for her, and the industry is saying that it wants to see change. It is something that is being taken forward.

**The Chairperson (Mr McGlone):** When did you start work on the marketing?

**Mr Simms:** The project team met just before the summer. A lot of work has been going on in anticipation of getting an Executive response, not just in our Department but in DARD and other Departments. It is something that has been taken forward. The stakeholder engagement took place over the summer. The time frame, from start to finish, will be about six months.

**The Chairperson (Mr McGlone):** I am struck by the fact that the strategy has been out for more than a year. These are the sorts of things that probably could have been initiated a long time ago.

**Mr Simms:** Some things have not progressed as quickly as we would have liked, but the Minister will have recommendations for options for delivery by December. That is significant, because there is an expectation from the industry. It wants to see how marketing is done and how it can be done better, but that means different things to different people. It is a case of working through all of that.

**Mr Frew:** Thank you very much for your information to date. It is fair to say that, although the Executive have had the report for some time, there has been a drip-feeding of measures by the Minister of Enterprise, Trade and Investment and the Minister of Agriculture and Rural Development. I am sure that you welcome that, because it is at least getting something out on the ground. They have been able to do what they can, when they can, to announce those measures and get them into the system.

I hear what you say about the Executive producing an action plan. I suppose that that is what we all want to see, because we want to be able to measure something. In your opinion, Tony, are all the measures that have been downloaded or inputted to date, with all the drip-feeding, working in the way in which they should be working? Can you measure their success or failure, even anecdotally?

**Mr T O'Neill:** There are two answers to that. Effort has been made by both Ministers. In fact, effort has been made by a number of Ministers, because the Minister for Employment and Learning and other Ministers have also worked on it. A number of them have tried to do things that are within their



normal role, with their existing resources, but it is fair to say that many elements of the recommendations were considered to be pending an Executive signal of support. The frustration that we have felt is because many of the things that we could have done were not done. The thinking was, "We cannot do these things until we do everything under an official recommendation from the Executive". Even the things that we have done have not been as successful, well executed or aggressive as they could have been. Lots of effort has been made to keep this thing alive. "Drip-feeding" is probably the most appropriate term. It is a bit like being on the surgeon's table: we are alive, but we are not healthy enough to get up and run away. A fair bit of effort has been put into creative thinking to try to keep momentum going. It has been very difficult in official terms and in industry terms, because people say, "Clearly we are not doing this, and we are not moving forward fast enough". It is fair to say that this has not been as successful as it could have been. Those obstacles or reasons are now being eliminated, and, with the Executive response coming up over the next few days, let us say that all the good reasons will have gone away.

We have to accept that there will be a dichotomy of budgetary pressures, and that is why I say that, given its critical nature, the agrifood sector is clearly an area to invest in. In any industry or business, you invest where you expect to achieve results. I put that to the Executive and I put it to you guys as a key element of this discussion that the agrifood sector is ripe for investment and capable of delivering it, and so you invest where you can get a result. In the next few days, you will have a piece of paper that you can measure the Department's performance by, and I certainly expect to see you inviting these guys back on a regular basis to go through action by action and ask whether it is done, because there are timetables associated with it all.

That is why the Agri-Food Strategy Board continues to exist. We are the quality controllers of execution and delivery, and we are behind the officials looking at what they are doing in response to our asks. We will be suitably demanding and critical if they are not doing exactly what we ask them to do because, even from scanning through the response from the Executive, we can see that lots of things that have been responded to but are not quite what we asked for. So our job will be to keep that spotlight on and say, "We have to interpret that correctly". That is slightly different.

**Mr Frew:** I hear what you say with regard to measures being inputted in isolation and not having the same effect as a full frontal. Maybe I am asking you to gaze into a crystal ball, but do you think that, in the action plan, there will be retrospective judgement and measures on the measures that have been drip-fed to date?

**Mr T O'Neill:** As the Agri-Food Strategy Board, we will publish an analysis of what we have done. It is our intention to make a public statement about what our original plan was and give almost a progress report, but that will be at a very high level. As for the detailed stuff, as I say, you guys will be able to look at it action by action and question individual topics.

**Mr Frew:** You will obviously need time to assess the action plan. What time will you have for your report?

**Mr T O'Neill:** Our original expectation is that we will publish a yearly update. At the moment, I anticipate that it will be in spring or summer next year.

**Mr Frew:** Let me take you right back to the core of the report. The deal was basically — I remember that you used that terminology when you came to the Agriculture Committee — that government invests £400 million and industry invests £1.3 billion. Are you still confident that industry will be able to come up with that, has the capacity to come up with it, and also has the support from the financial institutions and the banking sector to get that funding?

**Mr T O'Neill:** Largely, the shape of it still stands. We are three years on and the economic environment has changed. I am not talking about simple economics; I am talking about in the food sector. The fact is that all the retail activity that we are involved in today has changed dramatically in the past three years, but, if you look back at what I have said in the past, I think that we are in that volatile period when the food sector is changing, the retail environment is changing and we are changing as part of the food chain.

Lots of the things that we talked about three years ago are now actually happening. Part of the volatility that we see is still there, and, whilst I no longer speak for Moy Park, you can see that Moy Park is being successful. You can see that the price of beef, for instance, is up today at levels that we fought about two years ago. In the meat sector, whether it be pork, sheep or beef, many of the

elements that we talked about in the food strategy are now starting to go into place. We have genomics programmes going into Northern Ireland. We have calf-rearing schemes going into Northern Ireland. We have finishers going into place. The bits of the jigsaw are in place. Our challenge is to knit them together so that we actually do it from end to end. So I think that all the bits that we are talking about are still valid, but unfortunately it is taking longer than we expected. However, it is still there and it is still doable.

**Mr Frew:** Are you still sure that the money that will be delivered from Government will be focused enough to ensure maximum growth in all the industries and sectors? If you sprinkle money to everybody, some of it will wither and die and some of it will not grow, a bit like a farmer sowing a field. However, you could focus and target that funding to the people with the capacity and strength to grow and export, and then help everybody else around them. Are you confident that it is focused spend that will get the maximum growth possible?

**Mr T O'Neill:** That is the challenge. Our fundamental theme in Going for Growth is focused investment. Part of the challenge that we face as a strategy board going forward is to make sure that the focus is applied and that it is not used as a general investment programme. It is very difficult. We certainly appreciate that we now have support for the farm business improvement scheme. It is a broad policy. The next step is the detail of how that policy is executed. We will study that in detail to make sure that it is capable of delivering what we ask for.

**Mr Frew:** Are you worried about a cap being imposed, at any level? Whilst £1 million is a lot of money, I am mindful that, if you throw a cap in of £1 million, there will be producers and processors for which that will not do it.

**Mr T O'Neill:** I have a fundamental reservation about us introducing caps or limits in Northern Ireland that do not exist in other member states or regions of the UK.

**The Chairperson (Mr McGlone):** All right, Paul. I allowed you a wee bit of latitude to get into the detail, given your previous hat.

**Mr Agnew:** Thank you, Tony, for the information so far. Page 19 of the strategy has graphs measuring growth, with a starting point of 2010. Obviously the strategy was launched in 2013. Do you have a baseline for 2013 against which to measure?

**Mr T O'Neill:** I cannot answer that question in my head. The measures are there. It is fair to say that, so far, we are growing ahead of the curve. People challenge me on the fact that we talk about a 60% growth rate. Our natural growth rate as an industry, without getting excited about it, is 40%-plus. To kick it up to 60% is not a huge ask. The challenge, as far as I am concerned, is to do it faster. Frankly, I have no reservations at all about the end target. The issue is whether we do it in 2017 or 2027.

**Mr Agnew:** The reason for the question is that, whilst the end point is important, the most important thing, probably to everyone, is that we get to the targets highlighted. If we do not have a baseline for 2013, we do not know whether it is the strategy that has caused the change or global markets. It is so that we have a starting point against which to judge the strategy. You have already alluded to the fact that the strategy has almost been being implemented while it was being created, which is the most efficient way to do things and we welcome that. However, on completion of the strategy, and so that we can judge its success, we need that baseline.

**Mr T O'Neill:** As I said before, that is there. When we progress our status report early next year, which I referred to earlier, we can put all those measures in, so that you can see how it compares. That is relatively easy to do. The information is readily available.

**Mr Agnew:** The high-level targets look at turnover, employment, value added and external sales. They are obviously high-level. It is important to have those targets. Drilling down into them a little bit; if we look at employment, for example, will there also be measurements of incomes in the sector? Employment can rise, obviously. In global markets particularly there is always the fear of a race to the bottom with regard to wages. Is that level of detail going to be drilled into?

**Mr T O'Neill:** That detail is available. It is published every year, so it is clearly available. I am not sure what we can add to that from an Agri-Food Strategy Board point of view. As I said, DETI

produces statistics like that every year, as does DARD with regard to incomes on farms and so on. It is available. I am not sure what else we can do to add to that, to be honest with you.

**Mr Agnew:** As well as increasing employment, is it part of the strategy to, I suppose, improve conditions in the sector for farmers and workers?

**Mr T O'Neill:** What we have said is that it has to be sustainable so that everybody can actually make a living out of it.

**Mr Agnew:** Sure.

**Mr T O'Neill:** We are very focused on the fact that, as well as processors, the farm has to be profitable. That is very much on our agenda. We have not looked at, if you like, specific salary levels and that kind of thing. Our broad principle is that the enterprise that produces the input needs to be viable. There is no point in saying that we have very viable producers, but there are no farmers left because they are all bust, so our agenda is to make sure that all parts of the supply chain are viable and sustainable. That is our key message.

**Mr Agnew:** OK. Thank you.

**The Chairperson (Mr McGlone):** Do wage levels not come into that? Have you not considered doing a body of work around that? It is all right and grand and we all hear about people maybe picking apples or whatever it is, but you want to make sure that, of course, if the economy is developing, it is doing so at a rate that actually helps families and helps people to get a good living wage. As a strategy board, have you considered how else to lift incomes?

**Mr T O'Neill:** We have debated that. Frankly, there is no right answer to it. The view is that if our industries are competitive for people to work in them, they also have to be competitive in what they pay, otherwise you do not get people to work for you. As the sector or the economy recovers, we find that you cannot attract staff. All of us have to compete in the marketplace to attract staff. That is very much the case. If you look at our activities in all of our companies over recent times, they have been more and more targeted to make our companies more attractive and bring people in, because we are all suffering from, let us say, a brain drain. Attracting good staff is clearly a part of that. Most of us also have a major programme with regard to training and development to actually build capabilities.

**The Chairperson (Mr McGlone):** So you said that you debated it as a strategy board. Did you come to a conclusion as to what side of the debate you had concluded?

**Mr T O'Neill:** We concluded on what I have just said to you, which was that for —

**The Chairperson (Mr McGlone):** Sorry: I did not get that that was a conclusion as to an action that you might take. It seemed that you accepted this as a concept and that you would just leave it at that. I am just trying to be clear on this, Tony.

**Mr T O'Neill:** The view that we arrived at was that what we would call "market forces" would rule in terms of what we pay our people and farmers, and that if we do not pay them, we will not get them. It is the same argument with farmers. If our farmers are not viable and we are not paying them enough, they will not do the job. The same applies to our staff. We have to attract staff into our industries. If we do not pay them sufficiently attractive wages, they do not come to us. They go somewhere else.

**The Chairperson (Mr McGlone):** So the view of the strategy board is just to leave it to market forces to determine?

**Mr T O'Neill:** Absolutely.

**The Chairperson (Mr McGlone):** Right, OK. That has clarified that.

**Mr Anderson:** Thank you, gentlemen, for your presentation. We talked about targets and things like that. All of the targets in the strategy refer to up to 2020. What have you put in place to ensure that those in-year, interim targets are measured in some way against the final 2020 deadline targets?

**Mr T O'Neill:** Within our own team, we measure what we do every year. As I said earlier, last year, agrifood grew by 6.7%. We do monitor our growth rates and employment rates. We will publish them as part of the progress report that I am referring to next year. I am not trying to avoid the question. All this information is available in different papers. We will bring it together in one simple paper so that is easy to find and easy to read. At the moment, you almost need to be a specialist to find all the right pieces of paper.

**Mr Anderson:** These are the measures you are talking about putting in place: to bring all together as one report-type thing that makes it easier to read.

**Mr T O'Neill:** Absolutely.

**Mr Anderson:** When do you hope to get something like that in place?

**Mr T O'Neill:** As I say, it will probably be spring next year. We want to report on the official programme; let us call it that. The Executive response, which you will receive in a matter of hours or tomorrow as the case may be, has the actions in it and a timetable associated with it. We will be reporting on the actions that are meeting or are behind the timetable and on the broad principles of measurement around that.

**Mr Anderson:** Do you think that what you are doing is sufficient to monitor the progress as you go year-on-year until 2020?

**Mr T O'Neill:** I will answer in two different bits. We will monitor and publish the broad programme, but, as I say, behind the scenes — I go back to what I said before — we monitor every one of the 118 recommendations and will be monitoring those. For instance, whilst you guys are talking to the officials today, when we have a food strategy board meeting, DARD and DETI actually come along and report to us their progress against the specific projects that we have put in. Because we know those projects and have a much deeper understanding than you have, we have the opportunity to drill down into those to make sure that they are doing the things. So we are progressing it behind the scenes, and we will publish our overall view of it so that you will have an opportunity to see the big picture as well. As time goes on, you will be able to see the measurement of that as well.

**Mr Anderson:** We look forward to that.

**Mr Simms:** There are different areas, as Tony says, that we will pull together. There is statistics. There is a raft of information. Mr Frew talked about investment in the industry: Invest NI provisional offers for 2014-15 indicate that the processing sector is going to invest about £330,000 this year alone.

**Mr T O'Neill:** It is £330 million; £330,000 will not get me excited.

**Mr Simms:** Sorry, £330 million this year alone. The board said that the industry would invest £1.3 billion over three years. There is £300 million this year alone. That is the sort of information that we will have that we can then pull together. There will be different sources that can be pulled together to match the targets and the ambitions in Going for Growth, which will give the Committee and others the opportunity to track progress.

**Mr Kinahan:** Thank you very much for your brief. You talked at the beginning about our need to have the Ministers in China, for example, more often. Forgive me for making it a slight story, but a comment was made to me the other day that our First Minister and deputy First Minister got off a plane in China having travelled cheaply, and they looked as if they had. The point was made to me that people there need to look as if they are the leaders of Northern Ireland and, therefore, we sometimes should not be discussing cutting the costs of getting them there. I make that point to start with. When we are talking about China, Russia and Brazil, do we have people on the ground there at the moment? You are doing all the marketing plans here, but is there someone there working it from the other side?

**Mr T O'Neill:** There is an office in Brazil. Invest NI is opening an office in China over the next few months, probably coinciding with the food fair. That is my read. That is part of being present so that, effectively, the people understand that — I think that we all understand it. As an individual, you respond to the people who are in your office today, and they leave the room and someone else comes

in. I have met and dined with the British ambassador in China. It is like a corridor: he is entertaining me today, tonight he will be entertaining somebody else and tomorrow it will be somebody else.

Human nature is that you have to know that it is going to be back and back and back and back, and that is important for the industry. As an industry, we have set up small groups of people that we have tasked to go out and sell round the world. I can tell you — maybe I should not tell you, because there is a camera on me — that Northern Ireland beef has put together a team of people to go out and sell round the world over recent weeks. It is important that we are all there and that they understand that we are long-term players. Our biggest issue as a sector is market access. Whilst we clearly have recognition, we need to be very clear what that means. I will give you a war story, which I think that you will relate to. The last time that I went to China, I went with the Chief Veterinary Officer in England. He led the team. His man, who was our escort, was on his thirteenth visit to China. The DARD man who was sitting beside me was on his first visit to China, and that tells you. As Northern Ireland plc, we cannot rely on DEFRA to represent our interests. We have to be with them all the way.

**Mr Kinahan:** That, Chair, is really why I was raising it. We need people there.

**Mr T O'Neill:** By the way, you cannot fly out to China on economy and work the next day. You just cannot do it. If you are going to do that, you need to take three days to recover. It is physically impossible to work the next day.

**Mr Flanagan:** Thank you for your presentation. Tony, you talked a few minutes ago about a 6% growth rate last year. What was that in?

**Mr T O'Neill:** It was right across the agrifood sector. To go back to the DARD stats that are published every year, it is right across the sector.

**Mr Flanagan:** Is that in terms of economic value, or is it in terms of the volume of food produced?

**Mr T O'Neill:** It was economic value — turnover.

**Mr Flanagan:** Does that take into account the change in the price of commodities and food?

**Mr T O'Neill:** Its rolls everything into it. Underlying that, there would be a smaller like-for-like growth —

**Mr Flanagan:** Have you any idea of what that figure might be?

**Mr T O'Neill:** I cannot tell you off the top of my head.

**Mr Flanagan:** Is it a figure that DARD or somebody would have access to?

**Mr T O'Neill:** Oh yes. That would be available.

**Mr Flanagan:** In terms of the progress against targets, is there any indication of how far we are on towards meeting the 15,000 jobs being created through the strategy?

**Mr T O'Neill:** I cannot answer that question, to be perfectly honest.

**Mr Flanagan:** Is it being tracked?

**Mr T O'Neill:** It is being tracked. I should be able to answer that question, because I have read it, but I cannot remember.

**The Chairperson (Mr McGlone):** That is all right. Sure you can —

**Mr Flanagan:** We will not keep asking you the same question for the next 20 minutes in the way that some people do.

**Mr T O'Neill:** We will get back to you on that.

**Mr Flanagan:** We accept "I do not know" here, Tony. Some people do not, but we accept it here.

**Mr Simms:** That is the sort of information that we can pull together for the board when it does its update report. I mentioned the Invest NI stats: more than 1,600 jobs are associated with that investment, so by the time you take the Invest NI —

**The Chairperson (Mr McGlone):** What do you mean by "associated with"?

**Mr Simms:** The industry has plans to invest more than £330 million in expansions; for example, the Moy Park expansion and others. As a result of that, there will be about 1,600 new jobs to support that expansion.

**The Chairperson (Mr McGlone):** Right. So "associated with" can mean other things. Is it specifically as a consequence of that?

**Mr Simms:** Yes, it ties in with that expansion.

**Mr T O'Neill:** Moy Park has beaten its targets for employment growth already. It is probably three years ahead of the curve. Glanbia will be a close second, but that would be an accident.

**The Chairperson (Mr McGlone):** You are getting the punchlines in here all right, Tony. Phil, were you finished?

**Mr Flanagan:** I have one more brief question. Does the strategy go into the detail of where the emphasis should be put? Standing back from the agrifood sector, it seems that an awful lot of emphasis is put on meat and dairy products and things like that. Is there much emphasis being placed on growing the arable sector? If you look at the figures of acreage that are used for arable products, you will see that it has been reduced by about 40% between 1992 and 2002 or 2012 — I cannot remember which one it was. Are there any specific plans there to help grow the local arable industry?

**Mr T O'Neill:** The arable sector was part of the working group, so there is an arable plan. However, it is fair to say that we have talked more about the big drivers. Whilst we are very clear that we want to support the small artisan-type companies, the major element that will affect Northern Ireland's economy is the big companies that drive export sales and jobs. So we have talked more about the big drivers, but there are elements right down through the small companies, including the arable sector. There are bits there, but, as I say, our major focus has been on how we get the 15,000 jobs. I am not denigrating; if all small companies with two people were to take on one more person, that would still be thousands of jobs. There are thousands of small companies.

**Mr Flanagan:** The environmental impact of the agriculture sector is something we have to be mindful of, too. Too much intensive animal-based farming is not necessarily good for the environment. How do you balance that in creating jobs in a sustainable and environmentally friendly manner but also in a way that facilitates and encourages economic growth?

**Mr T O'Neill:** We talk about sustainable intensification. There are principled discussions that are going on here, and we could enjoy many hours of them. If we can produce food efficiently in Northern Ireland, it is still better than producing food inefficiently in some other part of the world, which is one of the parallels that you must draw. Our whole agenda is to produce as efficiently as is humanly possible within the environment that we operate in. My view on and approach to that is that that is a partnership game. We should sit down with the sustainable sector, shall we say, rather than the green sector, and ask, "How do we actually do this best, so that we are not harming the environment?"

I think that people sort of lose sight of the fact that we live here. This is our home. These are our people and our children that we are playing with. We have no intent to or interest in doing anything that is going to harm the future of Northern Ireland plc and the land that we live in. As part of this process, we had round-table discussions with the different bodies that represent sustainability in the widest possible sense, whether you call them the green sector or whatever. We engaged all these people and they are saying, "Use the best available knowledge to do the right job".

**Mr Flanagan:** I know, but I am trying to make the point that the by-products of intensive farming include, for example, a huge increase in the amount of slurry. I remember growing up on a farm

where there was no such thing as a slurry tank. There were dochals. You never see a dochal in the country any more, because farms have moved to a much more intensive way of farming. Is there anything to be said for supporting those types of industries where it is not being done on an industrial scale and actually produces food in a small way? There is a lot to be said for small farms, as well. My fear is that far too much effort is being made to try to move everybody to a big industrial operation as opposed to supporting small family-run farms.

**Mr T O'Neill:** I think that two agendas are running here. We make the point in 'Going for Growth' that there is an agenda to produce food efficiently and economically and there is an agenda to protect the land that we live in. Those two things are not the same. Without making too many wild statements, it is not within our power to make a small farm with six cows economically viable. You could not pay that farmer enough for his beef, cattle, sheep or milk to keep his family. It is a different thing to allow small family farms to exist to look after the environment. It is a completely different thing to say that you have got to produce enough food to compete on the world stage. We need to understand that those two things are not the same and not confuse each other. It is not possible for us to make 25,000 beef farmers in Northern Ireland economic. We probably need 3,000 or 5,000 beef farmers in Northern Ireland to produce food efficiently in a market that they can survive in. For the others, we have to say that part of their activity is to produce food, but part of their duty is to protect the land and look after the environment. That is a different agenda altogether, so we should not try to mix them both. Clearly, that is where we stand.

**The Chairperson (Mr McGlone):** That concludes our session. Thanks very much indeed for attending, Tony. By way of a conclusion and summing up everything that we expect from you and, particularly, the Department, as a résumé — we will confirm this in writing to the Department — the Committee expects the action plan to contain clear, measurable targets; interim targets; baselines, as we have heard here, against which to measure those; and regular monitoring reports containing progress against each target and steps to be taken where objectives are not on target. I am sure that, to you as a very professional businessperson, that comes like second nature — probably first nature. We expect to see those good practices so that measurable and quantifiable progress can be observed, and so that, if things are not happening, we can establish and scrutinise why, as you would expect us to do.

Thanks very much for being with us. We will confirm that to you in writing. I have one final thing to the Department: Tony, you mentioned that a document was due to be out within the next day or two.

**Mr T O'Neill:** I think that it was finally approved this morning or last night.

**Mr Diarmuid McLean (Department of Enterprise, Trade and Investment):** Chair, it is the Executive response —

**The Chairperson (Mr McGlone):** I am just trying to establish something. We got documentation from you that goes into quite a bit of detail. It is a bit unusual that we were not notified that it was likely to come out today with us going into contemporary questioning here today on the very topic.

**Mr McLean:** We had hoped to have it out at the beginning of the week. As is the protocol in relation to the release of documentation, the Ministers will write to the Chairs of this Committee and the Agriculture Committee with copies of the document before it goes for release through written statement later this week. We hope to have it available on the DETI and DARD websites by the end of the week. At that stage —

**The Chairperson (Mr McGlone):** So it was due to be out in the earlier part of the week?

**Mr McLean:** We had hoped to get it released before today's meeting, but circumstances did not allow.

**The Chairperson (Mr McGlone):** Did nobody think of telling the Committee that that might be happening?

**Mr Flanagan:** Why would we need to know?

**The Chairperson (Mr McGlone):** Why would we need to know? We are only going to be discussing the agrifood strategy here.

**Mr McLean:** We apologise for that. We had hoped that it would be available for the Committee before today's session, but, unfortunately, that was not the case. John, officials and I are available to come back to the Committee —

**The Chairperson (Mr McGlone):** Do you not think that it would be good manners as much good practice to do that?

**Mr McLean:** As I said, the Ministers will write to you and —

**The Chairperson (Mr McGlone):** That was not what I asked you. Anyway, we will park it at that and hope that it does not happen again. Thank you.