

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

**LATEST PRESS
RELEASES**

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

Minister's Online Newsletter



December 2016

Welcome to the latest edition of my Ministerial Newsletter.

The work in my Department has continued apace with many developments since my last newsletter in September.

At the outset, may I wish you and your families a very happy Christmas and New Year. We are certainly living through challenging times but I remain firmly convinced that the agri-food and seafood sectors will continue play a key role in Ireland's strengthening economy. I will continue to use all of my energy and the resources available to me to further develop these sectors. This I will do in collaboration with all interested parties at national, EU and international levels.



Minister for Agriculture, Food and the Marine, Michael Creed T.D. met his UK counterpart, Secretary of State for Environment, Food and Rural Affairs, Andrea Leadsom MP

€1.12bn paid to date under Basic Payment Scheme

I am pleased to confirm that the next instalment of payments under the 2016 Basic Payment Scheme and Greening commenced as scheduled on 1st December.

Since mid-October my Department has been issuing 70% advance payments to farmers under the Basic Payment Scheme. From 1st December, balancing payments began issuing to farmers. These payments are an important boost for farmers in terms of addressing cash flow issues.

The rollout of balancing payments brings the total paid under the Basic Payment Scheme to €1.12bn and 121,000 farmers have received a payment to date. In addition, over 87,000 farmers have been paid a total of €188m under the Areas of Natural Constraints Scheme to date. This represents a combined total of over €1.3bn to farmers. This is a

VOLUME 1

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Register for Newsletter

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very significant financial boost for both individual farmers and the wider rural economy, and is an important investment in the continued growth of our Agri-food sector.

I can confirm that every effort continues to be made to clear for payment the small percentage of outstanding cases. Regular pay runs will continue to be run in December in order to process cases as quickly as possible. I am particularly pleased that we have continued to process payments at a rate that compares very favourably with the systems in place in other Member States.

And it remains my firm intention to ensure that everything possible will continue to be done to ensure that farmers' payments are processed as efficiently as possible. With this in mind, my Department will continue to roll out of the online application facility for BPS to all farmers over the next two years.

€150 Million 2.95% Interest Agri Cash Flow Support Loan

I am pleased to announce that my Department and the Strategic Banking Corporation of Ireland (SBCI) are breaking new ground with an innovative approach to delivering support to farmers, designed to maximise the funding available, while effectively addressing the current cash flow challenges

I announced in November that the SBCI had invited financial institutions to take part in the "Agriculture Cashflow Support Loan Scheme". There were a number of applications submitted by the closing date and these will now be the subject of a formal approval process, which will be completed in the coming weeks with the outcome to be announced at the start of the New Year. This Scheme will enable farmers to improve the management of their cash flow and reduce the cost of their short-term borrowings. This loan scheme forms part of a "three pillar strategy" in response to income volatility, which I announced as part of the recent Budget. Along with tax measures and farm payments, it will alleviate some of the pressures being caused by the current market difficulties.

I am acutely aware that a sustained period of lower commodity prices has put cash flow pressures on farmers in several sectors. In line with the Programme for Partnership Government and the Food Wise 2025 strategy, one of my priorities is to support the provision of lower-cost, more flexible finance.

The SBCI is targeting that the loans will be available in the market by the end of January 2017. The Scheme, with total funding of €150 million, will support highly flexible loans for up to six years, for amounts up to €150,000, at an interest rate of 2.95%. This rate will represent a significant saving for farmers when compared with other forms of unsecured short-term finance currently available. The loans will be flexible with interest only facilities of up to three years. Normal lending assessment criteria will apply although as the loans will be unsecured, it will facilitate a more straightforward application process.

The public funding of €25 million provided for the Scheme includes €11.1 million from the EU's 'exceptional adjustment aid for milk and other livestock farmers'. The loans will be available to all livestock farmers, tillage farmers, horticulture producers and involved in primary agricultural production.

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

LATEST PRESS RELEASES

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I am encouraging farmers to consider their cash flow and borrowings situation now, and if appropriate to their circumstances, to be prepared to apply for these loans when they become available.

Trade Mission to Morocco and Algeria

As part of our on-going strategy to source new markets for our products, I led a trade mission to Morocco and Algeria in November. North Africa offers enormous potential for the Irish food and drink industry. Diversification of markets is a key goal of Food Wise 2025 and Africa represents a major potential growth area. This is even more important now as we face the uncertainty which the UK decision to leave the EU brings for exporters. As Minister, I continue to be proactive in the face of the threat posed to our agri-food sector by Brexit. Securing new markets and consolidating and expanding existing markets for our exports is a key part of this strategy. I was accompanied by some 10 Irish companies on the mission, from the dairy, meat and livestock sectors along with senior officials from my Department and from State Agencies in the agri-food and fisheries sector, including Bord Bia and Sustainable Food Systems Ireland.

Securing new market access is always a priority for our meat sectors. While we have market access for beef to Morocco and Algeria, we would very much like to add both countries to that list of Countries accepting sheepmeat. Our lamb is world famous and sold in over 40 countries now and I raised the issue of sheepmeat access in meetings in political meetings in both Countries. Sheepmeat exports from Ireland in 2015 were worth more than €230 million (46,000 tonnes) and Ireland exported sheepmeat to over 40 countries last year.

Trade between Ireland and Morocco continues to grow across many different sectors of the economy. *Agri-food exports from Ireland to Morocco last year continued their steady growth and have now almost doubled from around €8 million in 2013 to almost €14.5 million in 2015. 2016 is also looking to be a very positive year so far with almost €13 million in agri-food products exported by the end of July which is almost the entire amount for 2015. We can do better, however, and I want to raise the profile of Ireland as a producer of top class food and livestock, in this region, at both political and commercial level.*

I was delighted to have the opportunity to reiterate our commitment to furthering this relationship in my meeting with Minister Akhannouch. It is clear that the sustainable intensification of our respective agri-food sectors is a national priority for both countries. I also took the opportunity in these bilateral meetings to further our trade priorities, building on our growing exports and closer relationship.

I also met with the Director General of ONSSA which is the Moroccan body responsible for food safety. The meeting was an opportunity to engage with ONSSA on areas of mutual interest given the imperative which both countries place on the production of food of the highest safety standards. Later, accompanied by members of the official delegation, I met with the Director for the Agency for Agricultural Development (ADA) in Morocco. This meeting focused on the plans for modernisation of Moroccan agriculture and the cooperation which Ireland might offer in this regard.

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

**LATEST PRESS
RELEASES**

In this Issue:

- [1€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

I hosted a trade reception in the evening to further highlight the offering which Irish agri-food industry can bring to Morocco. This reception was attended by approximately 100 guests including many local businessmen and food industry representatives thus providing the visiting Irish commercial participants with an excellent networking opportunity for local contacts.



Minister for Agriculture, Food and the Marine, Michael Creed T.D. commenced his visit to Morocco with a high-level bilateral meeting with his Moroccan Counterpart, the Minister for Agriculture, Mr. Aziz Akhannouch. These talks focused on the scope for deepening the collaboration in agriculture and food between both Countries.

233,500 tonnes of fish quotas secured, worth €280m for Irish Fishermen for 2017

I have returned from the annual Fisheries Council in Brussels, where after two days of intensive negotiations I secured 233,500 tonnes of quotas worth €280 million for Irish fishermen for 2017. This represents an increase of 17,390 tonnes over 2016.

This is a balanced package for the Irish fishing industry. I am satisfied that I have managed to turn an extremely worrying set of proposals from the Commission into a much improved outcome for the Irish fishing industry. I am especially pleased that the quotas agreed respects the scientific advice ensuring that the fish stocks in our waters will be managed sustainably.



Minister for Agriculture, Food and the Marine, Michael Creed T.D. and Dr. Cecil Beamish attending the Fisheries Council in Brussels

The total €280m value of quotas, which represents a 6% increase on 2016, is a good result overall and is a long way from the original Commission proposals which would have resulted in very significant losses to our fleet. The original proposal included a 19% reduction in whitefish quotas.

I am particularly pleased to have persuaded the Commission to reverse the proposed 9%

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

**LATEST PRESS
RELEASES**

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
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- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

cut in the prawn quota, the most important fishery for the whitefish fleet. We succeeded in getting the Commission to apply the appropriate scientific advice for prawns resulting in a 9% increase. This was my number one priority heading into these negotiations and I am very happy with the result.

The most difficult area coming into these negotiations was the Commission proposal for cod and whiting in the Celtic Sea. The proposal was for a -68% cut on cod and a -27% cut in whiting. Whilst the scientific advice on cod in the Celtic sea is worrying, the scientific advice on whiting in the Celtic sea is positive. I am satisfied that the final outcome of a -15% cut in the cod quota and a 21% increase in the whiting quota was the most positive that could have been achieved. The impact of the cut in cod quota for Ireland, is substantially reduced through the application of the Hague Preferences*.

Overall I am very satisfied with the increase in the quota allocation for our single most valuable fishery, Mackerel, which will have a value of €86m in 2017.

In 2017 we will now have a significant increase for our vitally important whitefish fisheries and stability for many of our valuable stocks around our coast. This will ensure the continued vibrancy of our industry and the long term sustainability of our stocks.

Grants awards of over €28m for Agri-Food, Marine and Forest Research

I have just announced awards of over €28 million for collaborative inter-institutional research projects under the Department's competitive research funding programmes.

This research funding announcement, coupled with other initiatives announced recently, will make a significant contribution to the sustainability, innovation and competitiveness of the Irish agri-food, forestry and marine sectors whilst also adding to research capability at the institutional level.

The content of this Call was heavily influenced by strategic research and innovation agendas drawn up by industry-led, stakeholder advisory groups. Accordingly, the projects cover a number of key overarching themes including; sustainable food production and processing; managing for environmental protection and enhancement; sustainable forest management; delivering food safety & food quality; and food for improved nutrition and health.

The 43 awards involve collaborations between 19 different institutions and organisations including Teagasc, a number of our universities and our institutes of technology. The research investment announced will provide direct employment for 186 people including 65 contract researchers and 83 post graduate research opportunities in the form of PhDs (66) and Masters degrees (17).

In addition, as part of the on-going North-South cooperation on agri-food research and innovation, the Department of Agriculture, Environment and Rural Affairs, Northern Ireland, has teamed up with my Department to provide funding of over €2 million to enable 3 research performing organisations north of the border to participate in 7 of the successful research projects.

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

LATEST PRESS RELEASES

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

These research awards bring the total investment made by my Department over the last five years to just over €124 million. This research is a key component in delivering on the ambitious targets set out in the Food Wise 2025 and the Government's Action Plan for Jobs.



Pictured L to R: David Reid - Marine Institute, Áine Hennessy - UCC, Michael Creed, Minister of Agriculture, Food and the Marine, Maurice O'Sullivan - UCC, Declan Bolton - Teagasc

Creed Chairs Meeting of Beef Forum

In November I chaired the ninth meeting of the Beef Forum. The meeting delivers on a commitment in the Programme for Government to continue with the Forum as a vehicle for positive engagement between stakeholders in this critically important sector.

I am acutely aware of the difficulties faced by all sectors of the Irish agri-food industry currently as a result of developments internationally. The Beef forum is a critically important vehicle for engagement between the stakeholders in the sector, including processors, marts, farm bodies and relevant state agencies. It is more relevant than ever now as we face the challenges, particularly the uncertainty brought about by the UK decision to exit the EU.

I updated the Forum on the actions that Government and my Department are undertaking in response to Brexit, including a number of measures in Budget 2017. These included an increase in the allocation of spending under the Rural Development Programme for 2017, an adjustment to the farmers income averaging system, increased PRSI benefits for the self-employed, an increase in farmer's flat-rate VAT addition as well as an increase in funding for Bord Bia to deal specifically with Brexit issues, impacting on companies currently trading in the UK.

In relation to the UK market specifically, I informed the Forum of my direct engagement with key players in the UK retail market over the last while. I recently met with two of the major retailers in the UK who sell Irish beef and stressed to them the fact that Ireland is very much open for business and that we wish to continue our excellent working and trading relationship with the UK, which is our main export market for Irish beef. Irish beef enjoys a key position on UK super-market shelves and I emphasised strongly to them that we are not about to concede this hard-won shelf space.

The Forum received a presentation from Bord Bia on the market outlook for 2017 and from my Department on the outcomes of the trade missions to Asia and Africa in the last two months. One of my priorities now, particularly in the context of Brexit, is to further increase the market opportunity for Irish food and drink internationally. We are after all an exporting nation with 90% of our food

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

LATEST PRESS RELEASES

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)



produce leaving this island. It is for this reason I led a major trade mission to four Asian countries in September during which beef market access features as a high priority and a further one to Algeria and Morocco at the start of the month. Live exports were particularly prominent in this latter mission. Increasing our footprint internationally we will help to mitigate the effects of Brexit and develop our agri-food sector to realize its full potential. We have some clear priorities for 2017 which we are determined to deliver for the sector.

The forum also received presentations from Meat Industry Ireland and the IFA. I see this as a positive development for the Forum and one which will continue into the future. I have taken on board the wishes of the stakeholders for active participation and engagement. Those stakeholders who did not present formally to the Forum today will be provided an opportunity to do so at the next and future meetings of the Forum.

I stressed both the benefit to the sector in having a strategy such as Food Wise 2025 already in place and also the importance of continuing to deliver the actions laid out for the sector in the strategy: When FoodWise 2025 was originally launched, no one could have foreseen Brexit and its impact on the Agri-Food sector. The importance of having in place a long-term strategy for the development of the Agri-food sector in place is all the more important against the background of Brexit. It is important whilst we keep the measures and actions for the sector in FoodWise under review we do not allow the ambition for the Agri-Food industry to be undermined.

I also announced the appointment of Michael Dowling as chairperson of the Meat Sector Subgroup of the Food Wise 2025 High Level Implementation Group the establishment of which he announced at the last Forum: This subgroup will help to drive the implementation of the 75 meat actions in Food Wise 2025. This group will meet regularly and report on its progress to the HLIC. This is an important step in ensuring that the overall meat sector in this country can reach its full potential as outlined in Food Wise 2025.

The Forum also received an update from Nick Ashmore of the Strategic Banking Corporation of Ireland (SBCI) on the operation of the Agri Cash flow Support loan fund of €150 million announced in the budget. Since taking up office, one of my priorities has been to address the impact on farmers of the sustained period of lower commodity prices. I am conscious that this has caused cash flow difficulties for farmers in several sectors and I am committed to working with all the stakeholders, both at national and EU level, to address the issues involved and ensure that we continue to have a sustainable and resilient sector.

Given the current challenges facing the sector it is important that the Forum continues to bring together all stakeholders in an environment which allows for constructive engagement. It will continue to have a vital role to play in assisting the sector to deal with the challenges and opportunities which face it.

€2.4m funding for Animal Welfare Organisations

In December I was delighted to announce funding awards of €2.5m to 137 animal welfare organisations throughout the country involved in protecting animal welfare.

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

**LATEST PRESS
RELEASES**

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured, Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

These organisations contribute greatly to protecting animals, by providing sanctuary for in many instances surrenders, abandoned and at-risk animals and the funding being awarded is evidence of my Department's on-going commitment in the area of animal welfare and is a recognition of the important role played by these organisations in safeguarding animals particularly pet and companion animals.

I wish to acknowledge the work of the welfare organisation and thank the staff and volunteers involved with these organisations for their ongoing commitment to animal welfare.

The workload for many of these organisations has increased over recent years on account of the greater enforcement of animal welfare legislation brought about in the main y the enactment of the Animal Health and Welfare Act 2013, together with greater enforcement of equine identification and new dog microchipping legislation.

While I don't wish to be prescriptive on how organisations should use funds awarded, I would nevertheless ask that efforts be concentrated over the coming year in ensuring that through whatever means at your disposal e.g. posters, social media, education talks in schools, etc that you get the message out to people keeping equines and dogs on the necessity to have the animals identified as required under legislation.

I am greatly concerned with continuing incidences of sheep being terrorised and killed by roaming dogs and the message needs to get out to all dog owners in both urban and rural areas on the importance of knowing the whereabouts of your dog at all times.

In many parts of the country, particularly urban areas, indiscriminate breeding particularly of dogs and cats has led to an oversupply of these animals and consequently increased abandonment and I would remind recipients of funding of the importance of neutering programmes for cats and dogs and all animals being rehomed should be neutered unless veterinary opinion advises otherwise. The welfare organisations involved in equine rescue to ensure that stallions being rehomed are castrated.

Some of the recipients of the funding are working in conjunction with Local Authorities and supported by the Department in developing facilities for urban and traveller horse populations and to educate young people among these communities in the care and welfare of horses. These initiatives are a positive and welcome development and will assist horse owners in complying with equine related legislation including identification and control of horses and the education courses provided within the framework of the projects gives the horse owners an opportunity to acquire skills in relation to caring and managing horses alongside a broader education.

The importance of good governance is stressed in all communications with the welfare organisations and funding recipients have been provided with and have signed up to the Terms and Conditions/Code of Practice to be adhered to. These conditions set out my Department's recommendations on sound welfare and management practices. It is important that these conditions are adhered to in their entirety.

VOLUME 1

Issue 2

IMPORTANT DATES

Register for Newsletter

LATEST PRESS RELEASES

In this Issue:

- [€1.12m paid to date under Basic Payment Scheme](#)
- [€150 Million, 2.95% interest Agri Cash Flow Support Loan](#)
- [Trade Mission to Morocco and Algeria](#)
- [223,500 Tonnes of Fish quota's secured. Worth €280 Million for Irish Fishermen for 2017](#)
- [Grant Awards for over €28M FOR Agri-Food, Marine and Forest Research](#)

I must stress the importance of adults being responsible when considering gifting animals as pets this Christmas time and taking ownership of a pet involves an extensive commitment and a high financial cost and there are times that while gifting animals may well be well intentioned, the reality is that pets being gifted are often abandoned by their new owners when the novelty wears off and it is left to the animal welfare charities to deal with the consequences of these abandonments and this places unnecessary pressure on their resources.

My Department will continue to work closely with animal welfare groups. There is a dedicated email address animalwelfare@agriculture.gov.ie and helpline **Call Save: 0761 064408 or Phone: 01-607 2379** in operation in the Department of Agriculture, Food and the Marine for members of the public to report incidents of animal neglect and cruelty.



Minister for Agriculture, Food and the Marine, Michael Creed T.D. and Chris Conneely, The Irish Blue Cross

Important Dates

- 17 January:** Dáil resumes
- 17 January:** IFA AGM
- 21 January:** Berlin Green Week, Agriculture Ministers Meeting
- 23 January:** Agriculture Council of Ministers Meeting, Brussels
- 7 February:** Export Trade Council, Iveagh House
- 24 February:** Agri-food Trade Mission to Gulf Region
- 6 March:** Agriculture Council of Ministers Meeting, Brussels
- 9 March:** Foodwise 2025 High Level Implementation Committee, Agriculture House
- March:** NSMC Plenary Session in Dublin Castle —date to be confirmed

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