



# Local Food

The case for re-localising  
Northern Ireland's  
food economy

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## Executive summary

This report has been compiled by a team following review of published material, detailed stakeholder consultation and completion of a town survey to collect data on the extent of local food sales in Northern Ireland.

In common with the UK as a whole, farming in Northern Ireland (NI) is in crisis. Farmers are being told that they must change – however, the prevailing vision for change is based upon the underlying assumption that the only option available for promoting “*a dynamic, integrated, innovative and profitable agri-food industry*” in NI is to embrace the inevitability of globalisation and the continued expansion of the global food trade.

This completely overlooks the growing interest in and support for the re-localisation of food economies that is emerging in the UK, including the strong support for “local food” expressed in the recent report of Sir Donald Curry’s Policy Commission on the Future of Farming and Food in England.

An alternative vision is urgently needed for the future of food and farming in NI – one that still embraces progressive and competitive agriculture, whilst also helping to protect rural livelihoods and communities, contributing to urban and rural health and ultimately reconnecting consumers as citizens to the countryside and their food. This report presents such a vision – a vision focussed upon a local, not global, food economy where food products are consumed close to their point of production – and proceeds to outline a strategy for achieving it.

Interest in local food economies has increased significantly in the last 5 years with the growing realisation of the range of social, economic, environmental and health benefits associated with local food and the contribution that local food economies can make to the sustainable development of both rural and urban areas.

“Local” is a relative term and is often disputed. In the specific context of NI, it is suggested that “local food” should be defined simply as “...food which is grown or produced in Northern Ireland”. NI is a relatively small geographical area and this definition will avoid the potential confusion between “local” and “regional” food.

There is very little information currently available on the nature and scale of the prevailing local food economy in NI and it was necessary to undertake a survey of retailers and food service outlets (pubs and restaurants etc.), plus some consultation with key stakeholders.

The results reveal that the NI food economy is already one of the most localised food economies of any UK region – and it has the potential to expand. The current size of the local food economy is estimated to be £200 million - just under 10% of the total retail food market and equivalent to £2.27 spent per person per week.

With targeted support, this could probably be increased two- or threefold to £400 - 600 million in 5 years and a strategy is proposed for exploiting both the “push” of relevant policy intervention and the “pull” of market demand to increase the production and consumption of local food in NI. Specific programmes of action will then be required to achieve the maintenance, enhancement and ultimately significant expansion of the prevailing local food economy in NI.

The report challenges any preconceptions that may exist that local food economies are only about high profile and fashionable activities such as farm shops, box schemes and farmers’ markets. The cornerstone of the expanding local food economy in NI will be the independent retail stores, food service outlets, local food processing businesses and possibly public procurement (e.g. schools and hospitals). The potential role of the supermarkets remains a sensitive issue.

However, the full exploitation of these outlets will depend upon the provision of a greater range of produce from NI than is currently involved – in other words, some restructuring of the agricultural production base will be necessary. Put simply the NI local food economy needs more locally-produced fruit, vegetables and cereal crops to sustain it.

# 1. Introduction

## 1.1 The farming crisis in Northern Ireland

In common with the UK as a whole, farming in Northern Ireland (NI) is in crisis and the agricultural industry stands poised on the brink of a period of profound evolution and adaptation.

Historically, agriculture has been a major industry in NI. However, over many years as agricultural productivity has improved it has released labour and capital resources to other sectors of the economy where returns are greater. Consequently, employment in agriculture has been falling at approximately 1.7% per annum over the last 30 years and the contribution of agriculture to the rural economy is now much less than it used to be.

Many farms are also too small to provide full-time employment for family members and off-farm work (much of it low paid and unskilled) remains vital to sustain the income and welfare of many farming families. In 2000/2001, the average non-farm income for NI farms was £3,400 per annum – 27% of their average total cash income<sup>1</sup>. On many farms, a significant proportion (up to 30%) of non-farm income is social welfare payments<sup>2</sup>.

The average age of farmers is also increasing and 52% of farmers are aged 55 or over. Of these, 58% operate very small businesses that are not sufficiently large to occupy one person full-time<sup>3</sup>. Many farmers lead isolated lives with relatively low morale and little “get up and go” to initiate change and adopt new innovation on their farms. Equally young people see no purpose in entering the farming sector when the prospects for developing a thriving business are so poor. Consequently the NI farming industry has tended to stagnate.

These problems have been accentuated in recent years by the drastic fall in agricultural incomes due to the combined effects of the BSE crisis, the impact of the sterling/euro exchange rate and the downturn in world commodity prices. Total farm incomes in NI fell by 79% between 1995 and 2000 taking them to the lowest level for over 20 years. This reduction in income affected virtually all farming enterprises in NI with many farms consistently incurring negative net farm incomes (losses) during the late 1990s<sup>4</sup>.

In the past there was a very heavy dependence amongst NI farmers on the subsidised, or strongly supported, production of milk, cattle and sheep. For many years subsidies came close to representing 100% of the total income for many producers - further accentuating the stagnation of the industry with farmers isolated from the changing needs of the marketplace, insensitive to the inefficiency of their own production systems and unaware of the hidden environmental costs of their farming methods – including a significant loss of habitats and wildlife, areas of scenic beauty and destruction of distinctive heritage features.

The environmental impact of modern farming methods has been most marked in the intensively-farmed lowland areas of NI, where the improvement of marginal land and intensification of production methods has led to the loss of species-rich grassland (95% lost since the Second World War), traditional hay meadows, wetlands, moorland, lowland raised bogs and characteristic field boundaries. Many of these habitats and landscape features remain under threat from agriculture. There is also a significant problem with the eutrophication of lowland surface waters due to the nitrate and phosphate pollution of rivers, streams and lakes. The current food and farming system also has a high energy cost in terms of so-called ‘food miles’ – recent estimates expose the environmental costs of food transport. In a comparison of two menus, one locally produced and the other imported from several different places, around 50 times more energy was used for the imported menu<sup>5</sup>

Food and farming is part of the wider economy, and it is an important economic driver particularly in rural areas where agriculture accounts for a significant part of the labour force. Consequently the economic security of rural areas is bound up with the state of agriculture. The decline in local services, for example banks, shops and post offices is in part a consequence of the crisis in agriculture. The foot and mouth crisis showed how tourism, rural

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<sup>1</sup> Derived from the DARD Farm Business Survey and quoted in *An Economic Note on the Northern Ireland Agri-food Industry* prepared for the DARD Vision Group, October 2001

<sup>2</sup> Davis, J., Mack, N. and Kirke, A. (1997). “New Perspectives on Farm Household Incomes”, *Journal of Rural Studies*, Vol.13, No. 1, pp. 57-64 – quoted in the ex ante evaluation of the *Rural Development Regulation (Accompanying Measures) Plan for Northern Ireland*

<sup>3</sup> Magee, S. (1998). *EU Structure Survey 1997 Northern Ireland Agricultural Labour Force Statistics*. DANI, Belfast

<sup>4</sup> According to recent DARD Farm Business Survey, there has been a marked improvement (61%) in farm income during the last two years returning ‘Total Income from Farming’ in real terms to its average level in the early 1990s – improvements in incomes in 2000/2001 have been due mainly to better producer prices for milk, lambs, pigs and potatoes.

<sup>5</sup> Jones, A (2001) *Eating Oil: Food supply in a changing climate*. Sustain and Elm Farm Research Centre, November 2001 [www.elmfarm.com](http://www.elmfarm.com)

access and local services were integrally linked with food and farming. Employment has fallen in food and farming, at the same time there has been increasing scale in the retail sector that also affects employment. It has been estimated that for each out of town supermarket that opens, 273 jobs are lost in the local economy<sup>6</sup>. Local food can contribute to more secure rural economies and contribute to sustainable and accessible local services.

## 1.2 “Globalisation” - the prevailing policy agenda?

Now that the immediate threat of foot and mouth disease has subsided, attention is coming to focus again upon the long-term problems faced by the agricultural industry in NI. Farmers are being told that they must change – that it is time to improve efficiency and to become more competitive and market-orientated, whilst also adapting to the concept of so-called “multi-functionality” and the increasing emphasis placed upon the environment and wider rural economy.

The emerging policy agenda is complex with many different strands that are aimed at knitting together profitable and innovative business with a strengthening of the integrity of the food chain, diversification of the rural economy, protection of the environment and rural heritage, and the development of rural communities and the rural workforce.

The most recent contribution to this agenda comes in the form of the report<sup>7</sup> from the DARD Vision Group. At the outset of the report, the authors presented their Vision for the future of the NI agri-food sector – a Vision to create:

*“A dynamic, integrated, innovative and profitable agri-food industry focused on delighting consumers in an evolving global marketplace and committed to developing its people. It will act as the guardian of our land-based heritage and rural environment and will help underpin and sustain the social fabric of rural areas. In all of this, it will work in partnership with Government and other stakeholders.”*

Many aspects of the Vision and ensuing report are perfectly sound and rational, however it is pervaded by an underlying assumption that the continued globalisation of food and farming is not only inevitable, but that the only option available for promoting “a dynamic, integrated, innovative and profitable agri-food industry” in NI is to embrace the global food trade.

The report neither considers nor offers any alternative model – consequently the Vision is very seriously impaired!<sup>8</sup>

This is a significant failing and does not actually appear to be a true representation of the opinions of the various sub-groups involved in the preparation of the Vision Group report.

The Food Chain sub-group, for example, expressed reservations about accepting the inevitability of the rapid globalisation of agri-food trade. During their own deliberations<sup>9</sup>, they noted a number of factors working against globalisation, including the “influence of national consumer tastes” and how “the rising cost of oil and the future taxation of aviation fuel could limit the economic viability of long distance shipments of fresh goods in particular”.

Whilst acutely aware of current trends towards larger and freer global markets, the sub-group anticipated “parallel trends of globalisation in some areas and localisation in others” – concluding that localisation:

- a) can achieve equally high standards in food production and processing as globalisation, but with higher levels of consumer choice, and
- b) is a potential opportunity for specialist parts of the NI agri-food industry

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<sup>6</sup> Friends of the Earth (2001) *Get real about food and farming: Friends of the Earth's vision for the future of farming in the UK*. FOE, October 2001

<sup>7</sup> *Vision for the Future of the Agri-Food Industry*, Department of Agriculture and Rural Development, Belfast, October 2001

<sup>8</sup> *Vision Impaired – an Analysis of the DARD Vision Group Report*, Friends of the Earth (Northern Ireland), Belfast, November 2001

<sup>9</sup> The supplementary reports from the five Vision Sub-groups are available for downloading from the DARD website at: [www.dardni.gov.uk/publications/pubs0036.htm](http://www.dardni.gov.uk/publications/pubs0036.htm)

Curiously, these strong sentiments are only hinted at in the main Vision Group report indicating – at least – a crisis of confidence amongst the main authors in the conclusions of their own sub-groups.

In a total of 85 pages, the Vision report acknowledges only once (on page 9) the opportunities arising from localisation. There is no further mention and no exploration of how these opportunities might be exploited to the benefit of farmers, consumers and society as a whole.

Such an omission completely overlooks the growing interest in and support for the re-localisation of food production, processing and consumption in the UK – the most striking example of which is the strong support for “local food” expressed in the recent Report of the Policy Commission on the Future of Farming and Food<sup>10</sup> published in January 2002 which stated that:

*“We believe that one of the greatest opportunities for farmers to add value and retain a bigger slice of retail price is to build on the public’s enthusiasm for locally-produced food, or food with a clear regional provenance. Increasing the market share of such food would have benefits for farmer and consumer alike...we expect that local food will enter the mainstream in the next few years”.*

There is no doubt that NI’s external/export markets are currently very important for the region’s farmers. NI is a net exporter of food and drinks products with sales to external markets (including GB) representing over 50% of the gross turnover of the agri-food sector – three-quarters of which is trade in livestock products, notably beef, sheep-, pig- and poultry-meat (Annex 1).

Given the prevailing domination of NI agriculture by grassland and livestock, the maintenance of a strong external trade in livestock products seems inevitable for the foreseeable future. Many NI producers will continue to compete upon external markets in the pursuit of a significant proportion of their livelihoods despite the fact that an over-reliance upon “exports” – including trade with the GB supermarkets - leaves them very vulnerable to the vagaries of distant consumers, retailers and processors. It is also far from the most efficient form of trading, with a huge gap between prices at the farm-gate and those at the point of sale.

However, this export trade must not be encouraged to the exclusion of other patterns, models and methods of food production, processing and distribution in NI. Serious consideration must also be given to the “localisation” of the NI food economy.

### **1.3 “Localisation” - an alternative and viable vision for Northern Ireland**

An alternative vision to that proposed by the DARD Vision Group is urgently needed – a vision that still embraces progressive and competitive agriculture, whilst also helping to protect rural livelihoods and communities, contributing to urban and rural health and ultimately reconnecting consumers as citizens to the countryside and their food. We have the following Vision – we see...

*...a dynamic, innovative and profitable agricultural sector in Northern Ireland composed of a diverse patchwork of technically-efficient and well-run businesses that bring stability and security to a vibrant and flourishing rural economy.*

*...farmers receiving a fair return for the food they produce and going about their daily business knowing that their efforts are valued by society and that they are receiving support both from the public purse and marketplace only in return for activities and products that the public and consumers want and need.*

*...farmers whose products are actively sought out by consumers in shops, restaurants, market stalls etc. in preference to others - products that when brought to the table bring pleasure and delight to those who eat them knowing that they have been produced to the highest possible standards of environmental management, animal welfare and food safety.*

*...farmers who are re-connected with society – both the consumers and citizens of Northern Ireland – through the development of local outlets (including retail, food service and public procurement) that increase access to food that is produced in Northern Ireland.*

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<sup>10</sup> *Farming and Food: a sustainable future*, Policy Commission on the Future of Farming and Food, page 43. Cabinet Office, London, January 2002

*...the revival of a food culture in Northern Ireland in which consumers know, value and celebrate where their food has come from, how it was produced and by whom.*

The farming industry in NI must change direction to overcome the current crisis and a greater focus upon the “local” rather than the “global” has a significant role to play in this. However, this must be presented as an opportunity for – not a threat to – traditional farming livelihoods. An opportunity for farmers to develop flourishing, consumer-orientated businesses that conserve and enhance the countryside, whilst contributing to thriving rural and urban communities that celebrate food as a vital component of their cultural heritage.

*“A diversified and local food production sector is a safeguard to farmers’ living; it avoids excessive transport and can encourage urban/local co-operation and a sense of local pride. At a spiritual level as consumers we need to have a feeling of connection to that which sustains us.”*

Comment from Stakeholder Interviews

## 1.4 What is “localisation”?

A focus upon the localisation of food and farming implies the development of so-called “local food economies” - or “food links” or whatever term is fashionable at the time – and the active maintenance, enhancement and possible re-creation of diverse networks of production, processing, distribution and sale where food products are consumed much closer to their point of production.

Local food economies emphasise the importance of shorter, less centralised food chains involving much closer and greater contact between farmers and the consumers, processors, retailers, caterers etc. that they serve. As a result, the physical and financial activities associated with food production, processing and retailing remain contained and controlled within specific localities or regions and this leads to a broad range of social, economic, environmental and health benefits accruing to the communities in these areas.

Local food economies also tend to be very disparate with a broad range of components that vary according to location to produce different combinations of production, processing, distribution and retail enterprises and initiatives – there is no standard template or model.

The cornerstone of many local food economies are the traditional independent retailers and wholesalers that are embedded in their local agricultural economy and have a long history of purchasing foods grown and processed close to the point of sale. This means that often the more “isolated” and less “developed” a town or village is, the healthier its local food economy is usually likely to be.

In areas where the independent shops have declined, “pioneer” local food businesses, including both traditional farm diversification options such as farm shops and newer initiatives such as box schemes or farmers’ markets, tend to be active in the re-establishment of the local food economy.

These businesses often (although certainly not always) have a strong social agenda and many actively seek to challenge the accepted norms regarding predominance of the multiple retailers and the tendency towards a global food economy. As a result, these pioneer businesses often attract most attention during consideration of the local food economy – although in reality it is the traditional retail businesses that often offer greatest potential for the expansion of the local food sector, as this report will show.

## 1.5 The benefits of a local food economy

Interest in local food has increased significantly in the last five years with the growing realisation of the positive contribution that local food economies can make to sustainable development in both rural and urban areas. Local food economies deliver an integrated suite of benefits and are unique as agents of sustainable development by occupying a point of convergence between 4 main issues – economic development and regeneration; environment; social cohesion and community development; and health.

**Economic Development and Regeneration** - the economic regeneration of many rural areas in the past often focused upon the encouragement of business relocation to deprived areas. However, the benefits of relocation were in many cases transitory and unsustainable. The encouragement of indigenous, local enterprise is a more permanent and sustainable approach.

Evidence suggests that local food enterprises and initiatives are excellent vehicles for the economic development and regeneration of rural areas by:

- farmers can potentially achieve a higher return through achieving a greater proportion of the retail price through closer contact with the final consumer, for example by direct marketing. However, such producers inevitably have higher costs, thus although farm gate and retail price may vary by a factor of two or more this will only partially be reflected in a higher income for the producer.
- encouraging both on-farm and off-farm diversification and the development of alternative economic activities that stabilise and bring security to rural economies
- adding value to local products – either through direct marketing or further processing
- creating new markets for local products, such as public procurement for schools and hospitals
- generating greater employment opportunities at a local level (including the creation of new markets for traditional skills), together with the knock-on effect of greater demand for other local services
- specifically generating demand for local facilities such as abattoirs
- encouraging greater local trading and the retention of more money in the local economy for longer periods of time leading to a significantly greater “multiplier effect” to benefit local communities. In one study in Cornwall revealed that every £10 spent on local food is worth £25 to the local area, compared with just £14 when the same amount is spent in a supermarket<sup>11</sup>
- making greater use of co-operation and collaboration between businesses.

**Environment** – the detrimental effects of intensive agriculture and the impact of increasing freight transport (‘food miles’) are both key environmental issues. The increased production, processing and sale of local food products can benefit the environment by:

- generating fewer ‘food miles’
- enhancing the viability of traditional farming systems that benefit the environment e.g. traditional livestock breeds and less intensive grazing systems
- encouraging farmers to adopt more environmentally-friendly production systems, such as organic farming
- developing consumer interest in the links between food, farming and the environment leading to more informed purchasing decisions elsewhere.

**Social Cohesion and Community Development** – with the increasing consolidation of the agricultural industry and centralisation of food distribution systems, farming has become divorced from society and the traditional role that it played in supporting rural communities. Local food initiatives can help to rebuild social cohesion by:

- increasing social contact between people, including the socially excluded
- generating greater employment opportunities at a local level, often with the opportunity to develop more job satisfaction
- encouraging increased co-operation between local businesses
- encouraging more community-based enterprise
- revitalising local services, including local shops
- developing a greater sense of local identity and a closer association between “people and place”.

**Health** - the health agenda has moved forward dramatically in recent years, broadening its remit to include the encouragement of healthy lifestyles and socially-inclusive communities as a means of combating the causes of ill health such as poor diet and isolation. Local food economies have a role to play in these developments by:

- providing greater access to food for all, including the increased availability of affordable, good quality produce
- improving diet through the increased availability of fresh produce
- reducing social exclusion through increased social contact and the provision of more opportunities for social exchange.

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<sup>11</sup> *Plugging the Leaks* – briefing paper from the Centre for Participation, New Economics Foundation, London.

“There is a need for a radical rethink about what food means to us in terms of lifestyle, tourism, health etc. We have got to make local food much more accessible both culturally and physically. It is a battle for hearts and minds”.

Comment from Stakeholder Interviews

## 1.6 What does “local” mean in Northern Ireland?

“Local” is a relative term. It is often disputed, but is commonly defined in one of three ways:

- i) **Produced and processed within 30 miles** - the use of 30 miles is a clear, but slightly arbitrary definition relating to the rules laid down by Farmers' Markets;
- ii) **Local sources replacing more distant sources** - many purchasers think in terms of "more local" or "less global", substituting distant supplies with those sourced closer to the point of sale. The slogan that some have adopted to describe this move towards local is "local first";
- iii) **Regions (or so-called “bio-regions”)** that can supply the foods needs of a discrete population - the region would vary based on the population, so a city will have a far larger food producing bio-region than a market town.

The original brief for this study defined a local food economy as “...food consumed within a 30 mile radius of where it is produced”. The suggested adoption of this strict benchmark is understandable, however we quickly found when surveying and consulting stakeholders that there is much confusion between the concepts of “local” and “regional” in NI.

The reason for this is obvious – NI is a very small region compared to the rest of the UK and a significant proportion (over 50%) of its total territory (5,462 square miles) can actually be encompassed within a single circle of 30 miles radius (Figure 1).

**For the purposes of this study we have assumed therefore that the terms “local” and “regional” are synonymous in NI.** We propose that the definition of “local food” in NI should simply be “...food which is grown or produced in Northern Ireland”. This study is confined to Northern Ireland; clearly local food in towns adjacent to the border with the Republic of Ireland (RoI) would include sources within RoI (and no doubt *vice versa*). Further work will be necessary to understand and develop cross border local food economies.



FIGURE 1: Over 50% of NI can be encompassed within a single circle of 30 mile radius

## 2. The food economy in Northern Ireland

### 2.1 The “agri-food sector”

Agriculture occupies 78.2% of the land area of NI. The majority of this farmland has Less Favoured Area (LFA) status because of the relatively poor agricultural conditions that prevail there. Farming and the food processing industry in NI are characteristically dominated by grazing livestock and their products (beef, lamb, milk and dairy products). Most farmland is therefore under grass. A detailed referenced description of the NI agri-food sector is provided in Annex 1.

In 2000, the gross agricultural output of NI was estimated to be £1,093 million, of which the greatest proportion (82%) was livestock and livestock products. Arable crops (principally potatoes and barley) and horticulture (fruit, vegetables and mushrooms) each accounted for only 5% of gross agricultural output. The remaining 8% is accounted for by flowers, other livestock products, contracting and quota leasing.

The net turnover value of the NI food and drinks processing sector in 1999 was estimated to be in the region of £2,075 million. The most important processing sub-sectors in 1999 were milk, milk products, beef and sheepmeat (accounting for 45% of gross sector turnover), further reflecting the domination of the NI agri-food sector by grazing livestock and their products. Many NI agricultural sectors are producing more than is consumed locally/regionally. The entire NI agri-food sector is therefore very “export” orientated with sales of NI food and drinks products to external markets outside of NI totalling £1,107 million in 1999 and contributing 52% of total gross sector turnover – equivalent to 15% of NI’s total external sales of manufactured goods.

However, imports of primary agricultural products that can be produced in NI continue. Total imports of semi-processed food amounted to £80 million in 1999<sup>12</sup>, though some of this is re-exported and not all of could be produced in NI some could; for example beef and sheepmeat (imports of £38 million) and dairy products (£3 Million) can be produced in NI.

Most sub-sectors of the NI food and drinks processing industry sell less than 50% of their total output through outlets in NI – the remainder is sold on external market outside of NI, mostly to GB.

The external market for NI processed products is greatest in livestock products – sales of milk powder, butter, beef, sheepmeat, poultrymeat and pigmeat (predominantly fresh pork) together account for over 75% of all external sales of processed products.

GB is the largest single market for NI beef and lamb, particularly since the large GB multiple retailers committed themselves to buying and marketing “British Meat” in 1998. There are 26 EU approved abattoirs: 11 for cattle and sheep, 12 only for poultry, three only for pigs. For red meat, producers can arrange for their own animal products back - if they are engaged in direct marketing and some abattoirs have specifically developed (although not for poultry).

The value to NI farmers of having access to the GB market was estimated at 9p/kg during the 2000/2001 financial year – this represents the premium to NI producers over and above the average price in the Republic of Ireland. Further increased access to the GB premium meat market is however apparently now limited by the preference of the GB catering trade for very local regional produce or Scottish beef.

Another specific sub-sector that is particularly orientated towards external sales is the NI apple industry with 97% of local apple production (predominantly Bramley’s) processed and sold outside of NI as concentrate.

There is very little information available on food imports into NI. However, it can be identified that there:

- a) are many products and commodities being imported that are not currently produced in sufficient quantity in NI e.g. cereals and other feedstuffs for the intensive livestock and dairy sectors, cereals for the bakery sector, fresh and processed fruit and vegetables, as well as a number of speciality foods
- b) are some quantities of lower quality produce (e.g. potatoes) being imported by food processors to substitute for the more expensive NI equivalent
- c) is a relatively small, but important, traditional trade in live animals (steers, heifers, young bulls, lambs and hoggets) from the Republic of Ireland for fattening and slaughter in NI.

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<sup>12</sup> DARD (2001) Size and performance of the NI food and drink processing sector 1999; subsector statistics.

Traditionally the NI food retail sector has been dominated by a strong independent and smaller-store multiple retail sector, but recent years have witnessed a significant change in the retail structure of NI with the introduction and rapid expansion of the major UK multiples to gain increasingly significant market share.

The “top six” GB multiples (Tesco, Sainsbury, Iceland, CWS and Marks & Spencers) operating in NI already control over 65% of grocery sales. As these multiples continue to increase their power, they will further push small local retailers plus the independent, small format multiple retailers and label groups (Mace, Spar, Centra, Vivo and Supervalu) out of business, squeeze the profit margins of suppliers and inhibit the growth of small-scale producers. The impact of this development on small-scale producers and local supply chains could be significant.

The total retail food market in NI is estimated to be in the region of £2,333 million per year – including a total of £1,533 million by NI households for consumption “at home” and £800 million per annum spent eating “out-of-home”.

A preliminary comparison of the relative value of agricultural output, food processing sub-sectors and household expenditure upon food reveals a significant imbalance in the NI food economy:

- i) Too much meat and dairy products are produced for domestic consumption and the surplus is exported
- ii) Not enough fruit and vegetables are produced for domestic consumption and the shortfall is imported
- iii) Not enough cereals are produced for domestic consumption and the shortfall is imported
- iv) The production and consumption of fish and eggs appears in reasonable balance.

## **2.2 The prevailing “local food economy”**

There is very little information on the nature and scale of the prevailing local food economy in NI and it was necessary to undertake a survey of retail and food service outlets (Annex 2), plus some consultation with key stakeholders (Annex 3). A questionnaire was developed to assess the value of the regional/local food economy, as well as the perceived/actual barriers to growth. A successful pilot of the questionnaire was conducted in Belfast prior to the full survey being conducted in:

Antrim, Ballymena, Bangor, Belfast, Enniskillen, Lisburn, Derry/Londonderry, Newtownabbey, Newtownards and Omagh

The distinction between the terms “local” and “regional” proved to be very unclear and it is proposed that in the specific context of NI it is most appropriate to assume that the two terms are interchangeable and not to apply the strict benchmark of the “30 mile rule”.

Stakeholders felt that the NI local food sector is increasing in size with growing consumer and producer interest in producing and purchasing local products. It was also felt however that supply lagged behind interest with producers placing too much emphasis on meat products. Sector fragmentation and the lack of a coherent, driving vision amongst the disparate producers and local food groups were seen as a major obstacle.

Stakeholders expressed concern about the export-orientated nature of the agricultural sector and the heavy dependence on the importation of foods that are, or could be, produced locally. This was seen to be made worse by the cultural shift away from production and purchase of local foods and the lack of incentive to start local food production enterprises.

Encouraging growth in the local food sector was felt to be important. The local food sector’s potential to provide increased access to fresh produce, support the economy, create and sustain employment and protect the environment was seen as providing a vital contribution to the health of rural and urban communities throughout NI.

There is a long history of Country Markets in NI that support the tradition of local trading in surplus food products at a community level. The estimated value of total sales through the Country Markets is **£95,000** per year.

There is a reasonably well-established network of farm shops reflecting their promotion and popularity during the last 10-20 years as a farm diversification option in NI – this includes the 20 or so members of the Farm and Specialty Food Market (formerly the Farm and Retailing Movement), plus the 30+ farm shops who are non-

members. There is no reliable figure available for the value of the farm shop retail market, but it seems reasonable to suggest that it is also approximately **£100,000** per year.

In recent years, and with the growing interest in organic food, NI has seen the establishment of other “less traditional” direct marketing outlets – notably the weekly Belfast Farmers’ Market (approximately 10-15 regular stall holders at present) and a number of vegetable box schemes (of which two currently survive). Again there is no reliable estimate of total sales through these outlets, but it is very small at present – probably in the region of **£5,000** per year.

The current value of total local food sales through farm shops, markets and box schemes is therefore estimated to be approximately **£200,000** per year – very small at present! However, these outlets remain very valuable for raising the profile of local food and for certain producers will prove to be an invaluable option for direct marketing.

In addition to these direct marketing outlets, a number of rural, health and community projects/initiatives utilise local food as a development ‘tool’ (see summaries in Table 1). In some cases they have been developed as part of national schemes, whilst others have been community led. The diversity of projects and variety of objectives are an indication of the versatility of local food as a vehicle for sustainable development.

As already noted, the NI food retail sector was until recently dominated by strong independent shops and small-store multiples. Unfortunately in recent years they have lost much of their trade to the multiple retailers and currently only enjoy an approximate 15% share of the NI grocery market. Nonetheless, they still provide an essential cornerstone of the NI local food economy with estimated sales of NI produce in the region of **£123 million** per year – of which a significant proportion (notably for butchers) is actually claimed to be sourced within 30 miles.

The significance of food service outlets, such as restaurants and pubs, often tends to be overlooked when examining the local food economy of an area – however, experience suggests that they can be a very important outlet for local producers since they are often easier to sell to than retail shops because of more relaxed environmental health regulations. This tendency is also indicated by the results from our survey with the estimated value of meals prepared using regionally-sourced ingredients in the region of **£515 million**.

Restaurants were identified in particular by the stakeholders as an area in which rapid growth in local food sales had and would continue to occur. Interestingly, this contrasts slightly with the view of the NI Livestock and Meat Commission (LMC) that there is “...no great evidence to suggest that anything but an occasional restaurant is motivated by source and quality of product rather than price” (Annex 1) – although clearly the LMC’s interest in develop a scheme promoting NI beef and lamb to local restaurants in NI should remain a high priority.

**Table 1: Development projects/initiatives utilising local food in Northern Ireland**

Background	Activities
<b>Armagh and Dungannon Health Action Zone (HAZ)</b>	
<p>In April 1999 the Armagh and Dungannon district council areas were designated a Health Action Zone (HAZ) by the Department of Health and Social Services. The area is largely rural in nature with a complex profile of severe deprivation compounded by geographical isolation. The impact of the “Troubles” in this border area has had a profound effect on the health and well-being of individuals and communities living within it.</p> <p>Aodhan O’Donnell (Tel: 028 8772 9017) aodonnell@adhaz.org.uk</p>	<p><i>Decent Food For All</i> – A 3 year project to combat food poverty through the introduction of Community Food Educators to raise awareness and encourage demand for good quality local products, and combat the financial and physical obstacles to improved food access.</p> <p><i>Food Break</i> – New pilot area for the introduction of fruit into schools as a healthy break time snack.</p> <p><i>Community Food Growing</i> – In conjunction with the LA21 programme, 5 community food growing projects, including 2 in schools, to raise understanding of growing, cooking and healthy eating.</p> <p><i>HAZ events</i> – To promote local produce as a means to regenerate local markets.</p> <p>Where possible projects are run at a local level, raising awareness and encouraging local partnership across the whole community.</p>
<b>NI LEADER network</b>	
<p>The LEADER Network has developed cross border collaboration between 6 NI Local Action Groups and 6 in the ROI to stimulate activity in local and speciality foods that utilise indigenous products and assets. LEADER + will continue this work with 12 groups in NI focusing on the development of micro enterprises by farm families, women and youth.</p> <p>Miceal McCoy (Tel: 028 3026 3177) micealsdsa@dial.pipex.com</p>	<p><i>Website</i> – www.irishborderfood.com, brings together local producers for closer collaboration and to increase sales of local products.</p> <p><i>Food Directory</i> – to raise awareness and promote further sales of sea and land based food products</p> <p><i>Farmers’ Market Development</i> – to develop and stimulate local production through the establishment of new Markets. A weekly Friday Market is currently being developed in Newry.</p>
<b>Dungannon and South Tyrone’s Food Futures project</b>	
<p><i>Food Futures</i> was a national partnership programme that was run and supported in South Tyrone in conjunction with many local organisations. It aimed to get more local, including organic, food to local people by supporting the development of an active local food sector network and associated sustainable local food economy.</p>	<p>This ambitious programme was based on full and effective community participation and development of active partnerships involving all levels of the food supply chain including producers, distributors, retailers and consumers. It has now finished and new funding is being sought for a food links project.</p>
<b>Belfast Food Co-op</b>	
<p>The Co-op has been established for over 3 years to improve community access to fresh products, combating food poverty.</p>	<p><i>Food Co-op</i> – 20-30 volunteers are involved in the monthly distribution of food, with at least a third of the 100 members receiving products. Total food sales are over £4,000 per year.</p>

As purchasers of extremely high volumes of product, the multiple retailers have a potentially huge impact upon the future of the entire food chain in NI. Multiple retailers are not normally considered part of a local food economy – although they can (and sometimes do) purchase large quantities of local/regional produce.

The multiples were not specifically included in our survey, but reference was made instead to the comprehensive review of their procurement policies made in early 2000 by the NI Assembly's Committee for Agriculture and Rural Development<sup>13</sup>. From this review it is estimated that the multiples operating in NI are sourcing approximately **£518 million** of NI products per year – predominantly meat and meat products, potatoes, milk, dairy products and eggs.

**In conclusion - we estimate that over £1,156 million of “local food” (grown or produced in Northern Ireland) are being sold in NI per year – approximately 50% of the total retail food market (£2,333 million).**

This is a very large proportion and significantly higher than would be found in other regions of the UK – however, it does make sense given the specific circumstances and history of the region.

For example, a simple analysis of household expenditure in NI (Annex 4) suggests a number of commodities that could be sourced virtually exclusively in NI at present – these are milk and cream, cheese, all meat and meat products, fish, eggs and potatoes. The total household spend on these items was last estimated (2000) to be **£8.60** per person per week – approximately 50% of the average total household expenditure on food and drink in NI (£17.43 per person per week).

However, extreme caution must be exercised in interpreting this estimate as a definitive statement on the current development of the local food economy:

1. It is not appropriate at present to include the multiple retailers – with their current procurement policies and development strategies - within any definition of the NI local food economy. Firstly, the introduction and continued growth of the multiple supermarkets in NI was clearly identified by the stakeholders consulted as a significant threat to the sustainability of local food sales. Secondly, increased sales of local food in supermarkets are not necessarily in the best interests of local food economies since the increased market share of the multiples a) results in loss of market share for independent retailers and other supply routes and b) only contributes further to the imbalance of power between producers and retailers.

This is not to say that the multiple retailers have no place within a local food economy, but their participation at present is perceived as more of a threat than an opportunity. Constructive dialogue with them should however be encouraged. It should be noted that all multiples in NI have made a significant commitment to local sourcing and supply chain liaison meetings have taken place to encourage this. Multiple retailers such as the Co-op have introduced several initiatives to encourage local sourcing.

2. No distinction is made in this estimate between food “grown” in NI and food “processed” in NI. Many processed products may include ingredients sourced and imported from outside of the region e.g. it is known that at least £80 million of semi-processed foods were imported into NI for use by the food and drinks sector in 1999 (Annex 1);
3. More information is also needed on the sourcing of ingredients and pre-prepared meals by the food service outlets. Although they are obviously important within the local food economy, we suspect that our estimate of their contribution is exaggerated e.g. many restaurants cited purchases from a local greengrocer as a “local source”, but it is very unlikely that much of the produce in the greengrocer was grown in NI (except for potatoes).

**Consequently, we estimate that the current value of the local food economy in NI is more likely to be in the region of £200 million per year – just under 10% of the total retail food market and equivalent to £2.27 spent per person per week.**

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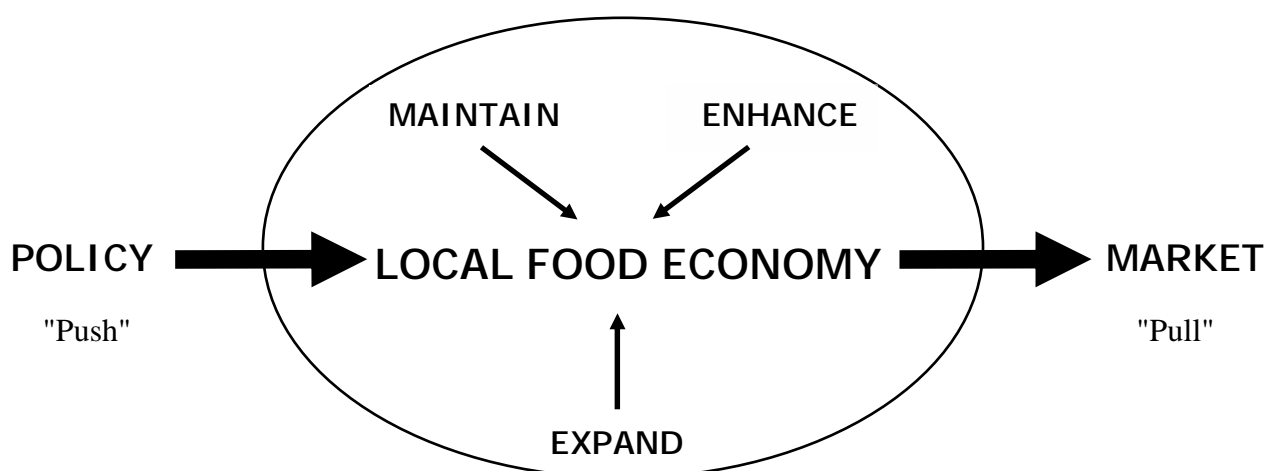
<sup>13</sup> *Retailing in Northern Ireland – a fair deal for the farmer?* Volumes 1 and 2, Committee for Agriculture and Rural Development, Northern Ireland Assembly, Session 1999/2000. Stationery Office, Belfast.

### 3. Implementing the vision

#### 3.1 Adopting a strategic approach - goals and objectives

We believe that a strategic approach is essential to realise the full potential of local food economies – this will identify where the greatest capacity exists for localising the food supply and where intervention can be most effectively targeted.

The broad framework within which we propose that the local food economy in NI should be developed has been established through the process of stakeholder consultation, and an overview of DARD and other policies. Our Vision (presented diagrammatically below) is intended to exploit the opportunities and overcome the barriers by implementing a series of policy measures, both in the public and private sectors and through public/private partnerships.



This model of integrated sector development exploits both the “push” of relevant policy intervention and the “pull” of market demand to increase the production and consumption of local food in NI, supported by specific programmes of action aimed at a number of strategic goals with associated objectives:

#### **GOAL 1: Short-term - Maintain the prevailing local food economy**

**Objective 1:** Develop a shared understanding, direction and strategic approach among all stakeholders in the development of local food economies in Northern Ireland to achieve on-going sustainability whilst enabling expansion of the sector.

**Objective 2:** Ensure appropriate regulation, advice and grant aid for developing the local food sector.

#### **GOAL 2: Short/medium-term - Enhance the prevailing local food economy**

**Objective 3:** Promote local food supply chains amongst producers, independent retailers, and food-service outlets to celebrate the cultural heritage of local food.

**Objective 4:** Promote awareness of and equality of access to healthy and local foods through education programmes and direct links between producers and consumers.

#### **GOAL 3: Long-term – significantly expand the prevailing local food economy**

**Objective 5:** Develop appropriate infrastructure and skills to sustain and expand the local food sector through the strategic introduction of local facilities and training opportunities. Consider appropriate fiscal measures.

**Objective 6:** Ensure that the on-going review and reform of agriculture in NI, the rest of the UK and EU CAP reform makes the most of the opportunity to exploit local food economies linked to the achievement of wider social, health and environmental objectives.

### **3.2 What can be done?**

There is evidence of growing interest and emphasis within DARD on sustainable rural development and the integration of environmental, social and economic policy goals. DARD has discretion in the development and implementation of regionally-specific rural development programmes, plus access to additional sources of EU co-financing funding not otherwise available in the UK e.g. Peace and Reconciliation Funds.

Unlike other rural regions in the UK and other EU Member States, NI has only relatively recently established the necessary structures for carrying forward an integrated approach to rural development. Some parts of regional and local government could be more effectively 'joined-up'.

NI is relatively small and there is close integration between policy-makers and the support systems (advisory etc.) for the agriculture and food sector. This could facilitate fairly rapid change towards the development of more local food if the Government and industry were to agree on a "localisation" agenda for agriculture.

Agricultural education and training in NI is locally-controlled and focussed upon meeting the requirements of the farming industry. It could be a very powerful driver for change by encouraging different attitudes and addressing the technical needs of an industry committed to the development of a more diverse, locally-based food economy.

However, government responsibility for the agri-food sector is currently too fragmented to effectively implement a Vision for a more locally-based food economy. Agricultural and horticultural production is the responsibility of one Department (DARD), whilst responsibility for supporting and developing food processing, marketing and all other aspects of land-based industry is shared by at least three Departments – DARD, the Department of Enterprise, Trade and Investment (DETI) and the Department of Employment and Learning. Unification of responsibility for the agri-food sector under a single Department would be a significant step forward.

Furthermore, government initiatives to promote NI agri-food products have also been fragmented. Traditionally, DARD has promoted outputs from farmers and growers, DETI has promoted outputs from food processors and Taste of Ulster has promoted niche products and speciality foods from both sectors. The resulting overlaps have created confusion, inefficiency and a lack of focus. The Food Body for Northern Ireland proposed in the DARD *Vision*<sup>14</sup> will provide the opportunity to develop a more joined-up approach.

All relevant policies should ensure the protection of the current local food sector and encourage the sustainable expansion of local food production, processing and consumption by recognising and valuing the contribution the local food sector has to make to the sustainable development of NI. From this point of view, the Food Poverty (Eradication) Bill (England and Wales) could provide a focus for campaigning for similar legislation in Northern Ireland that links closely with the localisation agenda. A wide range of organisations including FOE supports the Bill.

At a more practical level, two examples of progressive projects in the south-west of England are provided in Annex 5. They show that very different approaches can make unique and valid contributions to the local economy, food supply and the security of farming businesses. It is the multiplicity of policy options that should be borne in mind - in NI there are 26 District Councils, as well as Local Enterprise Agencies, the Peace and Reconciliation Initiatives, more than 20 Trade Associations, many farmers groups and co-operatives. Although policies relating to the Marketing Development Scheme, LEADER+ and Processing and Marketing Grants are of central importance, many of the proposed policy actions should be considered more widely - penetrating into communities at every level.

### **3.3 Exploiting the opportunities for growth**

The experience of promoting and valuing local foods and food culture in Europe is instructive to actions to support local foods. School and hospital foods in Italy and France are frequently sourced locally and this is a result of a greater interest in food culture. Such initiatives also reinforce local food culture. Celebrating and making local foods widely available should be both valued and ubiquitous, rather than just an Epicurean delight, which is available to the few.

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<sup>14</sup> *Vision for the Future of the Agri-Food Industry*, Department of Agriculture and Rural Development, Belfast, October 2001

Two concrete examples of local food projects in the south-west of England are presented in Annex 5 - these show the way in which local food projects can help to transform the local food supply chain right from producers through to consumers - making a difference all the way.

In this section, we present the specific actions that will help to achieve the proposed goals and objectives. Opportunities and barriers to the development of local food economies in NI (as identified by stakeholders) are presented under each objective.

There are many actors able to take up the new policy agenda to enable the development of local food economies. Though DARD is the lead government department, other departments and other agencies including local government and NGOs are of importance in implementing policies that will contribute to achieving the vision we outlined for the NI local food economy.

## Goal 1: Maintain the prevailing local food economy

<b>Objective ONE</b>	<b>Develop a shared understanding, direction and strategic approach among all stakeholders in the development of local food economies in Northern Ireland to achieve sustainability whilst enabling expansion of the sector</b>
Opportunities	<ol style="list-style-type: none"> <li>1. Farmers are already being encouraged to diversify their businesses into non-traditional agricultural activities</li> <li>2. NI has some excellent farmers who are highly respected and could act as great “champions” for local food - e.g. well-established and effective co-operatives (e.g. lamb producer groups) where farmers are securing significant business advantages by working together</li> <li>3. There is already a clear interest in NI in alternative forms of retailing as shown by the well established, farm shops, Country markets, box schemes and participants in the Belfast Farmers’ Market</li> </ol>
Barriers	<ol style="list-style-type: none"> <li>1. NI agriculture is dominated by grassland and livestock, this limits the diversity of locally-produced food and inevitably leads to an export-orientated agricultural sector</li> <li>2. Many NI food companies have adopted a dual British/Irish image which they use to their advantage according to specific market requirements. This has tended to make the generic branding of local and/or regional products more difficult</li> </ol>
Action	<ol style="list-style-type: none"> <li>1. Establish a Regional Food Forum with wide stakeholder involvement as part of the proposed new Food Body to agree a vision for the development of Northern Ireland's regional food sector</li> <li>2. Define, monitor and keep under review key indicators of the progress of regional food supply chains</li> <li>3. Private and public organisations, agencies and departments - for example Taste of Ulster - should be included in discussions about developing local food economies</li> <li>4. Review strengths and weaknesses of current infrastructure for small scale and local processing facilities, including abattoirs, and propose improvements.</li> <li>5. Develop policies that maximise the opportunity to exploit synergy between the "local" and "organic".</li> <li>6. Influence the policy of local councils to encourage finding appropriate sites for the establishment of farmers’ markets in a co-ordinated way.</li> </ol>

<b>Objective TWO</b>	<b>Ensure appropriate regulation, advice and grant aid for supporting the local food sector</b>
Opportunities	<ol style="list-style-type: none"> <li>1. There are examples of processors and farmers actively considering how working together could be developed for their mutual benefit. These all provide the basis for more localised food economies</li> <li>2. There is considerable potential for the establishment of more farmers’ markets (with a clear charter) in the major towns outside of Belfast and to organise markets more frequently</li> <li>3. There have been some preliminary activities (e.g. by the Livestock and Meat Commission) in promoting NI beef and lamb as a quality product for local consumption (although there is still a tendency to rely upon the work of the MLC in GB to promote the export trade from NI to GB)</li> </ol>
Barriers	<ol style="list-style-type: none"> <li>1. The extent of horticulture is currently very limited</li> <li>2. Many farmers are experiencing great difficulty in coping with the increasing regulatory demands associated with food and farming, and this remains a significant obstacle to the diversification of their farming enterprises</li> </ol>

	<ol style="list-style-type: none"> <li>3. Local planning regulations and byelaws can be a significant obstacle to the establishment of alternative food retail outlets, including farmers’ markets and on-farm diversification</li> <li>4. For many farmers and SMEs understanding what grant aid and other business support is available and how to access it is a problem. The situation is complex and – particularly with LEADER programmes – appears to be complicated further by differences in approach across NI</li> </ol>
<b>Action</b>	<ol style="list-style-type: none"> <li>1. Produce a simple guide to meeting all relevant planning, health and safety, food hygiene and other regulations appropriate for small-scale local and regional food businesses</li> <li>2. Ensure that food safety regulations do not unfairly penalise small scale processing and direct marketing operations which are inherently less risky</li> <li>3. Educate the Advisors and Regulators to allow a comprehensive understanding of local food, its opportunities and appreciate the need to promote and support ethically based enterprise</li> <li>4. Create '<i>champions</i>' to develop pilot programmes for the production, processing and promotion of local food and sustain support for networking across the region.</li> <li>5. Encourage further the development of coops, building on the successes to date. Develop advice which supports co-operation between sectors and multi stakeholder co-operative food enterprises which meet wider social and environmental objectives</li> <li>6. Integrate local food marketing opportunities into the on-farm and rural business advice aimed at encouraging new entrants into farming</li> <li>7. Simplify and improve access to the various forms of financial and other support available for farm businesses and other agri-food businesses that could be used to fund local food initiatives and enterprises.</li> <li>8. Introduce, promote and allocate revenue and capital grants for producers, producer groups and Local Food Initiatives wishing to enter, or already involved in the sector</li> </ol>

## Goal 2: Enhance the prevailing local food economy

<b>Objective THREE</b>	<b>Promote local food supply chains amongst all independent retailers, producers and food-service to celebrate the cultural heritage of local food</b>
Opportunities	<ol style="list-style-type: none"> <li>1. Most farms in NI are owner-occupied – therefore it is within the control of the farmer and his/her family to embrace change and adopt new management practices and approaches</li> <li>2. Although horticultural production is currently very limited in NI, there is a strong tradition of fruit growing (apples) in some areas that could be re-vitalised – the majority of apples are currently exported as concentrate</li> <li>3. Significant amounts of locally produced livestock products are already being consumed in NI with much of this being sold through independent retail and food service outlets. 60% of outlets wanted to stock more local food</li> </ol>
Barriers	<ol style="list-style-type: none"> <li>1. A significant expansion of horticultural production would require major restructuring of farms to accommodate field and protected crops</li> <li>2. There is currently a lack of appropriate local processing infrastructure and marketing expertise to support an expansion of the local food sector</li> <li>3. Experience to-date suggests that a ‘Northern Ireland Product’ message has had a limited appeal to local consumers – the benefits of buying “local” therefore need to be clearly identified and presented in a powerful, professional and sustained manner</li> </ol>
<b>Action</b>	<ol style="list-style-type: none"> <li>1. Promote the uptake in NI of the Protected Names Scheme to enhance the status of regionally identified food</li> <li>2. Develop and implement a generic regional products campaign to promote greater awareness and understanding of regional food among producers, processors, retailers, food service outlets and consumers</li> <li>3. Encourage farmers and other businesses to be self-reliant, willing to innovate and actively looking to turn new ideas and opportunities into action - to adopt a new enterprise culture and thereby overcome the over-dependence of NI agriculture upon public subsidy and grant support</li> <li>4. Promote the importance of independent butchers, greengrocers and bakers in retaining the diversity of local products and seek ways of showing the value to society</li> <li>5. Use public procurement to promote regional foods</li> <li>6. Celebrate the existing NI food culture; in recipes, traditional breeds and food processing</li> <li>7. Establish and conduct a programme of market research and needs analysis to support the sustainable growth of the sector</li> </ol>

<b>Objective FOUR</b>	<b>Promote awareness of and equality of access to healthy and local foods through education programmes and direct links between producers and consumers</b>
Opportunities	1. Consumer attitudes in NI are changing and there is evidence of an increase in ‘green consumerism’ in NI as demonstrated by the steady growth in demand for organic produce. There is also evidence of a strong link emerging in consumer perception between “local” and “organic”
Barriers	1. Although there is evidence of growing interest in speciality foods in NI, such products and their associated supporting infra-structure (e.g. regional food groups) tend to focus upon what are perceived to be the more lucrative export and multiple markets. This can prove to be incompatible with the development of more localised food economies 2. Seasonality of some fruit and vegetables is likely to be an issue for consumers; even if local food was more available many types would only be intermittently available (in season), thus uptake would require effort either on the part of consumers to search the food out or by retailers to make the food available
<b>Action</b>	1. Develop schools programmes which link producers and processors with schools and which promote cookery skills to pupils and via them to their parents 2. Initiate research into the factors which influence consumer buying behaviour in NI to clearly understand the relationship between regional preferences, country of origin and quality, value, appearance, taste etc. 3. Link consumer co-operatives and producer co-operatives to provide fresh produce at affordable prices to those in need of better access to bulky fresh produce 4. Ensure that the development of new local food businesses including farmers’ markets, box schemes and farm shops are undertaken in a way which supports the independent retail sector and avoids damaging competition 5. Improve public access to the countryside to assist in 're-connecting' farmers and consumers

### Goal 3: Significantly expand the prevailing local food economy

<b>Objective FIVE</b>	<b>Develop appropriate infrastructure and skills to sustain and expand the local food sector through the strategic introduction of local facilities and training opportunities. Consider appropriate fiscal measures</b>
Opportunities	1. An extensive network of community-based organisations has been established in rural areas during the last 10 years, pursuing local solutions to a range of development issues, including farm diversification, rural tourism, social and community development etc. This provides an excellent basis for the establishment of a more localised food economy and its associated businesses and support initiatives 2. There are still a large number and diversity of independent food retailers and wholesalers operating in NI. The retail food market is not yet dominated completely by the major GB multiples, but their market share is increasing rapidly
Barriers	1. The NI agricultural industry has a reputation of “short-sightedness” and is dominated by older farmers who are notoriously conservative and resistant to innovation and change. Meanwhile the more forward-looking farmers lack the necessary skills and/or resources to diversify into new business areas 2. The major GB multiple retailers are steadily gaining market share in NI and will put other food retail outlets under increasing pressure. Farmers and growers will have to increasingly compete with cheap imports and the purchasing power of the multiples

<b>Action</b>	<ol style="list-style-type: none"> <li>1. Establish the feasibility of a pilot Centre for Local and Regional Food for the processing and distribution of local products and as ‘one stop shops’ for advice and training.</li> <li>2. Develop targeted provision of appropriate education and training for sustainable land management techniques and processing and marketing of regional products</li> <li>3. Promote farmer co-operation in the development of small scale processing and distribution groups</li> <li>4. Ensure that local planning policies enable small scale on-farm processing</li> <li>5. Review grant schemes for local and small scale food initiatives, particularly to establish whether the minimum acceptable grant is set too high for the small-scale investments often needed</li> </ol>
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<b>Objective SIX</b>	<b>Ensure that the ongoing review and reform of agriculture in NI, the rest of the UK and EU CAP reform makes the most of the opportunity to exploit local food economies linked to the achievement of wider social, health and environmental objectives</b>
<b>Action</b>	<ol style="list-style-type: none"> <li>1. Assess the potential for restructuring agriculture to lessen NI reliance on the export market and increase the diversity and availability of local food products.</li> <li>2. Consider a scheme to reduce business rate relief on that part of retailers' stores devoted to selling local produce</li> <li>3. Review New Deal and other social programmes to enhance their impact in rural areas through local food related projects. Bring health policy to bear on local food supply policy - with a view to contributing to consumption of fresh fruit and vegetables (5-a-day campaign and free school fruit scheme).</li> <li>4. Exploit opportunity through CAP reform to assist in farm restructuring – particularly to focus on the opportunity to introduce horticulture and fruit production.</li> <li>5. Unify responsibility for the agri-food sector under a single government department.</li> </ol>

## 4. Conclusions

The current status of the local food economy in NI is very exciting.

The simple reality is that the NI food economy is already one of the most localised food economies of any UK region – and it has the potential to expand.

We have estimated the current size of the local food economy to be £200 million. With targeted support, this could probably be increased two- or threefold to £400 - 600 million in 5 years. We would expect substantial economic, social and environmental benefit to flow from this expansion and for local food to emerge high on the policy agenda for on-going reform and restructuring of the NI agricultural industry – as well as playing a key role in the delivery of future NI rural development, public health and poverty alleviation programmes.

However, it is important to consider how the expansion of the local food sector in NI will occur.

Many local food initiatives in Great Britain currently focus upon the encouragement of farm shops, farmers' markets and box schemes. These are very important direct marketing outlets for some farmers and play an essential role in raising the profile of local food and for introducing consumers to the concept of local food. In many cases, they perform an important social and cultural function. However, they are certainly not the ideal outlet for every farmer (not everybody likes standing around on a Saturday morning talking to strangers!) and they also offer relatively little scope for expansion of the local food market. Even a huge 50-fold increase in these initiatives in NI would only increase sales of local food by £10 million – 5% of the current estimated market size.

In our opinion the cornerstone of the expanding local food economy in NI will be the independent retail stores, food service outlets, local food processing businesses and possibly public procurement (e.g. schools and hospitals).

However, the full exploitation of these outlets will depend upon the provision of a greater range of produce from NI than is currently involved – in other words, some restructuring of the agricultural production base will be necessary. Put simply the NI local food economy needs more locally-produced fruit, vegetables and cereal crops to sustain it.

The potential role of the supermarkets in all of this remains a sensitive issue.

Despite the fact that significant quantities of NI produce are currently moving through the multiple retailers, the endorsement of their involvement– with their current procurement policies – does not currently sit comfortably with the concept of the complex networks of production, processing, distribution and purchasing that lie at the heart of a vibrant, stable and secure local food economy.

Dialogue with the supermarkets is needed, but firstly the “arm-lock” that they hold the farming industry in must be challenged and broken. In the meantime, the multiples should be encouraged to continuing sourcing NI produce but they should not be actively embraced by any initiatives and activities targeted at supporting the local food economy.

## Annex 1: Review of the “agri-food sector” in Northern Ireland

### Production

Agriculture occupies 78.2% (1.06 million ha) of the land area of NI. The majority of this farmland (742,000 ha) has Less Favoured Area (LFA) status because of the relatively poor agricultural conditions that prevail there.

There are a total of 29,900 farms with an average size of 35.5 ha (88.0 acres)<sup>15</sup> – significantly smaller than the UK average farm size of 66.6 ha. However, since quite large businesses can be operated on small areas (e.g. those with intensive livestock or horticultural crops), area alone does not reflect the true level of farm business activity. According to the use of Standard Gross Margins (SGM)<sup>16</sup>, over half of NI farms were classed as “very small” in 2000. Of these, over 7,000 farms (24% of all farms in NI) were less than 10 ha and unlikely to provide full-time employment or an adequate income solely from farming activities.

Farming and the food processing industry in NI are characteristically dominated by grazing livestock and their products (beef, lamb, milk and dairy products). Most farmland is therefore under grass with crops only found on 18% of farms. Barley is the main arable crop grown (32,600 ha), followed by potatoes (6,800 ha) and wheat (5,000 ha). Horticultural crops are mainly apple orchards (1,600 ha) and vegetables (1,500 ha).

In 2000, the gross agricultural output of NI was estimated to be £1,093 million, of which the greatest proportion (82%) was livestock and livestock products<sup>17</sup>. This included cattle and sheep (38%), milk (28%), poultry (9%), pigs (5%) and eggs (2%). Arable crops (principally potatoes and barley) and horticulture (fruit, vegetables and mushrooms) each accounted for only 5% of gross agricultural output. The remaining 8% being accounted for by flowers, other livestock products, contracting and quota leasing.

### Processing

There are over 280 food and drinks processing businesses with a turnover in excess of £250,000 operating in NI. The total gross turnover of these businesses was £2,145 million<sup>18</sup> in 1999, with the 10 largest businesses accounting for 38% of total gross turnover<sup>19</sup>.

Small businesses (i.e. with a turnover of less than £250,000) are estimated to contribute a further £50 million to the gross sector turnover, whilst there are also some £120 million of inter-business sales<sup>20</sup> of semi-processed foods within the sector. The net turnover value of the NI food and drinks processing sector in 1999 was therefore in the region of £2,075 million.

The most important processing sub-sectors<sup>21</sup> in 1999 were milk and milk products (£565.9 million) plus beef and sheepmeat (£404.4 million). Together these accounted for 45% of gross sector turnover, further reflecting the dominance of the NI agri-food sector by grazing livestock and their products. All of the livestock processing sub-sectors together (i.e. including eggs, poultry and pigmeat) account for 70% of gross sector turnover.

There are 26 EU approved abattoirs: 11 for cattle and sheep, 12 only for poultry, three only for pigs. For red meat, producers can arrange for their own animal products back - if they are engaged in direct marketing and some abattoirs have specifically developed this service (although not for poultry).

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<sup>15</sup> DARD (2000). *The Agricultural Census in Northern Ireland – Results for June 2000*. This is the most recent agricultural census conducted on all farm businesses in NI.

<sup>16</sup> Standard Gross Margins (SGM) are used throughout the EU to measure farm size and have also been adapted for use in the UK where farms are classed as very small, small, medium or large according to their SGM.

<sup>17</sup> DARD (2001). *Statistical Review of Northern Ireland Agriculture 2000*.

<sup>18</sup> DARD (2001). *Size and Performance of the Northern Ireland Food and Drinks Processing Sector 1999: Subsector Statistics*.

<sup>19</sup> Moy Park Ltd was the largest food processing company in terms of gross turnover. Only four of the largest processing companies were under local ownership.

<sup>20</sup> Some food processing businesses sell partially processed products which are used as ingredients, or undergo further processing, by other NI processors. Unless accounted for, this results in an over-estimation of sales of processed products into the NI market

<sup>21</sup> DARD statistics include 10 food and drinks processing sub-sectors: animal by-products; bakeries; beef and sheepmeat; drinks; eggs; fish; fruit and vegetables; milk and milk products; pigmeat, and; poultrymeat

## External sales and exports

The NI agri-food sector is very export orientated with sales of NI food and drinks products to external markets (outside of NI) totalling £1,107 million in 1999 and contributing to 52% of total gross sector turnover – equivalent to 15% of NI's total external sales of manufactured goods.

All sub-sectors of the food and drinks processing industry depend to some extent upon external sales outside of NI. The least dependent are the drinks and bakeries sub-sectors, which have the highest proportion of sales through NI market outlets at 83% and 75% respectively. All other sub-sectors sell less than 50% of their total output through market outlets in NI – the remainder is sold elsewhere.

Inevitably, the external market for NI processed products is greatest in livestock products – consequently sales of milk powder, butter, beef, sheepmeat, poultrymeat and pigmeat (predominantly fresh pork) together account for over 75% of all external sales.

Most external sales are to Great Britain with total sales in 1999 of £765 million. Export sales (outside of the UK) during the same year were worth £334 million with the Republic of Ireland the largest export market (£160 million) followed by sales to other EU countries (£138 million).

GB has been the largest single market for NI beef and lamb since 1996 and is an extremely important market both in terms of volume and value, particularly since the large GB multiple retailers committed themselves to buying and marketing British Meat in 1998<sup>22</sup>. The value to NI farmers of having access to the GB market was estimated at 9p/kg during the 2000/2001 financial year – this represents the premium to NI producers over and above the average price in the Republic of Ireland.

However, according to the NI Livestock and Meat Commission (LMC) further increased access to the GB premium meat market is limited by the preference of the GB catering trade for very local regional produce or Scottish beef. In NI, there is apparently “...no great evidence to suggest that anything but an occasional restaurant is motivated by source and quality of product rather than price” and so the development of a pilot scheme promoting NI beef and lamb to local restaurants in NI is now a high priority for the LMC<sup>23</sup>.

Another specific sub-sector which is particularly orientated towards external sales is the NI apple industry with 97% of local apple production (predominantly Bramley's) processed and sold outside of NI as concentrate.

## Imports

There is very little available information on food imports into NI.

According to DARD sources<sup>24</sup>, imports of semi-processed food for use by the food and drinks sector in 1999 totalled £80 million. Some is re-exported and not all of could be produced in NI, however some could; for example beef and sheepmeat (imports of £38 million) and dairy products (£3 Million) can be produced in NI.

Other identifiable imports include:

- Cereals and other feedstuffs for the intensive livestock sectors (pigs, eggs and poultry), plus the dairy sector.
- Cereals for the bakery sector.
- Fresh and processed fruit and vegetables.
- Steers, heifers and young bulls for fattening and slaughter (e.g. 30,400 cattle were imported from the Republic of Ireland and GB in 1999/2000).<sup>25</sup>
- Lambs and hoggets for fattening and slaughter (from the Republic of Ireland and GB).

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<sup>22</sup> LMC (2001). *Livestock and Meat Commission Annual Report 2001*.

<sup>23</sup> Contact Phelim O'Neill, Marketing Manager at the LMC for further details

<sup>24</sup> DARD (2001). *Size and Performance of the Northern Ireland Food and Drinks Processing Sector 1999: Subsector Statistics*.

<sup>25</sup> LMC (2000). *Livestock and Meat Commission Annual Report and Accounts 2000*.

## Retailing

Traditionally the NI food retail sector was dominated by independent retail outlets, but recent years have witnessed a significant change in the retail structure of NI with the introduction and rapid expansion of the major UK multiples to gain increasingly significant market share (Table 2).

The “top six” GB multiples operating in NI already control over 65% of grocery sales. As these multiples continue to increase their power, they will further push small local retailers out of business, squeeze the profit margins of suppliers and inhibit the growth of small-scale producers.

**Table 2: Retailer share of NI grocery market (Source: DARD, 2001)**

Retailer	% share NI grocery market	No of stores
Tesco	28.9	35
Safeway	11.7	12
Sainsbury	8.2	7
Iceland	7.1	32
Co-op	5.5	30
Marks & Spencer	4.0	7
Symbol Groups	6.0	Spar 235 Vivo 117
Dunnes	5.6	15
NISA	4.5	30
SuperValu	4.1	29
Others (including Lidl)	15.3	N/A

## Consumption

In 2000, the average total expenditure per person per week on household food and drink was £17.43 – equivalent to a total of **£1,533 million** being spent by NI households on food and drink per year<sup>26</sup>.

Additionally, the estimated spend on out-of-home eating in NI is **£800 million** per annum<sup>27</sup> – of which approximately 50% (£394 million) is likely to be “budget” out-of-home eating (e.g. fast food, ethnic and pub restaurants, roadside catering etc.)<sup>28</sup>.

This suggests that the total retail food market in NI is in the region of **£2,333 million** per year.

<sup>26</sup> According to the Northern Ireland Statistics and Research Agency, the population of NI in 1999 was 1,691,000 – equivalent to approximately 540,000 households

<sup>27</sup> Figure presented by Dennis Legge (Food Technology Division, DARD) to the DARD Future Challenges Vision Sub-group in November 2000

<sup>28</sup> This is based upon a UK average figure of £233 per head per year estimated by Mintel (1999) *Budget Eating Out* – it is assumed that a similar pattern of expenditure on “budget” out-of-home eating is also observed in NI

## The imbalance in production, processing and consumption

A preliminary comparison of the relative value of agricultural output, food processing sub-sectors and household expenditure upon food (Table 3) reveals a significant imbalance in the NI food economy:

- Too much meat and dairy products produced for domestic consumption -> exported
- Not enough fruit and vegetables produced for domestic consumption -> imported
- Not enough cereals produced for domestic consumption -> imported
- Fish and eggs in reasonable balance for domestic consumption

**Table 3: Relative value of agricultural output, food processing and household expenditure**

Relative value of agricultural output	%	Relative value of food processing sub-sectors	%	Relative value of household expenditure	%
Finished cattle, sheep, lambs, pigs and poultry	52	Beef and sheepmeat		Total meat and meat products	27
Milk	28	Pigmeat	41	Milk, cream and cheese	11
Eggs	2	Poultrymeat		Eggs	1
Potatoes and horticultural products	7	Milk and milk products	26	Vegetables, fruit and fruit products	19
Cereals and other crops	3	Eggs	2	Bread, cakes and biscuits, other cereals or cereal products	18
Other	8	Fruit and vegetables	6	Other	21
		Bakeries	7	Fish	3
		Other	15		
		Fish	3		
<b>Total</b>	<b>100</b>		<b>100</b>		<b>100</b>

## Annex 2: Survey of the local food economy

A questionnaire was designed to assess:

- The **value**, in retail sales, of the regional food sector and the local food sector;
- The **size**, as a proportion of total turnover, of the regional food sector and the local food sector; and,
- The perceived and actual **barriers** to the growth of the local food sector.

Local food initiatives were identified through consultation, whilst retail and food service outlets were selected from “*The Retail Directory 2000*”. A successful pilot of the questionnaire was conducted in Belfast prior to the full survey conducted in the following towns:

- Antrim
- Ballymena
- Bangor
- Belfast
- Enniskillen
- Lisburn
- Derry/Londonderry
- Newtownabbey
- Newtownards
- Omagh

The results were then analysed and extrapolated to provide an estimate of the current size and value of the local food economy in Northern Ireland.

### Survey results

Useable responses were received from 90 outlets. These responses showed that the sale of local food is most significant for independent butchers and food service outlets, however 65% of all the outlets consulted received 50% or more of their total turnover from the sale of local food. Even though this percentage is high, 60% of the outlets still wanted to stock more local food.

Using data from the DARD Household Consumer Survey (Annex 4) the results from the retail survey were extrapolated to provide an indication of the current size of the local food sector in the region (Table 4).

**Table 4: Value of the current local food sector – independent retailers and food service outlets**

Outlet	Weekly spend per person (£)	% of weekly spend on local	Weekly spend per person on local (£)	Total annual spend in NI on local (£)*
<b>Independent retailers</b> (assuming 15% market share of household expenditure on food & drink)				
Butcher	0.70	95.50	0.67	58,914,440
Greengrocer	0.50	36.00	0.18	15,827,760
Baker	0.29	50.00	0.14	12,310,480
Other	1.13	35.90	0.41	36,052,120
			1.40	<b>123,104,800</b>
<b>Food service outlets</b>	9.10	64.4	5.86	<b>515,281,520</b>

\* Assuming: NI population (1999) = 1,691,000

## Annex 3: Stakeholder consultation

In order to determine the views of a range of stakeholders, structured telephone interviews (Annex 1) were conducted. Stakeholders were asked to express their views on the barriers to, and opportunities for, the expansion of the local food sector, policy measures felt to be appropriate to assist this expansion, and any examples of success that could be used to identify common themes of best practice.

Stakeholders were drawn from the following groups:

Type	Contact name	Stakeholder organisation
<b>Local food initiatives / practitioners</b>	Lucinda Hughes	Country Markets
	Maurice Patten	Farm & Retail Movement
	Brid Coady Weekes	Belfast Food Co-Op
	Robin Brachi	Dungannon District Council – Food Futures
	Fionnuala Jay O’Boyle	Taste of Ulster
	Mark McKee	Sparky Pack
	Gilly Dugan	Moyallen Foods
	Caroline Workman	Food consultant, critic & events manager
Trevor	Mossbrook Farm Shop	
<b>Producer organisations</b>	Mrs. Humphrey	United Irish Organics Ltd
	Stan McWilliams	North West Organic Producers Group
	Cecil Mathers	NI Meat Exporters’ Association
	Margaret White	Northern Ireland Greengrocers’ Association
<b>Farmers’ unions</b>	Wesley Aston	Ulster Farmers’ Union
	Jim Carmichael	Northern Ireland Agricultural Producers’ Assoc.
<b>Funding bodies/agencies</b>	Miceal McCoy	Northern Ireland LEADER Network
	Ann McKeown	Marketing Division DARD
	Angela McCombe	Health Promotion Agency
	Aodhan O’Donnell	Healthy Food & Regeneration Project

The results of the interviews were analysed to identify areas of consensus and divergence between stakeholder groups, and to allow the views of as many participants as possible to inform the development of a Vision for the expansion of the sector.

### Views on the current state of the local food sector in NI

Comments from stakeholders on the current state of the sector have been broadly grouped under the following headings:

#### Positive sector elements

- Restaurants are increasingly pushing to buy local.
- Local food producers are too dependent on farmers’ markets although they are indicative of growing consumer interest.
- Selling directly to the consumer is on the increase.

### **Negative Sector Elements**

- Supply is lagging behind interest; local food production needs encouragement to become competitive.
- The sector is not visionary enough.
- Local food is far too cheap.
- The sector is too fragmented.
- There is too much emphasis on beef.
- The region is export orientated.
- The local food sector is currently underdeveloped with a heavy dependence on the importation of foods that are, or could be, produced locally.
- The balance of consumption vs local production is wrong for the long-term sustainability of NI.
- We do not have the capacity to consume all that we produce.
- Culturally we have moved away from home production and purchase of local foods.

### **Institutional Issues**

- Producers are very much directed towards exports and supermarkets.
- NI farmers feel beaten therefore not prepared to re-invest.
- There is little or no support for small-scale horticultural growers who fall outside DARD and are NOT supported by Ledu. Therefore little incentive to start such food production businesses.
- There has been a big change in the last 4 years with a reduction in the number of farmers.
- We have been going in the wrong direction for the last 40 years.
- We are not supporting our own home industry enough.
- Growing expertise is being lost.

### **The Influence of the Multiples**

- The small shopkeeper and farm shops are now in difficulty because of the supermarkets.
- We are forced to buy what the supermarket puts on the shelf.
- Generally the public is driven by price so is going for the cheaper supermarket products.
- Supermarket chains, through their ability to establish out of town shopping centres, have got a strangle hold on producers and consumers

### **Views on the importance of encouraging growth in the local food sector**

When asked if they felt encouraging growth in the local food sector was important, all Stakeholders felt it was. Many mentioned access to fresh produce, supporting the economy and job creation as the primary motivations. Those and other comments include:

- The local food sector is producing a unique, quality, and healthy, job-creating product giving local farmers a source of income.
- The sector is the freshest way to buy food. It cuts down on transport, and the number of people in the food chain getting a cut. Locally produced food could be cheaper if the volume increased.
- Indigenous food is a very important compliment to tourism.
- We need local food for local people. We know we produce quality, due to strict controls but we cannot guarantee the quality of imports.
- A strong local food economy benefits everyone.
- We need to increase the accountability to the consumer.
- People are becoming more concerned about what they eat, considering health, taste and quality.
- Farmers work very hard, direct supply to consumers may help give them a better return for their effort whilst helping to keep jobs in the countryside.
- Food miles are significantly reduced.
- Farming is the backbone of the region, and if this sector is not financially viable we are lost.
- Encouraging growth in the local food sector offers opportunities for investment in the local economy and increased employment.

### **Suggested activities**

- Internet sales.
- Grouping small farmers to go to abattoir, or into co-ops for vegetables.
- Local biogas projects for energy from slurry.
- A register for young student farmers who have no land to help link them with farmers who have land but no time to farm so that they can go into business together.
- Expanding box schemes to encompass not only vegetables but also groceries by teaming farmers up with corner shops or petrol stations that could add groceries to the delivery.

## **Policy measures to encourage the growth of the local food sector**

### **Governmental measures**

- The department within DARD who are supposed to support small producers should become more proactive, visible and effective.
- Ministerial responsibility for food, for the implementation of food policy and food marketing should be developed to promote local produce and link it to local health promotion and tourism, maybe even a new Government department for Local Food within DARD.
- All relevant policies within DARD and DETI should support investment in the local food sector and promotion of locally produced goods.
- DARD and farmers' unions should proactively encourage producer and consumer co-operatives.
- Major grant aid should be introduced for local food producers and initiatives.
- Government needs to reduce the influence of the supermarkets on the food sector.
- A tax should be introduced on food miles.
- Stronger support, including financial, is needed for the organic sector.

### **Promotion**

- Programmes for better education of the public should be developed to enable them to shop in a more informed manner, understanding the link between consumer purchase, food production and the benefits of local purchasing.
- There needs to be some central force driving PR and marketing of local food to develop co-ordinated marketing strategies for local foods across the region.
- A food group complimentary to An Bord Bia needs to be established to promote good quality, nutritious, GM free, local food.
- A far bigger budget is needed for advertising local food.
- A single point of contact and representation is required; both the consumer and the producer are being informed and controlled by the multiples' middlemen.
- Leadership is needed to champion local food.

### **Infrastructure**

- Financial help is required to develop infrastructure for local food.
- Local butcheries need to be established.
- Greater assistance is required for farmers' market.
- Planning needs to be developed in line with the desire to develop local rural industries that compliment the countryside, presenting fewer barriers to new food businesses.
- Greater financial support is required for conversion at all scales of production and across the whole supply chain.

### **General**

- The quality of imports needs to be raised to the high standard of NI exports.
- Production needs to be more closely related to consumer requirement in terms of quality, quantity, seasonality and traceability.

## **Successful local food projects and the key to their success**

Several initiatives, producers, retailers and restaurants that are successfully producing and/or selling local food were mentioned. Many reasons were suggested, however the common themes that were evident in most or every success story include:

- High quality products
- Innovation and product development
- Market penetration in existing outlets
- Food produced without additives, routine antibiotic treatments or hormones
- Traditional products
- Variety
- Answering market demand
- Collaboration to develop a collective identity
- Addressing inequalities in food access
- Long-term commitment
- Vision, energy and hard work from the heart not just the pocket.
- Adaptability
- Consumer trust

## **Additional comments**

“There is definitely scope for increased consumption, more information is vital to the increased consumption of local food. People must know what is in the incoming food (chemicals used, nutrients left by the time it gets here etc) versus the quality and freshness of local food.”

“People do not cook any more, skills have been lost and there is a lack of confidence in the kitchen. Education about food needs to be taken right back to the schools.”

“Good food is perceived as expensive but people don't realise you pay the price for "cheap" food. Currently it is cheaper to import pig and chicken products than the grain to feed them.”

“The processing sector needs restructuring with fewer abattoirs and more localised cutting plants adding value to the traceable original meat.”

“We need to share the best practice of these success stories around to increase this type of food production.”

“Education, Education, Education. We must put money into educating and explaining the advantages of local food. We must subsidise the cost of local food to deprived communities in sensitive ways through house-to-house deliveries.”

## Annex 4: Household expenditure on food and drink in NI

**Table 5: Estimates of average annual household expenditure on food and drink, 2000**

	Pence per person per week
Milk and cream	155.3
Cheese	38.9
<i>Beef and veal</i>	<i>96.4</i>
<i>Mutton and lamb</i>	<i>16.5</i>
<i>Pork</i>	<i>28.0</i>
<i>Bacon and ham, uncooked</i>	<i>50.7</i>
<i>Poultry, uncooked</i>	<i>82.5</i>
<i>Other meat &amp; meat products</i>	<i>192.3</i>
Total meat and meat products	466.3
Fish	54.7
Eggs	19.7
Fats and oils	45.5
Sugar and preserves	17.1
<i>Fresh potatoes</i>	<i>44.0</i>
<i>Frozen potato products</i>	<i>18.1</i>
<i>Other potato products</i>	<i>42.9</i>
Total potatoes and potato products	105.0
Other vegetables	121.2
Fruit and fruit products	105.2
Bread	83.3
Flour	1.8
Cakes and biscuits	108.1
Other cereals or cereal products	114.3
Beverages	35.7
Miscellaneous	72.9
<b>Total food</b>	<b>£15.45</b>
Soft and alcoholic drinks and confectionery	£1.98
<b>Total food and drink</b>	<b>£17.43</b>

Source: *Annual Report on Food Expenditure, Consumption and Nutrient Intakes* - National Food Survey Northern Ireland 2000, DARD Economics and Statistics Division, Belfast

## Annex 5: Description and impact of local food projects in SW England

The two following local food projects have been implemented in the adjacent counties of Devon and Somerset in south-west England. The projects are contrasting in terms of scope and extent of funding, nonetheless they give a useful insight into the potential impact of activities to support local food upon rural areas.

The emphasis of each local food links project is slightly different, however all include a combination of environmental, economic and social objectives. These objectives are very much in line with a variety of National and European social and economic needs. Rather than being targeted purely as a means of promoting and supporting moves towards a more sustainable agriculture, these projects are supporting a broad range of social and economic development initiatives.

All the projects are being managed with a low level of both human and financial resources. In each case the project's human resources are limited to a maximum of one full-time project manager with the minimum of administrative support. All members of staff, particularly the project managers must be commended for their on-going commitment, enthusiasm and motivation without which many of the initiatives would not have been established. Due to the commitment of the staff involved, it is felt that the projects are being run as efficiently as possible and are achieving a range of beneficial outputs and impacts which exceed those expected from the level of resources available.

Many individual producers and community, consumer and producer groups have utilised the expertise and initiatives within the project and have then established activities tailored to their specific needs. This has resulted in a broad range of initiatives being developed externally to the projects.

Due to the diverse range of socio-economic issues being met by the different projects, it is felt that they will remain relevant in the long term. Not only do the project's activities produce a range of needed outputs, the long-term impacts expected from these activities positively benefit the continuing development needs of the rural areas in which they are situated.

It is difficult to visualise alternative project approaches that would provide similar or improved results. The convergence of issues that has led to the formulation of local food development projects is very particular to the sector. Consequently the project's initiatives not only support increases in local food production and consumption, but also in the economic, social and environmental capacity and viability of the rural areas involved.

### **Devon Food Links**

The project started in September 1998 after a three-year development process and covered the previous EU Objective 5b area of Devon.

The objectives developed focused on the most efficient way of utilising and creating local markets whilst effectively managing local resources after a feasibility study identified a growing need among the producers and consumers of the area. Although the project had strong environmental connotations, as it was targeted at organic producers and those wishing to convert, its primary concern was one of economic development. Local Food Initiatives were seen as a vehicle for promoting a range of economic benefits for the designated area.

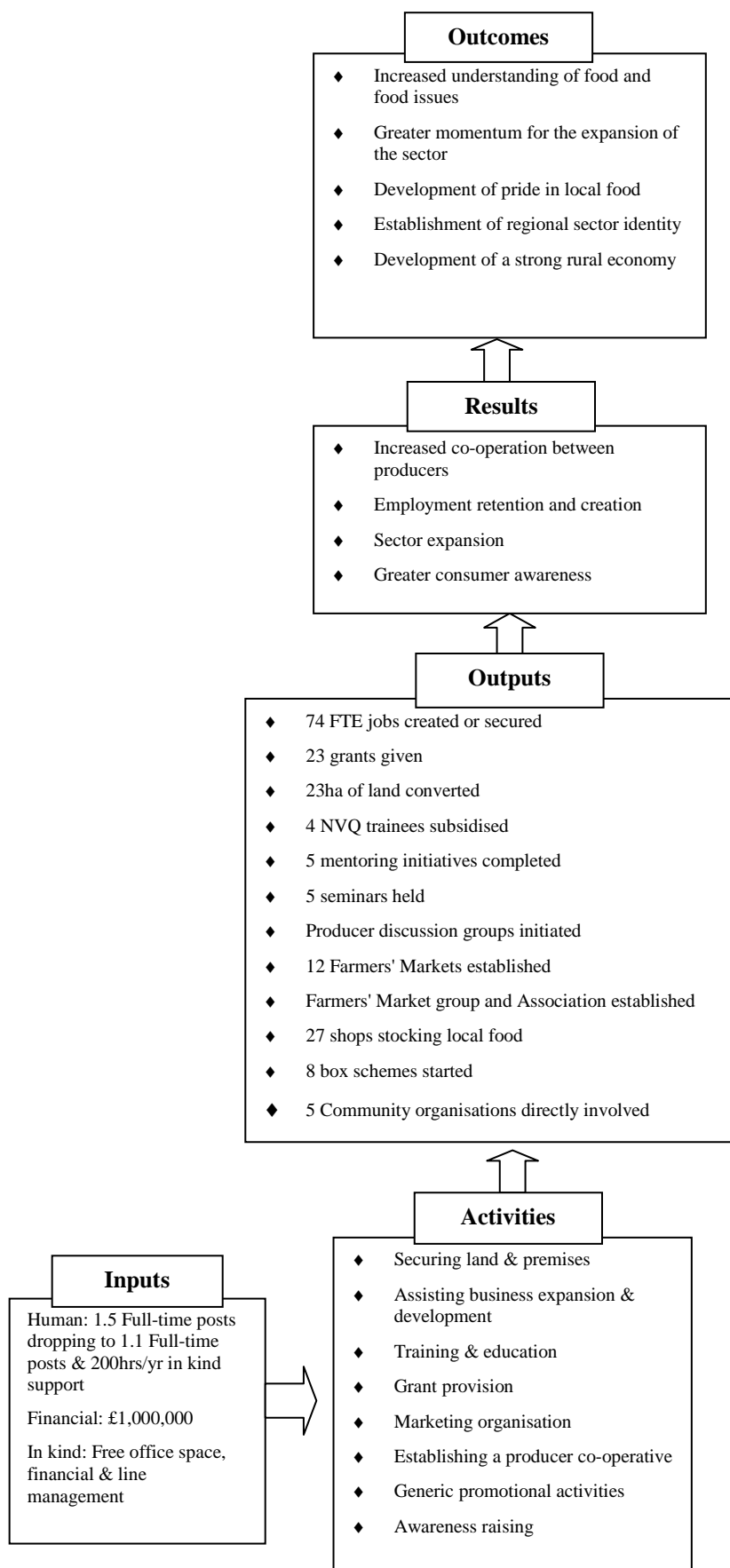
The food links project received funding from the *Rural Development Programme* with the majority of match funding being sourced from the private sector. Funding for the three-year period of the project totalled approximately £1,000,000 including over £300,000 from European Agricultural Guidance and Guarantee Fund (EAGGF), £190,000 from Ministry of Agriculture, Fisheries and Food (MAFF, now Department of Environment, Food and Rural Affairs – DEFRA) and in-kind support from a variety of sources. With this funding the project aimed to increase local production through the promotion of sustainable agriculture, provide access to land and affordable healthy food, develop networks and understanding of local food throughout the food supply chain and develop the local economy by increasing and retaining employment and income. In the Devon area an existing local food links community was already established, consequently the projects objectives attempted to secure and expand upon this base.

The project was incredibly successful, meeting most of the targets within the funding application early on. The outputs achieved (see Diagram) exceeded the expectations of those involved, highlighting the value for money of local food as a cross-sectoral agent for sustainable development. However, limited human resources impeded the development of some of the project's initiatives, particularly the establishment of a producer association. Producer discussion groups and seminars are now in place to increase sector networking and co-operation with hopes that the Association can be developed at a later date. The grant scheme and Farmers' Markets have worked particularly effectively. Interest and uptake of grants was high with the application process working efficiently.

The project has ably assisted a broad range of producers meeting the needs it was established to address, however the diversity of producer needs and the project's levels of resourcing mean that many producers are unable to benefit from the initiatives. The grant packages have enabled a range of producers to establish or develop their local food sales, securing and creating much employment and benefiting the local economy.

Part of the focus for the project has been how to turn an innovative development initiative into a mainstream economic project to assist in securing the long-term benefits the project is supplying. This has now been achieved through the expansion of the project to cover the whole of Devon, and the recognition and support of the project's on-going achievements by the Local Authorities and business community.

## Impact of Devon Food Links project



## **Somerset Food Links**

The Somerset Food Links project commenced in February 1999 after the completion of a local food feasibility study. The study was commissioned due to a convergence of interest from a variety of political bodies at both county and district level. The anecdotal benefits of an improved local food economy initiated strong support from a series of key council officers who were instrumental in the establishment of the project.

The two District Councils that are included in the project area were interested in both the social aspects of community gardens and farmers' markets as well as the benefits brought about by local purchasing. The County's Local Agenda 21 Officer became involved due to the perceived local economic development opportunities. This convergence of interests developed a broad remit for the project. Funding was secured for a three-year project to involve the wider community in a Somerset Food Links Network.

The project received approximately £183,750 funding from the District and County Councils, Community Regeneration Partnership (CRISP), Somerset Health Authority and the Rural Development Agency. A one-off contribution of £8,725 was also received from the National LA21 Awards. The District Councils also provided in kind contributions of office space, IT support and consumables.

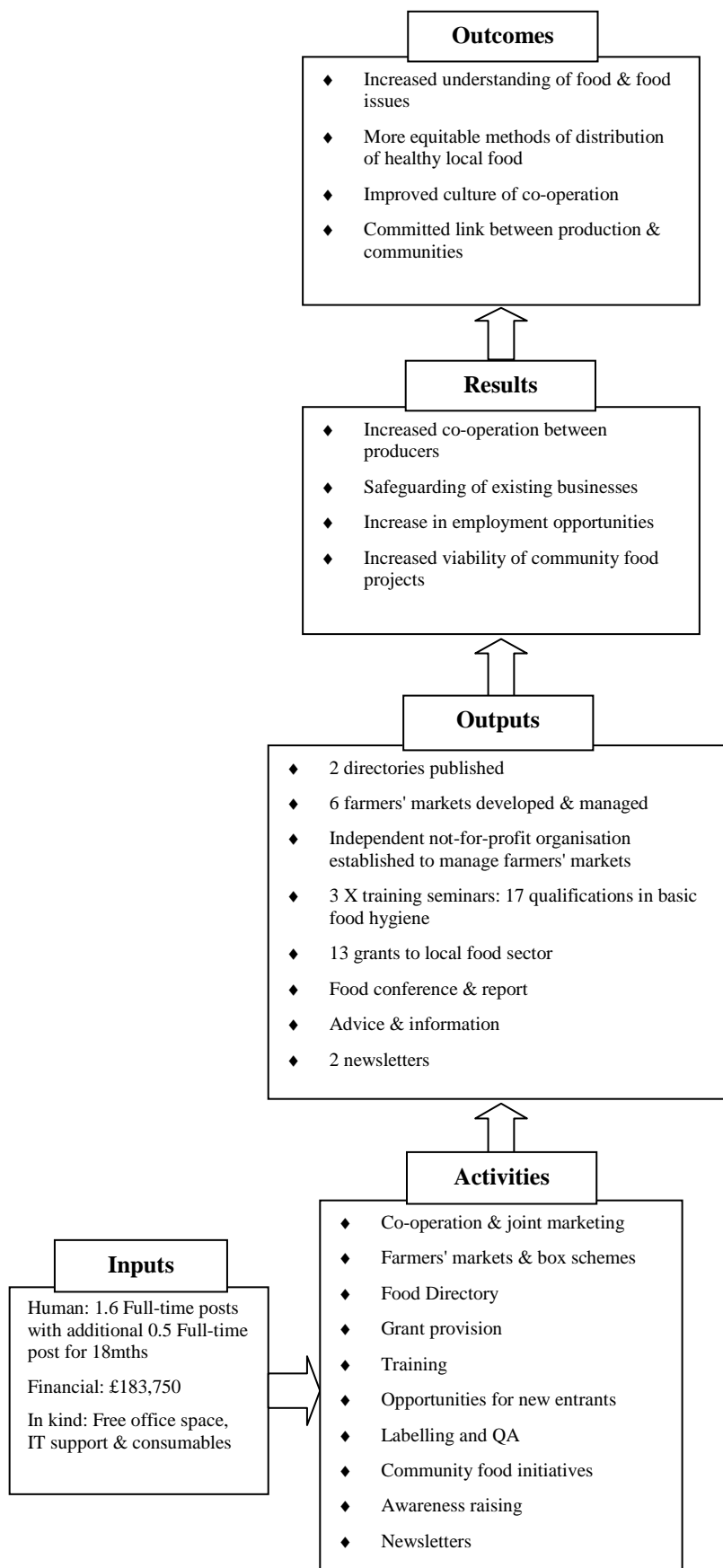
The project was principally focused on the needs of the consumer with the aim of enabling the development of a thriving local economy. This was achieved through supporting producers to supply local demand and supporting the development of appropriate infrastructure in order to increase consumer access to local produce. In the long term the project hopes to establish structures that support the sector and are sustainable, self-managing and self-perpetuating.

Annual targets have been met and whilst the project has developed it has also evolved to meet the changing needs of the sector. Facilitating co-operation between producers has been successful, producers are keen to become involved, however in many cases are lacking the skills and capacity to take an active role.

The low level of resourcing meant that some outputs were achieved primarily through the commitment and dedication of the project's staff. The Somerset food directories are of a high quality and have assisted in raising awareness of the sector, and the development of independent organisations to manage the farmers' markets has progressed well. The aims of the project could be communicated more effectively and to a wider audience, however limited human resources and a range of ambitions for the project have made the message less coherent.

The project's main strategic role of enabling networking and communication has worked well considering the resource constraints. There are some needs that have not as yet been met, however the project has responded to issues that would have otherwise remained unsupported.

## Impact of Somerset Food Links project



## **Friends of the Earth inspires solutions to environmental problems which make life better for people**

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