

Horticulture Industry “Vision”

Executive Summary

Background

The Horticulture Industry Forum (HIF) was formed in 2014 as an umbrella organisation, for growers of Irish produce, to address serious challenges facing the industry. Bord Bia, Department of Agriculture Food and Marine, Teagasc and the IFA are associate members of HIF. This report sets out HIF’s vision for the industry and how that vision can be achieved.

Vision Statement

Ireland has the potential to produce fruit, vegetables, flowers and plants of the highest quality to feed and nurture all its people. In recent years, threats to the viability of commercial horticulture have emerged but greater grower collaboration coupled with progressive public policy initiatives can shape a thriving industry. Such an industry would deliver produce of the highest quality, support the fight against climate change, provide significant numbers of new jobs, supply fruit and vegetables that are tastier, more nutritious and combat the obesity crisis better than imported produce, and produce plants that enhance our environment and improve the mental health of the nation.

Primary Focuses of the Vision

This report sets out 4 areas for primary focus that would support delivery of the “Vision”;

1. **Grower collaboration** – Given the fall in grower numbers and the increasingly competitive nature of retail markets there is now little alternative for growers but to engage in greater collaboration to exploit market opportunities, to combat the current structural control of the multiples and to meet the Brexit challenge
2. **Required resources** – To deliver a modern viable industry sufficient resources need to be allocated to R & D, Education & Training and programmes to attract new growers
3. **Market opportunities** – There is significant potential for import substitution, to work with the health industry to promote the physical and mental health dividends that would accrue from increased consumption, for product innovation and for a targeted export programme
4. **Public policy areas** – Initiatives and strategies are required to address industry challenges such as Below Cost Selling, Labour Shortages, Food Security and Succession Planning

Main Recommendations

- Growers to promote & engage in greater collaboration to maximise collective market power
- A 3-year “Accelerator” induction Producer Organisation programme to be established
- A better resourced R & D programme for the industry to be put in place
- Commercial training for the industry to be better focused to meet the needs of existing or potential new commercial operators
- The Horticulture Industry to collaborate with Health Practitioners to promote the role of;
 - Fresh vegetables and fruit in the fight against obesity
 - Plants, flowers and trees to improve mental health
- Delivery of a national programme for import substitution
- Establish a work permit programme to improve labour availability
- Introduce measures to support succession planning and new entrants to the industry

Horticulture Industry “Facts and Figures” ¹

Farmgate Output

DAFM sources estimate that the **Horticulture** Industry was worth **€433m** (farmgate value) in 2016, **which is the 4th highest sector in terms of gross agricultural commodity output value** – only Beef, Dairy and Pigs are larger. Horticulture has a significantly higher output value than that of the 2016 estimate for either Sheep €256m or Cereals €236m. **Horticulture Food** represented **€362m** and **Amenity Horticulture €71m** respectively of the €433m total. Within Horticulture Food output, Mushrooms accounted for €122m with Potatoes €87m, Field Vegetables €73m, Protected Fruit €38m, Protected Vegetables €30m and Outdoor Fruit €11m. In relation to Amenity output, Nursery Stock represented €32m, Protected Crops €19m, Christmas Trees €10m, Cut Foliage Outdoor Flowers & Bulbs €9m and Turf Grass €1m.

Agriculture Output 2016 (Farmgate Value)

Sector	€million
Cattle	2,300
Dairy	1,800
Pigs	467
Horticulture	433
Sheep	256
Cereals	236
Poultry	157

Employment

The recently published Bord Bia “Labour Review of Horticulture in Ireland 2016” estimated that **6,600** were employed full time in primary production activity with a further **11,000** employed in value added and downstream businesses (not including the wholesale trade). The Review calculated that in terms of wages earned, the total employment value of the horticulture industry delivered to the Irish economy in 2016 was **€479m**. Much of this value sustains rural economies.

Fresh Produce Market

The Retail Fresh Produce Market was worth **€1.5bn** in the year ending March 2017 with vegetables accounting for €570m, Fruit €735m and Potatoes €195m. **Fruit and Vegetables** combined **represent 15.7% of the average grocery shopping basket**. The Food Service Market was worth €355m in 2013.

Fresh Produce Grower Numbers

There has been a continual trend in the reduction of the number of fresh produce growers since the turn of the century. For example, the number of field vegetable growers fell from 377 in 1999 to 215 in 2008 and to 165 in 2014 according to the National Field Vegetable Census. This represents a drop of 56% in the number of commercial growers over a 15-year period since 1999.

SWOT

Strengths

- Existing expert grower base across all sectors
- High quality produce with high production standards and quality image
- Growing consumer awareness of health and environment benefits
- Fresh produce comprises 15.7% of the average weekly shopping basket

¹ Please see info-graph on the final page of this report

- Potential to supply the freshest (healthiest) produce on the Irish market
- Bord Bia quality assurance schemes and Bloom established as major promotional channels

Weaknesses

- Small domestic market and lack of scale versus international competitors
- Challenging labour supply market
- Fragmented producer base, limited producer cooperation & short-term supply contracts
- Lack of new entrants
- Lack of branding
- Insufficient promotion
- Lack of product innovation

Opportunities

- Exploit health benefits / lifestyle trends
- Import substitution (Brexit potentially making this even more viable)
- Improve identification of Irish produce through better branding
- Despite Brexit, increase of export potential to the UK and beyond for all sectors if supported by better structure and marketing
- Capitalise on potential environmental benefits that horticulture production can deliver
- Growing population 12.5% increase since 2006 (4.8m 2016 4.6m 2011 and 4.2m 2006)
- Exploit Producer Organisation potential
- Horticulture tourism

Threats

- Retailer power, consolidation of buying power and lack of alternative routes to market
- Low margins and consequent lack of investment
- Ageing producer base, poor level of succession planning and lack of new entrants
- Inadequate education and training to provide required skill base (Capacity related to demand. Need to stimulate demand.)
- Brexit threat to Mushroom and Amenity sectors
- Weakening of Sterling against Euro makes imported UK produce more competitive on the Irish market
- Food safety risks

Current Issues

- Below Cost Selling** - Five Multiple groups control over 90% of the retail market and there is an elevated level of price competition between these groups. Irish fresh produce growers are in a weak position to bargain as many are competing to supply the retailers. This power imbalance has led to producers frequently obtaining prices that just cover or fail to cover their production costs. As a result, many producers are not able to make the required levels of re-investment to make their businesses sustainable, innovative and progressive.
- Cost Competitiveness** – Irish fresh produce growers often operate at a competitive disadvantage to their UK and international counterparts due to their smaller scale and some higher key input costs. Irish production units are on average significantly smaller than those in the UK and most growers are not part of a Producer Organisation. This contributes to higher input costs for energy, packaging, fertilizer etc. In addition, the minimum wage will increase in January 2018 to €9.55 compared to the current UK equivalent of st£7.50 (€8.15).

- C. **Labour Supply** – As the economy has recovered, unemployment levels have fallen to 6.4% in July 2017. Horticulture is a labour-intensive activity and producers across all sectors have been reporting a growing and serious difficulty with attracting workers. This challenge is now posing a major obstacle to the operation and development of many horticulture businesses.
- D. **Brexit** – The Mushroom industry's €105m UK export trade has experienced the biggest negative impact of the referendum decision of any Irish export sector. Through its LEAN programme the PO Scheme is helping remaining producers to reduce costs, compete and survive the consequent poorer sterling euro exchange rate. Amenity exporters have not suffered to the same degree as their produce is generally sold in euro. Bord Bia has initiated a support programme for exporters and will continue to offer assistance through the transition period. Currently, the main problem is the uncertainty created by the decision. As the Brexit talks are just beginning the resultant effects on trading conditions remain unknown. Although the focus in the industry has been primarily on the potential negative effects of Brexit, horticulture should plan for possible opportunities. Import substitution of UK produce and possible export opportunities for Irish fresh produce to supplant fruit and vegetables from other EU countries in the UK could emerge.
- E. **R & D, Innovation, Technology Adoption, Strategic Development & New Product Development** – During the economic downturn producer focus was on business survival and the State was forced to cut government spending. In that environment, industry activity in relation to R & D, Technology Adoption, Strategic Development and New Product Development suffered from the lack of investment. Each of these activities are essential to an industry that wants to develop and exploit its potential. The horticulture industry must now set out how it will progress action in these areas over the next 15 years.

How Horticulture can deliver for Ireland

Horticulture makes a positive contribution to Ireland in many ways but there are 4 areas where the industry can deliver very significant benefits to the country in the coming years;

- A. **Economy** – *Horticulture is labour intensive and delivers to rural Ireland*
- a. *Employment potential* - Bord Bia estimated that in 2016 6,600 were employed full time in primary production activity with a further 11,000 employed in downstream businesses (not including the wholesale trade). In terms of wages earned, this represents a total employment value of €479m delivered to the Irish economy last year.
 - b. *Benefits to the rural local economy* - Many of the jobs are rural based and provide employment where no other alternative exists. A high proportion of the income earned through this employment is spent in the surrounding local economy. Given a favourable trading environment supported by proactive government policy, it is envisaged that many more sustainable jobs can be created.
 - c. *Import Substitution* - There are many fresh produce lines where domestic production could be increased to:
 - i. Substitute for imports of Carrots, Onions, Tomatoes, Celery, Brassicas, Apples, Salad Crops, Potatoes etc
 - ii. Produce emerging and new crop lines such as Pak Choi, Kale, Active Nuts & Seeds, Kohlrabi, Berry crops etc that are being sought by consumers
 - d. *Export potential* - Apart from Mushrooms (€105m) and Amenity (€16m), there is little exporting of Irish produce from the other sectors. Given Ireland's quality image and easy access to major EU markets, there is opportunity to develop a significant export trade if a coordinated government and industry effort is made.

2025 Deliverables

- Attaining the Food Wise 2025 industry farmgate value target of €500m would deliver **1,000** FTE jobs worth an additional contribution of **€72.5m** to the rural economy
- Development and execution of a;
 - National programme for import substitution that would identify the potential for and structure of such a programme
 - Targeted export programme
 To succeed, both programmes would need to involve;
 - Reductions in production costs and improved competitiveness
 - Differentiating Irish produce from commodity produce

B. Health Promotion – *Fighting obesity and delivering improved mental & physical health*

The cost of providing health care across the western world continues to rise. It has been demonstrated that increased consumption of fruit and vegetables improves public health and is central to the fight against obesity. Investing in and supporting a thriving horticulture industry in Ireland would provide the Irish people with the best freshest fruit and vegetables to promote healthy eating patterns and combat the threat posed by high sugar diets. In addition, Irish grown flowers, trees and plants can play a significant role in improving the mental health of the nation.

Some salient factors;

- ❖ According to a study published in The Lancet² Ireland is set to become the most obese country in Europe, with the UK, within a decade. It has been internationally demonstrated that increasing consumption of fruit and vegetables improves health and reduces the incidence of obesity
- ❖ Encouraging;
 - A taste for fruit and vegetables at an early age develops a healthier eating pattern later in life
 - Active participation in gardening and growing improves mental health
- ❖ Immense potential exists for collaboration between the medical sector and the horticulture sector to improve public health

2025 Deliverables

- An increase in fruit and vegetable consumption of 368g per person per day to achieve the Department of Health updated guidelines of ≥560 g or 7 portions per day would³;
 - Deliver a major reduction in the estimated €1.64 billion cost of overweight and obesity to Ireland⁴
 - Result in an almost tripling of demand for fruit and vegetables on the Irish retail market. Given a conservative estimate that 25% of this demand could be grown in Ireland, this would provide an opportunity for domestic producers to supply an additional €0.75bn at retail value, equating to
 - €250m at farmgate value
 - An increase of over 4,500 additional direct full-time jobs

² ["Ireland's Obesity Rate Among the World's Worst" Irish Times April 1, 2016](#)

³ [Department of Health Press Release "Minister Corcoran Kennedy Launches Healthy Food for Life New Healthy Eating Guidelines & Food Pyramid" December 6, 2016](#)

⁴ [Press Release "New study reveals the annual cost of overweight and obesity on the island estimated to be €1.64 billion" Safefood 28 November 2012](#)

- C. **Food Security** – Scientists expect that Climate Change⁵ and soil degradation⁶ will cause world food production to become increasingly volatile. Ireland needs to implement an effective national policy on Food Security to meet the threats posed by Brexit and Climate Change to our food supply;
- Ireland grew enough Carrots in 2014 to feed its population for 268 days, Tomatoes for 48 days, Onions for 32 days and Strawberries for 306 days⁷
 - The increasing impact of Climate Change will make the growing of fruit and vegetables ever more challenging in Ireland and the UK⁸
 - As an island nation imported food must be flown or shipped into the country, which makes Ireland even more vulnerable in the event of food “shocks” and points to the need for Ireland to maintain and develop its capacity to produce food

2025 Deliverables

- A significant increase in supply of Irish fresh produce to the domestic market to support a drive to make Ireland more Food Secure in an increasingly volatile world
- Improved cultivation practises to protect soil fertility and the sustainability of production

- D. **Climate Change** – Horticulture production can reduce the levels of greenhouse gas emissions of the agriculture industry and support Ireland’s efforts to meet our international climate change obligations. A 2014 study of British people’s diets⁹, conducted by University of Oxford scientists, found that meat-rich diets - defined as more than 100g per day - resulted in 7.2kg of carbon dioxide emissions. In contrast, both vegetarian and fish-eating diets caused about 3.8kg of CO₂ per day, while vegan diets produced only 2.9kg.

2025 Deliverables

- An increase in the proportion of agriculture land devoted to horticulture production, which would deliver a reduction in national greenhouse gas emissions from agriculture

4 Key Areas for Action to enable Horticulture Deliver for Ireland

Industry stakeholders have identified the following areas for attention, which if addressed could unlock the potential of the industry to deliver for Ireland;

1. Grower Collaboration

There is a lack of market structure in the horticulture industry with many producers competing, often involving undercutting fellow producers to secure business. This problem is accentuated by the fact that 5 retail multiple groups control over 90% of the retail market, which leaves Irish growers in a weak position to bargain for a fair price. The issue of Below Cost Selling is hampering the development of Irish production and growers need to come together and work collectively to tackle the issue.

⁵ ["Climate Extremes Inflate Food Prices" Financial Times April 11, 2014](#) and ["Climate Change Raises Risk To Food Supplies" Financial Times April 11, 2014](#)

⁶ ["We can only ignore the soil crisis for so long" Daily Telegraph September 2, 2015](#)

⁷ *Calculated using DAFM 2014 crop production estimates and CSO 2014 import and export figures*

⁸ [UK Fruit and Vegetable Production – Impacts of Climate Change and Opportunities for Adaptation – Rosemary Collier \(University of Warwick\) and Mark A. Else \(East Malling Research\) 2014](#)

⁹ ["Dietary greenhouse gas emissions of meat-eaters, fish-eaters, vegetarians and vegans in the UK" Climatic Change an Interdisciplinary, International Journal Devoted to the Description, Causes and Implications of Climatic Change 11 June 2014](#)

In addition, as many producers operate independently and at a small scale, they lack expertise in marketing, procurement and product innovation. Some producers use facilitators and others supply retailers directly. (There is a lack of data on the numbers of producers using these respective routes.)

The size of Irish production units is significantly smaller than those in the UK where much imported fresh produce is sourced. Some field vegetable units in the UK are 10 times the size of similar commercial units in Ireland. In addition, many of the UK operators are members of a PO or large commercial entity. Both these factors enable UK growers to source inputs, such as energy, fertilizer, packaging etc at a markedly lower cost than their Irish counterpart thus making production more expensive in Ireland.

The above challenges put Irish fresh produce at a disadvantage particularly as many Irish retailers operate in both jurisdictions and have ready access to UK suppliers.

Apart from the Mushroom industry, which has exploited the availability of EU funding for the Producer Organisation (PO) scheme, the industry has generally failed to exploit the benefits and supports that POs can deliver to growers. Lack of trust between growers and the complex task of establishing a PO have contributed to this failure. To overcome this and to facilitate greater structure and professionalism in the industry, a step by step approach is required to build confidence and demonstrate what POs can deliver for producers.

In summary, Irish producers now need to proactively come together, maximise their collective power to exercise greater control over the existing routes to market and to create new market opportunities.

Recommended measures

- Growers to actively promote greater collaboration between their fellow producers, including advocating become members of a PO or an alternative type of buying group or structure to maximise collective market power
- Initiate and promote a PO pilot scheme to demonstrate to producers how a PO can benefit and support their businesses. The experiences learnt would inform a revised PO scheme
- A 3-year “Accelerator” induction programme with development stages to be compiled, by DAFM in consultation with stakeholders, to attract and facilitate groups of producers to begin the process of forming a fully-fledged PO or joining an existing PO
- The PO scheme to be rationalised to make it as user friendly to producers in Ireland as possible. (A review of the operation of the PO scheme is currently in process.)
- Conduct a targeted survey of producers to establish a picture of the current routes to market used by growers. The output of the survey would be used to inform deliberations on how to improve the;
 - Operation of the PO scheme
 - Relationships with retailers
 - Other measures to be considered to improve the structure of the Irish market.

2. Resources Required

The diversity of sectors within the Horticulture industry makes supply of the required resources challenging and means they must be well targeted. The following areas should be the focus for delivery of increased resources to the industry;

- A. **R & D** – To compete optimally on national and international markets suppliers need to ensure that crop production is efficient and cost effective. In addition, product should be supplied to the market in the most developed and innovative ways to attract the greatest number of potential buyers. To that end, an adequately funded and well-resourced R & D programme is central to a thriving national industry as demonstrated in the Netherlands. Teagasc has insufficient resources to supply the required R & D. For example, currently there are just 2 full time horticulture research officers.

Recommended measures

- Teagasc and stakeholders to identify the R & D requirements of the industry
- DAFM to explore how EU funding opportunities might be better orientated to meet the potential R & D needs of the industry
- Other additional sources of potential R & D funding to be identified
- A better resourced R & D programme for the industry to be put in place
- A review of cultivation practises followed by a programme to protect soil fertility and the sustainability of production

- B. **Education and Training Provision** – Commercial training i.e. Continuous Professional Development (CPD), up-skilling, apprenticeships and commercial vocational training needs to be focused in light of the myriad of providers in the horticulture education market. Resources could be targeted to one provider for commercial training. It is felt that providers of commercial horticultural training should meet certain knowledge, capacity, capability and specific horticultural infrastructure requirements in order to meet the training needs of existing or potential new commercial operators.

Recommended measures

- Simplify delivery of commercial training to meet the needs of existing or potential new entrants. Resources to be targeted through one provider
- Provide Teagasc with resources to deliver;
 - Targeted pertinent education and training to potential new entrant growers
 - With employer support a programme of Labour upskilling/training of existing workforces

3. **Market Opportunities**

A joint industry and government approach is required to exploit the potential of existing and emerging new opportunities in the market such as the:

- a. Growing interest of consumers in health and wellbeing
- b. Increasing recognition of medical practitioners that major health dividends to the Irish population would accrue from an increased consumption of fruit and vegetables
- c. Opportunity presented by the growing non-national population to grow new crops to meet their tastes and that of curious native consumers e.g. Pak Choi, Kohlrabi, Kale, etc
- d. Import substitution potential that exists for Irish producers to supply fresh produce and non-food plants that can be viably grown in Ireland but that is being currently imported
- e. Change in consumer lifestyles and tastes to innovate the product supplied to market. Some examples exist of how producers are already exploiting these opportunities such as Potato producers who have begun to develop innovative high-quality crisps as have growers of Active Nuts. Retailers relate that there is scope for significant product innovation with fresh produce.

Recommended measures

- Collaboration between the Horticulture industry and the Health practitioner sector to promote the role of;
 - Fresh produce to boost public health and combat obesity
 - Plants, flowers and trees to improve mental health
 Such a campaign would have the potential to access EU funding for promotional activity.
- Collaboration between state agencies and stakeholders to identify new market opportunities and chart strategies to deliver appropriate product
- Development and execution of a national programme for import substitution that identifies the potential for viable substitution and a structure for such a programme.
- Programmes to stimulate product diversification and innovation
- Initiate and execute EU generic promotion programme for fresh produce

4. **Public Policy Areas**

- A. The issue of **Below Cost Selling** is hampering the development of Irish production and requires a coordinated strategy to tackle the issue. The issue has led to producers often obtaining prices that just cover the cost of production and sometimes only achieving prices that fail to cover their production costs.

Recommended measure

- Development of a national strategy to manage the issue of Below Cost Selling to facilitate a viable and growing industry where producers have the capacity to be sufficiently profitable to invest in their businesses
- B. **Supply of Labour** - Horticulture is a labour-intensive industry and producers require both full-time and seasonal staff. According to the recent Bord Bia Labour Review of Horticulture in Ireland, the recent improvement in the Irish economy and the fall in the unemployment rate to a level of 6.4% in July 2017 has corresponded with the growing difficulties, reported by growers that they are experiencing in recruiting labour. This problem is becoming increasingly acute across all sectors. In addition, the adult minimum wage rate in Ireland of €9.25 is higher than that of the UK at £7.50 (€8.15) and this disparity will increase when the Irish rate increases to €9.55 on January 1st, 2018.

Recommended measures

- Initiation of public policy measures including establishing a non-EU work permit programme to improve labour availability
- C. **Succession Planning** - Few new young entrants are being attracted to a career in horticulture and most remaining producers are now in their fifties and sixties. Given the reduction in commercial grower numbers it is vital to maintain operation of the existing production units and begin to increase the number of grower if the industry is to develop to full potential.

Recommended measures

- Include horticulture producers in the National Farm Survey to enable statistics to be compiled to monitor the age profile in the industry
- Programmes to be developed and initiated to support;
 - Owner managers to put a succession plan in place
 - A sustainable business model for new entrants into the industry

- D. **Food Security and Environment**– Horticulture has the potential to significantly improve national Food Security, reduce the carbon output from the agriculture sector and enhance Ireland’s environment

Recommended measures

- Establishment of a programme to protect soil fertility and the sustainability of production
- Explore how best horticulture can contribute to the achievement of national climate change targets

Recommended Actions

The actions are the responsibility of both the industry and government

Grower Collaboration

1. Growers to actively promote greater collaboration between their fellow producers, including advocating become members of a PO or an alternative type of buying group or structure to maximise collective market power
2. Initiate and promote a PO pilot scheme to demonstrate to producers how a PO can benefit and support their businesses. The experiences learnt would inform a revised PO scheme
3. A 3-year “Accelerator” induction programme with development stages to be compiled, by DAFM in consultation with stakeholders, to attract and facilitate groups of producers to begin the process of forming a fully-fledged PO or joining an existing PO
4. The PO scheme to be rationalised to make it as user friendly to producers in Ireland as possible. (A review of the operation of the PO scheme is currently in process.)
5. Conduct a targeted survey of producers to establish a picture of the current routes to market used by growers. The output of the survey would be used to inform deliberations on how to improve the;
 - a. Operation of the PO scheme
 - b. Relationships with retailers
 - c. Other measures to be considered to improve the structure of the Irish market

Resources Required

R & D

6. Teagasc and stakeholders to identify the R & D requirements of the industry
7. DAFM to explore how EU funding opportunities might be better orientated to meet the potential R & D needs of the industry
8. Other additional sources of potential R & D funding to be identified
9. A better resourced R & D programme for the industry to be put in place
10. A review of cultivation practises followed by a programme to protect soil fertility and the sustainability of production

Education and Training

11. Simplify delivery of commercial training to meet the needs of existing or potential new entrants. Resources to be targeted through one provider
12. Provide Teagasc with resources to deliver;
 - a. Targeted pertinent education and training to potential new entrant growers
 - b. With employer support a programme of Labour upskilling/training of existing workforces

Market Opportunities

13. Collaboration between the Horticulture industry and the Health practitioner sector to promote the role of;
 - a. Fresh produce to boost public health and combat obesity
 - b. Plants, flowers and trees to improve mental health
14. Such a campaign would have the potential to access EU funding for promotional activity.
15. Collaboration between state agencies and stakeholders to identify new market opportunities and chart strategies to deliver appropriate product
16. Development and execution of a national programme for import substitution that identifies the potential for viable substitution and a structure for such a programme.
17. Programmes to stimulate product diversification and innovation
18. Initiate and execute EU generic promotion programme for fresh produce

Public Policy Areas

Below Cost Selling

19. Development of a national strategy to manage the issue of Below Cost Selling to facilitate a viable and growing industry where producers have the capacity to be sufficiently profitable to invest in their businesses

Supply of Labour

20. Initiation of public policy measures including establishing a non-EU work permit programme to improve labour availability

Succession Planning

21. Include horticulture producers in the National Farm Survey to enable statistics to be compiled to monitor the age profile in the industry
22. Programmes to be developed and initiated to support;
 - a. Owner managers to put a succession plan in place
 - b. A sustainable business model for new entrants into the industry

Food Security and Environment

23. Establishment of a programme to protect soil fertility and the sustainability of production
24. Explore how best horticulture can contribute to the achievement of national climate change targets

Appendix 1

Short Synopsis of each Horticulture Sector

- **Amenity**

2016 Value **€71m** Labour 1,312
Break-down Protected 27% Cut foliage Outdoor Flowers & Bulbs 13%
 Nursery Stock 45% Christmas Trees 14% Turf Grass 1%
Issues – 1. Labour shortages 2. Small domestic market 3. Low level of R & D

Comments – Distinctly different from food horticulture in operation and structure. Needs distinct focus both domestically and on the export front;

- To exploit opportunities on the st£2.2bn UK market
- Identify and introduce new plants to the market
- To develop a joined-up supply chain involving breeder, agent, young plant producer, plant finisher, retailer/landscaper and end user

- **Field Vegetables**

2016 Value **€73m** Labour 1,106 (Census 2014)
Issues – 1. Labour shortages 2. BCS 3. Lack of branding & innovation

Comments – Very fragmented production base. Strategy to slowly build producer confidence and cooperation through PO support could deliver real potential to the sector to develop. Adaptation of best IPM practises can build on the high-quality produce image by adding stronger health value element to the increasingly health conscious consumer

- **Mushrooms**

2016 Value **€122m** Labour 1,858
Issues – 1. Brexit / St£ exchange 2. Labour shortages 3. BCS

Comments – Lean programme helping producers to reduce costs and meet the Brexit challenge of preserving and developing our major export market. There is a need to reduce staff turnover especially among pickers. Although already highly developed the industry needs to diversify. Options include;

- New strains with more flavour
- New products for alternative markets e.g. bioactive compounds for food ingredient market, animal feeds, SMC as a fuel source etc.

- **Outdoor Fruit**

2016 Value **€11m** Labour 113
Issues – 1. Routes to market 2. Labour shortages 3. BCS

Comments – Very small sector. Needs more structure to facilitate development to take advantage of opportunities in the cider, juice and eating markets

- **Potatoes**

2016 Value **€87m** Labour 1,292
Issues – 1. BCS – Commodity pricing 2. Labour shortages 3. Old fashioned image

Comments – Commodity price driven. 3-year promotion campaign now active to combat view by younger females as old fashioned and fattening. Needs to build on the successful crisp/snack initiatives by building structures to enable producers to diversify and innovate.

- **Protected Fruit**

2016 Value **€38m** Labour 502 (estimate)

Issues – 1. Labour shortages 2. BCS 3. Lack of specialised Irish plant propagators

Comments – Strawberries experiencing significant growth and producers are supplying the bulk of strawberries which make-up 50% of the Irish €100m berry market and should begin exploring export possibilities. Potential exists for the development of;`

- Raspberry, blueberry and cherry crops to exploit import substitution opportunities on the domestic market
- New Irish specialised berry plant propagation nurseries

- **Protected Vegetables**

2016 Value **€30m** Labour 364 (estimate)

Issues – 1. Labour shortages 2. BCS 3. Lack of specialised Irish plant propagators

Comments – Small sector. Needs more structure to facilitate development such as;

- Programme to brand Irish produce which could open export potential
- Growing a wider range of crops and developing more innovative products

HORTICULTURE PRODUCTION AND MARKET STATISTICS



HORTICULTURE FARMGATE OUTPUT
€433m



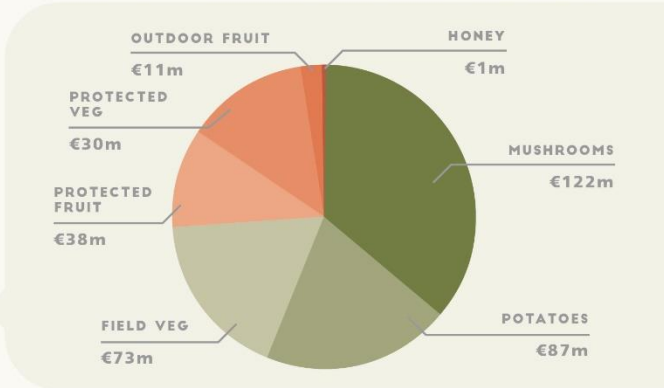
OF WHICH

AMENITY HORTICULTURE CROPS
€71m

AND

HORTICULTURE FOOD CROPS VALUE
€362m

OF WHICH - the **€362M** Horticulture Food crops output comprises:



OF WHICH - The Amenity Horticulture Crop value of **€71M** comprises:

NURSERY CROPS
€32m

PROTECTED AMENITY CROPS
€19m

CHRISTMAS TREES
€10m

OUTDOOR FLOWERS /FOLIAGE/OTHER
€9m

TURF GRASS
€1m

EMPLOYMENT



6,600

EMPLOYED FULL TIME IN PRIMARY PRODUCTION ACTIVITY

11,000

EMPLOYED DOWNSTREAM BUSINESSES

FRESH PRODUCE MARKET

The Retail Fresh Produce Market is worth **€1.5BN** of which

VEGETABLES

€570m

FRUIT
€735m

POTATOES
€195m



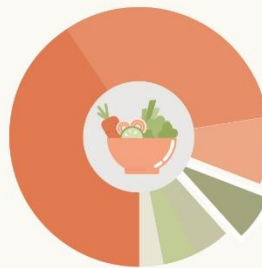
EXPORTS

€105m
MUSHROOMS

€16m
AMENITY CROPS



AGRICULTURE OUTPUT 2016



- €2.3bn - CATTLE
- €1.8bn - DAIRY
- €467m - PIGS
- €433m - HORTICULTURE
- €256m - SHEEP
- €236m - CEREALS
- €157m - POULTRY