

Trade, Exports & Market Access

MARKETING QUALITY IRISH MEAT GLOBALLY



The Irish meat sector is the largest net exporter of beef in the northern hemisphere, exporting over 1 million tonnes annually representing 85% of output



Trade and exports are critical to the vibrancy of the meat sector, generating €4 billion in annual export earnings from sales to over 75 countries throughout the world



Servicing many top retail chains, blue-chip foodservice and key international customers, the value of Irish exports of beef, pigmeat, sheepmeat and poultry has grown by 60% between 2010 - 2020



With global population set to reach 9 billion by 2050, we will require 70% more food, with Ireland well-positioned as a producer of high quality, safe meat with strong sustainability credentials



Ireland needs to continue to diversify exports to take advantage of these trends and to reduce our reliance on the UK post-Brexit. Irish meat processors have already achieved significant market diversification in recent years



The UK accounted for 44% of Irish beef exports by value in 2020, down from over 50% in 2018. Shipments of Irish pigmeat to Asia now account for 41% of total exports by value



Maximising international market access for Irish meat is important to ensure carcass balance and best overall market returns for the Irish livestock and meat sector. Improving access to existing markets and opening new markets must be our key focus



EU trade negotiations which grant increased access to the EU meat market to lower priced global competitors impacts most severely on Ireland as the major exporter of meat to EU markets

Overview

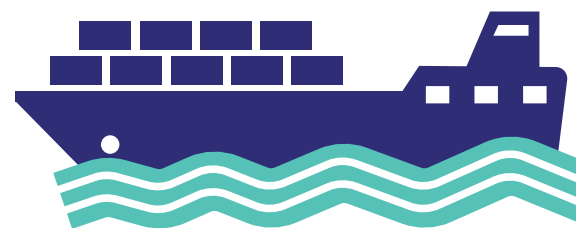
The Irish meat sector is highly export dependent, exporting 85% of total production to 75 countries across the globe. Annual exports of beef, pigmeat, sheepmeat and poultry exceed 1 million tonnes and are valued at €4 billion, an increase of 60% over the last decade to 2020. Ireland is the largest net exporter of beef in the northern hemisphere.

With global population set to reach 9 billion by 2050, we will require 70% more food, with less land and water available and also while reducing greenhouse gas emissions. With its grass-based beef and

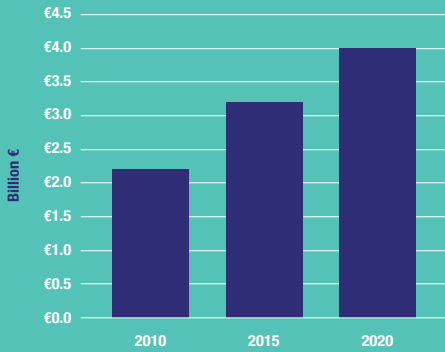
lamb systems and highly efficient pig and poultry sectors, Ireland is well-positioned to take advantage of this trend, as a supplier of high-quality meat, with strong sustainability credentials.

Over the years, the Irish meat industry has developed a strong portfolio of top retail chain and blue-chip foodservice customers across the UK and EU and worked hard to premiumise Irish meat sales. In addition, the meat industry has achieved significant diversification across markets and made major in-roads in international markets.

Improving market access to existing markets and opening new international markets is critical to our sector, to further our market diversification, ensure carcass balance in sales and to maximise returns from the marketplace. Market diversification in the context of Brexit is a key focus of our sector.



Growth in Meat Exports 2010 - 2020



Irish Meat Exports

The value of total Irish meat exports including beef, pigmeat, sheepmeat and poultry has grown over the last decade by 60%, standing at €4 billion in 2020. While volume of exports has increased, the main driver of value growth has been the premiumisation of meat sales and improving global meat prices.

The UK remains our largest export destination, particularly for beef and poultry. In the post-Brexit era, while recognising the need for continued market diversification, the Irish meat industry is determined to defend its market share in the UK, which is one of the highest priced meat markets in the world. Ireland has significant meat exports across European markets, particularly to France, Italy, Germany, the Netherlands and Scandinavia. In recent years, with progress on market access, Irish meat exports to international markets are increasing. This is the case across all meat categories but pigmeat is particularly competitive in international sales, especially to the growing Asian markets.

Market Diversification

The Irish meat industry is very focussed on market diversification both within Europe and across international markets. The UK accounted for 44% of Irish beef exports by value in 2020, down from over 50% in 2018. Shipments of Irish pigmeat to Asia now account for 41% of total exports by value.

In recent years Ireland has been successful in broadening the number of countries to which Irish meat is exported, with Irish beef now sold in 45 different countries. Over the last decade, Irish sheepmeat

exports have substantially diversified sales across the EU, away from its traditional heavy reliance on the French market. In recent years, Irish beef was the first in the EU to secure market access to the US and Chinese beef markets.

Market Access

Critical to our market diversification ambition is the need to improve access to existing markets and opening new international markets for Irish beef, pigmeat, sheepmeat and poultry. Meat processing involves the disassembly of the carcass into a wide array of different cuts which need to be sold across a spread of markets to ensure the best overall return from the marketplace. Ensuring that we have access to the widest range of markets internationally is important to ensure carcass balance in our sales.

Market access work needs to focus on removing restrictions and improving the export conditions for markets that we already have access to and also to opening new international markets. With the growth in global demand for protein, particularly across Asian markets, much of our market access focus is on this region of the world.

Market access is a cornerstone of agri-food trade which needs continuous Government support to secure new and improved market access across the globe. MII works closely with the Department of Agriculture Market Access unit in identifying target markets for exports.

EU Trade Negotiations

The Irish and EU beef sector must be protected in the context of ongoing EU trade negotiations with Mercosur, Australia and New Zealand. This is even more relevant in the context of Brexit, which could ultimately result in major displacement of Irish beef onto Continental EU markets, particularly as the UK

concludes its own bilateral trade deals leading to increased competition in the UK market from other global meat suppliers.

The Irish meat industry is extremely concerned about the potential negative impacts of the EU-Mercosur trade agreement and the additional quota of 100,000 tonnes of beef granted to the South American suppliers. Given that the additional access volume is likely to be targeted at the high value steak market, the potential to seriously undermine the overall EU market is exacerbated. MII has always argued that import quota access to the EU market should be based on the natural proportion of all cuts from the carcass and it should not be possible to supply all steak cuts under a quota. A 100,000 tonne quota is the equivalent to all the cuts from 300,000 cattle, but if it is only supplied as steak cuts, it is the equivalent of 3 million cattle.

In concluding any international negotiations, agreements must be balanced in securing additional market access in strategic growth markets while protecting the EU from unfair competition. Imports must meet the same high European standards in terms of animal welfare, traceability and environmental criteria as apply to EU products. It is essential that the interests of Irish and European agriculture are not sacrificed by EU negotiators in pursuit of trade deals.

Conclusion

Ireland's meat sector is hugely reliant on international export markets. The industry has been successful in diversifying into new markets, which is of particular importance in the aftermath of Brexit. We need a continued and strengthened effort to advance international market access for Irish meat, particularly to regions with growing protein demand, consumption and meat import requirements.

Irish Meat Export Diversification

