

Ireland sees potential for big milk export push

By Guy Montague-Jones, 21-Jul-2010

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Ireland is planning a big increase in milk output once quotas are lifted in 2015 as the government places food at the heart of an export led growth strategy.

At the launch of the Food Harvest 2020 strategy document, agriculture minister Brendan Smith said: *"The ending of milk quotas in 2015 represents an exceptional opportunity to grow our milk output by an estimated 50 per cent."*

Smith made the comment on the basis of the conclusions reached in the Food Harvest report, which had been drawn up by a committee of industry leaders led by Irish Dairy Board chief executive at Dr Sean Brady.

Export-led growth model

The Irish government has expressed a keen desire to pursue export-led growth and it sees the agri-food sector as a key pillar in this strategy.

In a statement, the government said population growth and the abolition of EU milk quotas gives the Irish food sector significant opportunities for growth.

Smith said the new Food Harvest report has shown that Ireland can grow its food and beverage exports over 40 per cent by 2020. And a move away from milk quotas at an EU level offers particularly strong opportunities for growth in the dairy sector.

Dairy threats and opportunities

Michael Barry, director of the Irish Dairy Industries Association, added that in a more competitive dairy marketplace Ireland stands to benefit from a good low-cost production base although he said consolidation is called for at the processing level.

Adding a word of caution, Barry told DairyReporter.com that whether the tremendous growth opportunities for the Irish dairy sector are realised over the next ten years will depend to a great extent on outside factors.

Another slump in global prices could jeopardise export growth and there are other uncertainties facing the industry like how to square the ambitious expansion goals with equally ambitious carbon emission targets. A lot may depend on how government policies are implemented.

On this point, Barry was optimistic, saying there has been a realisation at government level of the importance of the food sector, and this is feeding into greater support for the industry.

To help industry full its export potential, the government has set out two guiding principles: 'act smart' and 'think green'.

Brady expanded on this, saying: *"Smart – that means being innovative, investing in research, focusing on what the consumer wants, applying lean manufacturing techniques and ensuring we have the scale at every level to maximise our cost competitiveness."*

"Secondly we must be green. We must build in a meaningful way on our green image to scientifically prove, and then market, the environmental sustainability of our food production systems."

A new high level group is to be set up by Smith to ensure effective, joined-up implementation of the strategy.