# Artisan Food Production on Irish Family Farms

*A review of the sector, its strengths, weaknesses, opportunities and threats*

A report for

**NUFFIELD IRELAND**
**Farming Scholarships**

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# Executive Summary

This report presents the results of the research carried out by the scholar on food production on family farms in the framework of the Nuffield Ireland Farming Scholarship from 2007 to 2011. The knowledge acquired is relevant to farmers planning to develop a food enterprise on their farm or those that are already producing, and should be of interest to organisations supporting the sector at a regional and national level, as well as to policy-makers.

The objectives of the research undertaken were to:

- Identify the key issues affecting farm-based food enterprises and the benefits it provides to the farmer, the community and the wider society;
- Study the different models of farm-based food businesses and identify threats and opportunities for these businesses;
- Assess the farm-based food enterprise sector in Ireland;
- Review different routes to market for farm-based food enterprises;
- Assess and make recommendations on the support framework required to further expand the farm-based food processing sector in Ireland.

The production of high quality speciality foods, sold through short food supply chains and marketed with a local or regional identity, is commonplace in regions across Europe. This adds value to local produce and resources, contributing to the development and sustainability of rural areas.

The number of farms engaged in artisan food production remains very small (0.4% of total number of farms) today indicating huge opportunities for famers to diversify and tap into the fast growing speciality food demand among consumers. Key barriers include access to capital investment, lack of time and relevant business skills among the farming population, constraints imposed by health and safety standards, and often a set of values biased towards primary production rather than adding value.

Farm food businesses were analysed on the basis of interviews in order to understand the day-to-day reality of developing such enterprises. In both cases, safeguarding the sustainability of the farm was a key consideration in the diversification process towards food production. Owners demonstrated a strong ethical and environmental consciousness about the position of the farm and its produces in its natural environment, the local community and economy. The overall feeling from the discussion with the owners was that, despite all the hard work and often low returns, they were very proud of their enterprise and their achievements.

New marketing approaches should be considered by participants to enter high-value added markets, which capitalise on a growing number of consumers wanting high quality products from farms promoting sustainability and diversity. A number of routes to market and marketing models are reviewed, including the very popular farmers' markets, farm shops, food groups and community-supported agriculture. The potential of agri-tourism as a way of

diversifying farm revenues and establishing an additional route to market for farm food produces is also discussed.

In addition, the support framework available from public and private bodies for farm artisan food producers is reviewed. Food health and safety is a focus point for state intervention in the sector and it is felt that, while producers recognise the importance of compliance, more work needs to be done to improve communication with officers, provide suitable technical assistance and reduce the administrative burden of compliance. Financial assistance was also recognised as a key support mechanism to overcome start-up costs but that funding schemes should be flexible and tailored to the evolving needs of farm food producers.

Skills development is a critical factor to help farmers overcome the lack of business development know-how, notably in the area of marketing and distribution, as well as technical skills in food processing. Linkages with third-level education and research and development institutes were also highlighted as fundamental to support innovation and retain young graduates in the artisan food sector. The current brain-drain among specialist advisors in state agencies needs to be reversed in order to maintain sufficient levels of technical assistance. Support in the form of regional branding and clustering initiatives in the artisan food sector were also explored as a means of achieving economies of scale and cross-fertilisation among food producers when striving to market and distribute their products.

The findings of this study were summarised with a SWOT analysis of the Strengths, Weaknesses, Opportunities and Threats of the farm artisan food sector, and a series of recommendations were made to continue supporting its development as an essential mechanism to add value to primary food production.

# Acknowledgements

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- My husband Jack and family for their continued support throughout the study.

# Introduction

This report presents the results of the research carried out on food production in family farms in the framework of the Nuffield Ireland Farming Scholarship from 2007 to 2011. This topic was selected for a Nuffield Scholarship as the author believes there is an enormous development opportunity for Irish farm families to develop food production enterprises for the home, tourism and export markets.

Through involvement since childhood with my family's food production enterprise in farmhouse cheese-making, I have grown up understanding that "entrepreneurial itch", and the desire to own your own business. The want to create your own product, a product which you firmly believe in and of which you are completely and unreservedly proud, is akin to the proudness a mother has of her child. However, the important line between a business and a pastime must be drawn, although passion is important in the success of a business, good business planning and financial management are essential.

The Nuffield Scholarship has afforded me the opportunity to meet with farmers currently working their farms in this way and to discuss first hand with them the issues, obstacles, advantages and profits involved. Travelling to areas in other countries that have established themselves in this sector has provided invaluable information and knowledge for my current role working with the Irish farming community in this sector. In my current position as manager of the Rural Food Skillnet and Farm Diversification Specialist on the LEADER RDP Programme, I continually work with food producers and those involved in on-farm enterprises. In addition, I have looked at the idea of incorporating agri-tourism into the Irish family farms involved in food processing, instead of a traditional system of transporting agricultural products to off-farm markets, as agri-tourism brings customers to the farm.

It is hoped that this report will give an insight into the research conducted by the author. The knowledge acquired is relevant to farmers planning to develop a farm food operation or those already producing, and should be of interest to organisations supporting the sector at a regional and national level, as well as to policy-makers.

# Objectives

The general objective of this research project is to develop knowledge of the farm-based food processing sector in Ireland and successful models of development, informed by lessons learned from other countries.

The objectives of the research undertaken were to:

- Identify the key issues affecting farm-based food enterprises and the benefits it provides to the farmer, the community and the wider society;
- Study the different models of farm-based food businesses and identify threats and opportunities for these businesses;
- Assess the farm-based food enterprise sector in Ireland
- Review different routes to market for farm-based food enterprises;
- Assess and make recommendations on the support framework required to further expand the farm-based food processing sector in Ireland.

# Methodology

This report is the culmination of a process of gathering and analysing information on a wide range of issues related to farm-based food production. The information gathering process took different forms, including attending conferences and trade shows, study tours, interviews with stakeholders in the sector here and abroad, and literature review. The information collected covered issues ranging from the technical, commercial, environmental, regulatory, social and political.

Study tours and attendance to events included:

- Trip to Calgary in Alberta, Canada, including farm visits, experience of the Calgary Farmers' Market
- Attendance of a study tour organised by Nuffield UK in the UK.
- Attendance at the Terra Madre international event in Turin 2008: Terra Madre brings together those players in the food chain who together support sustainable agriculture, fishing, and breeding with the goal of preserving taste and biodiversity. It takes place under the umbrella of the Slow Food movement.
- Visit to the SIAL fair in Paris: SIAL is the biggest international food industry showcase, bringing together more than 5,200 exhibitors representing all market sectors around the globe, from SMEs to multinationals.
- Visits to Farmers markets and farm based food producers in Spain.
- Organisation of and presentation to the Farmers' Market conference: this event took place in Athlone in 2007 and was organised by the Rural Food Company Training Network, and Western Organic Network.

The subject of this research is directly relevant to the work carried out by the author with the Rural Food Skillnet and as a Farm Diversification Specialist on the LEADER RDP Programme. This scholarship with Nuffield has given me the opportunity to gain knowledge which I was able to apply directly to my work with farm families in Ireland.

# What is farm-based food processing and why it is important?

## What is farm-based food processing?

**One of the very nicest things about life is the way we must regularly stop whatever it is we are doing and devote our attention to eating. ~ Luciano Pavarotti**

Although there doesn't appear to exist a specific name for it, the core concept is the transformation of raw products from the farm into processed food, typically on the farm and directly by farm family members or under their direction.

There are a number of other appellations somewhat related, such as:

The term *'artisan food'* is an unregulated term and has no set-in-stone definition but generally designates something made or produced on a smaller scale, most often by hand, with plenty of attention to detail, quality ingredients, flavour and craftsmanship. The appellation can cover a range of products such as breads, meats, cheeses, preserves and produce. Irish food writer John McKenna eloquently describes artisan food as a test of 4P's, 'it is a synthesis of the Personality of the producer, the Place it comes from, the Product itself and Passion in the manner it is produced'.


*'Specialty food'* is described as 'traditional or traditionally made, mostly in batch sizes using hand-done techniques, which encompasses flavour, tradition and the integrity of the producer. Farm-to-table is a phrase often associated with the concept to mean that the food on the table came directly from a specific farm.

To make it simpler, we will use hereafter the term *'Farm Artisan Food'* to designate our subject matter, food processed on the farm from that farm's raw products.

## What lies behind the definition?

At the heart of Farm Artisan Food, there is a desire for diversification and adding value to farm resources based on a strategy recombining them into new non-agricultural products or services such as tourism, processed food, etc. This strategy seeks to move away from producing an undifferentiated commodity (for which the farmer, the field and place have become redundant) to making a 'unique' food that reflects the farmer's skills, the quality of his/her production and land management.
Value is added by transforming a product and is anything that further prepares a product / commodity for the consumer, such as processing, packaging or marketing. Adding value to a

product may also involve capitalising on, or the promotion of, the local or regional environment, quality or reputation. In the agri-food sector, adding value to a product can mean anything from washing and preparing vegetables to producing functional foods: "bringing the raw material further along the supply chain, differentiating the product offering, and including something additional to the product is a means of adding value"[1]

But what drives our food producers? Is it the lure of the euro? Clearly one hopes and expects to make money from any business venture but for our food producers it is much more, it is about the passion of producing top quality handmade food and not the mass produced, processed and often flavourless varieties that are thrown in front of us day after day (Teagasc, 2012).

## Why is it important?

As Michael Porter says in The Competitive Advantage of Nations (1998)*, "ther*e are two ways to be competitive in a global economy:

1. being the lowest cost supplier of an undifferentiated commodity
2. providing the market with a unique and superior value in terms of product quality, special features or after-sales service.

Artisan food represents a realistic alternative to low cost commodity production, and offers a competitive advantage in terms of superior price differentiation. The production of high quality speciality foods, sold through short food supply chains and marketed with a local or regional identity, is commonplace in regions across Europe. This adds value to local produce and resources, contributing to the development and sustainability of rural areas.

As Dr. Áine Macken-Walsh puts it "This is not just about "saving" the family farm. It is about the associated social, economic, and environmental costs to society. With the loss of each family farm, a rural community loses approximately $720,000 in related economic activity. Ecologists now affirm that the only way we can manage farmland in an ecologically sound manner is by having the farmer living on his/her land long enough and intimately enough to have learned how to manage it properly. With the loss of ecological land health we see the loss of soil quality, wildlife, and recreational areas. And with the loss of rural populations, the loss of public services - education, health-care, transportation - inevitably follows" (Macken-Walsh, 2011)

Eddie O Neill, artisan food specialist with Teagasc, highlighted the benefits of buying locally produced food: "Surveys show that for every €10 spent on locally produced food, it is worth €25 to the local economy, whereas every €10 spent in supermarkets, just contributes €14 to the local economy." The Taste Council of Ireland points out: "This means that the €472.5 million consumer sales value of output sold locally in Ireland from over 350 small, local and speciality Irish food businesses, results in €1.01 billion in total revenue back into local business communities throughout Ireland. An increased share of the national food grocery

[1] Department of Agriculture, Fisheries and Food. Value for Money Review of the Capital Investment Scheme for the Marketing and Processing of Agricultural Products (2000-2006).

and foodservice markets (estimated at €14.5billion in 2008) would serve their growth potential well. Provided these companies increase their share of the local market for food and drink from 3% to 6%, their local turnover would rise to €855 million per annum which through the multiplier effect would circulate €2.1 billion in the local economy (Taste Council, 2011)."

By reducing considerably the number of intermediaries in the supply chain, the farmer-producer retains a higher percentage of the revenue generated by the sale of the product to the consumer. In addition, a greater focus on the local market – at least for the initial customer base – means less transport cost and food miles[2].

[2] Food miles is a term which refers to the distance food is transported from the time of its production until it reaches the consumer. Food miles are one factor used when assessing the environmental impact of food, including the impact on global warming (http://en.wikipedia.org/wiki/Food_miles ).

# Assessment of the farm artisan food sector in Ireland

In this chapter, we will assess the farm artisan food sector in Ireland and how it fits within the agri-food industry here.

## The importance of agri-food production in Ireland

The Department of Agriculture, Fisheries and Food currently reports that the Irish agri-food sector contributes a value of €24 billion to the national economy, generates 6.3% of gross value added and provides 7.4% of national employment. When employment in inputs, processing and marketing is included, the agri-food sector accounts for almost 10% of employment. The agri-food sector accounts for 16% of industrial output and recorded almost 40% or €2.25 billion growth in exports during the 2002 to 2007 period.

Given the strong export orientation and its low import content, the sector is responsible for a significant proportion of the country's net foreign earnings (about 25%) and thus has enormous potential in terms of employment (House of the Oireachtas, 2010). The Agri-Food Sector directly employs approximately 50,000 people in Ireland. It is also the primary outlet for the produce from 128,000 family farms dispersed throughout the country.

It is clear from these figures that the Irish agri-food sector is of key socio-economic importance for our country and rightly deserves support from policy-makers and consumers alike. At farm level though, the situation is not as encouraging…

## Some alarming statistics on Irish farms

The survey data relating to average farm incomes is the National Farm Survey 2009 (Moran, 2010) states that as in previous years family farm income varies significantly depending on the size of farm and system of farming. In 2009, the average family farm income was estimated to have fallen by 30% to €11,968. The decline was entirely attributable to a drop of 14% in the value of gross farm output, as total costs actually fell by 7%. In estimates for the 2010 survey, average family farm income in 2010 is estimated at €18022. While this represents an increase of 48% on 2009, it is only an increase of 6% on 2008 and a decline of 9% on 2007.

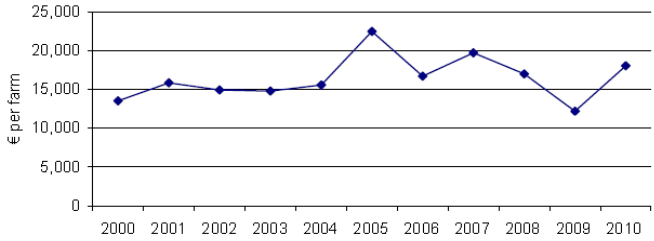


**Figure 1: Family Farm Income 2000 to 2010. Source: Teagasc, 2011.**

In almost 50% of farms, the holder and/or the spouse engage in off-farm employment. However, like others, they have been affected by the downturn and reduction in available jobs. Farming in general continues to be very reliant on subsidies; subsidies accounted for 94% of family farm income on average in 2010.

While the last 2 years have been more favourable to farmers, the overall trend indicates a decline in income, increasing input prices and a number of pressures affecting the sustainability of farming in Ireland. There is also a very strong reliance on subsidies and off-farm income to maintain the viability of farms. The continued decline in the number of farms and rising age profile of farmers are symptomatic of the situation. In this context, the importance of adding value and diversifying cannot be understated.

## Diversifying in farm-based food processing has an enormous potential

The total food firm population in Ireland is estimated at 800 firms. The speciality food business population in Ireland (defined by Bord Bia as micro and small firms) with individual turnover levels of between €100,000 and €3.5 million per annum is 350 firms. This group excludes the firms which started as micro or small and graduated to become bigger firms over the course of the last 15 years (e.g. Glenisk, Lily O'Briens, Clonakilty Black Pudding, Mr. Crumb).

These 350 firms grew from a population of 60 firms in 1996 and have a combined output at consumer prices (i.e. prices charged at retail or foodservice prices) of €475 million. Approximately 10% of this output is destined for exports leaving €427.5 million as local sales in Ireland or 3% share of the local market for food grocery and foodservice (the latter worth €14.5 billion in 2008) (Taste Council, 2011).

Of these speciality food producers, almost 50 are farmhouse cheese producers compared to Holland, which is the size of Munster and has over 100 cheese producers or indeed New Zealand with over 2,000 speciality food producers. So clearly, it would seem that the market is far from saturated.

Although there are no statistics specific to farm-based artisan food producers, it is clear that artisan food represents a significant opportunity for diversification for farmers as demand far outstrips supply currently (O'Neill, 2009). Irish artisan food currently commands an international reputation at the premium end of the market and this reputation needs to be developed and nurtured if we are to benefit from an ever increasing market.

## Why is farm diversification into food processing not happening?

Speaking at the TASTE Council summer school in Macreddin (2011), Teagasc researcher Dr. Áine Macken-Walsh said; “Studies show that despite the economic returns from adding value to the primary product, many Irish farmers are not processing their farm produce or selling directly. From a total of approximately 128,000 Irish farms, figures show that just 0.4% are engaged in food processing.”

There are several reasons for this low level of engagement in food processing and direct sales. Dr. Macken-Walsh said; “Sociological studies have identified some of the reasons why this may be the case. Many traditional farmers’ knowledge and occupational preferences are centred on agricultural production activities. Farmers have sophisticated knowledge of agricultural production techniques, which must be continuously updated, and also valuable local knowledge of traditional farming methods suited to the local ecology. On the other hand, traditional farmers may not have the cutting-edge corporate skills, or preferences, to effectively process, brand, market, sell and distribute their product. For a large proportion of farmers who are investing full-time in agricultural production, undertaking the necessary corporate activities to brand and bring their product to market may not be possible – even from a work-load and time perspective.”

A number of other challenges to on-farm diversification also need to be tackled:

- High capital investment and match funding requirements in a context where family farm income is low and access to credit can be difficult;
- Processing requires a high volume of work and labour costs can be prohibitive;
- Lack of information on available financial and other supports;
- Significant amount of red tape and uncertainty concerning the impact of regulations;
- A lack of time to develop new enterprises and the difficulty in balancing production with food distribution and retailing which has its own ‘time to market’ pressures;
- Profit margins can be very low and the difficulty of competing on price with industrial scale producers in a context where most consumers are very sensitive to price.
- For medium-scale producers dealing with multiples, the balance of power is definitely on the side of the retailer.

There are also social & cultural ‘barriers’, including:

- Strong farming identity, passed on between generations;
- Difference in attitude to innovation and attitude to risk between family generations active on the farm;
- Prestige and esteem associated with production activities, not with processing, branding, retail activities;

- Occupational preference to farm (produce) – as distinct from consumer oriented occupational activities;
- Food processing also requires a set of ‘technical’ skills and know-how very different than primary agricultural production;
- Gender: ‘one man farm’, females working off-farm.

# Profiling farm food businesses

In this chapter, the author provides an insight into the life of farm food enterprises with a view to gain an understanding of their development journey. The approach taken was to conduct interviews with farm-based food production businesses and explore key issues with which they have been/are dealing, how they are seeing the future and lessons they want to share with others. While their experience is quite different and unique, their story is likely to resonate with that of many other farm-based food business owners in Ireland.

### John and Sarah's organic farm, West Cork

John and Sarah Devoy live and run an organic farm near Rosscarberry in West Cork, together with their three children Aisha (11), Meriel (9) and Oisin (13). Having bought a 2.5 hectare plot of land, they started the farm 10 years ago and built their family house shortly after. None of them had a farming background and establishing the organic production was essentially a lifestyle choice motivated by personal aspirations to live of the land and make a difference in terms of sustainability and community development.

"We were passionate about the environment and to us food is a major part of how we live. In an attempt to live sustainably we need to produce food in a manner which does not compromise the environment. So with our convictions firmly in place we set about searching for a place to grow food organically and we settled on this wonderful corner of the country. The rest has evolved organically you might say. Our business matched by our resources started out small and we have continued to expand over the last few years which is crucial to making this a viable business" says John (extract from Organic Matters, Grace Maher, 2012).

The farm has two main food production streams. The first one centres on horticulture with the production and sale of fresh vegetables and fruits in open ground and under six 32 m poly-tunnels. They grow a wide variety of crops throughout the season including spinach, mange tout, kale, chard, onions, salad leaves, tomatoes, cucumbers, courgettes, beans, squash, potatoes, beetroot, etc. They also have fruit bushes and apple trees – although they faced a severe setback with their apple production when 80% of their 300 trees became irremediably ill. They also buy in locally sourced or imported organic vegetables and fruits to maintain an attractive 'in season' offering all year round.

Their second production line, introduced in 2010, is organic eggs with 350 laying hens which they plan to expand rapidly to 450 (the maximum the land area available to them will allow under free range, organic standards). While egg production has required substantial investments above what they have already invested in the horticulture side of the business, it has turned out a real success, bringing a relatively steady income stream and contributing significantly to their brand development among local consumers. “We have not had any problems finding a market for our eggs. In fact, we find that we probably need more eggs to fill the demand as the response has been so good”, Sarah says.

John says that diversity is key to the success of their farm in order to maintain an ongoing stream of fresh produce and balance income sources. As a minimum, they are constantly juggling circa 20 crops to that effect. They have also invested in the refurbishment of part of their farm building into an apartment on the basis of which they hope to promote farm tourism and supplement their income. While they occasionally process vegetable or fruit surplus into preserves or produce pesto, processing primary products is not an important part of the farm production. Sarah says that in addition to the hassle factor of packaging and labelling, it is not cost and time effective to do it on a small scale

They supply two supermarkets, local restaurants, hotels and whole food shops. They also sell direct at local farmers’ markets and through a vegetable box scheme. They deliver to Cork weekly. Their relationship with supermarkets is mixed. On the one hand, they have a ‘win-win’ relationship with Eugene Scally, owner of Clonakilty’s Supervalu, who is committed to supporting local food businesses and sees them as one of the main attractions in the store. They have also developed a similar relationship with Field’s in Skibberreen. By comparison, most other supermarkets have a very rigid attitude to buying local and generally have their hands tied to central supply systems.

Farmers’ markets are also an important selling outlet for the Devoys (about 1/3 of their total sales). Farmers’ markets are quite common in West Cork, with one in almost every town. Sarah is the one who normally attends markets and enjoys very much the interaction with her clients and other stallholders. For her, markets are also an important contributor to the social fabric of the local community. However, both wish that there would be a stronger focus on locally produced food and support for small producers who depend on farmers’ markets for their livelihood. They also comment on the fact that securing a stall at a local market can be difficult e.g. there is a waiting list in Clonakilty. Council should also be more proactive in making available suitable facilities and space for town markets.

On a summary note, Sarah and John noted that while they would not honestly recommend to anyone to start an organic vegetable growing business from scratch, and after 10 years of relentless work, they are very proud of their farm and take great satisfaction from what they have achieved. “Sure… what else would you want to be doing!” was the concluding statement to our conversation.

## Gerard Jara of Candor-ags, Reus, Tarragona, Spain

Gerard Jara of Candor-ags, Reus, Tarragona, Spain explains how the group run three businesses but for the purpose of my interview will discuss CYNARA (www.cynarasource.com). “It's not the largest one but it's the one I care most for.”

Gerard graduated with a bachelor in Business Administration and his first "serious" job was at a large company in Spain. The company was dealing with food products, so he learnt a lot during the 5 years he worked there. Then he decided to start his own business. Cynara grow and process artichokes in cans and/or glass jars as he saw a business opportunity in this product. Working for the previous company Gerard had bought/sold this product before and had relationships across the industry. Cynara now sells artichokes to supermarkets and exports and has grown from 0 kg of fresh artichokes processed up to 22 million kg currently.

The main reasons for success of the business to date are global spread, service and quality. Global spread is a key factor because artichokes are grown in different countries. “We produce in the 4 main origins and this provides us with a great mix of product range and costs”. The four origins are Spain, Peru, Chile and China. “We are now looking into North of Africa as well. We don't buy land. In Peru we do own a factory and we rent all the land and we work the land (this year almost 300 Hectares of artichokes). In Chile, Spain and China we have strategic partnerships with local producers. Our technicians help them out and we get the majority if not all their artichoke production”. Service is also an important factor in the success of the business because artichokes were out of stock constantly due to crop shortages or lack of service mindset from competitors. The other factor is quality because there was no quality leader in the market (branded or manufacturer), which has let Cynara position themselves as the quality producers.

Financing, without a doubt, would be considered as the main obstacle for Gerard in business. When they invested in Peru, Gerard filed for a small help from the Catalan government and received about 20,000 euros (over €1.5 million was invested). “All money is welcome, but we have not built on any subsidies at all. Now that we are bigger seems we have a better chance to access help, which is quite interesting since it should be the other way around right?”

Gerard feels strongly that one needs to love what they do. “Profits arrive only after a long time in business and unless there's love and passion, you can't survive the tough times. No doubts on this one.” The advice he would give to a farmer starting is “test your product in small runs before investing heavily in production and once you do, be aware of the financing needs that growth will require”. And most importantly to “have fun, make sure the product is good and don’t expect a lot of profits from it. Do it because it makes sense, not just because of the money. The money will arrive sooner or later if it makes sense”.

## Dicky Willems of Coolea Farmhouse Cheese, Coolea, Co. Cork


Dicky Willems produces Coolea Farmhouse Cheese in the beautiful moutains of Coolea in West Cork. Dicky’s mother Helene began making cheese in Coolea in 1980. Having moved from Holland to West Cork in 1978 Dick and Helene Willems began farming in Coolea. Dick had planned to have sheep and was interested in a quality of life which allowed time for family and children in rural Ireland having left a hectic life running his catering business in Holland. Helene soon noticed that there was only cheddar type cheese available in the shops and a lack of Dutch type cheese and began to make some cheese for her family and her friends. Her friends and family loved her cheese and through a chance meeting with Horgans Distributers in the local shop, her cheesemaking became a business. Helene began to sell the cheese to the general public and distribute through Horgans Distributers and in 1986 moved from making 30Kg/day to 80Kg/day. With the purchase of a new vat and equipment to enable the expansion came a bank loan, so sales of the cheese were stepped up to make the repayments.

In 1991, son Dicky came back to the farm to make cheese and his mother Helene retired from cheesemaking in 1996, Dick senior availed of the early retirement scheme in 1998 and is now leasing his land. With 57 acres and only 25 acres of arable land, additional milk had always been purchased to make Coolea Cheese, and in 1998 Dicky decided to stop milking and purchase all milk used for Coolea Cheese. Dicky secured a relationship with two local suppliers, each one supplying at a different time of the year.

Coolea Cheese is only made from the milk of grass fed cows so all production takes place from the beginning of February to the middle of November. Coolea cheese is now made with pasteurized milk and using natural rennet. Cheese is sold at two and a half months maturation up to a beautifully matured cheese which can be up to 3 years old. Dicky says “I think the milk is very very important to the flavour of cheese” and, as he explains, how after 6-7 weeks it is not the starter that plays the key role in the flavour of the cheese but the rennet, his immense understanding of the science of milk and cheese becomes apparent. However, Dicky explains that although he has taken training courses in HACCP and microbiology, his knowledge of cheese and cheesemaking has all been learnt from his mother.

When asked if owning your own cheesemaking company is a way of life/lifestyle rather than a business, Dicky would be clear that Coolea cheese is operated on a strict business model. “Margins are tight and all is dependent on milk prices, sales are great at the moment”. Coolea Cheese is operated on an excellent business model which has enabled them to become one of the best know and most acclaimed of the Irish Farmhouse Cheeses. Most of the Coolea cheese is sold through distribution and wholesalers, as the time involved in dealing with retailers individually would be overwhelming. Main distributors such as Sheridans Cheesemongers, Neals Yard and Horgans distribute Coolea Cheese to outlets large and small across Ireland, the UK and worldwide. Dicky explains that it would be great to be able to sell directly to the consumer at farmers market and believes this is a great way to operate for small producers. “If you can stay small and sell direct you make a nice profit”. Coolea find that excellent support is offered to small producers by Bord Bia. The marketing and UK trips that are organized are excellent.

The real negative of the job is that it is very physical work, Dicky now has problems with his back and says his mother also suffers from back ache. Dicky’s daughter is showing great interest in the cheesemaking. However, he would prefer if she had a less physical career. Also the work is very intense, with 25,000kgs of cheese to be minded in October as mature cheese requires a lot of care and a lot of stock must be carried. Although he has employed

cheesemakers in the past, Dicky is always present for the cheesemaking process himself, as he believes you must be present to guarantee the flavour of the cheese. So delegation is only minimal. His wife, Sinead, now helps with administration within the company but margins are too small to have large staff numbers. Working from home is a great way of life but although he does not milk cows, cheese must be cared for seven days a week. But it is more of a way of life, just like farming. The immense care and passion that the entire Willems family has for Coolea Farmhouse cheese is very obvious – it’s what this family do and do very well. It’s the great feedback from people when they say they love your cheese that makes it all worthwhile says Dicky as he concluded with “I love my life at the moment”.

## Case Study Summary

Looking at three very different food businesses operating at different levels with very different products, one would expect that there would be very few common themes. However, it is apparent form these interviews that food producers are very similar, not only in the challenges and obstacles that they meet but also in the passion and love they have for their products. All producers interviewed found margins very tight and access to finance very difficult, but all loved what they were doing and really felt the balance sheet was secondary. It seems apparent that for the food producers being in business purely for the profit is not a working model that is considered. One must love what one does and be proud of the product which is produced.

# Innovative Marketing Models for Farm-Based Food Enterprises

The development of family-farm food production requires a shift in the position of farmers in the food chain whereby farmers have a much more direct interaction with consumers in the marketplace. To that effect, new marketing approaches should be considered by participants to enter high-value added markets, which capitalise on a growing number of consumers wanting high-quality products from farms promoting sustainability, traceability and diversity. A number of routes to market and marketing models are discussed in this chapter.

## Farmers' market

Figure 2: Eilish with John Bowman, RTE broadcaster, at the Farmers' Market Conference 2007

Farmers' markets are a recent and significant development that is rekindling the old tradition of fair days and country markets where people come to sell fresh farm, garden and home produce and handcraft. In more urban areas, daily market stalls selling fruit, vegetables and flowers bought from wholesalers can still be found.

Markets where farmers, growers or producers (usually from a defined local area) sell their own produce direct to the public have experienced phenomenal growth in the last decade. It is difficult to arrive at a precise number of markets – new markets are continually appearing (and occasionally disappearing), some markets are seasonal and some are associated with festivals or events – but there are at least 120 running at any one time (Moroney, 2009)

Farmers' markets have provided consumers with access to fresh local produce and a forum in which to build relationships with the people who grow or make their food. Markets have also contributed to urban regeneration, helped build community interaction in suburban areas, contributed to the tourism mix and helped revive local shopping in towns and villages. In tandem with the renewed interest in direct marketing amongst farmers has been a perceptible shift in consumer demand for the kind of retail experience provided by farmers' markets (Moroney, 2009).

The growth of farmer's markets in Ireland over the past decade has been quite extraordinary. The total annual food and drink sales for all markets registered with Bord Bia is estimated at €25 –30 million with sales in summer season typically exceeding the winter season by 15-20%. A Teagasc survey of food producers at 17 of the 142 farmers' markets in Ireland showed that the respondents were extremely positive about the long-term viability of farmers' markets. Eighty per cent (80%) of traders consider farmers' markets as their key sales channel.

The markets help to forge links between local food producers and the public. For small producers in particular these markets help to increase turnover and can give a greater control over pricing. Farmers' markets are also an ideal way to test out your ideas at low cost and low risk.

A number of key issues that were discussed at the Farmers' Market Conference in Athlone in 2007 are still very pertinent today (Moore, July 2007):

- Farmers' markets are an important and growing part of the retail landscape, both from a rural development and consumer perspective;
- There is a need for local authority consistency in relation to their treatment of and work with farmers' markets, from a planning, licensing and health inspection point of view;
- Farmers' markets would greatly benefit from having facilitators employed to manage and promote them;
- There is a need for more engagement with and constructive co-ordination among key stakeholders, notably in the area of health and safety. It was recognised that farming organisations such as the IFA should be more proactive in supporting farmers' markets.
- Farmers' markets need to provide high quality produce with authenticity, with a strong presence of local food producers, and should be aware the benefits of more professional presentation;
- The range of consumer wishes need to be understood and integrate in the offer: quality, naturalness, simplicity, cheapness, contact with local people and local food, variety and more.

In the UK, FARMA - the national farmers' retail and markets association, has introduced a certification scheme based on three elements: certification of farmers' markets; verification of producers; diploma for farmers' market organisers/managers. To be certified by FARMA, the farmers' markets have to either have farmers selling the produce or they must follow the FARMA guidelines (stallholders sell only their own products; principal stallholder is involved in production; produce must be from the locality). Currently they have 230 farmers' market members (Gareth Jones, 2007).

## Agritourism and Farm food

**Agritourism**, as it is defined most broadly, involves any agriculturally-based operation or activity that brings visitors to a farm. Agritourism has different definitions in different parts of the world, and sometimes refers specifically to farm stays, as in Italy. Elsewhere, agritourism includes a wide variety of activities, including buying produce direct from a farm stand, navigating a corn maze, picking fruit, feeding animals, or staying at a B&B on a farm (Wikipedia).

Tourism is a very important sector of the Irish economy and was worth €6.4 billion in 2008 (Bord Bia). Yet, agritourism is little developed here. Considering that 27% of tourists spend is on accommodation, 16% on food and 16% for travelling in rural areas, tapping in this combined revenue source with a tourism offering based at the farm offers very significant opportunities for farmers.

The most appealing activities for tourists in Ireland stand as heritage, natural amenities and sports. Food has a lower priority when it comes to the primary purpose of visits. However, there is an opportunity to improve the Irish food experience and stimulate further demand from a ‘food in tourism’ perspective. According to Tracy Coughlan of Failte Ireland, we should “build on the strength of our food export market, the success of our drinks industry and the powerful blend of Ireland’s renowned hospitality, unique culture and green natural environment to unlock the opportunity ‘food’ provides” (Coughlan, 2009).

Farmers who have included agritourism in their farming operations in other countries are discovering that tourists are prepared to spend large amounts of money on vacations in rural areas. In addition to meals consumed on-site, tourists purchase locally prepared meats, cheeses and jams, honey, baked goods, and crafts. In most cases, agricultural production remains the primary activity of the farm and agritourism is a secondary activity that adds value and marketing opportunities to the farm's crops and livestock production.

The author suggests that a number of simple steps can be undertaken by family farms to tap into agritourism. Investment in road entrance to allow for coach/bus access, car parks and picnic and toilet facilities can be looked at by farmers over a long term plan with the income from each year paying for each forward step of the long term plan. Teenage children and other family members can be brought on board to help out on tour days and family pets/farm walks. A welcome cup of tea can be incorporated to make the visit more memorable. With good online presence and correct information supplied to tourist offices and tour operators, bookings will begin to grow. This income from the tourism aspect can greatly help to supplement the income from the family food production enterprise.

Food Festivals are a growing attraction in Ireland. In 2008, over 18 festivals were held around the country with the focus being on food such as the Terra Madre convention in Waterford, the Listowel Food Fair, etc.


Good Food Ireland is an innovative platform to promote local, artisan food to an international audience. It was founded by

Margaret Jeffares in November 2006 and is the only industry group with an all-island food tourism strategy. Good Food Ireland was founded to endorse and promote these places committed to local food and to link the food producer, farmer and fisherman with the hospitality sector. It co-operatively markets its membership network and the people behind the food to the international and domestic tourist so as to drive Ireland forward as a food tourism destination. "Agriculture and Tourism the two primary economies in Ireland have so much potential if they could only come together more" says Margaret Jeffares of www.goodfoodireland.ie.

## Farm Shops

Farm Shops can range from a temporary stall selling seasonal products to a full-scale, full-time mini-supermarket. A farm shop can be an effective way to add value to farm produce. The growth of these markets reflects changing consumer preferences for fresh locally produced foods and an interest in how it is produced, in freshness and in traceability.

To be successful, farm shops should sell produce all year long and a strong commitment is needed. Continuity of product lines is essential. Location is important and car-parking facilities should also be available. Compiling client lists is recommended for promotional purposes and cultivating relationships with existing clients to ensure repeat business and loyalty. The produce sold will depend on the type of farm, but usually include fresh meat, dairy products, fruit and vegetables, bakery products, jams etc. It is very important to become specialised and offer something different, as most people won't travel further and pay extra for products that can be bought in their local supermarkets (Teagasc, 2006).

## Community Supported Agriculture (CSA)

Community-supported agriculture (CSA) is a food production and distribution system that directly connects farmers and consumers. Consumers buy "shares" in a farm's harvest in advance. A CSA in essence is a mutual commitment, typically on annual basis, between food producers and consumers. A CSA fosters a partnership between a farmer and the members whereby we share both the rewards and also the challenges that independent farmers face every year.

In 2010, a community group together with a local organic farmer decided to establish a CSA scheme in Skerries, Co. Dublin. The CSA is based on the following commitments from members (Mcmenamin, 2011):

- Commit to the farmer for the whole season, paying monthly upfront at an agreed price;
- Accept whatever is in season;
- Collect the box at the farmers stall in the local market;

- A Core Group works with the farmer to ensure the project working well;
- Voluntary help on the farm whenever possible.

The farmer’s commitments are to:

- Supply a box of organic in-season vegetables weekly
- Farmer will take all reasonable care against crop failure but members accept the inherent risks in farming
- Farmer will pack and provide the weekly box at the farmers market
- Farmer will facilitate four farm visits a year

According to Rosaleen McMenamin from Skerries Transition Town and representative of the Skerries CSA group, a number of lessons have been learned:

- “A farmer open to trusting a new relationship with his customers is key, and members’ commitment to a new relationship with the farmer and his farm is key;
- We, as consumers, were clueless about the amount of work involved -organic farming is hard work and we need to ensure to invest our time at key points in the season to make this work.
- All positive feedback from members to date! Everyone loves the food and is really happy to be part of Community Supported Agriculture.”

## Food Groups


A food group consists of a group of people who regularly bulk buy organic and/or local food together. Such buying groups are run by the community for the community, they aim to supply produce at more affordable prices than other outlets, and are often run on a not-for-profit basis. They generally rely on the support of volunteers, either in the day-to-day running or on the committee of the group. They can be initiated by common interest groups such as neighbours, school parents, workplace colleagues, etc. They can also cover a range of products e.g. wholefood, vegetables, meat, etc. This is an exciting new direct producer-consumer trading model which relies on a suitable infrastructure, distribution and ordering systems – and lots of enthusiasm and commitment from its members.

In Reading (UK), the True Food Coop is a medium scale example with over 300 members and involving 1200 households. It is active in 3 community markets and has a large shop; it is run by four

on Irish Family Farms. E. Broderick, 2012.

members of staff supported by teams of volunteers. There are 1300 product lines and the annual turnover is £350,000

# Assessment of support framework for farm food businesses

In this chapter, the support framework available from public and private bodies for farm artisan food producers is reviewed. Key weaknesses are identified and recommendations are made to address these.

## Food hygiene & safety

Food hygiene and safety are key issues for any food producer in that any break of safety standards may have disastrous consequences for the consumers, the producer and the associated supply chain. Food hygiene and safety standards impose significant obligations for food businesses, such as:

- Requirements on the premises where the food is produced and packaged;
- Development and implementation of a Food Safety System based on the principles of HACCP – Hazard Analysis and Critical Control Points;
- Registration with regulatory agencies (HSE, DAF, DCMNR, local authority, etc.) and submission to an inspection regime;
- Training of personnel handling food;
- Labelling, traceability, etc.

From the point of view of farm-based food processors, the food safety legislation can be perceived as a real barrier to business development:

- Cost of setting up new processing premises when existing premises (e.g. family kitchen) are not compliant e.g. for processing dairy or meat products;
- Mind-boggling complexity of the legislation, use of inadequate language in official documentation (standards, forms, etc.), difficulty to keep up-to-date;
- Time-consuming and endless paper trail, delays in administrative processing of paperwork, etc.;
- Difficulty in communication with inspectors, lack of understanding of food processes by officials, etc.;
- Inadequacy of certain aspects of regulation (often transcribed from EU wide legislation) with regard to local specialties, traditional practices, etc.;
- Expense and time requirement of attending training courses;
- Cost of food waste disposal, sometimes difficulty in accessing suitable waste disposal services in isolated rural areas.

The following proposals can help address these barriers:

- Continue the work of the Artisan Food Forum run by the Food Safety Authority of Ireland (FSAI) as an important platform of communication between officials and artisan food producers and other stakeholders;
- Replicate the HACCP Work Book for Farmhouse Cheesemakers concept for other types of artisan foods with a view to facilitate compliance in other sectors.
- Provide technical and financial assistance for the adaptation or creation of new food processing facilities on farm.
- Reduce start-up costs by making available state-of-the art shared processing facilities for small processors, reducing risk inherent to the initial development period.
- Co-ordinate 'one-stop' shops for information and advice in relation to food safety with specialist knowledge available for specific food sectors.
- Simplify compliance process, avoid duplication between official agencies and rationalise paper trail.
- Ensure high quality, practical and cost-effective training is available locally in rural areas. Encourage peer support through artisan food forums (including online) and networks.

A recent survey[3] carried out by the FSAI among small and medium food business shows a mixed attitude with regard to the safety regulations and their dealings with the FSAI. "While 1 in 3 (32%) small food businesses find food safety regulations the most demanding and onerous tasks, nearly 3 in 4 (72%) believed that these regulations helped their business by building consumer confidence. The survey also showed that 80% of these businesses emphatically trust the FSAI to deal with businesses fairly."

## Funding

Public funding is a key instrument to support farm artisan food producers in order to reduce the investment barrier to setting up or expending operations. Funding support should target a range of needs such as capital investment (for premises, machinery, adaptation of primary production, etc.), research and development, training and marketing.

Financial assistance should be provided through a variety and flexible mechanisms, tailored for the needs of farm food producers at different stages of their business development, such as: subsidies, low interest loans, micro-credits and tax relief.

Application procedures should be simple and straightforward, with minimum red-tape and fast turnaround. Eligibility criteria should set minimum standards and application assessment should maximise chances of success, but procedures should be fair and transparent. Terms and conditions should be practical and avoid being so restrictive or prescriptive as to constrain innovation.

[3] See http://www.fsai.ie/news_centre/press_releases/small_food_businesses_survey_060312.html for details.

Co-ordination and communication between funding agencies should take place with a view to avoid duplication, or certain types of target groups or initiatives ‘falling between the cracks’. Reliable and user-friendly information and advice should be accessible, preferably locally.

The Rural Development (LEADER) Programme 2007-2013 is an important source of funding in that regard and is generally administered via the regional Development Partnerships. The programme is part funded (55%) by the EU through the European Agriculture Fund for Rural Development and by the Irish national exchequer (45%). The overall objective for the programme is to improve the quality of life in rural areas and encourage diversification of the rural economy.

## Skills development

The educational profile of the Irish labour force has increased significantly over the last decade and has transformed Ireland into a leading knowledge-based economy, with a highly skilled and flexible labour force. However, the decline in agricultural employment can be linked to higher educational attainment because of the deficiencies of high-skilled employment opportunities in rural areas.

In a recent study of the Expert Group on Future Skills Needs[4], it was found that a total of 121 food and beverage related programmes were delivered across 20 colleges over the 2008 / 2009 academic year. There are currently another 114 programmes and interventions offered by the development agencies and representative bodies (Teagasc, FÁS, Bord Bia, Skillnets, BIM, Irish Exporters Association and Enterprise Ireland). This would seem to suggest that the educational needs of the artisan food sector can be met with the current offering.

However, development agencies who would typically be the primary providers of training to artisan food producers have identified the following gaps in the training provision for the food sector:

- Research & development, new product development and renovation for SMEs;
- Upskilling of operatives specifically in relation to basic numeracy and literacy, continuing performance improvement and lean and supply chain management skills;
- Commercial awareness and business skills for owner and managers in SMEs;
- Suite of relevant skills for dealing effectively with large multiples;
- Financial, commercial and business acumen across all functional areas;
- Succession and second tier management development.

While it is recognised that these gaps are being addressed by the agencies, every effort should be made to accelerate this process, even in a context of constrained resources. The training offering should also recognise and adapt their curriculum for the fact that primary producers (farmers, fishermen, etc.) have lesser educational qualifications and have basic educational

[4] Forfas Expert Group on Future Skills Needs, 2009. Future Skills Requirements of the Food and Beverage Sector.

needs (numeracy, literacy, etc.) to be addressed. Farm enterprises might also have limited financial means and time to access training opportunities and the government must find the most cost-effective and efficient way to subsidise small producers in their training endeavours.

While the third-level education sector traditionally doesn't cater for the needs of primary food producers, the Food Industry Training Unit at University College Cork has proven exceptional in the courses offered for the food sector in Ireland. It provides training and promotes linkages which support transfer of know-how and innovation towards the artisan food sector.

Rural Food Skillnet is a good practice example of focussed training for small food producers, offering low cost, practical training in the Republic of Ireland. The Rural Food Skillnet can negotiate and organise the delivery of business improvement programmes that are cost effective. It is funded by member companies and the Training Networks Programme, an initiative of Skillnets Ltd funded under the National Training Fund through the Department of Education and Skills. The network is promoted by the Rural Food Training Network Ltd. and managed by North & East Kerry Development, an integrated local development company based in Listowel.

## Specialist Advisers

In addition to training, farm-food producers need ongoing technical and business development support. While this has traditionally been provided by state agencies such as Teagasc, the brain drain currently affecting these agencies has had a direct impact in the availability of specialist advice. Years of experience and working relationships with these advisers, who were often a pivotal 'one stop shop' for advice, is being lost and not replaced.

## Market Development Support

Artisan food producers, and particularly farm-based ones, face significant challenges and need support in bringing their product(s) to market and expending their market. Market support by development agencies and other groups, among other things, should take the form of common branding, networking and clustering.

### Regional Branding

Regional branding initiatives can enhance consumer recognition of a distinctive regional proposition within local and non-local markets. Equally, producer groups can form a common brand to sell their product through joint marketing initiatives. Such branding initiatives are also possible vectors for clustering other activities such as networking, quality management, research and development.

The Fushia Brand in West Cork is one of the most successful examples of regional branding in Ireland. The brand, founded by the West Cork Development Partnership (WCDP) and launched in 1998, currently involves the Partnership in working relationships with 45 local producers in a variety of food sectors, and 160 accredited enterprises. It was set up to enable local food and tourism businesses to exploit and develop the competitive advantage offered by a strong regional identity. It provides an infrastructure to network various development/public agencies and commercial enterprises with the objective to support enterprise development, market development and product promotion. The WCDP found that the economic value of the brand, its associated activities and accredited enterprises generated €106 million, of which €69 million remained in the region to generate an €89 million economic contribution for the West Cork economy in 2005.[5]

'Taste Kerry' is another example of regional branding promoting the rich food heritage of Co. Kerry. The initiative harnesses the power of collective marketing bringing together a number of food initiatives throughout the county. The goal of Taste Kerry is to "become an iconic food brand and with the support of local consumers, trade buyers and food producers".

## Clustering

Clustering initiatives in the artisan food sector resonates strongly with the regional branding initiatives discussed above in that it allows groups of producers and other stakeholders to work together to solve particular problems and add value to their individual businesses by achieving critical mass.

In the 'Review of Enterprise Support in Rural Areas'[6], the greatest implication of clustering was found to be the facilitation of integrated and co-ordinated relations and linkages within a business network. "Where firms interact with one another, spill over effects occur and this fosters knowledge transmission within the network. This type of engagement is especially beneficial to small (and therefore also rural) companies whose internal innovative capacities may be limited. Engagement with each other assists the collective learning of the firms in the cluster and leads to 'untraded interdependencies', i.e. there is no traditional commercial activity but a formal or informal network may be created".

One such example of how networking and shared resources can overcome start-up problems for SMEs is the use of central production hubs. Central production hubs offer the necessary infrastructure that lowers the expense of a shared business facility and can incorporate onsite advice, support and business assistance.

[5] West Cork Development Partnership. (2008). Rural Development Programme 2007-2013. Submission to the Department of Community, Rural and Gaeltacht Affairs. p76

[6] Department of Community, Rural and Gaeltacht Affairs, 2004.

The idea of central production hubs has been applied to shared-production kitchens, such as the Food Hub in Drumshanbo, County Leitrim. This initiative should be used as a blueprint for the types of practical support the Government can provide to SMEs independent of simply offering grant aid, and it should be adopted as a scheme to be applied across the State.

At a national level, Bord Bia have a distribution cluster programme[7] which allows groups of producers to work together to help in distribution of their products by identifying and implementing opportunities to:

- Improve distribution by maximising truck fills
- Increase time spent by owner managers in the business rather than on the road
- Increase the number of accounts serviced
- Reduce road miles
- Reduce transport costs through sharing transport to maximise both outbound and return journeys.

In a similar approach, the 'Middle Agriculture' model proposes that a farmer-owned, farmer-run cooperative be established that facilitates the necessary scale of product and buys in the necessary corporate services (branding, marketing, distribution, etc.) to bring their products successfully to high value-added markets." (Macken-Walsh, 2011).

## Joined Up Thinking and Action

In the same way that food producers benefit from clustering, government agencies such as Bord Bia, DAFF and Teagasc working together with other Departments and tourism agencies should co-ordinate their actions to:

- Encourage and support market-led food entrepreneurship from the earliest stages of development,
- Promote sustainable and locally embedded food procurement policies and systems,
- Promote and broaden the opportunities, including local markets, for consumers and visiting tourists to purchase local food,
- Conserve and promote distinctive local food traditions at EU level and with bodies such as the TASTE Council and Slow Food,
- Explore possibilities for mentoring by larger companies to support artisan companies achieve market distribution and build their customer base.

[7] http://www.bordbiavantage.ie/marketingbusiness/place/distribution/pages/bordbiadistributionclusterprogramme.aspx

## The role of consumers

As consumers, we have the power to effect real change: the recently launched Love Irish Food campaign calculates that if just one third of Irish households spent only €1.67 more on Irish purchases each week, an additional €35 million would be generated for the Irish economy.

Consumer studies have revealed that a small, but growing number of consumers have serious concerns about the origins and traceability of their food, about the ecological impact of the agri-food industry and about the quality and desirability of many of the products of that system (Moroney, 2009).

According to Bord Bia, 61% of Irish consumers try to buy local goods and services. Communication campaigns from state agencies, producer groups and retailers should reinforce their message in that regard. In addition, the Irish consumer must exercise their influence – engaging more with Irish manufacturers and becoming more vocal at supermarket level by insisting on products that meet the following simple criteria:

- Irish manufactured
- Primary ingredient is Irish
- Best quality

If the product does not tick all boxes, then the question should be asked, “Why not?” [8]

[8] http://blog.glenisk.com/2010/03/irish-food-why-it-matters/

# Conclusions and Recommendations

As a way of concluding the study presented in this report, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the farm artisan food sector in Ireland summarises the key aspects of the sector development, from which a series of recommendations are derived.

| Strengths | Weaknesses |
| --- | --- |
| • Farmers have demonstrated a strong ability to adapt, invest wisely and put hard work in new enterprises<br>• Irish artisan food commands an international reputation at the premium end of the market<br>• Women in farming have a stronger customer-oriented culture than their male counterpart<br>• The number of farmers' markets is growing rapidly and they are forming an important part of the retail landscape in an increasing number of towns and cities<br>• Strong food and drink export market combined with renowned Irish hospitality and green environment offers a good framework to promote food tourism in Ireland<br>• Growing food festivals and events provide excellent platforms to promote farm food products, in particular within the tourism sector<br>• €472.5 million consumer sales value of output sold locally in Ireland from over 350 small, local and speciality Irish food businesses, results in €1.01 billion in total revenue back into local business communities throughout Ireland | • Extreme reliance on subsidies (94% of family farm income) and high dependence on off-farm employment (50% of farms).<br>• Only 0.4% of Irish farms engaged in food processing<br>• Lack of corporate skills among farmers, as well as lack of time, prevent undertaking processing, branding, marketing activities to add value<br>• Prestige and esteem associated with primary production for most farmers, not processing and marketing<br>• Centralised system of procurement for supermarkets is rigid and often closes their door to small, local producers<br>• Lack of consistency in work with farmers' markets among local authorities in terms of planning, licensing and health and safety.<br>• Gaps in the educational and training offering with regard to the needs of the farm artisan food sector, in particular in relation to business and marketing skills |

| Opportunities | Threats |
| --- | --- |
| • Farm-based food production is a significant opportunity for diversification<br>• Demand for artisan food products far outstrip supply<br>• 350 specialty food (micro and small) firms compared to 2,000 firms in New Zealand, showing great potential for increase<br>• There is a growing demand for organic products in Ireland and abroad<br>• The farm artisan food sector, as an important, high potential component of the Irish food sector, is at the heart of the authorities' strategy for national recovery and rural development<br>• Agri-tourism offers significant opportunities in Ireland and a 'close to home' market for farm produces<br>• Farmers' markets are a useful platform to test and launch new products and have a direct interaction with consumers<br>• C. 4 billion euro tourism spending on accommodation, food and travel to rural areas offer tremendous opportunities for agri-tourism.<br>• Community based initiatives such as Community Supported Agriculture and Food Groups offer opportunities for producers and consumers to trade directly and fairly<br>• Regional branding to enhance consumer recognition of the food proposition of particular regions and to create linkages with tourism.<br>• Co-operative approach to clustering certain activities such as R&D, quality control, branding, distribution, etc. create economies of scale for individual producers | • International, low-cost competition for primary food production endangers Irish agriculture<br>• Decline in income and CAP reform threatening survival of farms<br>• Low income and lack of access to credit make it difficult to make capital investment required<br>• Most consumers are very sensitive to price, putting pressure on margins<br>• Balance of power with multiples not on the farmer's side<br>• Stepping up processing operations from small, lifestyle level to semi-industrial production is a very costly, hard to balance act with significant risks and compliance requirements.<br>• Food hygiene and safety regulations imposes significant burden on farm artisan food producers. On the other hand, food health and safety breaches can have disastrous consequences for producers and consumers.<br>• Brain drain in specialist advisers within Teagasc and other agencies. Similarly, lack of retention of third-level graduates in rural, farm-based enterprises. |

## Recommendations

1. Bord Bia should continue promoting Irish artisan food on the Irish and international market.
2. State agencies should support farmers in business development with capital funding, training and mentoring to multiply food enterprise creation.
3. State agencies need to educate and promote a culture of innovation and value-adding among young farmers and capitalise on farming women's customer orientation and food processing skills.
4. Stakeholders should continue to promote a change of attitude within supermarket management and incentivise buying from local farm artisan food producers by supporting joint promotional and consumer education campaigns.
5. Town and county councils should be more proactive in securing suitable facilities and space for farmers' markets. Market operators should proactively encourage a greater representation of local producers and their products at the markets.
6. State agencies need to support and guide farm investment in agri-tourism combined with farm artisan food retail to visitors as an important supplement to farm food production activity.
7. Farming organisations at a local level should engage with community groups to promote schemes, whereby consumers and producers organise themselves to trade directly and fairly with each other.
8. Stakeholders in the sector should foster better communication between the farm artisan food sector and Health and Safety regulatory bodies and facilitate continued compliance by producers while reducing cost of compliance. Continue the work of the Artisan Food Forum run by the Food Safety Authority of Ireland as an important communication platform between relevant authorities and the artisan food producers.
9. Stakeholders should provide adequate training and accessible information and guidance. Training offered should be adapted to the needs and circumstances of farm food producers, including in addressing basic educational needs such as literacy and numeracy in addition to business skills. More linkages should be encouraged with the third-level education sector to encourage know-how transfer and innovation.
10. Promote and support clustering initiatives in the artisan food sector to solve particular problems such as the creation of central food processing hubs, as well as to encourage networking and partnerships between local SMEs. Further roll out of Bord Bia's distribution cluster programme.
11. Foster joined up thinking and co-ordinated action among relevant government agencies in order to reduce duplication of work and improve local availability of food-related services and reinforce consumers' demand for locally produced, high quality food through education and promotion campaigns by state agencies and the Irish food sector stakeholders.