

**Department of Agriculture, Food and Marine**  
**2016 Mid-Year Review**  
**Joint Committee on Agriculture, Food and the Marine**  
**27 September 2017**

**Introduction**

I am very pleased to accept your invitation to meet with the Committee today. This is a valuable opportunity to examine the 2016 Estimate for my Department and consider the mid-year expenditure and programme indicator outturns where they are available. I am also happy to outline my priority areas for expenditure in the three year period 2017 to 2019 and I would welcome the Committees views on the opportunities and priorities in the area of agriculture, food and the marine for the years ahead.

The Exchequer contribution to the Vote of my Department amounts to **€1,363 million** in 2016; **€1,134 million in current expenditure and €229 million capital expenditure** including a carryover of €12m in capital funding.

In addition to the Department vote, in 2016 Ireland will receive some **€1.2 billion** in direct funding from the EU for the Basic Payment Scheme. This brings the combined investment in Irish agriculture, food and the marine to over €2.5bn in 2016.

At the end of June the Department had spent €450.4m of Voted expenditure in total which was 93% of profiled expenditure of €485.1m. On current expenditure, the Department had spent €346.5m out of profiled expenditure of €375.9 million, representing a figure of 92% of profiled current expenditure. On capital expenditure the Department had spent €103.8m out of profiled expenditure of €109.1 million, representing a figure of 95%% of profiled capital expenditure. Appropriations-in-aid amounted to €162.2m million out of profiled receipts of €164.9 million, representing a figure of 98% of profiled receipts.

The increase in funding this year is allowing the Department to progress the key priorities which I identified when we met the Committee last June. Looking ahead to the remainder of this year and indeed into 2017 – 2019 I am conscious that there are a number of challenges

to be faced. These include Brexit, continuing poor returns in the dairy sector, access to finance, Programme for Government commitments in relation to a new €25m sheep scheme and the progressive implementation of the Rural Development Plan and the Seafood Development Plan.

The €4bn 2014-2020 Rural Development Programme is designed to enhance the economic and environmental sustainability of AGRI sector and is co-funded by the EU. RDP schemes provide vital investment capital in the rural economy, prioritise agri-environmental protection and support the incomes of family farms and will be key driver of the additional funding which will be required by the Department for next year. As you are aware a number of schemes were opened last year under the new Programme and their continued roll out will require additional investment and support.

Similarly, the €241m Seafood Development Operational Programme is a vital element of Government policy and will support the economic, environmental and social sustainability of the seafood sector up to 2020 in order to maximise its contribution to jobs and growth in coastal communities and to the national economy. Built on a smart foundation of knowledge, training, and applied research, the Programme seeks to grow the industry sustainably through building scale, fostering competitiveness, adding value, new product development, and output growth.

Government is targeting through Food Wise 2025 to increase employment in the seafood industry by 2,000 by 2025 and an increase in the value of exports by the sector to €1.2 billion. The operational programme will support the investments by industry in increased production and exports that will bring about achievement of these targets.

As the Committee Members will be aware there are many competing demands across all of the Government Departments and only a finite amount of money available in the 2017 fiscal space. The agri food sector is an important engine for growth in rural areas, providing valuable jobs to rural communities and contributing to the wider economy. The sector continues to play a considerable role in our economic recovery and has continued to prove its fundamental importance as a cornerstone of the economy and life in rural Ireland. The

sector remains Ireland's largest indigenous industry and provides valuable employment particularly in rural and coastal areas where few other job opportunities exist. We will continue to make our case for increased funding as part of the Estimates process. I look forward to engaging with members of the Committee on the areas where we could consider prioritising expenditure in the coming years.

**ENDS**