



# Agri-food sector gets €2.9bn in public funds

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MORE than €2.9 billion in public funds was used last year to support the agri-food sector, it was confirmed yesterday in the annual report of the Department of Agriculture and Food.

Farm Minister Joe Walsh said farmers received over half of the public expenditure through EU direct payments, which amounted to €1.64 billion, or an average of €13,000 per recipient.

The remainder of the money was spent on other market support mechanisms, disease control and research, training and advisory services. Mr Walsh said this very high level of public expenditure underlined the continuing commitment of the Government.

Noting a slowdown in the international economy generally in 2002, he said it had been a difficult year for the farming sector as well, with adverse weather and a downturn in dairy markets.

Government actions were instrumental in alleviating the worst impact of the adverse weather and market conditions, he said.

Other significant developments were the reshaping of the Common Agricultural Policy, the conclusion of negotiations for the enlargement of the EU and agreement on the budgetary allocations for agriculture to 2013.

Mr Walsh noted that support for the food industry in the National Development Plan provides total indicative funding of €358 million to enhance competitiveness and innovation. "I was pleased to see that good progress was made across all

measures in 2002 and by year-end €120 million (33%) of the funds had been committed. A vibrant and a competitive food industry is the key to future success," he said.

Mr Walsh said consumer confidence was central to the development of the agri-food industry and measures to ensure food safety were strengthened during 2002. In particular, animal traceability schemes were further developed.

He also established a Food Labelling Group arising from concerns which consumers brought to his attention.

A number of the group's recommendations have already been acted upon and the remainder are being examined with a view to early implementation. Another key development was the establishment of a Consumer Liaison Panel.

In relating to Irish beef, he said it will have to move up the value chain within the EU and gain a greater spread of markets in general. Quality of product must be both encouraged and rewarded.

Regarding the dairy industry, the Prospectus Report, which he commissioned, set out a range of recommended actions to increase scale and expenditure on research and development and to widen the product range beyond commodity products.

Broadly welcomed by the industry, he said it provides definite signposts as to where the dairy industry should be heading.

Mr Walsh said in general he was satisfied that significant progress was made last year in relation to the ongoing development of a competitive and consumer focused agri-food industry.