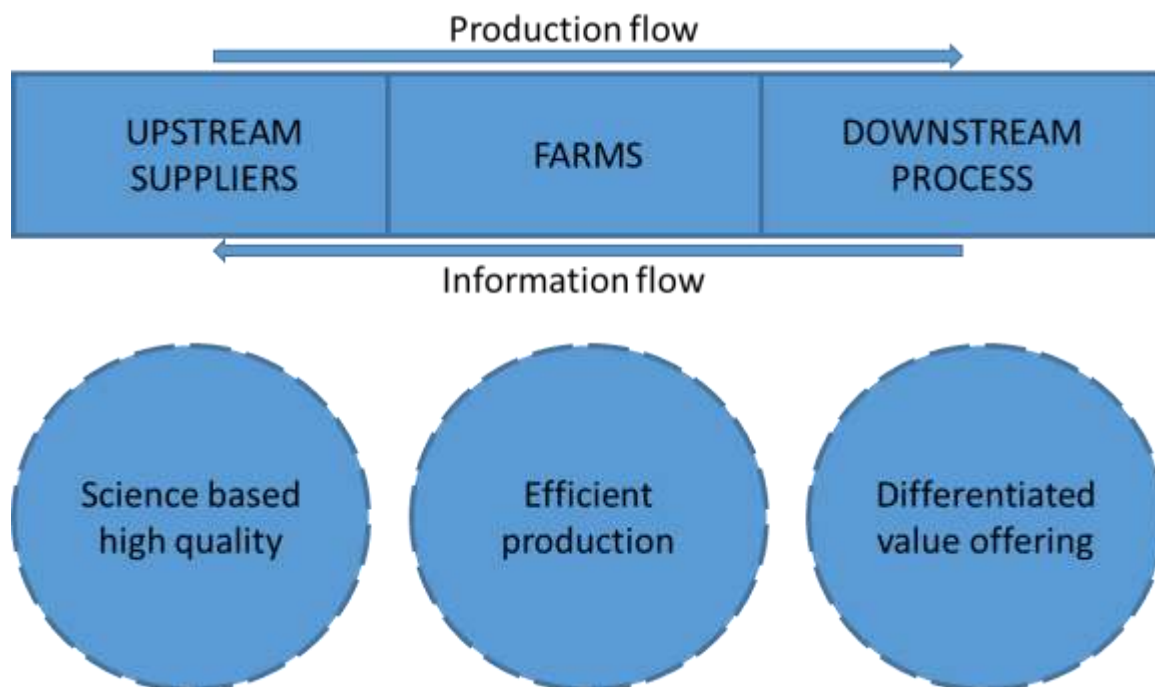


**Excerpts from presentation given by Séan Rickard to feed companies –
The macro economic outlook for the Dairy sector under Brexit
– May 2017**

- Increasing volatility in all parts of the supply chain
- Policy must encompass the food chain, not just Agriculture. End to end co-operation needed



- Uncertainty is the enemy of investment
- Regulatory Policy – Little change, but switch from precautionary to risk based approach
- Labour. A serious concern
- Environmental policy – Probably more regionalised, with higher hurdles to jump
- Support policy – More science- based but support payments will steadily erode
- Trading arrangements:
 - Transition arrangement must be an off the shelf option eg. Norway, but labour and ECJ would still apply
 - WTO – we are not a Member and cannot just walk in, so expect demands from e.g. Brazil, Australia
 - WTO Tariffs are huge (40-50% for dairy)
 - EU preferential Trade Agreements – cannot be done by 2019
- Australia = 1% of our Trade (45% EU). What Australia, US, Brazil want in return for a Trade Deal?
- Optimists say we have a deficit with EU on dairy. Rubbish! That's value (high cost French cheese), not milk. Biggest concern is N. Ireland milk

Sustainable Intensification

- Means productivity
- Needs CAPABILITY, education, attitude, experience
- Vertical integration – but only possible for a small minority
- The only way to get more food, less waste, meet global demand for western diets

Technical Efficiency

- Getting more from natural resource (land, water, etc.)
- Info and engineering advances
- Capture of precision data and integration into farming system
- People to implement what data demands as policy
- Intelligent machines to do the work
- Shift from commodities to value-added differential products
- Inexorable trend towards larger scale