FURTHER GOOD NEWS FOR BEEF SECTOR
AS CHINESE BAN ON IRISH BEEF IS LIFTED

Following the recent launch of Irish beef in the US for the first time in more than 15 years, Minister for Agriculture, Food and the Marine, Simon Coveney TD, today welcomed the announcement by An Taoiseach Enda Kenny T.D., that China has also lifted its ban on Irish beef.

Speaking this evening Minister Coveney said that this was a very significant advance for the Irish beef sector: “This announcement follows on intensive political, technical and diplomatic engagement with the Chinese authorities over several years. We made a significant breakthrough last November when I led a major trade mission to China, involving Irish leading beef companies. My Chinese Agriculture counterpart Minister Han Changfu and his colleague Minister Shi Zhuping, who is responsible for Inspection and Quarantine, agreed at that time to send a veterinary inspection team to Ireland. This inspection followed last December, and the Irish food safety control system passed with flying colours. I want to thank the Chinese authorities for following through on their commitment, and delivering an outcome which paves the way for Irish beef access to China”.

The value of agri food exports from Ireland to China (including Hong Kong) last year amounted to almost €620m according to CSO trade statistics, a remarkable increase of almost two and a half times the level of exports in 2011 (€254m). In the early 1980’s beef consumption registered 0.32kg per capita in China. This had increased to 5kg by 2009, and is expected to exceed 6kg per capita by 2025. Referring to the beef opportunity, the Minister said that Chinese beef consumption is estimated at approximately 6 million tonnes at
present and is expected to grow by over one million tonnes over the next five years: “Increasing demand for beef in China will be driven by urbanisation, increasing affluence and especially by the westernisation of Chinese diet. There is market potential not only for beef offals, but increasingly for high quality steak cuts and for traceable manufacturing beef for the expanding fast food sector. This announcement will pave the way for Irish operators to get a share of that market. It is also critically important from a reputational point of view that Irish food safety control systems have come through the intensive scrutiny of Chinese and US inspection authorities with flying colours”

While China has formally lifted its ban on Irish beef, the next step in the process will involve the agreement of a protocol to determine, inter alia, which cuts can be exported and the agreement of a veterinary certificate. This will be followed by a Chinese veterinary inspection to approve individual processing plants for export. Minister Coveney said that his Department would be continuing its technical engagement with the Chinese authorities to ensure that this process is concluded as soon as possible.

Note for editors

China Beef Access Q&A

Q. What does this announcement mean for Irish beef?

This announcement is:

- the outcome of some years of intensive engagement at the highest political, diplomatic and technical levels
- a major economic boost to the Irish beef sector especially coming on the back of the US announcement as we now have access to two of the largest beef markets in the world
- huge endorsement of the food safety standards in Ireland given China’s well known strict standards and cautiousness in providing market access
- reputational boost for Irish beef as we become the first EU MS to gain exclusive access to the US and have the BSE ban lifted for boneless beef from under 30 month animals in China
Q. Steps in Access Process

- Securing beef access has been a priority of this Government and therefore has been raised at every opportunity with our Chinese counterparts, including when the Taoiseach met his Chinese counterpart Mr. Xi Jingping.
- Minister Coveney led two major trade missions to China since taking office during both of which I prioritised the beef issue in political meetings in addition to inward visits here from Chinese Ministers.
- After the first of these visits I agreed the establishment of a joint Ireland-China Beef WG and My Department sent a high level team to Beijing last year for this group.
- This paved the way for my second visit last November when I made a key breakthrough by securing agreement from the Chinese authorities to send an inspection team here.
- This inspection team visited in December last and spent 10 days here visiting my Department to review our regulatory systems, the state laboratories, farms, feedlots and of course beef processing facilities.
- Further technical engagement is now required.

Q. What does China mean for Irish agri-food exports now?

- Agri food exports to China (including Hong Kong) last year amounted to almost €620m (€618m exactly); a remarkable increase of almost two and a half times the level of exports in 2011 (€254m).
- This means that last year China overtook the US as the second biggest destination for Irish food exports, after the EU.
- Dairy exports of €356m accounted for almost half of total exports.
- In addition to dairy and beef, there are significant market opportunities for Irish pigmeat (currently €45m per annum exported to China) and fish (currently €27m per annum) exports.
  Source: CSO Trade Statistics

Q. How much beef does China currently import?

- Beef is a rapidly growing consumer product in China. In the early 1980's consumption registered 0.32kg per capita in 2009 this had reached 5kg; by 2025 this figure will be >6kg.
• Beef and sheep meat will continue to be perceived by consumers as “greener”, more nutritious and of a higher quality than other products; much of this reputation stemming from food safety scandals which continue to frequent Chinese media.

• Official import volumes reached 280,000 tons in 2013, nearly 4 times that of 2012. It is estimated that imports could amount to 1.7m tonnes by 2018 making China a key market for global beef producers.

• As a recent report by Rabobank highlights with rising incomes in China consumer patterns of expenditure are shifting rapidly. While pork still remains the staple source of protein in its position in terms of overall meat consumption has dropped to from 80% to 65% (1985 – 2011) to encompass other proteins including beef, lamb and seafood.

• Australia and Uruguay are the main importers at the moment and there is clear demand to expand the list of potential imports with European beef enjoying a particularly high reputation.

• Fuelled by rising living standards and urbanization (currently >50%) the country’s per capita meat consumption will reach 60.3kg by 2020 (currently 55.5kg). In the 1980’s this figure stood at just over 10kg.

Source: Bord Bia research

**Q. What types of products will be approved for export?, will it be prime cuts as well as offal?**

• For now the Chinese authorities have lifted the ban and the follow-up inspection visit will determine the exact products to be exported.

• Obviously the objective is to ensure that the broadest range of products should be eligible for export and we will be working hard to ensure this is the case. In any event, the lifting of the ban is a very significant step.

ENDS