

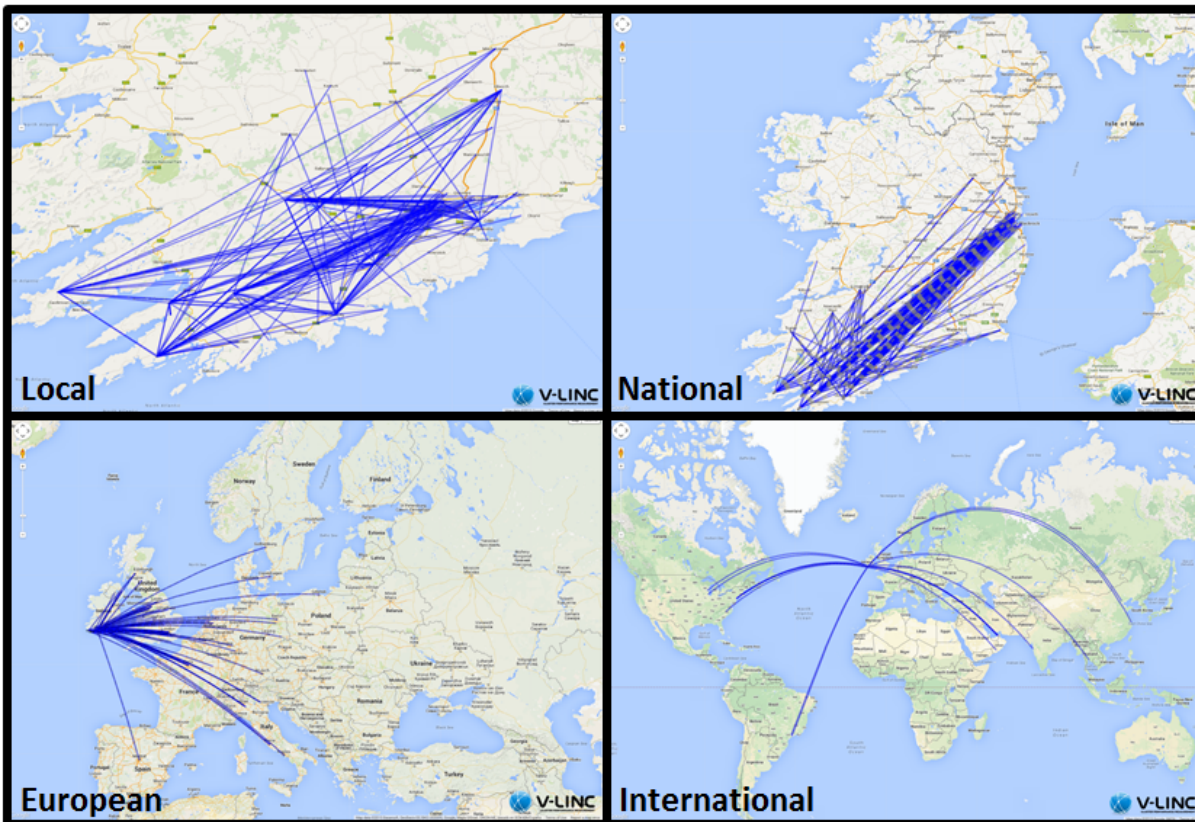
V-LINC Analysis of Linkages in the Agri-food Sector in West Cork

INTRODUCTION

This study applies V-LINC, a methodology which maps, visualises and analyses key relationship data collected from clustered firms, to inform strategy and policy development for the organisations involved, as well as catering for regional and national analysis to the Agri-food sector in West Cork. The study makes recommendations aimed at securing and growing the Agri-food sector in the West Cork of Ireland.

The V-LINC methodology has been applied to a sample of Agri-food firms based in West Cork. Eleven companies were chosen to participate in the analysis, a selection of Micro, Small, Medium and Large firms (Bandon Co-op, Bandon Vale Fine Cheeses, Carbery Group, Carrigaline Farmhouse Cheese, Clona Dairy, Durrus Farmhouse Cheese, Glenilen Farm, Gubbeen Farmhouse Cheese, McCarthy's Natural Dairy, Milleens Cheese and Toonsbridge). Thirteen face to face meetings were held with company personnel to gather information in regard to 507 strategic relationships that the respondent firms engage in. Figure 1 displays the local, national, European and International linkages for respondent firms.

Figure 1: West Cork Agri-food Linkages by Geographic Scope.



The Agri-food industry is considered one of Ireland's most important indigenous industries employing in the region of 168,300 and exporting just under €10 billion of food and beverages (DAFM, 2014). Growing global populations as well as a number of emerging global trends are impacting development of the Industry internationally, including a growth in demand for sustainable food sources providing credible health, and wellness attributes. In response to these trends and the abolition of milk quotas in April 2015 the Department of Agriculture, Food and the Marine has developed its 'Harvest 2020' strategy to ensure the growth and development of a sustainable Irish Agri-food sector by increasing the value of primary output by €1.5 billion, value added outputs by €3 billion and exports to €12 billion.

HIGHLIGHTS OF RESULTS

- In regard to demand conditions, West Cork Agri-food firms are focused on the domestic market, 73% of output linkages being consumed on the island of Ireland. While the majority of firms export to Europe, the majority of activity is focused on the UK (Figure 1). Six of the eleven respondent firms export internationally.
- The Agri-food sector in West Cork is strongly connected locally and nationally. There are strong linkages with government agencies (Department of Agriculture, Food and the Marine; Food Safety Authority of Ireland and Teagasc) industry associations (West Cork Development Partnership) and research and development (University College Cork). Overall 80% of the 507 linkages recorded are within Ireland (46% within Cork).
- A key driver of clusters according to Michael Porter (1998) is the strong competition and co-operation locally, 57% of industry peer linkages were reported as local, these connections are viewed as important to the respondent firms; with 100% of these connections (n=25) were recorded in the High and Medium bands.
- R&D linkages were the least frequent linkage category reported throughout the study, with 30 linkages reported. The majority of R&D linkages reported are with academia (23% with HEIs) and various research institutions. Critically no R&D linkages exist with private firms and this is an area that needs to be addressed.
- While the majority of training linkages are reported locally (61%), respondents identified the need for more targeted business management and staff development training as a priority.

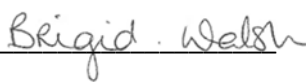
RECOMMENDATIONS

1. **Support the development of a cluster organisation with responsibility for the Agri-food sector in County Cork:** This would align with the cluster policy recently set out by the Department of Jobs, Employment and Innovation (DJEI, 2014, p.20).
2. **Prioritise the facilitation of research and development linkages between firms and with academia:** There is a need to assist firms operating in the Agri-food sector in County Cork, to innovate and develop through increased R&D activity not only with academia and research institutions, but also through collaborations with private industry.
3. **Facilitate and support market development for the Agri-food sector in County Cork:** To assist the Agri-food sector to establish beneficial linkages with distribution channels, enabling greater access to European and international markets.

In challenging times it is important that industry players, support organisations and policy makers understand the detail of how the Agri-food ecosystem operates in West Cork, and its relationships across and beyond Ireland.

This report was written and compiled by Brigid Walsh, Eoin Byrne and Dr John Hobbs, who operationalise the V-LINC methodology through the Dept. of Management and Enterprise, Cork Institute of Technology and with the support of Eileen Crowley, Cork County Council and is endorsed by the West Cork Development Partnership. The research was funded by Cork County Council, through the project ATClusters. ATClusters is a European project funded under the Atlantic Area INTERREG IVB Programme 2007 -2013.

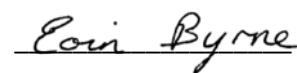
With kind regards,



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