Summary of Feasibility Study conducted for the Development of Routes to Market for Local Produce on The Dingle Peninsula

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Introduction

This Feasibility Study was commissioned by the Dingle Hub, and funded by Enterprise Ireland, to evaluate how producers on the Dingle Peninsula can develop viable, resilient, and sustainable routes to market for local produce—specifically lamb, fish, and vegetables—while strengthening short supply chains and communicating their environmental benefits to consumers. The project brief asked to (1) establish an evidence base through primary research and real-world trials; (2) translate findings into practical, collective strategies for short supply chains; and (3) convert those strategies into enterprise-level plans for representative producer groups.

In practical terms, over the year of the study this meant testing and learning in-market (e.g., lamb & seafood market trials), building a shared sustainability and commercial narrative, and producing actionable roadmaps for lamb, seafood and a vegetable enterprises. The outputs are intended for local primary producers/fishers, community partners, retailers/foodservice buyers, tourism stakeholders, and relevant public agencies—providing a clear pathway from feasibility to proof of concept stage.

Feasibility Objectives

The feasibility objectives were set out as follows:

- To develop collective short supply chain business and sustainability strategies tailored to the Dingle Peninsula, including the potential for a virtual co-operative.
- To create individual business, sustainability, and communication plans for three local enterprises: a lamb co-operative, a fish producer organisation, and a vegetable growers organisation.
- To identify bespoke supports necessary for implementing both collective and individual enterprise plans.

Scope

Scope of Work 1: Research and Analysis

- Conduct comprehensive market research, including:
  - Stakeholder engagement events.
  - Local lamb trials and seasonal market trials.
  - Fish on the pier trial
  - Virtual co-op trial.
- Analyse consumer trends and assess sustainability practices related to short supply chains.

Scope of Work 2: Strategy Development

- Develop collective short supply chain business and sustainability strategies.
- Develop a detailed communication strategy focused on conveying sustainability practices and the environmental benefits of short supply chains to consumers.

Scope of Work 3: Individual Enterprise Planning

- Develop tailored business, sustainability, and communication plans for three individual enterprises:
  - Lamb Co-op
  - Fish Producer Organisation
  - Vegetable Growers Organisation
- Outline specific activities, timelines, resource requirements, and expected outcomes for each enterprise.

Scope of Work 4: Application Development

- Identify the supports needed to enable the implementation of the collective and individual plans.
- Prepare a comprehensive funding application to provide these supports during the establishment phase.

Note: An additional research topic was added to the scope entitled Feasibility Study on Direct Sale of Milk from Farm to Consumer.

Methodology

The study's approach during the year long feasibility combined stakeholder engagement, consumer insight, and operational planning. It considered market demand, pricing and margin structures, logistics and compliance, sustainability communications, and governance/capability needs. The deliverables include a consolidated market assessment, strategic options with trade-offs, enterprise plans with timelines and resource requirements, to support initial rollout.

The study was broken into distinct phases and tasks included:

- Desk research on domestic and international short food supply chains(SFSC), virtual shared service models & technology enablers
- Interviews with Dingle farmers and fishers
- Interviews with stakeholders already supporting short food supply chains e.g., Open Food Network
- Interviews with stakeholders already involved in operating short food supply chains e.g., Fiorbhia Farm, Kilmullen Farm, Ring of Kerry lamb

- Interviews with 10 milk vending and direct consumer enterprises e.g., Muchgrange Farm, Killadoon, etc
- Benchmarking with industry stakeholders e.g., Burns Farm Meats, Green Earth Organics, etc.
- Participation in COREnet Agora EU short food supply chain meeting
- Live consumer research on The Dingle Peninsula
- Policy/funding scan to identify supports for the model
- Live market trial for lamb & seafood
- 3 stakeholder online information sessions and webinars with Dingle farmers and fishers
- Data collection on market dynamics in lamb, seafood and veg sectors
- Financial modelling and projections
- Development of individual business, sustainability, and communication plans for three local enterprises: lamb, seafood and vegetables

Output Format

This report is a summary overview of the broader feasibility study. To understand the project fully, it is recommended to read all accompanying support documents, as each one contains the detailed research, analysis, and evidence that underpins the conclusions and recommendations here.

The separate support documents are entitled:

1. National and International Research on Short Food Supply Chains
2. Feasibility Study on Direct Sale of Milk from Farm to Consumer
3. Business Strategy for a Lamb Micro Enterprise
4. Business Strategy for a Seafood Micro Enterprise
5. Business Strategy for a Vegetable Micro Enterprise
6. Organisational Structure & Support Options
7. Virtual and Physical Shared Services Models

In addition to providing background and evidence, each supporting document is designed to double as a practical working roadmap and toolkit for prospective Dingle Peninsula based food and drink enterprises. They set out step-by-step considerations, regulatory requirements, routes to market and indicative financials so that a farmer, fisher or producer can use them directly when planning or launching their own venture.

Context

This feasibility study took place over a 12-month period from 2024 to 2025. A full review was undertaken of the current primary producer landscape on the Dingle Peninsula including the availability of and demand for local product from consumers and businesses. The findings demonstrated that most primary product produced is sold via the established supply chains to larger processing plants at market prices etc. The reasons given for not supplying the local market centered around supply chain complications, regulatory compliance and new skillsets required. The inefficiencies and challenges associated with individual primary producer supply, at small scale to the local market highlighted the need for a collaborative approach and a sharing of resources to make it workable and viable.

Domestic and International research on SFSCs indicated similar challenges globally with many case studies demonstrating that greater potential for success was through collaborative models, where primary producers operate as a collective. Some of the international benchmark studies also indicated that where the collective of primary producers put in place a Shared Services resource, they had greater success. In many cases, these Shared Services included marketing, sales management, invoicing and admin, supply chain, etc.

Retailers, foodservice operators and consumers interviewed indicated a receptiveness to stocking or buying product directly from Dingle primary producers. This report concludes that a proof of concept trial is justified based on the research conducted.

The following summarises the findings set out in the seven-feasibility study supporting documents referenced above:

National and International Research on Short Food Supply Chains

Research for this study was undertaken on Short Food Supply Chains (SFSCs) which link farmers and fishers directly or almost directly with consumers, reducing intermediaries, food miles and loss of provenance. The research demonstrated that SFSCs rely on local/regional production, traceability, and personal storytelling to build trust. Consumers are increasingly seeking food that is local, fresh, seasonal, sustainably produced, and ethically sourced (animal welfare, low-impact systems, humane slaughter), and SFSCs satisfy this demand while keeping more value with primary producers.

The main benefits of SFSCs are economic (better farm-gate prices, diversification, local multiplier effect), social (stronger community links, consumer–producer relationships, education), and environmental (reduced transport, lower packaging, scope for regenerative practices). However, challenges include logistics and distribution costs once selling outside the immediate area, the need for compliance capacity (HACCP, DAFM, SFPA), irregular supply due to seasonality or quotas, and consumer expectations for supermarket-style availability. Many successful Irish and European examples therefore combine multiple channels, farm shop, box scheme, e-commerce, restaurants, and local hubs to spread risk.

Irish examples of SFSCs such as The Urban Co-op (Limerick), Dublin Food Co-op, Cloughjordan Community Farm, Kilmullen Farm, and Castlemine Farm show that models mixing community ownership, education, and direct sales are durable. Internationally, initiatives like La Ruche qui dit Oui!, REKO Rings, Food Connect, and community-supported fisheries demonstrate that digital tools and shared logistics make SFSCs scalable. Technology (Open Food Network, Local

Line, Appetit) is an enabler but not a guarantee of demand. Ease of purchase and perceived value for money remain critical.

For the Dingle Peninsula, the key learnings are to keep the consumer message crystal clear (local, quality, sustainable, supporting fishing/farming families), start with one or two channels that match local population density, organise Shared Services/logistics to reduce producer workload, and use education/experiential events (Dingle boat visits, cooking demos, Dingle Peninsula 'farm crawls') to stimulate interest. Above all, collaboration and a shared-services or co-operative style structure will make it easier for small primary producers to meet compliance requirements and present a highly-trusted identity for their product. In addition, local Dingle consumer research conducted highlighted the importance of SFSCs at local level.

In conclusion this SFSC research confirms that Dingle Peninsula primary producers are operating in a consumer environment that actively wants what they can supply e.g., local, fresh, seasonal and traceable food from farming and fishing families. Demand is there, but it needs to be made easier and more convenient for local shoppers to buy it, and producers need help with compliance, logistics and availability.

Domestic and International existing SFSCs provide a road map for how this could be achieved for Dingle primary producers, which could easily be adapted to suit the local Dingle environment.

Note: The full detailed report on National and International Research on Short Food Supply Chains is contained in a separate document.

Feasibility Study on Direct Sale of Milk from Farm to Consumer

While not included in the initial scope of the study, it was decided in consultation with the producer group early on in the feasibility process that a desk top study on the dynamics of direct milk sales should be undertaken. This report reviewed opportunities for Dingle dairy farmers to explore direct fresh milk sales, drawing on experiences from several Irish farms. 10 interviews were conducted with farmers with milk vending solutions or other short milk supply chains. The main models include milk vending machines, supplying cafés, retail outlets, and limited on-farm sales. Milk vending offers strong retail prices (€1.70–€2.00/litre achievable from the consumer) but requires high investment (€60k–€150k), consistent footfall, and daily management. Café supply is attractive for steady volume and new 'bag-in-box' and tank systems may reduce bottling costs, though they are still evolving. Retail sales provide access to customer footfall but reduce farm margins due to retailer cuts. Direct farm sales build strong community ties but require significant labour and facilities.

Farmers stressed the importance of social media, storytelling, tastings, and community engagement to build awareness. Regulatory compliance, hygiene, and logistics are essential. To cover costs, a minimum of 800 litres/week is required, with 1,500 litres seen as the ideal level to ensure profitability. Some farmers talked about the need to have 3 busy machines to have a viable business.

Grants from LEADER (most mentioned), LEO, or DAFM can help offset equipment and setup costs. Diversification into products like yogurt, kefir, cheese, or ice cream has provided additional growth opportunities for some. Overall, the research indicated local milk sales are promising but labour-intensive, have a high cost of entry and careful planning of scale, location, and marketing are critical for success.

Direct supply to cafes is showing positive indicators with some farmers showing high volumes where suitable cafes who will pay a premium can be identified. Pack format is still unclear with some using the traditional 2 litre plastic milk container which cafes prefer but has sustainability shortcomings. New bulk tanks stored under counters are being explored.

In conclusion, this local milk supply research indicates a cautious approach to milk vending is required and strong feasibility research will be needed for any direct café supply. The amount of capital investment and market sales required for a viable business should also be carefully considered. Most interviewees felt this was a new category which is still evolving, and the definitive model has not yet been fully identified.

Note: The full detailed report on Feasibility Study on Direct Sale of Milk from Farm to Consumer is contained in a separate document.

Business Strategy for a Lamb Micro Enterprise

Dingle Peninsula Lamb (DPL) is a local initiative that facilitates primary producers from the peninsula to process and sell their lamb locally in an aim to optimise their return, to have a more sustainable food supply chain and to have local, nutritional food available for local businesses and consumers.

Lamb from the Dingle Peninsula has a well-established reputation of being reared outdoors and flavoured with what grows naturally in West Kerry however producers agreed that the lamb sold as DPL would have to meet certain quality, size and sustainability credentials.

Market research in 2024 and follow up research in 2025 has demonstrated demand for local lamb and that the consumer is prepared to pay extra for local lamb as long as it is a convenient retail experience for them. During the research, it was confirmed that two of the larger supermarkets on the Dingle Peninsula are prepared to stock local lamb and would have a typical demand of 5 full lambs each per week.

There are two main breeds of lamb reared on the Dingle Peninsula, the Scotch Breed which is traditional to the hills and mountains of the Peninsula and the Texel/Suffolk Breed which are typically reared on the hills and lowlands of the Peninsula. The Scotch Breed is not typically fattened on the Peninsula however some of the Texel/Suffolk Breed are by feeding them nuts to finish them to achieve a kill out weight of 24kg approx. The taste of both breeds is slightly different which is influenced by where they graze, their fattening regime and their age at slaughter. Three separate butchers advised that they tend to sell Texel/Suffolk lamb at their meat counters and not Scotch lamb as the latter doesn't present on the counter as well as the Texel/Suffolk lamb and was therefore less attractive to the consumer.

The cost of processing a lamb to carcass at the abattoir is a flat fee of €25 per animal and an additional charge of €25 applies if the lamb is to be broken down, packaged and labelled in individual cuts for consumer direct sales (total of €50 approx.). Processing without labelled packaging for food service could be done for a total of €40 approx per annimal.

The transport of the lamb is costly due to the distance from the Peninsula to abattoir (70km approx.) and only becomes viable as the number of animals being processed increases, allowing the spread of the fixed transport charge (€150) to the abattoir. The transport back to the Peninsula of the aged lamb could be facilitated by the abattoir in a refrigerated van or done by a centralised office function/van.

From research undertaken during the trial period, it is estimated that the optimum target carcass weight of a lamb is 24kg, to achieve optimum fat/meat ratio and maximise the financial return to the farmer. Factories generally have a cut off payment to farmers at 21/22kg regardless of the kill out weight of the lamb whereas retail/food service/consumer would pay for the full 24kg, thereby increasing the sale piece to the farmer by selling direct v selling to the factory.

Financial models for the different routes to market for lamb were explored and concluded that when the volume of lambs being processed was low, it was more economically advantageous for the farmer to sell the lamb to the factory v selling to retail/food service/direct as the transport cost was prohibitive. At a minimum of 10 lambs being transported for processing at the same time, the return to the farmer selling to retail was at a similar level to selling to the factory. Selling direct to consumer or food service at a higher rate than what could be achieved to retail resulted in an increase in return for the farmer on the factory price of 55% and 30% respectively. It was noted that the more direct route to market for the farmer did put additional workload, risk and variable costs on to the farmer however the model allowed for a central Shared Services management/administration function to assist the farmer with establishing markets, distribution, invoicing etc.

During discussions with farmers, it was interesting to note that their biggest concerns about selling lamb direct to retail, food service or consumer was the management and administration required from the time the lamb leaves the farm to the time it reaches butchers, food service or the individual consumer. The other concern was the profile risk of having a local farmers name on meat being sold/supplied locally.

It is evident that the supply of local Texel/Suffolk lamb is limited as selling to the factory is a well-established route to market on the Peninsula and carried less risk/work than selling to retail, food service or consumer direct. Discussions with farmers highlighted the need for a co-ordinating type structure to manage local supply/sale/distribution/administration of lamb so that the interests of the producers were always prioritised.

In conclusion, there is a confirmed demand for local lamb on the Dingle Peninsula creating an opportunity for a profitable enterprise supplying local seasonal lamb to retail/food service/individual consumers eight months a year. This however would depend on lamb supply, quantities processed, continuity of and collaboration with a local processing facility and a viable self-funding centralised co-ordinating role to assist producers with the route to market and compliance processes. The success of other regional lamb businesses in Ireland is based in part on a local mountain breed of lamb specific to a geographical mountainous location that is reared outdoors in natural habitat, and it would be important to consider this in the context of the Dingle Peninsula lamb enterprise.

Note: The full detailed report on Business Strategy for a Lamb Micro Enterprise is contained in a separate document.

Business Strategy for a Seafood Micro Enterprise

Dingle Peninsula Seafood (DPS) is a local initiative that facilitates fishers from the peninsula to process and sell their seafood locally in an aim to optimise their return, to have a more sustainable food supply chain and to have local, nutritional food available for local consumers.

Seafood from the Dingle Peninsula has a well-established reputation for freshness and being fished locally from the waters surrounding the Dingle Peninsula. Its reputation was a key factor in establishing the Dingle Peninsula as a tourism destination, renowned for its food.

Market research as part of this feasibility study by way of a market stall & consumer survey for four consecutive Friday mornings in 2025, at Holy Ground, Dingle has demonstrated demand for local seafood delivering sales of over €1,000 gross per week, split circa 60% shellfish and 40% white fish. Consumers advised that they would be supportive of a seafood enterprise supplying local seafood as long as it was locally caught, of good quality and a convenient retail experience for them.

During the research, it was confirmed that a market stall was the favoured route to market for the two fishers involved in the trial and that it could operate from 9.00-13.00 on a Friday morning, from March to October.

Some of the key obstacles identified in terms of setting up a seafood market stall were the legal limitations on sales of 30kg per week or €50 per day per consumer of primary fish (live crab, lobster and fish that has only undergone heading, gutting, fin removal, and chilling). For a fisher to supply crab claws or filleted fish, they would need to have access to a compliant processing facility that was approved by the HSE. Such a facility dedicated solely to two fishers would not be viable and therefore existing processing facilities on the Dingle Peninsula should be considered in the short to medium term to allow crab claw preparation and filleting of fish in advance of a market so that no processing takes place at the market stall. Refrigeration would also be required during transport and storage of fish at the market which could be achieved using a shared refrigerated van or a refrigerated box. The market stall itself could be refrigerated, or the seafood product could be iced to ensure it complies with food temperature regulations.

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From fisher engagement and a post market trial debrief, a future seafood market business would be most likely individually led where each fisher would be responsible for sourcing, (processing) and selling their own seafood but would sell together to the public from a shared outdoor market stall, weighing scales, wash facilities etc. The fishers expressed the importance for some shared support services that would include social media, market set up, promotion and compliance as they would not have the time or expertise for this.

Financial models for the different routes to market for seafood were explored and it was concluded that although there is a confirmed local market demand for seafood, it may be the case that demand for white fish and crab claws would be weekly but demand for live lobster and crab would more realistically be fortnightly or monthly. It was also noted that the investment cost in refrigeration and market stall infrastructure would require the seafood market to travel to other locations around the Peninsula to maximise sales and ensure a return on investment on the capital outlay.

In conclusion, there is a confirmed demand for local seafood on the Dingle Peninsula creating an opportunity for a profitable enterprise that supplies local seafood to individual consumers nine months a year. This could be extended beyond the Peninsula in time and also include a business-to-business supply opportunity. This however would depend on fish supply, quantities processed and a viable self-funding centralised support role to assist fishers with the route to market and compliance processes.

There are some existing seafood processors on the Dingle Peninsula selling successfully to the public on a small scale and a collaboration between these and the fishers on this trial could unlock more sales via a regular market stall which would benefit both parties i.e. solve the processing challenge for the fishers involved in this trial (and others that may be interested) and drive sales of local fish on the Dingle Peninsula to individuals and also to businesses. This would be important in retaining Dingle Peninsula's local food reputation for locals and visitors. The success of other regional seafood businesses in Ireland is based on seamless access to processing facilities, a high volume of sales and in some cases the sale of value-add products through for example a food truck or a restaurant.

Note: The full detailed report on Business Strategy for a Seafood Micro Enterprise is contained in a separate document.

Business Strategy for a Vegetable Micro Enterprise

Local research for this feasibility study included engaging with vegetable growers on the Dingle Peninsula, understanding their business model, capacity and current supply chains.

This local research indicated the same challenges on the peninsula as those seen at national level. Grower numbers are much less than they were even 5 years ago, there was evidence of succession challenges with the next generation not taking over existing land, and several interviewees talked of rising costs and elusive profitability.

A previous feasibility study entitled An Garraí Glas 2005 – 2006 which looked at providing fresher local food to the consumer, and the option of off farm sales of fruit and vegetables, was also consulted as part of this study.

While preparations were made to run a live trial with local growers as part of this feasibility study, it emerged there were not enough growers to support such a trial, and those who were still growing vegetables had already found sufficient outlets to shift their volume.

What emerged strongly from the interviews is that growers believe they would plant more, and younger family members might stay involved, if there was a visible, reliable outlet that paid a fair local price and promoted "grown on the peninsula" produce. A Dingle Peninsula short food supply chain, sitting alongside lamb and seafood, could give veg a profile it currently lacks, reduce the marketing/admin burden on individual growers, and create a pipeline of orders for seasonal crops.

In conclusion, the quantities of vegetables being grown on the peninsula are small and were not enough to support a live trial. It was also noted that to have a successful trial there would have to be considerable notice given as preparing ground and growing extra crops for a new market must be planned well in advance. A short-term practical solution which emerged during the research is the creation of a WhatsApp group connecting growers with local consumers/businesses.

The research has however, suggested that there is potential to stimulate greater volume in this channel through any future Shared Services model which would make it easier for growers to get their product to market and receive a fair price.

Note: A more detailed report on a Vegetable Micro Enterprise is contained in a separate document.

Organisational Structure & Support Options

The earlier sections of this report showed why SFSCs work and how a Shared Services model can let many small Dingle Peninsula primary producers act like one supplier. The legal vehicle which would hold that shared service will be an important factor. Three multi stakeholder type organisational structure options have been considered as part of this study; Co-operative, CLG and DAC, together with partnership and sole trader type structures.

A Co-operative keeps control clearly with the lamb farmers, fishers and other primary producers. Membership is open, voting is one-member-one-vote, and trading surplus can be returned to members in line with supply. It suits a place-based food identity and makes collective buying, QA and logistics easier. Well known Irish food co-ops (e.g. Castletownbere) show how a co-op can run processing and distribution while staying farmer/fisher centred.

A Company Limited by Guarantee (CLG) does almost the same job as a Co-operative but looks more like a community, social-enterprise or 'local food' structure – useful when dealing with LEO, LEADER, BIM or community partners. All qualifying producers can be members, governance is typically through a 7–9-person board, and the board can approve pricing/pooling rules for the local produce.

A Designated Activity Company (DAC) gives the most control over scope. It can ring-fence risk, hold an identity like “Dingle Peninsula Lamb & Seafood”, sign wholesale and tourism contracts and even create separate DACs for processing or visitor-facing ventures. It is attractive to funders because its objects are narrow and producer-focused. Producers become shareholders/guarantors and elect directors.

Partnerships and sole traders are simple structures where liability is personal, adding or removing producers is awkward, and the shared assets (truck, website, customer list) would sit with a person or small set of partners.

Finally, whatever vehicle is chosen can later seek recognition as a Producer Organisation to unlock DAFM/EU supports for collective investment and marketing – that links the legal structure back to the original SFSC goal of putting more value in local producers’ hands.

The stakeholders involved in the project will need support by way of mentoring, coaching and training to aid them in the setup of the enterprise, the running of a Shared Services model and in recruitment of a coordinator.

A list of agencies who may be suitable as funding partners has been identified and is contained within the support document.

In conclusion, the correct formation of a legal entity with proper governance will underpin the project as it will provide clarity and direction and will create a vehicle for commercial activity. The final legal entity chosen will depend on the number of primary producers involved in the initiative and if the entity is to be driven by individuals or a group of producers.

Note: The full detailed report entitled Organisational Structure & Support Options is contained in a separate document.

Virtual and Physical Shared Services Models

Building on the earlier reference to SFSCs, the Dingle Peninsula proposal translates those principles into a local, producer-owned /Shared Services function/system. The aim is to let farmers, fishers and other primary producers sell more, at better prices, without each of them having to build admin, logistics, compliance and marketing capacity on their own.

The model creates a single entity (“Dingle Peninsula Shared Services”) that coordinates sales to retail, foodservice, consumer direct and potentially a branded food truck. At launch it is proposed to be virtual, with no building and relies on the local abattoir for kill, cut, pack, labelling, cold chain and in some cases, distribution. The Shared Services coordinator (full time, working remotely) would manage weekly orders, route planning, invoicing/VAT, social media, PR, e-commerce and farmer/fisher communications. Seafood would benefit from marketing and account-opening, but delivery would stay “boat to restaurant” unless pre-packed in an approved facility.

Core Shared Services could include shared logistics (multi-temperature van, order aggregation, delivery runs), shared admin (billing, debtors, insurance, collective purchasing), compliance support (HACCP, DAFM, EHO, SFPA, traceability) and marketing/sales (central identity, digital presence, events that connect consumers with producers). A training strand would keep producers aligned on standards and helps them tell their provenance story, which is key in SFSC settings.

Financially, the model would be designed to start small (€211,770 sales) and would need to grow to a breakeven point at €1.1m annual sales by year four, where lamb would remain the top seller with seafood, beef, the food truck and off-peninsula sales driving the turnover. Early years would need grant or loan support to cover the coordinator, vehicle and digital setup. If volumes justify it, a phase-two physical consolidation hub could be added later to centralise storage, training and meeting space, but it would not be required for initial proof-of-concept.

In conclusion the SFSC logic (local, transparent, high-trust, more support and value for producers) would be delivered on the Dingle Peninsula through one co-ordinated service, so that many small primary producers could act like one reliable, market-ready supplier. From discussions with local producers and understanding their greatest pain point in selling produce direct to market, a Shared Services function/co-ordinator would be one of the most important deliverables in encouraging local producers to sell their produce direct to consumer. There is however a cost of delivering such a service that may require support funding in its initial years until it reaches enough sales for it to be self-financing.

Note: The full detailed report entitled Virtual and Physical Shared Services Models is contained in a separate document.

Observations and Recommendations

From the feasibility study it may be concluded that there is a market demand and therefore a market opportunity for the processing and sale of local lamb, seafood and other primary produce on the Dingle Peninsula. That said there are a number of obstacles that would need to be overcome to ensure that such a venture could be financially viable in the long term. It is recommended that a proof of concept for both lamb and seafood be undertaken leveraging and collaborating with existing local businesses and infrastructure to minimise the financial outlay in running such a proof of concept.

The following outlines the observations from the study under different themes and how some of these could be addressed through a proof-of-concept process.

Observation: Key collaboration opportunities will act as enablers for any SFSC developed:

- The abattoir should slaughter, process, store, package and distribute lamb for the Dingle Peninsula. This approach would eat into some of the farmers margin but would minimise facility investment, drive efficiency and have a route to market for low demand cuts that would otherwise be leftover and wasted (i.e. through abattoirs own butcher shops)
- As the abattoir may be prepared to distribute the lamb post process/package, this could remove the requirement for a refrigerated van for the local enterprise
- A new stainless steel perforated counter for a seafood market stall could be shared between fishers as could other capital items such as weighing scales
- Local fish and meat processors are open to collaborating with primary producers and fishers as long as supply is reliant and meets all food safety standards
- An existing CLG on the Dingle Peninsula such as the Hub or other could be used to facilitate the Shared Services function initially but this would require its own funding/staffing
- A collaboration with the local agent for lamb sourcing/supplying to the factory would be ideal to select and direct lambs that comply with the specific identity criteria and specification to the abattoir for return to a pre-determined market on the Peninsula
- A local organic farmer would be open to a discussion on becoming an agent for the supply of organic livestock from the Dingle Peninsula to the abattoir for return to the predetermined peninsula retail, foodservice and consumer markets

Observation: There are significant "pain points" for primary producers trying to supply the market directly:

- Struggle with administration & paperwork
- Regulatory compliance
- Identifying produce demand opportunities
- Limited knowledge of contracting with and supplying retailers, foodservice and consumers
- Limited capital for investment
- Limited sales, marketing & social media experience
- Primary production is a priority for producers and therefore direct supply to market would be a secondary priority
- Limited knowledge on identity/criteria development, design and compliance
- Limited experience in product packaging and presentation formats
- Challenges meeting supply chain requirements, delivery schedules and logistics

Observation: There are also other factors affecting the macro primary producer market which need to be taken into account:

- There is currently a strong market price for farmers selling their livestock to the local mart or factory and this route to market is embedded on the Dingle Peninsula as a tried and trusted model
- The margin difference for sheep farmers to sell direct to retail (on a small scale) versus to factory is minimal and therefore does not adequately reward the risk and additional work that goes with selling direct to retail
- There is a well-established fish processing plant on the Dingle Peninsula that also sells fish direct to consumer and food service albeit they have limited supply of local fish for sale and only locals know that the customer can buy fish direct from them

Observation: There are challenges which would affect an SFSC model:

- A standalone, dedicated processing facility for primary produce for a small-scale food business in not operationally/financially viable as such a facility would require significant capital investment
- Meat processing requires livestock transport to and refrigerated transport from the abattoir in Killarney which is costly and only viable at scale
- A virtual Shared Services function is not self-financing in its initial years but could be in the long term as sales increase
- There is a legal limit on the sale of unprocessed (live shellfish and un-filleted fish) seafood of 30kg per week or €50 per day per consumer. If a fisher wants to sell above this amount and they want to fillet the seafood, they must register as a buyer and have a HSE approved premises to process it
- Well established routes to market for livestock that farmers are familiar with, relatively satisfied with (at current market prices) and trust, would make a direct sell to consumer model difficult to sell to primary producers
- The direct sale of primary produce is driven by demand and is therefore risky v selling to the factory where demand is more or less guaranteed
- A HSE processing facility would be required if fish is to be filleted pre-sale. This is also the case for crab claws
- Scotch Lamb although native to the Dingle Peninsula is a stronger tasting lamb that (as stated by 3 different butchers) does not present well on the retail counter and as a result does not sell that well

Observation: There are significant positive outcomes to be gained:

- It is possible to keep prohibitive capital expenditure and operational costs at a minimum by collaborating with existing processing facilities for meat and seafood (slaughter, processing, storage, packaging & delivery). This collaboration could also secure the future of these invaluable facilities, retain employment, and minimise the capital outlay of the fisher/farmer. This approach would reduce capital investment requirements and risk for the producer/fisher but also reduce their margin
- The factory limits the amount they pay for lamb carcass to 21/22kg regardless of kill out weight however a retailer, foodservice or consumer would pay for the actual weight giving the farmer a premium of 2/3kgs for a lamb that kills out at 24kg (an acceptable weight that delivers a good fat/meat ratio)
- A branded food truck that would only use produce from the Peninsula, could trade around the County and also attend Festivals etc. This would be great for Dingle Peninsula produce profile and would return strong margins for the primary producers. This could be a replicable model for other food destinations in Ireland
- Veg grower numbers have declined significantly on the Dingle Peninsula and a structured, facilitated route to market with their best interests protected may encourage people back into the business
- Development of Spider Crab value add product for the Dingle Peninsula in collaboration with MTU and local food service businesses is an opportunity
- A virtual Shared Services facility for primary producers to facilitate routes to market, compliance, paperwork, delivery, sales and marketing, identity building would be invaluable for primary producers
- There are currently a number of farmers on the Dingle Peninsula converting to Organic Farming and while they are receiving additional EU payments for this, they do not get a higher price per animal when they sell to the mart/factory. These farmers seem to have an openness to exploring new routes to market that may be worth researching
- A consumer direct box scheme for Scotch Lamb together with a suitable value add product such as Dingle Peninsula Mutton Pies is an opportunity
- The average farmer age in Ireland is currently 59 and the amount of next generation farmers is limited. A direct supply primary produce microenterprise with value added opportunities may be more attractive model for the next generation
- The Dingle Peninsula is known for its food even though very little primary produce is currently sourced by local hospitality businesses which may in time negatively impact local tourism as other destinations are developing their local food experiences
- A live shellfish market has less registration/compliance regulation than fish/shellfish that is processed however demand for live shellfish on its own may not be sufficient in a small town to support a weekly market.

Recommendations

This feasibility study recommends that a proof of concept for the sourcing and sale of local lamb and seafood on the Dingle Peninsula be activated to test producer commitment, availability and volume of local primary produce, local demand levels, collaboration opportunities and a Shared Services model. The proof of concept could be activated as outlined in phase one below.

Phase One

- A presentation to be made to all farmers, fishers and other primary producers to provide an overview of the findings of the feasibility study and test their commitment to determine if enough primary producer interest exists to support a proof-of-concept phase
- A meeting with other potential stakeholders such as the organic farmers referenced above, local processors, Miller Meats, MTU and local factory agent to evaluate supply and processing collaboration potential
- A meeting with local retailers, food businesses and consumers to validate demand.
- If interest levels are sufficient, a six-month proof of concept project using a straightforward operating model should be put in place. The objective of the model would be to road test the concept of a SFSC without the need for significant investment or resources
- A steering group to be put in place to guide the project, and the roadmaps and tools set out in this feasibility study to be used to guide the project
- Limited and small-scale phase one funding to be provided to support the proof-of-concept phase
- Lamb and seafood only should be the focus of phase one
- The role of the abattoir would be crucial in this proof-of-concept phase for meat and if feasible, the abattoir role might extend towards providing delivery, and possibly act as a virtual Shared Services support (if unable to do so, a part time Shared Services co-ordinator resource would need to be put in place)
- Retail, foodservice and consumer direct supply should be the initial focus
- While ongoing reviews of the project would be essential, a formal review should take place at month 3 and month 6
- A full project review and assessment to be carried out at month 6 to highlight learnings and determine the viability of moving to phase two
- As part of phase 1 a collaboration with an existing locally owned food truck could be considered to trial the concept of selling local products made from locally sourced primary produce to test the market size for such an initiative
- A proposal from Fiorbhia to act as a virtual sales platform for Dingle Peninsula lamb on a trial basis should also be considered as part of this proof of concept

Assuming that the phase one proof of concept was deemed to be a success, the project could then proceed to a full roll out as follows:

Phase Two

Rialtas na hÉireann Government of Ireland
Arna chomhchistiú ag an Aontas Eorpach Co-funded by the European Union
Tionól Réigiúnach an Deiscirt Southern Regional Assembly
Enterprise Ireland

- A legal entity to be formed and a Board put in place (this entity could be a collective group or an individual)
- A funding gap grant to be put in place. (Estimated in this feasibility study and to be validated in proof of concept)
- A full-time coordinator to be employed
- E-commerce website to be developed and social media platforms launched
- Delivery van to be purchased/leased (this may not be necessary if the phase one abattoir direct delivery proved successful and was viable for everyone to keep in place)
- Seafood supply to the foodservice sector to be brought on board
- Beef supply to be brought on board to service all channels
- All aspects of the project to be activated as set out using the templates and tools provided as part of this feasibility study
- The Board of the legal entity/enterprise would take full control of the project and report to project partners on agreed KPIs

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