



Brexite and the dairy industry

Hard cheese

DUBLIN

Irish cheddar-makers explore continental varieties to avoid meltdown

THE herd of water buffalo ambling over rolling hills may look like a scene from southern Italy. In fact the beasts roam in southern Ireland. Johnny Lynch, who owns a 150-acre farm in County Cork, makes plump balls of mozzarella from their milk, and bids customers a cheerful, Irish-accented “Buongiorno!” in online advertisements for his produce.

Of the 200,000 tonnes of cheese made each year in Ireland, 90% is cheddar. That could soon become a problem. Apart from America, which has plenty of cheesemakers of its own, the only country with a big appetite for cheddar is Britain. It buys more than half of Ireland's cheddar exports, for upwards of €250m (\$300m) a year. But its impending exit from the European Union could cause the dairy trade to turn sour.

If Britain leaves the EU's single market and customs union, as it intends to, Irish exporters can expect to face regulatory hurdles and perhaps tariffs. Conor Mulvihill of Dairy Industry Ireland, a lobby group, estimates that these barriers could add as much as €0.21 to the cost of cheddar made with each litre of milk; its farm-gate price is only about €0.30. In that worst-case scenario, “there wouldn't be a gram of Irish cheddar exported,” he says.

So cheesemakers are following Mr Lynch's example and exploring varieties with wider export potential. One of the largest producers, Dairygold, has announced a “Brexite-proofing” plan to open a factory in Cork to make up to 20,000

tonnes a year of Jarlsberg, a Norwegian speciality, in partnership with Norway's Tine. Glanbia, a big dairy which already makes mozzarella in Wales and Northern Ireland, plans to invest €250m-300m by 2020 to increase production capacity in Ireland for a range of goods, including cheese. All the large dairies in Ireland are investigating alternative varieties, including Edam and Gouda, says one big cheese in the industry.

One snag is that Ireland's grass-fed cows produce far more milk in summer than winter. Cheddar, which can be left to mature for years, allows cheesemakers to smooth their output throughout the year. Switching to softer cheeses could mean summer gluts and winter scarcity. Some farmers have also found that the grass that gives Irish butter its prized golden colour also gives mozzarella an unappealing yellowish tint. But that may not matter much when it comes to sales to the food-service business—that is, for ready meals or pizza toppings—which make up the biggest slice of Ireland's cheese exports.

Continental competitors are not alarmed for the time being. “Everyone is free to produce it where they want. I'm for the free market,” says a magnanimous Pier Maria Saccani, the head of Italy's Consortium for the Protection of Mozzarella di Bufala Campana. But, he cautions, “everyone should do what they know how to do. I would never buy whisky from Amalfi.”

