

Opening Remarks by the Irish Co-operative Organisation Society to the Joint Oireachtas Committee on Agriculture, Food and the Marine by Martin Keane, ICOS President

The co-operative movement has been extremely active in responding to the difficult weather conditions experienced by farmers over recent months.

A fodder shortage developed along the western seaboard, well before Christmas and farmer owned co-ops were to the forefront in sourcing and transporting fodder for farmers in these counties.

In many cases, livestock was housed indoors from August onwards and farmers were unable to preserve adequate levels of fodder for the winter period. Fodder was transported from East to West by co-ops to help alleviate the situation.

As 2018 unfolded, the late spring resulted in a serious fodder situation emerging nationwide.

Normal grass growth failed to materialise due to continuous wet and cold weather.

Land became saturated. This made it impossible to let out stock.

Cows normally out at grass in March and April were housed by day and night.

Milk collections were down in March and April with protein levels affected. Cow condition has suffered as the breeding season starts.

The entire period has been an extremely stressful time for farmers and farm families, as concerns over animal welfare occupied the minds of farmers.

The mental strain on farmers caused by the fodder crisis should not be underestimated.

The truth is, as many farmers told me throughout the crisis, that they would rather be short of money than short of fodder to feed their livestock.

As the poor weather worsened over the Easter weekend, the decision to import fodder by co-operatives became inevitable.

A measurable tightening of supply became apparent, as farmers that may have been in a position to sell fodder previously, could no longer afford to do so, as their own fodder situation became a concern.

Co-operative societies, both dairy and marts have imported approximately 15,000 tonnes of fodder.

The fodder imported consisted mainly hay and haylage from the UK and further afield.

In addition to the importation of fodder, ICOS members delivered the following for their members:

- Co-ops sourced and transported significant volumes of fodder within Ireland and Northern Ireland.
- Co-ops facilitated the transfer or matching up of fodder between their own suppliers.
- Co-op farm advisory teams worked intensively with farmers to identify fodder requirements, in order to develop appropriate feeding regimes in order to stretch fodder stocks.
- Co-ops made ruminant feed available at discounted prices, and kept prices low while ingredient costs rose substantially.
- Feed mills owned by co-ops operated at record levels.
- Critically, co-ops applied flexible and reasonable approaches towards credit throughout the crisis.

We recognise and acknowledge the support provided by Minister Michael Creed and the Department of Agriculture towards the cost of importing fodder.

The contribution by the Department was necessary to reduce the significant costs involved in sourcing and transporting fodder from abroad.

Despite the contribution by the Department, many of our members have borne a significant cost by importing fodder. It is critical that the entire allocation of €1.5 million promised by the Minister is made available to the co-op sector.

ICOS also welcomed the changes made to the national fodder scheme, which was extended nationwide, with a reduced minimum distance requirement of 50 km instead of 100 km.

These changes made the scheme work much more effectively. The Minister's willingness to react to an evolving situation must be acknowledged.

The derogation from the three-crop rule for tillage farmers was a further welcome decision made by the Department of Agriculture.

In the immediate term, cash-flow on farms is a real and pressing concern.

In Budget 2018, the Government committed to the delivery of a new low-cost loan measure for farmers.

This must be introduced as quickly as possible.

The national roll out of Milk Flex announced earlier today, in partnership with co-ops is another significant development by the industry.

ICOS firmly believes that there was missed opportunity over the last two consecutive budgets to introduce a taxation measure to defer income in a good year in order to draw it down in a bad year.

If this measure was in place, it would have been available to farmers this year to deal with the significant added costs associated with the long winter at a time of increasing market volatility.

The Department of Finance has announced a public consultation on agri-taxation which will run until the 25th of May. I would urge the Deputies to support the inclusion of an income stabilisation measure in Budget 2019.

In addition to cash-flow, there are also practical issues that have arisen due to the adverse weather on farms going back to, as far back, as last autumn.

These issues will impact on the ability of many farmers to conserve fodder for next year.

In this regard, we welcome the establishment of a co-ordination group by Teagasc, to develop the necessary technical advice for farmers to ensure fodder stocks are replenished to necessary levels.

The question which now arises is how similar problems can be avoided in the future.

We know that extreme weather events are becoming more frequent.

The farming community has suffered from a similar fodder crisis in 2013 and recently Storm Ophelia in late 2017 and Storm Emma in early 2018 caused enormous disruption at farm level.

There are several lessons that must be acknowledged by the industry and stakeholders including the adoption of more risk adverse strategies, such as

carrying a greater fodder reserve from year to year. We must learn from this painful episode, to avoid a recurrence.

The fodder crisis and recent extreme weather events has showed the importance of the co-operative movement and its true value to farmers.

Before concluding, I would like to pay tribute to co-op boards throughout the country, their senior management and the staff on the ground for the massive efforts they have made in dealing with the fodder crisis.

I look forward to our exchange of views.

ENDS