



**Submission to The Joint Committee
on Agriculture, Food and the Marine
on
The Future of the Beef Sector in The
Context of Food Wise 2025**



Food Wise 2025 & Supporting our Suckler & Beef Farmers

Introduction

Irelands Beef sector is a critical part of our overall agri-industry accounting for 21% of our food and drink exports with Ireland being the largest beef exporter in Europe and fifth in the World. With our overall beef exports worth in excess of €2.5 billion there is an obvious need to protect and where possible develop this sector.

A major part in developing our beef sector has been our suckler cow herd of 951,397 cows from 66,069 farms. While the last number of years has seen an increase in the quantity of beef coming from the dairy sector there is no doubt that the success of our beef sector and its exports has been driven by quality beef coming from the suckler herd. For this reason it is critical that the farmers who continue to keep suckler cows (despite their low profit return) are supported.

Current Issues

Brexit

When assessing the current state of the Irish Beef sector, the United Kingdom's departure from the European Union and the nature of this departure will have a major impact on the sector. This impact is already being felt and unless the UK hold a second referendum and overturn their decision to leave, Brexit will continue to impact. We understand that the Government and EU have contingency plans in place that they are ready to implement depending on the final Brexit outcome. The INHFA will be supportive of measures that help's the beef sector.

These measures should include, direct payments to farmers, price support measures, support for marketing of beef and supports for transportation. As of now it is difficult to define exactly how much will be needed, but even in a soft Brexit where the UK remain on in the Customs Union we see the need of up to €500 million needed to support this sector.



Climate Change and other Challenges

As outlined the low profit margin for farmers with suckler cows continues to impact on the sector and there is a real concern that the number of suckler cows will plummet in the coming years. While the low returns for farmers continues to be a significant factor in this fall, an increasing factor is climate change and in particular our methane emissions. As dairy cow numbers increase there is a concern that the suckler cow will be sacrificed to allow for this expansion and to try and help us achieve our climate change commitments. To allow this to happen, or worse still encourage this, would in the opinion of the INHFA be a major mistake.

Importance of Beef Sector to Rural Ireland

Last year our Government launched a plan for the overall development of the country titled ‘Ireland 2040 Our Plan’. This plan which was launched in Sligo outlines a spatial strategy for the country up to 2040 and commits to the development of our rural towns, villages and our rural economy. Agriculture especially in rural areas will continue to be a major driving force in this development. In recognising this we need to understand that there will be many areas throughout the country where dairy and tillage is not an option. If agricultural activity is to continue in these areas then sheep and beef cattle provides us with the best possibilities. Of course there is also an opinion that these lands could be best used for forestry which some believe will help in climate change targets. This INHFA also believe is a flawed opinion.

Planning a Way Ahead

Impact of Suckler Sector on Local Economy

As already outlined our beef sector is critical to the well-being of our economy through the €2.5 billion exports. However what often goes un-noticed is the importance of beef and in particular our suckler herd to our local economy and most notably our towns and villages.



While the annual cost of carrying a suckler cow (€782) has been highlighted, often in a negative manner to emphasise the unprofitability of the sector, there is another way to view it.

This cost is money spent throughout rural Ireland and in particular in many areas where economic activity outside of farming is low or maybe non-existent. Suckler farmers spend almost €750 million each year in maintaining their herds. Crucially this money is spread across over 66,000 families creating a much wider impact as the €750 million doesn't take into account other money spent by these farmers and their families which continues to support the rural economy and associated services.

Forestry & Learning from Previous Mistakes

Previously we outlined the threat posed by increased afforestation especially on lands now being farmed with suckler cows. To many, especially those developing policy, the prospect of replacing cows with trees is no doubt quite tempting. However we believe that previous experience will have shown that quick-fix solutions rarely work. In the INHFA we believe that we can have our suckler cows and increase our carbon sequestration. This can be achieved through better supports for agro-forestry and ensuring all farmers take on board a modest forestry program of broadleaf trees.

When addressing climate change and environmental considerations we should also learn from the mistakes of the past. A conservation policy in the 1990's that encouraged the destocking of cattle from the Burren proved to be flawed and had to be re-visited at a cost to the State. What it also showed is that cattle have a role in improving and delivering on bio-diversity provided it is done in a sustainable manner. This is especially true on our hills and our high nature value farmland.

INHFA Proposals

Supporting Market Returns

Farmers across every sector will always emphasise the need to get a better market return from their product. This is especially true for beef and suckler farmers. Unfortunately, in getting the product to the consumer, farmers have invariably been the ones that have carried the cost of Europe's *Cheap Food Policy*. In addressing this there is no single solution, however we believe the following issues if addressed will have a significant impact:

- Abolition of the 30 month rule: This rule was introduced at the height of the BSE scare to help re-assure consumers. BSE is no longer an issue and other measures currently in place around this are more than adequate to protect and re-assure consumers.
- The 4 movement rule: In our opinion there was never a justifiable reason to have introduced this measure and there definitely is not one to maintain it.
- We need to reward or provide a premium to the primary producer of suckler bred beef either in the market place or the carbon neutral method of production at farm of origin level.
- Ensure that beef bulls used on dairy cows must have beef breeding indexes suitable for beef production.
- We need to provide a proper definition for the term 'Grass Fed Beef'. This can provide us with a marketing advantage.
- Investment from Meat Industry Ireland and Bord Bia towards promoting small brands such as Galloway Beef etc.
- In order to reduce our dependency on the UK market we need to provide extra financial support from Bord Bia to help develop existing and source new markets
- Live Exports: The best way of ensuring the factories don't dictate the price is by a vibrant live export market. This has worked in the past and can deliver in the future but needs to be supported. In 2018 we exported 246,000 cattle, this was up from 187,000 in 2017 which is positive, however in 1980 we exported 473,000, so we still have a way to go. While most of our live exports have gone to other EU countries,



most notably Spain, the Netherlands and Italy, Turkey is still importing and there is potential to increase this. Another market that is seeking beef is the Iranian market. Here we understand there is a lot of potential but obstacles relating to banking arrangements are impeding the development of this trade. Action is needed from our Government and Central Bank to clear these obstacles.

Direct Supports

While the policies outlined in supporting market returns will if implemented deliver, there is we believe an urgency to provide direct support to our suckler farmers. This support is needed to ensure their survival and to ensure we continue to deliver quality beef. By supporting our suckler farmers we are as outlined supporting our economy and in particular rural Ireland. For this reason the support should be viewed in the exact same way as support provided to businesses through tax breaks and incentives from IDA and Enterprise Ireland.

In addressing the need for direct supports we are aware of the two payments available to farmers, those being the BDGP and the BEEP. However the view expressed to us on the BDGP has not been kind which is why we believe the scheme should not be renewed. In addition to this there are more suckler farmers outside of this scheme than is in it and it is our belief that these farmers should also be supported. Unfortunately the BEEP is not an attractive scheme for many farmers, especially with smaller herds as the payment in relation to what is required of farmers is not enough.

Welfare Scheme in a new CAP Program

The new CAP Program will provide us with the opportunity to address the clear deficiencies that are there in supporting a vulnerable suckler sector. The view expressed by many of our members is the need for a welfare scheme paid either on the cow or weanling or a combination of both. This we believe should form part of the next CAP program and we are currently finalising details on a scheme based on welfare measures. However, the next CAP may not commence until 2022 which for many suckler farmers will be too long to wait. For this reason, we are recommending an interim measure that can be supported from the GLAS budget that has a significant under spend.



Targeted Beef Cow – Bio Diversity Grazing

We have already outlined the important role cattle and our suckler cows can deliver in improving bio-diversity on our hills and in high nature value farmland. This role is clearly evident in the Burren where cattle were re-introduced to help manage the landscape. A bio-diversity payment can be justified and paid through GLAS or GLAS plus as a supplementary measure or for farmers not in GLAS as a standalone payment.

A payment here can be targeted at a set number of livestock units and taking into account nitrate usage. In justifying this payment we believe it is consistent with the priority objectives of Article 5(4) (a) of EU Reg1305/2013 that addresses Union Priorities for Rural Development: focusing on restoring, preserving and ecosystems related to agriculture.

As the current CAP Program reaches its final years, Member States tend to stay with the schemes that are in place. This is why we believe delivering an interim payment to farmers can be best achieved through modifying schemes that are currently in place. In recognising that there are a considerable number of suckler farmers not in GLAS we believe an interim add-on to GLAS can be delivered for a single measure to accommodate suckler farmers outside of GLAS.