

Laois IFA Submission to the Committee on Agriculture, Food and the Marine on the future of the Beef sector – in the context of Foodwise 2025

Submission from the Laois Executive of the Irish Farmers' Association

21th March 2019

Introduction

The Laois County Executive of the Irish Farmers Association is pleased to make the following submission for consideration on the future of the Beef sector in the context of Food Wise 2025.

IFA's Laois County Executive wishes to restate its commitment to ensuring a high quality environment for food production and in County Laois and its willingness to work with the various bodies and partners both locally and nationally to help ensure a high level of protection of the rural Environment in Laois.

In Food harvest 2025, Industry Leaders identified the potential of Agriculture to increase Farm Gate Output by €1.5b and to grow our export value by 50%. Agriculture in Laois contributes over €300m to the economy annually.

Agriculture in Laois supports thousands of jobs in the Rural Economy, direct payments are over €50m to the County. Laois farmers established one of the highest per hectare payments during the reference years. The majority of this payment was made up from Beef Production, this is a reflection of the high quality and high productivity level of farming that takes place in the County and the passion that farmers have for their profession.

Submission:

Role of Teagasc

In the context of Food wise 2025, the role of Teagasc will be to provide education, research and science to our beef sector. The best research and knowledge on breeding, feeding and efficiency for all type of animals will be needed in order to have a sustainable profitable environmental friendly sector. All funding for Teagasc needs to be fully transparent, independent and objective with the primary producer as their main goal.

ICBF

Laois IFA believe that the role of ICBF for the future of the Beef sector is to focus on scientific breed improvement as a tool for improving future profit on cattle farms and market requirements. Dairy Farmers need to be more pro-active on producing suitable calves as poorly bred calves have very little monetary value. A cost effective Genotyping of calves needs to be done in agreement with farmers.

All this data needs to be made available in a practical way when purchasing stock. Genetic Index figures need to be made more available (EBI and Euro star).

Bord Bia

There is a distance emerging between Farmers and Bord Bia towards Processors and issues like “added value and origin Green” seem to take priority over farmers concerns. Quality Assurance plays a major role in promoting Irish Beef abroad. Issues like age, residences, and movements are key market requirements with little reward for primary producers. A Farmer Friendly Quality Assurance Scheme needs to be introduced and maintained and beneficial to farmers. Bord Bia need to be constantly seeking new markets that can take big volumes of Beef and return viable prices.

The labelling promotion and sales of Irish beef needs to move to a new level and maybe even a new Irish brand. The lack of proper branding on Irish beef has been a failure by on Bord Bia. Strong marketing initiatives like the “Kerrygold” brand for butter needs to be implemented in the Irish Beef sector.

Grocery Order and Retail Regulation

A price index has been established in other countries to observe retail and processor margins. This needs to be introduced to Ireland as a matter of urgency. The absence of a ban on below cost selling of fresh products like beef needs to be addressed. Laois IFA welcome the initiative by EU Commissioner for Agriculture Phil Hogan in prioritizing the imbalance in the food supply chain and how vulnerable the primary producers is. Retailers and Processors need to work more closely with Farmers in order to have more transparency on a fairer price system.

Producer Groups

Producer Groups need a lot more support and financial backing from the Department of Agriculture. The sums of €1500 to set up a group and €1500 for legal advice is not sufficient.

The food supply chain is characterized by buying power in the hands of a small number of Processors and Retailers. Producer Organization Groups have shown their ability to organize farmers well and show their ability to negotiate top up and bonus. Government Policy on the

future of the Beef sector must clearly identify the role of Producer Organizations Groups in delivering a sustainable price at farm level.

Feed Lots

Price transparency in Feed Lot Operations needs to be a key objective for this group in order for processors not to manipulate the beef price paid to ordinary farmers.

Laois IFA would like to clearly state that feedlots may have a role in Irish Beef production but the focus has to be on sustainable beef family farming. These family farms needs to be maintained, supported and prioritized.

Climate Change

A proper support measure needs to be put in place to encourage carbon reduction in beef finishing. The government must ensure that Ireland's sustainable food production is not compromised. Future carbon tax on farmers would reduce competitiveness especially in the Beef Sector. Ref: In 2018 IFA President Joe Healy led a delegation to address the Joint Oireachtas Committee on Environment and Climate change issues.

Government Policy

The Government must focus on a more active Live Export trade for calves and cattle in order to have more competition in the market place.

A targeted Suckler Cow Support Scheme needs to be put in place to help address the fall in income in this sector. All direct payments must be paid on time through the Charter of Rights. Any Environmental policy drawn up by our Government needs to be closing alloyed with sustainable food production. Ireland has one of the lowest carbon foot prints on beef production in the world. Ref: Professor Thia Hennessy's report in August 2018 – The Economic and Societal Importance of the Irish Suckler Beef sector.

CAP

A properly funded market support scheme should be put in place. Beef is an extremely vulnerable sector and needs to be prioritized with CAP funding. Production targets need to be carefully monitored along with climate change. Targeted Suckler supports need to be put in place and a proper marketing campaign around suckler bred beef needs to be implemented. A support payment to encourage carbon reduction in the beef sector is also needed. Laois IFA would like to pose the question “how are we expected to produce an extra 400,000 cattle per year with the reduction in supports and profitability?”

Cost of Doing Business

It has been a failure by Irish Governments in previous budgets to address the spiraling costs of farmers doing business in this country. The cost of finance, energy, planning regulations

and inputs leave the Irish farmer in a very uncompetitive position, these fundamental issues needs to be addressed as a matter of urgency.

Conclusion:

The shape of CAP post 2020 will have a long term implication for Laois beef farmers and their farm income in future. Food Wise 2025 has very ambitious targets and plans for Agricultural exports to rise to nearly €19b. How many more reports or submissions re; the lack of income in this pivotal sector before real actions are put in place to improve beef farmers income to a sustainable level. It is not acceptable any longer that our government stands idly by and watches some of our most efficient and best beef farmers in the world leave the business. Irelands food label and perception globally has been built on the back of our grass base beef system, we need to seriously protect this image moving forward.