



**Speech of Mr Hugh Farrell to the Joint Oireachtas
Committee on Agriculture, Food and the Marine**

The TB Eradication Programme

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Further Details:

Hugh Farrell (Animal Health & Welfare Chair)
Eddie Punch (General Secretary)

eddie.punch@icsaireland.com

ICSA
3 Gandon Court,
Fairgreen,
Portlaoise.
Phone: 057-8662120

www.icsaireland.com

I would like to thank the chairman and the committee for giving us this opportunity today.

The TB stakeholders' forum has seen a lot of intensive debate around charting a way forward for the common goal of eradicating TB.

ICSA is firmly committed to the goal of TB eradication, as is every other stakeholder at the forum. However, we are adamant that TB policy cannot succeed if the collateral damage to farmers unlucky enough to find themselves with a TB outbreak is excessive.

We do not disagree with the target of being TB free by 2030 but it is essential that all farmers are entitled to fair play. More importantly, individual farmers cannot be expected to pay an unfair share of the cost of getting to TB eradication.

The Department presented a particular view of where the TB programme should go. Some of this is a reflection of the TB experience in Australia. Key ideas put forward by the Department included the highly contentious proposal to put up herd TB history on mart boards.

On the farm representatives' side of the table, the key issues were:

- Fair compensation, using the On-Farm Market Valuation system.
- Allowing the independent valuers the freedom to do their job.
- Improvements to other elements of the compensation programme such as the Hardship grant and the income supplement.
- A more comprehensive strategy to deal with the role of wildlife with a particular concern that wild deer were being ignored.
- Improvements in the efficiencies around collecting reactors.
- Better communications to farmers in relation to TB outbreaks and also to explain the measures and strategies underpinning the TB programme.
- Acknowledgement that the farmers' share of the TB programme cost was significant and much higher than official figures when the labour costs associated with testing and other tasks related to TB are taken into account.

We see the key principles that must underpin any TB programme as follows:

- Compensation must be fair and reflect 100% the loss sustained.
- Wildlife factors need to be fully researched and results acted on accordingly.
- All farmers must be treated fairly and those who have outbreaks cannot be isolated or expected to carry an unfair burden.
- Farmers pay a significant portion of the costs of the programme, but the benefits of TB eradication are much wider and benefit processors, livestock exporters and the economy in general – these benefits should be reflected in the allocation of costs.
- The information regarding TB status is sensitive and can devalue a farmer's livestock values and therefore any sharing of such information must be approached with caution in an era where data protection standards are becoming much more stringent.

We much appreciated participating in the TB Forum. There was a lot of difficulty in moving forward at times. At times it felt one-sided where it was all pain and no gain for farmers.

I respectfully suggest that, while lessons can be learned from Australia, comparisons are limited by the massive difference in terms of farm and herd size, systems of farming and climate.

The TB forum met seven times and there were also a number of bi-laterals. Arising from the process, an interim report was submitted to the Minister.

Our concern is that this interim report will now be implemented while the outstanding issues around compensation, cost/ benefit analysis, wildlife including deer and how to handle herd categorisation remain unresolved.

ICSA is supportive of the following elements of the interim report which were agreed:

- The provision of biosecurity advice.
- Breakdown communications
- Blackspot action plans.
- Importance of badger programme.

However, ICSA believes that the outstanding issues are the critical ones for farmers.

Outstanding Issues – Wildlife

While the introduction of culling of infected badgers has been the most significant development in TB policy for many years, ICSA is still uncomfortable with badger vaccination as a medium-term replacement for culling. ICSA also believes that higher levels of badger testing are necessary.

However, it is the approach of the Department to deer as a factor in TB that most concerns us. Their mantra is that there is no evidence that deer are a significant factor in the spread of disease.

Yet deer are undoubtedly a problem in blackspot areas such as Wicklow. The prevalence of TB in deer in Wicklow has been shown to be 8-16%, according to two studies. Outside of Wicklow, the figure is 3 out of 73 deer tested were positive – a rate of some 4%.

ICSA cannot understand the reluctance of the Department on this issue. We believe that it is urgent to conduct targeted research in this area with a view to developing a programme for more sustained deer culling in badly affected areas.

Even in Wicklow, where farmers are adamant that deer is a significant factor, and where research shows higher than normal levels, the Department approach is to leave it to voluntary culling, without any official intervention. This, in our view, is not good enough.

Outside of Wicklow, limited statistics suggest that the rate of TB in deer is 4% which is roughly similar to cattle infection rates. Yet the Department sees this as of no great concern.

ICSA therefore believes that we need urgent research into the role of deer and an appropriate, Department led programme to cull deer if research results warrant it.

Outstanding Issues – Compensation & Cost / Benefit

The stakeholders' forum did not resolve outstanding issues on compensation. A proposal on herd information being put up on mart boards was highly controversial. However, the amazing thing is that this proposal came from the Department who did not seem to have any idea what this meant in terms of decimating the value of livestock for farmers who had TB in the past but who were now clear.

The point is that no TB strategy will be acceptable or workable unless compensation is seen to be fair. It was unfortunate that any credence was given to the notion that less than 100% compensation was the optimum strategy for TB eradication.

ICSA sees the main points of disagreement on compensation as follows:

- Concern that the Department are putting pressure on the independent valuers and second guessing their valuations, in addition to the fact that both sides are entitled to appeal.
- Upper limits on certain categories of breeding stock are unwarranted and lead to unfair outcomes for farmers.
- The €500,000 spent in sending Department officials to marts to report on prices is utterly wasteful given that this information is widely available and could be done on a desktop exercise.
- Limitations on the supplementary payments are a real hardship in certain cases.
- Income supplement should apply regardless of what proportion of a herd is removed.
- The payment should apply from the date of restriction.
- Pro-rata payments should be made in respect of part months for income supplement, so that each day of restriction is paid for.
- The income supplement rate for suckler cows of €38 and for all other animals of €25.39 needs to be increased significantly.
- The hardship grant which is to help with additional winter feed costs is not payable to any farmer with off-farm income. We believe this is very unfair.

The forum has decided to get an independent report on cost/ benefit analysis of the TB programme and the On-Farm Market Valuation (OMFV) element.

ICSA has already outlined its view that farmers, in addition to their €32 million financial contribution, also contribute a massive amount in terms of unpaid labour. We have assessed the labour costs for farmers incurred in testing cattle to be in the order of €12.5 million. If account is taken of book work and other TB associated tasks the figure is even higher. (See Appendix 1)

ICSA believes that Department costs of €26 million can be reduced. Unfortunately, even though we looked for it, we did not get a breakdown of this substantial sum. ICSA believes that a lot of money could be saved.

For example:

- Greater use of TAOs rather than vets.
- Forcing factories to pay full market value for TB reactors which still end up in the food chain.
- Elimination of unnecessary duplication in staff deployment.

Outstanding Issues – Herd categorisation

Fortunately, the forum did not accept putting TB information up on boards. However, we are concerned that herd categorisation needs to be managed carefully to ensure that data rights are not infringed and that livestock in TB free herds are not devalued.

It is unacceptable that codes are appearing on letters to farmers indicating their herd risk status when most farmers have no clue what these codes mean. It was agreed to review this, and a new coding system has been suggested but we remain wary as to what use these codes might be put to at a later stage.

ICSA also is dubious about whether it is appropriate to look back 7 years or more, in the case of a herd that has not had TB since and to infer that such a herd is less secure in terms of TB risk.

Conclusion

ICSA is not happy that the interim report is now being taken as agreed without the outstanding issues being resolved.

We went to the forum on the understanding that everything would be dealt with and that nothing was agreed until everything was agreed.

ICSA wants the forum reconvened to examine the conclusions of the independent consultants on cost/ benefit and OMFV. We believe that outstanding issues around compensation need to be faced up to by the Minister.

We believe that eradication of TB will not be possible unless there is a more robust response to wildlife infection such as the deer problem in Wicklow.

Thank you for your time and we are happy to take questions.

Appendix 1 - TB Costs

If we assume approximately 7.5 million cattle tests conducted each year, what is the cost to farmers of doing this?

ICSA did a mini-survey of members to ascertain the labour cost of testing cattle on farms.

Method

The method was to establish how many cattle could be tested per hour. We asked respondents to assess how many hours were worked in rounding up the cattle, testing them and putting them back in the fields and sheds, on both the testing day and reading day. In addition, we asked how many operatives worked at this task.

Results

Obviously, there was a quite a range of results. The factors influencing this include:

- Cattle housed or out on pasture
- Size of herd
- Suckler or dairy stock
- How much help is available?
- Standard of facilities

The results show that over the two days testing, where two operators were handling the cattle, the output was in the range 18-28 cattle/ hour, excluding the most extreme results either end. If we take the better figure of 28 cattle per hour handled by two operators, then we get 14 cattle per man hour.

When this is applied to 7.5 million cattle it suggests that the total cost in man hours (excluding vets which are DAFM calculations of bTB costs) is 535,000 man hours.

Assuming that the full cost of a man hour is a modest €15 (some Farm Relief operators cost up to €20/hour including insurance) then we can attribute the labour costs to farmers of testing to be approximately €8 million best case scenario. It could be argued that many part-time farmers have to take two days off work each year and that represents an even higher opportunity cost than €15/hr.

However, it can be argued that taking the 28 cattle per hour rate is too optimistic. In the above survey, a rate of 18 cattle per hour with two operators was not untypical and we might assume that the efficiency on smaller farms is less. In this second scenario, at a rate of 9 cattle per man hour, the cost at €15/hr is €12.5 million.

There are also hidden costs associated with testing which are hard to quantify but nonetheless real.

For example:

- Stress on animals can hinder performance and in limited circumstances cause injury or abortion.

- Cattle often become spooked at herd tests and damage to fences and facilities is commonplace with a consequential additional labour demand.
- There is administrative time spent on sorting animal passports and checking whether animals are in-test.
- Where there are reactors, there is a significant additional labour cost for the farmer in dealing with the consequences, from loading reactors to eventually sourcing replacements.

When the above factors are considered, it might be more accurate to assume that the €12.5 million is more correct than the €8million figure.

The point is that the calculation of the TB programme cost is not the real cost. ICSA would argue that if we take farmer costs into account, then the real cost might be €96.5 million (DAFM €84 million plus €12.5 million farmer costs.)

More significantly, the breakdown of contributions then looks somewhat different to DAFM. Farmers are making a direct financial contribution of some €32 million but their real economic contribution is at least €44.5 million.

Financing	€'000	€'000
Exchequer		42,278
Farmers		
-Round test	25,000	
-Farmer paid testing	7	
-Bovine disease levies	6,938	
-Farmer labour costs	12,500	44,445
EU Co-financing		9,700
		96,423

