



Opening remarks to the Joint Committee on Agriculture, Food and the Marine regarding pre-legislative scrutiny of Veterinary Medicinal Products Medicated Feed and Fertilisers Regulation Bill 2022

Over the past decade, the dairy sector has invested over a billion euros in new processing capacity, routes to market, and in people and systems to ensure compliance and food safety. A comparable investment has taken place at farm level.

The Co-op and multi-purpose nature of the Irish dairy industry has ensured that it has developed a significant degree of vertical integration with its farmer members, and surrounds and supports them with the systems and expertise to deliver on safe and sustainable food production.

Included in this support is a huge investment in milk quality, built on animal health and welfare including the responsible usage of all veterinary medicines.

This reflects on the strategic importance of the dairy co-op sector, as a key partner of Government in delivering on shared objectives for the public good in; animal health and welfare, food safety, climate change & water quality among others.

It is in this context that we raise some very significant concerns in relation to the implementation of the new EU Veterinary Medicines Regulation and the Fertiliser Register.

Veterinary Medicines:

ICOS previously addressed the Committee in Spring 2021 on the issue of veterinary medicines. Unfortunately, we find ourselves in position where our key concerns remain unaddressed.

We said previously that the new veterinary medicines regulation could potentially create a dramatic shift in the veterinary medicines supply chain, in

favour of Private Veterinary Practitioners (PVPs) to the detriment of Co-ops, Pharmacists and Independent Licenced Merchants (LMs).

We warned that the new rules will narrow the distribution channel and reduce choice. In turn, increase the costs of medicines, as Co-ops and LMs will be disadvantaged in the marketplace. This will undermine the sustainability of the Co-op store network, as a key pillar of their offering will be weakened, and footfall will be diminished. We stressed the need to find an appropriate legal solution.

Our main recommendation to the Committee was to ensure the continuation of the existing LM network as a recognised route of supply, as expertly administered by trained Responsible Persons to ensure maximum and fair competition and availability for farmers. We again repeat these concerns here today.

We have had in the meantime the opportunity to examine the Department of Agriculture's proposal for a National Veterinary Prescribing System (NVPS) and the reaction of the veterinary profession through their representative body.

- Since the new legislation and the new prescribing regime for antibiotics came into effect on the 28th of January 2022, we have seen the sales of intramammary antibiotics totally collapse across all Co-ops. Notwithstanding the shorter window for dispensing when it comes to antibiotics, this clearly indicates the negative impact on farmer choice from the introduction of a restrictive vet only prescribing and de facto dispensing regime. This is “the canary in the coalmine” warning for everyone concerned about the plans by the Department to proceed with the decision to upregulate antiparasitic veterinary medicines to prescription only.
- The advice from the Department is that the new electronic NVPS will provide adequate choice for farmers. This is based on the assumption that all veterinary practitioners will collaborate with the Department and will fully adopt the new system of prescribing. This has simply not happened to date. There is no evidence to suggest that the Department have been able to get vets to test the system, not alone, operate it when it is up and running. Co-ops have been left in limbo as a result, spending considerable

resources on new IT upgrades for a system, we don't even know will be operational. We do support the introduction of the new NVPS but for it to deliver on its potential, it needs to work in parallel with a fit for purpose prescribing regime.

- The Department of Agriculture has failed to address the possibility of legislating to allow for the continuation of the role of Responsible Persons, as the effective prescribers of antiparasitic medicines. We call on the Committee and members of the Oireachtas to ensure the Department pursues all avenues that will enable Responsible Persons employed by Co-ops and LMs to continue to do what they have been effectively doing for many years. We understand it is legally possible to amend the 2007 legislation to retrospectively recognise and provide a legal basis for the ongoing role for Responsible Persons as prescribers of antiparasitic veterinary medicines.
- Crucially, this will provide for alignment between the prescribing and dispensing regime on both sides of the border, protecting our all-Island animal health approach and preventing the risk of the development of an unnecessary and damaging black market for veterinary medicines.
- The economic impact of what we now see evolving as a highly dysfunctional prescribing regime will be a substantial loss of jobs in Co-ops and LMs in rural areas the length and breadth of the country and a significant increase in cost at farm level, at a time when inflation is going through the roof at Co-op and farm level. Already Co-ops and merchants have been forced to invest significant funds into IT changes to their sales software. It is ironic as from what we have seen from the lesson of intramammaries is that we may not get to use this new software. At the very least, the Department should be willing to assist with the financial burden associated with IT upgrades by providing an IT grant for both the new NVPS and the fertiliser register (as we will mention later).
- Notwithstanding, the need to fundamentally review the direction of the Department to the position of Responsible Persons and seek clarity on the advice they say they have received from the Office of the Attorney

General in this respect, there are other issues that need to be resolved with respect to any future prescribing regime.

- Firstly, in order to protect competition in the market, it is vital that the NVPS as being developed provides for the full availability of appropriate generic alternative medicines.
- Secondly, the Department needs to legislate, as it did in SI 786 of 2007 (for Mastitis Control Programmes at the time) to allow for vets working for as part of an approved Co-op Herd Health Programme to establish and maintain a Client Patient Practice Relationship (CPPR).

Fertiliser Register:

ICOS has worked closely with the Department of Agriculture and other stakeholders to deliver on our commitments to improving water quality and reducing emissions of harmful greenhouse gases and ammonia. Our support is illustrated by the support of Co-ops to a range of sustainability initiatives and programmes such as the ASSAP programme, the Signpost Farm Programme, SDAS, Co-op Joint Programmes with Teagasc and individual Co-op programmes and incentives.

We recognise the development of the Fertiliser Register as a key measure to delivering on the above commitments as well as the commitments under Ag Climatise and Food Vision to reduce substantially the usage of chemical nitrogen and to a significant switch to using protected urea, alongside improvements in soil fertility, clover and multi-species sward incorporation and precision use of slurry and Low Emission Spreading Equipment.

To this end, we and our members have participated in the Department's consultative working group on the fertiliser register over the past number of months.

Whilst there have been and continue to be technical concerns regarding software systems and other practical matters; the most substantive issue with the current proposal for a register is the acknowledgement by the Department that the register will only apply to purchases of fertiliser made within the State.

What the industry, the Department and all the stakeholders need is a seamless system, which will capture all the use of fertiliser within the State. The ongoing capacity for farmers to purchase fertiliser from outside the State is an enormous black hole in the current plans for a register. It would be extraordinarily naïve to assume, given examples from other products such as silage plastic and smokey coal that similar loopholes will not be taken advantage of in this scenario. We acknowledge the efforts of the Department to seek an all-Island approach and appreciate the sensitivities at play. However, the lack of any clear timelines for a solution is very worrying.

ICOS and our members as well with other stakeholders in the fertiliser supply chain are working with the Department to support the development of a fit for purpose register. This process has not yet concluded, especially the full development of the IT system and as such it may be premature to comment on some of the technical aspects. However, it is vital that the current IT systems in each Co-op will work seamlessly with the Department's new register to ensure there is no unnecessary bureaucracy and inefficiencies at co-op level when it comes to selling fertiliser.

There needs to be a significant communications campaign to inform farmers of what will be needed to ensure compliance with the new register including the recording of closing and opening stocks each year. Farmers that are not proficient in IT skills will need support in this regard.

The development of a fit for purpose fertiliser register will be a key tool for both the Department and industry to support farmers in making the right decisions in respect to our environmental commitments. The full sharing of information between the Department and Co-ops will be important to the implementation of the types of co-op sustainability programmes required by the marketplace and the Department.

ICOS supports the development of a register, however, the current anomaly with respect to Northern Ireland is of great concern and must be addressed.

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