

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Máirt, 17 Samhain 2015

Tuesday, 17 November 2015

The Joint Committee met at 2 p.m.

MEMBERS PRESENT:

Deputy Tom Barry,	Senator Michael Comiskey,
Deputy Michael Colreavy,*	Senator Denis Landy,
Deputy Paul J. Connaughton,*	Senator Mary Ann O'Brien,
Deputy Éamon Ó Cuív,	Senator Pat O'Neill.
Deputy Thomas Pringle,	

* In the absence of Deputies Martin Ferris and Pat Deering, respectively.

In attendance: Deputies Bobby Aylward and Michael Fitzmaurice.

DEPUTY ANDREW DOYLE IN THE CHAIR.

BUSINESS OF JOINT COMMITTEE

Business of Joint Committee

Chairman: Apologies have been received from Deputies Pat Deering, Tom Barry, Willie Penrose, Martin Ferris, Arthur Spring and Martin Heydon. Deputy Paul Connaughton will deputise for Deputy Deering, Deputy Michael Colreavy will substitute for Deputy Ferris, Deputy Noel Harrington will substitute for Deputy Barry, Deputy Brendan Ryan will substitute for Deputy Penrose and Deputy Seán Kyne will substitute for Deputy Heydon. I remind members to turn off their mobile phones. We will go into private session to deal with some housekeeping matters before proceeding to our main business.

The committee went into private session at 2.10 p.m. and resumed in public session at 2.50 p.m.

Beef Data Genomics Programme: Irish Cattle Breeding Federation

Chairman: We will resume in public session. I welcome Mr. Sean Coughlan from the Irish Cattle Breeding Federation, ICBF, and Dr. Andrew Cromie, the federation's technical director. I thank them for appearing to update us on the progress on the beef data and genomics programme. Members will recall that both gentlemen were before us in July. We are anxious to hear the updated position.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that evidence connected only with the subject matter of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

Witnesses and members should note that the Dáil has agreed to observe a minute's silence at 3.15 p.m. At that time, I will be calling a halt to proceedings and asking members to stand and observe a minute's silence in unison. We will take our lead from the Dáil. I invite Mr. Coughlan to make his statement.

Mr. Sean Coughlan: I thank the Chairman and members for the invitation to appear before them again. I welcome the opportunity to provide them with an update on progress and some technical aspects of the scheme from a breeding perspective. Given that we were here just a few months ago, I will try not to cover the same ground again. However, it might be useful to recap a little. By way of background, the ICBF is an independent, industry-owned agency responsible for the generation of genetic evaluations for cattle in Ireland, and it is licensed by the Department of Agriculture, Food and the Marine. We have attended the various farmer meetings around the country over the past couple of months and have fielded many queries and concerns on the technical breeding and genomics-related aspects of the scheme. In that context and the context of the invitation to attend again today, I propose to cover some of the key issues from a breeding perspective, and my colleague, Dr. Andrew Cromie, and I will be more than

happy to attempt to answer any questions asked.

The first question concerns the nature of the core issue in terms of genetic gain in the national suckler herd. The reality is that farmers have done a very good job in increasing the genetic merit in the terminal, or meat, traits of their animals. Unfortunately, these gains have been offset by continued decline in the maternal traits, concerning milk and fertility. The current make-up of the replacement index is contained in figure 1 of my submission. Members will see that the five key aspects are calving, feed intake, carcass weight, maternal milk, female fertility and, carrying some weighting, docility. The key point is that genomics can bring to bear the ability to predict how animals will perform in the more difficult to measure traits of milk, fertility and docility. When one looks at an animal, one cannot necessarily tell how well it will calve, its feed intake, the amount of milk it will produce or its fertility or docility levels. One could have a good stab at guessing its carcass weight or other traits. Unfortunately, the terminal, or meat, traits that the industry has been chasing are negatively correlated to the maternal traits, which are key for the profitability of our cows. That means that as we breed for more muscle, a higher growth rate and other traits in our animals, the calving, milk, and fertility traits go in the opposite direction.

Why is fertility in our cows important? Members should consider figure 2 in my submission, which refers to two herds, the first of which is a high-fertility herd of 20 cows producing 19 calves. There are 0.95 calves per cow per year, with an average weaning weight of 350 kg. The total weaning weight produced in that herd would be 6,650 kg. The second example is a low-fertility herd, again with 20 cows but producing only 14 calves. Those calves are heavier than in the first herd, averaging at 400 kg and with a total weaning weight of 5,600 kg. However, although the weanlings in the second herd are heavier, because there are more in the high-fertility herd the latter produces 1,050 kg more. At a weaning price of €2.20 per kilogramme, there is a difference of €2,310 between the prices achieved from both herds.

With regard to how farmers have come to know the Euro-star evaluations of their cows, in September beef data and genomics programme Euro-star reports were sent to participants in the scheme. An example page is contained in figure 3. It contains details on the animal, namely, the jumbo, the tag, the date of birth, the sex and the star rating of the animal. Most farmers were pleasantly surprised regarding the status of their herds, and the reports have significantly eased the concerns of many of the scheme participants. However, one of the key messages coming from the reports is that the majority of four and five-star cows are the older cows, as terminal breeding continues to flush the maternal genes out of our cows. Thus we need to pay much more attention to the bulls and cows we are using to breed the next generation of replacement females. That is a key focus of the scheme.

To recap on how Euro-stars are calculated and what the Euro-star rating means, there are two parts to it. One is the Euro part, which represents the additional profit an animal, male or female, will deliver compared with another animal. If one animal is rated at €50 in that respect and another animal is rated at €100, the latter animal is predicted to provide €50 more profit per progeny than the animal rated at €50. In terms of the stars, the animals are ranked into quintiles, in different 20 percentiles. For example, the five-star animals are the top 20%, the three-star animals are the average, and the one-star animals are the bottom 20%.

The majority of the data used in genetic evaluations come from the individual farms. The 2008 suckler scheme changed the landscape in terms of data for suckler cattle in Ireland. The culture of data recording on suckler farms that this scheme brought about has had a dramatic impact on the quantity and quality of data that are available for use in genetic evaluations. The

use of on-farm recording has also facilitated the linking of mart and factory data, which are very powerful data for genetic evaluations. That is why the evaluation system available to Irish farmers is as powerful as it is, because of the high levels of integration in the various industry data capture systems.

A key question is whether the adoption of Euro-stars takes the industry in the right direction. Figures 5 and 6 show the results of some analysis we have done of around 100,000 replacement females that were born in 2008, the first year of the suckler scheme, and that subsequently came into current beef data and genomics programme participant herds as female replacements. We then analysed the data we had on the offspring of these females to see how we performed.

Figure 5 contains the weanling performance. I would point out a few key points. In terms of the percentage of animals that are still alive, 79% of the five-star females are still alive versus 63% of the one-star females, so there is a difference of 16%. The five-star females have had 4.57 progeny, on average, versus 3.94 for the one-star animals, which is 0.63 of a calf more for the five-star versus the one-star animals. The five-star animals are 27 kilos ahead of the one-star animals in terms of the weanling weight, and the value achieved at the marts is €786 versus €757, a difference of €28. When we add up all those figures, the offspring of five-star animals has averaged €3,587 versus €2,980 for one-star animals. Five-star cows have had more progeny, are lasting longer, have had heavier weanlings, albeit at a slightly low price per kilo and have generated €28 more per weanling and a total of €600 profit more per date over the one-star animals.

If we note the carcass performance in terms of the factory output, we see a similar profile. The five-star animals have had more progeny go through the factory. The animals are being slaughtered significantly younger, almost 39 days younger. They are slightly heavier in terms of carcass weight. There is no difference on average in terms of the confirmation, and with respect to the price achieved at the factory, they are ahead by €17. When we add more progeny and a higher carcass weight, there is a €600 difference between the offspring of five-star animals and that of one-star animals followed through to slaughter.

Figure 7 is a graph that was presented at the Teagasc national beef conference by Nóirín McHugh from Teagasc in which 1,200 cows and calves across 40 herds were weighed. The results showed that, on average, five-star cows were 26 kg lighter than the one-star cows, thus costing less to maintain, but that the offspring of five-star cows were 30 kg heavier at weanling. Five-star cows are producing more from less, the essence of the scheme in terms of increased profitability at farm level, and this is more environmentally sustainable in terms of more outputs from fewer inputs.

Will the four and five-star cows move us away from the breeds we have been using? The graph illustrates that there are four and five-star cows across all breeds and although some breeds will have more of a challenge, there is no need for herds to change breed in order to meet the four and five-star requirements of the scheme. What happens when the Euro-star indexes move? It should be noted that the indexes will move over time as we get more data into the system. Some will move more than others but there will be movement in all species, including dairy animals, sheep, pigs and chickens. Beef will be no different. The key from a scheme perspective is that once an animal has a four and five-star index at the required time, when it is genotyped, it will be eligible from a scheme perspective, even if its rating subsequently drops to three stars or below.

In terms of the current status of engagement with the scheme by farmers for the 2015 re-

quirements, over 19,000 herds have returned samples for genotyping. In terms of animal survey requirements, over 20,000 herds have returned some data on the survey forms for their animals. We are currently following up with farmers to ensure maximum levels of completion ahead of the December payment runs by the Department of Agriculture, Food and the Marine.

We are very confident in the ability of genetics to deliver improved profitability for Irish suckler farmers. Five-star cows have the potential to deliver an extra €100 profit per year to farmers and, as a result, we strongly believe the scheme has the capacity to deliver long-term benefits to the Irish suckler industry well beyond the six year timelines of the scheme. The most recent engagement with thousands of farmers across the country has served to reinforce our view.

Chairman: Is Deputy Aylward taking the first line of questioning?

Deputy Bobby Aylward: No, I am not a member of the committee.

Chairman: Okay. Deputy Fitzmaurice is deputising for Deputy Pringle on this matter.

Deputy Michael Fitzmaurice: I thank the witnesses for their presentation. Am I correct that the statistics are based on 40% accuracy through the years?

Chairman: I ask that members put questions as a block rather than going back and forth.

Deputy Michael Fitzmaurice: Are figures worked on with 40% accuracy through the years? Am I correct that with people producing for the Italian trade - for example, the weanlings - generally the cows are rated with one or two stars? That is generally what I have seen through the years. If we move the way described by the witnesses, will we produce a replacement animal closer to the milk or dairy sector with a smaller carcass? Would it be a smaller-framed animal, to put it simply? It would not be as attractive for the likes of the Italian trade as a live export. With regard to replacement of cattle, we have seen a problem detailed at meetings where an animal had twins and one had a different rating, despite being from the same cow. I do not know if that has been sorted out and perhaps the witnesses could further inform me.

Deputy Paul J. Connaughton: I welcome the delegation. I hope to be just as brief with my questions, which arise as a follow-up as I know the witnesses tried to address many of the issues. With regard to the purchasing of a bull with a rating of four or five stars, the witnesses stated that indexes will move. Has that always been stated publicly at meetings as some farmers are confused because departmental officials and officials from the Irish Cattle Breeding Federation have given conflicting views? Will the witnesses confirm today that this is the case and there is no change?

With the calculation of different percentages, how is docility only given 4%? A number of farmers might say a quieter animal would thrive much more. Why is such a small percentage given in the importance of the overall scheme? The last question follows on and relates to Deputy Fitzmaurice's comment. One farmer has given an example of six animals with the same bull and dam which seem to have different ratings. Four were born in 2008 and two in 2009. Why have the indexes moved quite widely although they come from the same gene pool? Perhaps the witnesses will be able to explain it in a way that puts people's minds at ease because the goalposts seem to be moving, which is causing confusion.

Senator Pat O'Neill: I thank Mr. Cromie and Mr. Coughlan for coming before the committee. I found our previous meeting with them very informative. I will go over some of the

issues raised by Deputy Fitzmaurice. I am participating in the scheme, and last year I bought 16 heifers as replacements before the scheme was introduced. They happened to be Black Angus, which is an Angus and Hereford cross, and when I received the ratings, 14 of them were five-star heifers and two were four-star heifers. This was because they are from a dairy herd. The witnesses can produce figures to state animals are more profitable if they come from dairy herds, given the milk rates, but I am concerned we will lose the Italian and Spanish trade because these animals will not breed E and U grade animals, which are required for the Italian market in particular. We may lose this trade because we will not have enough of them.

The Irish Cattle Breeding Federation's website states 17 traits are taken into account. We have a list of six here, which means there are 11 more traits. According to the list we have, weaning weight is the first trait, which can be established through the mart. Will people such as me, who do not sell weanlings but continue to slaughter, be asked to weigh animals? With regard to calving intervals, we all want a calf within 12 months because this is the ideal situation, but if farmers change the calving date from September to the following January for a cow which was a four-star or five-star animal, it may be downrated. Calving difficulties are very hard to rate. I still have to fill out my form about calving difficulties. We want everything right, but will somebody state he or she had to jack 10, 11 or 12 calves and one was harder than the other? This will be very difficult to establish. Establishing progeny carcass weight is fine for someone slaughtering animals in this country, but when animals are exported, is there a follow-up process when they go to feedlots in Italy or Spain? Do we have any way to establish that an animal was slaughtered in Italy at 350 kg or 360 kg?

I am concerned about the dairy element. I have a number of five-star cows which are either Angus or Hereford crosses. My own cows, which are very good breeders, calve within 12 months, and produce a lot of milk and good calves, are only rated as one-star or two-star cows. I am concerned we will go too much towards a dairy element. I have a five-star bull, which I bought this year. If I cross him with the five-star heifer, the next breed will be half-Limousin. Will this animal have a five-star rating or will it go down to a four-star rating because the milk rate will drop because of not coming from a dairy herd? How many generations of breeding does it take to drop the rating of an animal?

We cannot establish docility. Nobody wants a wicked animal on the farm, whether a bull or a cow. This is about honesty.

Chairman: The minute's silence in the Dáil is scheduled for 3.15 p.m. I propose that we suspend proceedings for five minutes. Senator Comiskey will be next to speak when we return.

Sitting suspended at 3.15 p.m. and resumed at 3.25 p.m.

Senator Michael Comiskey: I will make a short comment because I have to go to the Seánad. I thank the witnesses for the presentation. The more information we convey to farmers, the better. There was a lot of fear when farmers joined the scheme, but as information became available it became more acceptable to them. I know one farmer who was very concerned and was going to withdraw from the scheme. He brought his data to me one Sunday evening and we went through it, and he found he was at 68%. All he had to do was continue.

Senator O'Neill referred to dairy herds which are of concern. My part of the country along the Border and the west produce a lot of good quality weanlings that would be exported. We do not want to lose that important market.

Do the witnesses find that milk and fertility are linked in herds? Many still hope the system will be reduced to three stars, particularly in the initial stages. A review was promised and perhaps that is being considered at the moment. The scheme could be reduced to three stars and then perhaps increased in a year or two as people become more used to it. As people were breeding bulls, in particular, it may be a bit of a problem for them to achieve five stars on the bulls they are producing.

Deputy Éamon Ó Cuív: I think the witnesses for coming before the committee. This is one of the days when the gift of bi-location would be quite handy.

The witnesses said survey forms, in one form or another, for 20,000 herds have been sent in and samples have been returned for 19,000 herds. I understand that initially about 27,000 filled out the form. What is the latest date this year for sending in data in order that farmers can get paid before Christmas? If farmers do not submit data for this year, does this mean they are out of the scheme or not? Can they join at any stage for the five years of the scheme and can the scheme run for five years from that date? Of the 7,000 who have not yet submitted data, do the witnesses know whether there is any correlation between them and herd size? Does the figure involve predominantly large, small or medium-sized herds?

I tabled two parliamentary questions to the Minister for Agriculture, Food and the Marine and to say that I did not get very clear answers is putting it mildly. I asked him if a person who buys a five-star bull could find that in subsequent years the star rating of the same animal was reduced and if he would make a statement on the matter. He told me that it could reduce, but if a bull was in a five-star category it would remain so. My second question was if there was any guarantee that bulls currently rated star five on artificial insemination, AI, catalogues would retain their star rating in the future, what effect it could have on farmers if it was subsequently found that AI bulls had been overrated and if he would make a statement on the matter. The Minister did not really address the issue at all. I will try to clarify for the officials the point I was trying to make. I listened to an expert on the subject recently in a southern county. I went all the way down to listen to him. He said that the reliability of many of the AI bulls in terms of the star rating was actually rather low. For example, I could go to the catalogue and decide on a five-star bull. Then my 50 cows could produce 50 calves. The same would apply if it were 20 cows or ten or whatever. However, I could easily find out two or three years later that I had actually mated the cows to a one-star or two-star bull. It does not matter, except that the progeny, accordingly, would not be what I had thought they would be. It would have been as if I had got a one-star or two-star rated bull. In fact, the speaker was recommending that farmers should not use only one AI bull and that they should reduce their risk. For example, if a farmer had ten cows he could use five bulls and mate two cows per bull to insure against one or more of them proving to be a gliogar. I am not sure whether the witnesses know what a gliogar is - it is a term for a rotten egg in the Irish language. Anyway, if a bull proved to be something other than what it was meant to be, then I would not have bought into it.

The Department seems to be concerned about the AI bull, but that would not be on my register as a farmer. The progeny of the AI bull would be my problem. Four or five years later I could find myself with a major pain in my head, having thought I had done everything correctly. In fact, I could be left with progeny that do not match the specification of what I bought. In that case I would face a severe penalty, if I understand the system correctly. If a farmer was not knowledgeable beyond my understanding of genomics, he might not pay much heed to it.

I am actually in favour of genomics. I like the concept and I believe in science. I believe that over time, once we have enough data collected to start rating things on past performance

and so on, we will have a useful tool. However, I think we are rushing our fences in demanding that farmers have X or Y number of four-star or five-star animals in the coming years. To my mind, that is how everything works according to the plan of the Department. I accept the basic science, but I think there are many variables in it. If I accept what Department officials are saying in terms of output, then obviously farmers are going to move toward the four-star or five-star bulls over time for good reason, since the economic return on the market is going to entice them, just as the economic return from the factories moved farmers towards the confirmation of the animal in the factory or whatever the factories wanted. When this data becomes available, it will move people. However, the problem is not that people will not want to move. The problem is the unintended consequences, since the data they are being given at the moment may be unreliable. This particularly relates to people who use AI bulls or people using what are now rated as five-star stock bulls but which may subsequently turn out to be one-star bulls. The original bull is only one animal, but the fact that his progeny might not have the traits he was meant to deliver as a five-star bull could have major consequences for the herd. Does the system include some type of in-built guarantee for farmers who act in good faith, based on the information given to them, and subsequently find that this information was less than optimum and a reclassification was required, specifically in respect of the bull - the paternal side is likely to produce a large number of progeny - where it fails to live up to its record and produces a large number of sub-optimal cattle?

Chairman: On the conditions, the help sheet provided states that if a holding decreases by more than 20%, in other words, if the number of animals falls by more than one fifth, the farmer would be disqualified under the amount set out in 2014. I presume *force majeure* would apply in cases where depopulation is caused by disease or similar factors. In the event that the number of animals increases by more than 20%, is provision made to readjust the entitlement? As Senators are taking part in a minute's silence, I ask Mr. Coughlan to address the questions posed by the three Deputies, some of which overlap.

Mr. Sean Coughlan: I will deal first with Deputy Fitzmaurice's query, after which Dr. Cromie will respond on the issue of accuracy. In terms of the weanlings produced for the Italian trade, it is not true to suggest that four-star and five-star cows will not produce animals that are fit for the weanling trade. The key is the bull that is used on the four or five-star cow. If one uses the bull on the right cow, the cow will have enough milk to feed the calf, drive it on and ensure it grows and is ready to go-----

Deputy Michael Fitzmaurice: Would such a calf be as big as a one or two-star cow? Would confirmation be provided that it is a one or two-star animal?

Mr. Sean Coughlan: It certainly could be one or two-star animal; some will be and some will not be. We included six competing areas within the index. Some animals will be better on the carcass, some will be better on milk and others will be better on fertility. Obviously, one wants an animal that is good on the carcass and milk if one wants to mother a weanling for export. There is no reason that cannot be the case for four-star and five-star animals. The final graph shows the breeds of four-star and five-star cows. There are plenty of four-star and five-star cows in the west in the Charolais and Limousin breeds.

Deputy Michael Fitzmaurice: Most farmers with whom I have spoken informed me that the cows that returned from Italy were one, two and three-star animals, whereas the cattle that were sent for slaughter were four-star and five-star animals. They would not be given confirmation. In fairness to farmers, however, they are not fools and will not breed poor animals.

Chairman: Is there a method of obtaining information about the weanling that has been exported live once it has been slaughtered? Is feedback provided? That is the nub of the issue. This information could be fed into the data system for assessing the mother's traits.

Mr. Sean Coughlan: We do not get data back from the slaughter factories in Italy, for example. However, we have the mart data and the price per kilogram data which are very good indicators of the confirmation. We also have the farmer scoring the calf quality of the animals. Those data are all feeding into the prediction of carcass information and they are very good predictors. While it would be optimal to receive information from the Italian factories, it is not necessary to make a good prediction.

Deputy Fitzmaurice asked the reason twins could have different Euro-star ratings given that they have the same father and mother. This issue arose at a few of the meetings we held. To take one example, there should be no difference between young twin calves. In one example I looked at, the sire had been recorded on one of the calves but not on the other. Immediately there was a clear reason they would be different. I was asked about animals with the same sire and dam and why their Euro-Star ratings would vary. As we get data on the animals themselves, it is only natural that they start to separate. Full brothers or sisters will perform differently depending on the data that are recorded. That includes the weights of the calves they are weaning, calving intervals and how long they stay in herds. Those will have different influences on the star ratings. Just because they are from the same sire and dam, as they gather more data of their own, they will start to differ in terms of their star ratings.

Dr. Andrew Cromie: I will pick up on the 40% accuracy question and genotyping and genomics. I note to Deputy Fitzmaurice that the accuracy of genotyping is 100%. That is the first point. When we think about accuracy, how accurate is the process of taking the DNA and establishing a genotype? That is 100% accurate. The next question, which is in essence the one Deputy Fitzmaurice is asking, is how confident we are in converting that genotype data into a star evaluation. This is where one has that figure of 40%. In effect, that is the reliability, which is what Deputy Ó Cuív also referred to, of the Euro-Star evaluation. In many ways, these questions are at the nub of one of the issues. We are dealing here with Euro-Star evaluations which by their nature are based on data and more data. As a consequence, the evaluations will change over time. As my colleague, Mr. Coughlan, has indicated, we are absolutely confident at a high level when one looks at it based on lots of data that these four and five-star animals will lead to more profitability for farmers. People are generally acknowledging that right across the board, but that does not get away from the issue that at the individual animal level, some will go up and some will go down. In the case of an AI bull or a stock bull, that can, as Deputy Ó Cuív indicated, have a profound impact, particularly when it relates to potential progeny. That is why education and training is such a core part of the beef data and genomics programme. It is covered as a cost associated with the scheme and is going to start in February.

There are approximately 27,500 herds in the scheme. We have done the initial analysis of how many four and five-star cows there are and farmers have received the reports. While they are generally happy, there are some herd owners who are in a more challenging place. This is where we need to have a discussion with them regarding their replacement strategy to ensure they meet the 2018 and 2020 requirements. In those circumstances, their options will include the use of artificial insemination. At the information meetings, we saw that while 20% of the progeny from the suckler herd or the cows in the scheme were from AI, almost 60% of herd owners in the scheme were using some level of AI. That is a very interesting and relevant statistic. It tells us that guys are engaged with using AI but we need to get them to use it more.

The next advice we must give those individuals who are going to use AI is that it is not one AI bull. I take Deputy Fitzmaurice's point about what would happen where a bull dropped. If they use a very reliable AI bull, the likelihood of that bull dropping is very small. The accuracy figure alluded to by Deputy Fitzmaurice is like a confidence interval. How confident are we that this index is going to change? Certainly for an AI bull with 90% reliability, we would be very confident that the index will not change. However, for a young AI bull who is down at 40% or 45% reliability, the same as a stock bull, the index could change. The advice to herd owners in that regard is they need to use a team of AI bulls. They will need three or four AI bulls. Generally if one looks at the herds that are involved, in Gene Ireland or the various AI-based initiatives, they would use three or four different beef bulls across different breeds. Using a team of bulls has worked very effectively in the context of the dairy herd. The benefit is that one mitigates against the risk of any one individual falling. One could go up, one could go down but the average of the group stays the same. Using four young AI bulls is the equivalent of using a very well-proven stock bull. That is work that Teagasc would have done in the context of strategies that herd owners can use to try to offset the risk around reliability or the potential fall in reliability. We are always talking about the bull that goes down, but for every bull that goes down, there is another bull that goes up.

The issue of drops in proof will only affect a proportion of herd owners. The advice is that if they are using AI bulls, they should use a team. The other piece of advice from Teagasc and the AI companies and which is a core part of the education and replacement exercise is that if they want to guard against this issue and if the cut-off is €74 - the four and five-star cut-off on the replacement index is €74 - then, on average, the progeny on a €74 cow will be €74 and they will be fine. However, that is not good advice if they want to cover off some risk. In that case, they should go higher than that because the bull could potentially fall. The advice is that if herd owners are going to buy a stock bull, they should look at one at €120 to €150 in terms of the replacement index to give them some ability to offset this potential risk.

We have spoken about the information meetings and Pearse Kelly and Aidan Murray from Teagasc would have presented much of this material at those meetings. More than 5,000 farmers attended 12 information meetings and they understand this. They understand that this issue is a part of the Euro-star indexes. At an individual level, this is how one guards against a problem with an individual animal. The key point is that it applies across many animals, whether farmers are buying in heifers, breeding on their cows or using AI. Over the course of the six years of the scheme, these issues dissipate. They also dissipate across the 27,500 herds in the scheme. That is why, at the high level, from the point of view of the ICBF, Teagasc and the Department of Agriculture, Food and the Marine, we are confident that the genomic base and the science behind it will take us to where we need to be at the end of this scheme, which is delivering €150 per cow in terms of additional profitability.

Chairman: There are a few questions which have yet to be answered.

Mr. Sean Coughlan: Deputy Connaughton asked about the position between the Department and ourselves *vis-à-vis* the star ratings and whether there was any mismatch, but I can assure the Deputy that there is no mismatch. Once the animal is genotype four and five-star for the purposes of the scheme, it is eligible until the end of the scheme. In the intervening period, that index may move but that animal remains eligible. The Deputy asked another question which was similar to the one Deputy Fitzmaurice asked about different embryos. As those animals get their own performance, they will establish different values. They will perform differently because they will have received different sets of genes from their mothers and their

fathers.

The docility question has come up quite strongly at many of the meetings we have held throughout the country. The current weighting for docility is based on the economic model done by Dr. Paul Crossan at Grange. On the basis of the meetings, the index is under ongoing review. We will be looking at the relative importance of docility from a farm safety point of view and from an on-farm labour point of view.

I would like to respond to Senator O'Neill's query about dairy herds getting four or five stars. It would not be correct to assume that the first cross animals from the dairy herd heifers will be four-star and five-star animals. At the moment, we are finding that approximately 50% of them are and 50% of them are not. If the Senator has managed to-----

Senator Pat O'Neill: So I was lucky.

Mr. Sean Coughlan: He has done well in his purchasing policy. It is not correct to assume that if one buys a first cross animal from the dairy herd, it will satisfy the scheme.

Senator Pat O'Neill: My question related to the follow-on when that animal is crossed with a continental animal, such as a Limousin or a Charolais. If a bull that has five stars on both traits - maternal and paternal - is crossed with a five-star heifer or cow, what is the progeny going to be?

Mr. Sean Coughlan: One of the key points is that the star ratings are independent of breed. If an animal of one breed that has a five-star rating is crossed with a five-star animal of another breed, the progeny will still be a five-star animal. The Euro-Star system does not mind. It is not dependent on-----

Chairman: There are others as well.

Senator Pat O'Neill: I know, but I am trying to tease this out.

Dr. Andrew Cromie: I would like to respond to some of Senator O'Neill's other questions. He was absolutely right to make the point that even though our material refers to six traits, there are actually 17 traits. When we are evaluating female fertility, for example, we evaluate age at first calving, calving intervals and cow survival rates. We present that data as an overall group of traits called female fertility. Similarly, we evaluate carcass weight, carcass fat, carcass conformation and age at slaughter. Six traits have been listed for ease of presentation, but in effect there are 17 traits in the actual index. We group the traits in that way purely from an ease of presentation perspective when we are talking to a farmer audience.

Senator Pat O'Neill: Which trait is the most important one?

Dr. Andrew Cromie: A relative weighting of 23% is attached to female fertility. A relative weighting of 21% is attached to carcass weight for age.

The Senator asked a question about the collection of data and expressed some concern about missing data. He asked whether a farmer would be required to weigh his own calves if we did not have weight data on his animals. He is right to suggest that our goal is always to try to pick up the data wherever we can. For example, we get the data on weights and prices per kilo through marts. Increasingly, farmers are starting to weigh their calves themselves, which is a positive development even if it is not a requirement of the scheme. As farmers see the value in that data, we expect that an increasing number of them will look to weigh their own animals

in appreciation of the use of this valuable data in getting more accurate milk evaluations - maternal evaluations - for their cows. At the moment, we use the cow milk score as a proxy or a predictor of weaning weight in the calf at 200 days. I hope that answers the Senator's question on missing data, about which he expressed some concern.

Senator Pat O'Neill: I also asked about exported animals.

Dr. Andrew Cromie: My colleague has mentioned the exported animals. In the past, we have endeavoured to pick up this data from other countries, including Italy and Spain. The reality is that they simply do not have an infrastructure similar to that of the cattle breeding database. Ireland is in the very fortunate position of having all the meat processing and mart data collected in one central database. I assure the committee that this is not the case in Europe. Whenever we endeavoured to get that data, there were blank, puzzled looks and we were asked how they would possibly do that. As a consequence, we redoubled our efforts to collect data in Ireland on calf quality, mart price per kilo, and mart weights. We encourage farmers that are exporting animals to record that data directly.

Chairman: Deputy Ó Cuív and I have a number of other questions. I will allow Mr. Coughlan to continue.

Mr. Sean Coughlan: Dr. Cromie has covered the AI catalogues. There will be bulls on the catalogues that are very highly proven and reliable and others that are less reliable. The only way to make them more reliable is by producing progeny and getting more data. Mr. Cromie has covered the key risk mitigation strategy which will be clearly communicated as part of the training material.

Chairman: Deputy Ó Cuív asked about the 19,000, 20,000 and 7,000.

Mr. Sean Coughlan: Of the 7,000, we have seen no discernible difference in the size of the herds. There has been a rapid increase in the number of tags coming in, primarily because farmers are starting to house their animals because of all the rain. All the animals are coming in and are easy to tag.

The cut-off dates are the realm of the Department of Agriculture, Food and the Marine. My understanding is that there is no cut-off date for payment. I am not sure of the exact date of the payment in December but if it is 10 December or 12 December and the information is not in at least a week before that, it will not be processed in time to be through for payment.

Deputy Éamon Ó Cuív: Is Mr. Coughlan saying the information should be in by 30 December?

Mr. Sean Coughlan: That is more in the realm of the Department of Agriculture, Food and the Marine. My understanding is that there will be payment runs in January and February. That is my understanding.

Chairman: Is it right that the samples have to be in before payment is made?

Mr. Sean Coughlan: The payment will not be made if the samples are not in.

Deputy Michael Fitzmaurice: I have a number of questions for Dr. Cromie. If a farmer has a four-star or five-star bull or cow and a heifer is produced, I presume that the heifer will be classed as five-star. If the farmer goes off to the mart with his lovely heifer and I buy it and genotype it, is it correct that she might only be two-star or three-star?

Dr. Andrew Cromie: The subsequent genotyping process adds more data into the Euro-star evaluation and as a consequence when the animal is genotyped, the evaluation might change.

Deputy Michael Fitzmaurice: Should there be a warning for farmers who go to a mart to buy a five-star animal for a replacement heifer? A farmer might have five-star bulls, or four-star bulls and five-star cows. In a year's time they will be selling a heifer to another farmer who will use it as a replacement in 2017 or 2018. Is it fair to say that it will be possible that the animal they buy is not the animal they thought they had bought?

Dr. Andrew Cromie: In the BDGP reports that we sent to 27,500 farmers, we gave an indication of the four-star and five-star females on the farm. Those reports were very clear that any subsequent definition of eligibility would be based on animals that were four-star and five-star and had been genotyped.

Deputy Michael Fitzmaurice: They should either be genotyped or a warning should be given in marts. Farmers do not read small print. They will not read every piece of the paper. They will sign their name and fill in what they have to fill in. That is it. We are leading them to a crash.

Mr. Coughlan might be able to respond to my other question. Is it correct that 75% of suckler cows are based in the west of Ireland, from Donegal down to Clare?

Mr. Sean Coughlan: There is a very large percentage on the west coast.

Deputy Michael Fitzmaurice: Is it correct that that represents 20% or 25% of the total uptake?

Mr. Sean Coughlan: I do not know the exact figures. A significant number of the herds are in the west.

Deputy Michael Fitzmaurice: I understand that 25% of the take-up is in the west, which is where 75% of the herds are located. Is that correct?

Mr. Sean Coughlan: I do not know but I do not believe the take-up is that low.

Deputy Michael Fitzmaurice: It was that low on the night of the meeting in Carrick-on-Shannon when 27,000 applications had been submitted.

Dr. Andrew Cromie: I can revert to the Deputy with the precise figures.

Deputy Michael Fitzmaurice: The ICBF brought a three-star Charolais heifer and a red and white five-star heifer to the meeting in Elphin. While I do not claim to be a great judge of an animal, I would not have bought the five-star heifer before the three-star heifer. Does Mr. Coughlan agree with that view?

Mr. Sean Coughlan: The Deputy makes a fair point. However, the challenge we had at the initial opening is that by looking at an animal, one cannot be sure about much of what defines the profitability of a suckler cow.

Deputy Michael Fitzmaurice: We are being told we must look up at a board to see what-----

Chairman: The two examples shown in figure 2 are not necessarily the highest weighing animals. It depends on what one is marketing but it can, on the total herd, yield more fertile

calving and shorter intervals. A lower individual weight but a higher aggregate weight is more profitable and one must bear in mind that the whole process is driven by profit. That is the point that was being made.

On another point raised by Deputy Fitzmaurice, if a four-star or five-star animal is sold in a mart and subsequently genotyped at below the original designation, will the animal qualify because it was designated four or five-star when it was purchased and introduced to the herd?

Mr. Sean Coughlan: This issue, which arose on a number of occasions at the meetings, is being examined by the Department in the context of its review. The critical point is that the number of animals that will move and make the difference between a farmer qualifying and not qualifying will be very small. The Department is examining the issue.

Chairman: Is it the case that all bulls must be genotyped before being sold?

Mr. Sean Coughlan: While they do not have to be genotyped, the vast majority are genotyped at this point because in 2013 all of the pedigree bulls were genotyped as part of the registration process. This is the first year of the scheme. The animals will be genotyped at a much younger age in the second and third years of the scheme. The animals that are in the scheme herds that are going through the marts will be genotyped prior to being traded in the marts. In addition, farmers with herds that are not in the scheme who wish to trade animals will be able to avail of the genotyping service, which will allow them to have their animals genotyped prior to sale at marts.

Deputy Éamon Ó Cuív: If one fifth of farmers registered for the scheme, having attended the meetings, this leaves four fifths who did not attend meetings. They will receive training some time in the future.

I once asked a number of Deputies how many of them had read the Oireachtas safety statement which new Members receive when they enter the House. I hope Deputy Fitzmaurice, who is relatively new to the House, received a copy. We are all responsible legislators and the Oireachtas produced the legislation providing for mandatory safety statements in the workplace. If the Deputies to whom I spoke were in any way a representative sample, the number of colleagues who have read the safety statement is incredibly small, particularly when one takes into account the highly responsible job we have and the fact that we introduced legislation providing for safety statements in the belief that they are a great idea. I make this point because Departments and official bodies present farmers with 50-page printed documents setting out terms and conditions and so forth. When a farmer does not follow the conditions, as laid down, the officials will say "Tough luck" and the farmer will lose X amount of money for not reading the document. It is a case of good luck, goodbye and goodnight. If we applied the same approach to Oireachtas Members with regard to safety statements, none of us would get paid. For this reason, we must accept that if we are relying on the fine print that is conveyed in written documents, we can forget it. Even if information is being conveyed at meetings that farmers are obliged to attend as a condition of the scheme, those present may not fully concentrate on the proceedings. I do not know how many times Deputies have made a public statement on radio and people have come back to us having got the message arseways. That is a common phenomenon, which is the reason I do not like the penalty regime.

It has been correctly pointed out that if one uses artificial insemination multiple times, the law of averages dictates that the farmer should pass the test within five or six years. If one calculated, on an actuarial basis, the chances of the *Titanic* sinking in the middle of the Atlantic

killing such a large number of people, the large number of things that would have to go wrong would indicate that the chances of the vessel sinking would be minuscule. One hears the various statistical scenarios about the *Titanic* having to turn left or right or having to be five minutes early or late. Nonetheless, the *Titanic* sank, which demonstrates that the most unlikely events occur, even though statistically they are very unlikely.

To return to the artificial insemination bull, will it be mandatory AI providers to set out in large red or black print the reliability of the data on which the rating of their bull is based at that point in time? I understand there will be bulls in the catalogues which may have a reliability rating of less than 40%. One would be careful about putting €1,000 on a bet in Paddy Power with those odds, not to speak of €10,000. This process involves considerable sums of money, both in terms of the value of the progeny on the market and the lost grants.

If I understand the position correctly, the ICMF's problem is that the scheme is new in that genotyping and data collection are new and the longer and more consistently the ICMF receives the data, the more the actuarial level will increase. After five or six years, it will plateau at a high level of accuracy but at the beginning, the reliability of the bulls is lower because the ICMF does not have much data on them or their progeny. In that case, would it not have been better to have removed the penalties from the game on the basis that the market will look after people doing the right thing? Would it not be preferable not to introduce penalties until the scheme has been operating for a long period, farmers have acclimatised to it and much more reliable data are available? Once the data are available, the penalties could be introduced over time, perhaps in the next round of the scheme. At that stage, I assume penalties would not be necessary because most farmers would be doing the right thing as the market will determine that it would be sensible to do so.

It is a statistical fact that 48% of herds have fewer than ten cows. I was surprised to learn from the data supplied by the Department that approximately 45% of herds in counties Carlow and Kilkenny have fewer than ten suckler cows. It is not the case, therefore, that the smaller herds are all located on the west coast as there are many smaller herds on the east coast. While there are fewer herds in the east than in the west, the variation in herd size is not dramatically different between the regions. In other words, a high proportion of herds in the east are small in number, notwithstanding what many east coast farmers may believe. There are some very large herds in the west. If a suckler farmer is using artificial insemination, how many bulls are recommended if he has eight cows? If he gets it wrong, he is in trouble five years down the road.

Senator Pat O'Neill: To follow on from my point that the progeny of a five-star bull and five-star heifer should be five stars, which point was raised by Deputy Fitzmaurice and the Chairman, the delegates stated during our previous meeting with them that if one bought a five-star bull, it would retain its five-star rating. Is that not true?

Mr. Sean Coughlan: For the purpose of the scheme.

Senator Pat O'Neill: Therefore, a five-star cow will continue to be a five-star cow.

Mr. Sean Coughlan: If she is genotyped with five stars, she will continue to have them for the purpose of the scheme.

Senator Pat O'Neill: For the purpose of the scheme. Therefore, progeny from five-star cows are five-star animals. With regard to genotyping, how many progeny must one see data

on before one can actually change a rating? A heifer or cow that has had its first calf may have been ill, which would have consequences.

Of the 27,000 or 29,000 herds that have been entered into the scheme, how many are now compliant with the 20% target for 2018? With regard to penalties, we are all obliged to register a calf within 27 days. If a farmer encounters a problem or there is another problem, such as forgetting to register, such that a calf is not registered within 27 days, will the farmer be penalised? The terms and conditions issued by the Department state all animals must be registered within 27 days. If, through a clerical error, somebody forgot to register an animal, would it be disqualified from the scheme?

Deputy Paul J. Connaughton: There is a certain amount of distrust in the farming community regarding this matter on the basis that it has been run out. The federation is trying to move on the genetics of the herd quite quickly. This is taking away farmers' old-style belief in being able to tell by eye how good an animal is. Moving from this approach to science results in some distrust. Is there any independent body over the federation that can verify its approach is correct? An independent body could stand over the approach and say all is good with it.

Can a five-star or four-star crossbred animal born into the herd be used as a sire and not be purebred at all? If so, is the farmer not taking a huge risk with the next progeny? I refer to circumstances where the bull is crossbred even before starting.

Mr. Sean Coughlan: I will take a couple of the questions and Dr. Cromie shall respond to Deputy Ó Cuív.

With regard to the question on compliance, approximately 90% are compliant for 2018. The key point to remember, which is one of the key points we were making at the meetings, is that when we look at farmers' Euro-star ratings, we see a significant weighting among four and five-star animals towards the older cows. As we have bred further generations, we have been breeding the maternal traits out of them. That is the picture today but one must ask how many of those older cows will actually be in the herds in 2017, 2018 and later. While the figures look good right now, it is critical that we do not take our eye off the ball and that we start a breeding strategy right away to ensure we are regenerating more and more four and five-star animals.

Registration within 27 days is a requirement of the scheme. I have no doubt that if there are extenuating circumstances affecting why a calf is not registered, *force majeure* arrangements will apply. The same applies to the Chairman's questions on land and TB-related depopulation. On Deputy Connaughton's point, we work very closely with Teagasc. It is an independent entity that is examining how we put together the evaluations. Much of the work we do and the economic models we use to put together the evaluations are based on work done by Mr. Paul Crosson in Teagasc, Grange. Therefore, there is independence.

The Deputy is correct that there is some resistance and unease over the combining of science with what people consider to be the traditional art of cattle breeding. It is not a case of either-or; one combines the best of both but genomic data and genetic evaluations can indicate to a farmer certain characteristics he cannot see just by looking at an animal.

Mr. Sean Coughlan: Is that not for a purebred animal?

Deputy Paul J. Connaughton: From an ICBF perspective, our very clear breeding recommendation is that in order to achieve genetic gain, purebred bulls should be used to generate the next generation. The scheme allows for non-purebred bulls to be used but the ICBF recom-

mends at all times that a purebred bull be used. All aspects of our breeding programme support that.

Deputy Paul J. Connaughton: Is that not counter-productive if there is an anomaly with a four-star or five-star crossbred animal?

Mr. Sean Coughlan: This brings us back to the point that life on farms is such that a weanling will jump a gate at various stages. The reality is that not all calves will be born of purebred bulls all the time. We have to allow for those eventualities, and the Department has been reasonable in allowing for them.

Dr. Andrew Cromie: I will respond to Deputy Ó Cuív's questions. Many of them hinged on the replacement strategy and artificial insemination. I mentioned education and training. The Deputy was concerned about how many people will read the terms and conditions or seek to attend the education and training courses. As I indicated, our plan is to start the education and training in February. It is expected that the courses will be completed in 2016 for the 27,500 herds. Our plan is to do the training in groups of approximately 25 farmers, each doing a four-hour training session. Approximately two and a half hours of that will be devoted to the Euro-stars and replacement strategy in particular. We are very anxious to adopt an approach such that the herd owners who find the scheme somewhat more challenging owing to their not having as many four- and five-star females initially will be targeted for education and training early. There will be constant communication with the farmers on the status of their herds.

The first beef data and genomics programme reports indicated the status of herds with regard to the 2018 requirement. We have to have a very accurate and up-to-date picture as more data, including genotype data, become available. We anticipate communicating very regularly, at least twice per year, and giving farmers the latest indication as to where we anticipate their herds to be in 2018 and 2020, particularly in regard to the replacement strategy requirements. Deputy O'Cuív's concern about a bull that has been purchased and whose evaluation may be starting to slip down, thus affecting his progeny, is that the farmer will know about this for the first time only in 2018.

Deputy Éamon Ó Cuív: It is not only that but that there will be heifer calves with a much lower star rating than anticipated given the five-star bull. What does the farmer do? Does he sell them off? It could delay the farmer by a year or two.

Dr. Andrew Cromie: That is a concern and it is very justified. The view we are taking is that we will communicate constantly with farmers on their standing under the scheme. It may require some interaction with Teagasc or advisers so additional advice for the farmer may be provided. Our goal is not only to ensure every farmer reaches the targets of 20% and 50% but also to ensure farmers have as many four-star and five-star animals as possible as they work their way through the scheme. Ultimately, this is what will drive profitability and sustainability on farms. It is certainly a process of constant communication throughout the scheme and our goal is that farmers will meet and exceed the requirements. The specific point on artificial insemination is very relevant. Can we indicate that a bull is proven? We publish an active beef bull list which indicates only proven maternal artificial insemination bulls, those which have daughters with milk and fertility evaluations. The suggestion that it be clearly stamped or indicated on an artificial insemination catalogue has been considered and discussed, and it has much merit.

Deputy Éamon Ó Cuív: Is it a certainty? Is Dr. Cromie saying the reliability of a bull will

be indicated in the artificial insemination catalogue?

Dr. Andrew Cromie: Yes. The Deputy is concerned that the programme is only starting now. We must think back. The underlying data that supports the programme began to be compiled in 2008 with the suckler cow welfare scheme. Since then, farmers have been collecting the data that underpins the scheme. This includes the sire date of calves and all the relevant data recorded on calf quality and docility. Last year's scheme gave us the genotype data. We are in a very strong position regarding launching the scheme with a level of confidence that with genomic evaluations, or using the genotype data in the Euro-Star evaluations, we can confidently give an indication to farmers regarding the four-star and five-star status of animals.

Although there is an expectation that at some stage, with genotype and other data, it will be 100% accurate, that is not the case. There is a natural plateau effect. Although with genomic evaluations, one can add so much genotype data, there will always be a level of uncertainty associated with genetic or genomic evaluations, until we reach 99% reliability, although that would be an artificial insemination sire with 10,000 progeny. Genotyping will not be able to deliver this. While it may be able to deliver a reliability in the order of 60% to 70%, it is nothing like 95% or 99%.

Deputy Éamon Ó Cuív: What is the reliability like now?

Chairman: Deputy, please. We have witnesses waiting outside.

Deputy Éamon Ó Cuív: Dr. Cromie mentioned 60% and the plateau, which I accept, as I said earlier. What is the reliability with the amount of data collected to date?

Deputy Michael Fitzmaurice: If a farmer buys six or eight five-star heifers, is it true that with the genotyping he or she could end up with a full herd of two-star or three-star animals by 2018?

Chairman: Regarding the phrase "training completed on time" in the penalties list, when does "on time" begin?

Mr. Sean Coughlan: The deadline for the training is the end of October next year. Deputy Fitzmaurice's scenario is in the realms of Deputy Ó Cuív talking about the *Titanic*. While it is possible, it is highly unlikely.

Deputy Éamon Ó Cuív: The thing about the *Titanic* is that it happened.

Senator Pat O'Neill: That is part of the question I asked, which was not answered. How many progeny need to be tested before one can get an accurate picture of the genotype?

Mr. Sean Coughlan: As Dr. Cromie said, to get an artificial insemination bull to 99%, one might need 10,000 progeny.

Senator Pat O'Neill: I mean for an individual cow.

Mr. Sean Coughlan: The maximum a cow will have will be eight or ten progeny. She will not have 20 or 30 progeny.

Chairman: I apologise. I am a bit edgy here. It is 4.25 p.m. I appreciate we had a break and we have given the debate an hour and three quarters. I thank Mr. Coughlan and Dr. Cromie for coming before us. I appreciate that they have updated us on progress. One of the points

made back then was that a roadshow information session was required. Although the witnesses would have preferred if more had attended, at least the first round was very welcome and the word should spread. Improved animal performance yields better profit, and knowledge transfer and training will be critical.

We will suspend in order to allow our other witnesses to come in. I ask members to stay if possible.

Sitting suspended at 4.26 p.m. and resumed at 4.28 p.m.

Organic Sector: Department of Agriculture, Food and the Marine

Chairman: I remind members and witnesses to turn off their mobile phones. I welcome, from the Department of Agriculture, Food and Marine, Mr. Paul Dillon, assistant secretary, Mr. Ronan O’Flaherty, principal officer, Ms Joan Furlong, assistant principal officer, and Mr. Frank Macken, agricultural inspector. I thank them for coming here to brief the committee on the organic farming scheme. I apologise for the unexpected delay. We had an issue in our private session and a suspension due to the minute’s silence observed in the Dáil.

I remind witnesses that they are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members have already been reminded of their responsibilities regarding privilege.

Mr. Paul Dillon: I thank the committee for the invitation to address it today on the subject of the new organic farming scheme under the Rural Development Programme 2014-2020, and on a number of matters relating to organic farming in Ireland. I note in particular the issues raised at a recent session of this committee, on 8 October, which heard from members of the Organic Farmers Representative Body, and I hope that in the course of our discussion here today we can clarify many of these issues for the committee members. At the outset, it should probably be said that the Organic Farmers Representative Body is not an umbrella organisation representing all or even most organic farmers. It represents a number of small livestock farmers and does so most effectively and efficiently. The usual forum for discussion between the Department and the organic farming sector is the Organic Focus Group, which meets quarterly under an independent chair and which is representative of the entire sector. The Organic Farmers Representative Body attends these meetings and the Department has also met independently with the body on several occasions to hear its views and to respond to its various proposals.

Having studied the transcripts of the discussion at this committee on 8 October, I found that four main issues were raised: the framework of support established under the new organic farming scheme which was introduced as part of the RDP; the question of double-funding under GLAS and the new organic scheme; the problem of delays in making payments to organic farmers; and the cost of membership and inspections applied by the organic control bodies.

The new organic farming scheme was introduced following a wide round of consultation

which extended over almost two years as part of the process of drafting the new rural development programme. It also takes account of a detailed value-for-money review which was completed last year and which quite deliberately links across to both GLAS and to the targeted agricultural modernisation scheme, TAMS, in creating a comprehensive framework of supports for the sector.

The new organic farming scheme was launched in April 2015 with a budget of €56 million over the lifetime of the RDP. It provides for significantly increased rates of payment to all organic farmers, irrespective of sector. For example, the standard rate payment, which applies to most farmers including livestock farmers, was €106 per hectare under the old scheme, but under the new scheme this has been increased to €170 per hectare, which is a 60% increase. In addition, the area on which full payment can be made has been increased from 55 hectares to 60 hectares. The new scheme also specifically targets tillage farmers for the first time, as this is an area that was identified as being in deficit and is of key importance both in its own right and as a source of home-grown organic feed for the livestock sector. For the same reason, the new scheme also encourages the cultivation of red clover as a high-protein dry-matter fodder crop for the purpose of building supplies of organic feedstuffs.

The Department of Agriculture, Food and the Marine is very pleased that the new scheme has been hugely successful since its launch, attracting 870 applications in its first tranche. To put this in context, the highest number of applications ever received previously was 380 applications in 2010. In addition, over 500 of the 870 applicants are new entrants to organic farming. The highest number of new entrants to organic farming heretofore was 158, in 2009. By any standards the new scheme is a major success, and we have already met most if not all of our targets for the entire RDP period in this first intake of applications.

There are also 720 existing participants from the previous organic farming scheme, which means that when all applications into the new scheme have been processed and approved, we should have some 1,600 organic farmers in the system. This is a major step forward. Together, these farmers manage about 60,000 hectares of land, and because of the structures we are putting in place, we hope to secure this land under organic contract for at least the next five years. For the first time, this allows us to plan ahead with confidence in terms of an organic food market.

Participants under the new organic farming scheme receive significantly higher payment rates than under the previous scheme. Following extensive negotiations with the European Commission, it has been agreed that the benefit of these higher payment rates can be extended to current scheme participants who are under the previous organic farming scheme. This ensures that all organic farmers in the country are now operating off the same footing. Furthermore, the Commission has very recently agreed that we can extend the contracts of people operating under the old scheme so that all participants can now be confident of a secure system of supports right up to the end of the RDP period.

Part of the success of the new scheme is due to the synergies we have put in place with both GLAS and TAMS. Under GLAS, an organic farmer receives guaranteed priority access to the scheme under tier 1. Under TAMS II, a dedicated capital investment scheme has been put in place specifically for the benefit of organic farmers, providing support for the widest range of equipment and structures of any TAMS scheme. The TAMS organic capital development scheme has a budget of €8 million over the lifetime of the RDP. In addition, the Department has put in place a wholly Exchequer-funded scheme of financial assistance directed towards processors to facilitate the development of the organic sector, with a budget of €1.2 million in

2015 and similar for succeeding years. The package of measures available now for the organic sector exceeds anything which was in place previously. More important, however, it demonstrates clear, joined-up thinking between the different strands of support that could be utilised.

I will now turn to the question of double funding between GLAS and the organic farming scheme. I wish to clarify that all organic farmers can access the full range of GLAS measures and in many cases this presents a unique opportunity to top up their organic farming payment with up to €5,000 or more a year under GLAS. The only proviso is when similar actions are in place under both schemes - in such cases it is a clear stipulation of the European legislation that a risk of double-funding exists - that this must be explicitly addressed. It is not possible to be paid twice for the same action, particularly when in most cases the basis will be compensation for income foregone which is already being paid under one or other action. We are happy to discuss this with members and we will do our best to explain the issue as clearly as possible.

With regard to delays in making payments to organic farmers, this was indeed an issue last year due to an industrial dispute at local office level. The impact on organic farmers is deeply regretted and we are doing everything to ensure that the first instalment of this year's payments will go out to all eligible farmers before Christmas. Reference was made to charges levied by the various organic control bodies. These are independent bodies which operate on the basis of commercial contracts with their farmer clients. There are five separate organic control bodies operating in Ireland and it is open to any farmer to choose to which one he or she wants to sign up. Members will appreciate that it is difficult to comment on the rates being charged in such circumstances. Each of these bodies is approved by the Department to carry out the necessary controls and checks to ensure that Irish organic farmers are operating to at least the standards laid down across the EU. In accordance with the governing EU regulations, specifically Article 27 of Council Regulation (EC) 834 of 2007, this certification process can be delegated to approved control bodies. This is the approach we have taken in Ireland and which is common across many member states of the European Union. The flexibility to delegate this work to anybody other than an approved control body is not provided for within the governing legislation.

The Department contributes directly towards the cost of inspections by these bodies to the tune of €150 a visit, a contribution which we increased recently from a previous rate of €121. The organic control bodies play a critical role in ensuring that the standard of Irish organic farming and produce is respected and relied upon worldwide, which, in turn, is key to unlocking the extensive framework of supports we have put in place through the EU regulations. It is also key to the development of a vibrant and growing organic market. That is all I have to say at present but my colleagues and I are available to take whatever questions members may wish to pose. I thank the Chairman.

Chairman: I thank Mr. Dillon for his very informative presentation. I appreciate the fact that he took the time to read the transcripts, to highlight the issues and to address them directly and individually, which is helpful. I have several Senators and Deputies who want to contribute or ask questions, which is good.

Deputy Michael Fitzmaurice: I thank Mr. Dillon for his presentation. He said there are 870 new applicants and that 500 of those are brand new. Can it be presumed that the other 370 are people who were in the scheme but went out of it and came back in again at some point? The Department is looking at 1,600 altogether so that means there are 720 existing participants. Can Mr. Dillon clarify how long it will be before the existing farmers who will enter the scheme this year are fully converted to organic production? From what they are saying, I understand that many of the smaller farmers are not comfortable remaining in the scheme. I

have discussed the issue with Mr. Dillon and with Ms Furlong previously. If many of them are lost to the scheme, is there a risk of a trough over the two-year period starting now until it goes fully organic in two years? While the scheme has higher rates per hectare, double funding was possible under REPS at one time, something Mr. Dillon will address. Under new EU rules that is not allowed at the moment. Smaller farmers who farmed ten, 15 or 18 ha had problems.

As well as farmers, does the Department fund the independent groups on which the witnesses said they would not comment? They are Department-approved, but there seem to be problems in terms of what they are charging. Does the Department contribute towards them and, if so, how much does it give?

We know there are 760 farmers under the old scheme, with a manual payment system. I understand the 870 new farmers coming into the scheme will be on a database or a new modified system whereby a button can be pressed and payments sent to them. Will those on the manual system remain there? The witnesses alluded to the fact that there were major problems last year. Can anyone guarantee that the farmers concerned will be paid by Christmas? There is a lot of fear about the scheme.

The organic groups to which I have spoken raised issues with me. This may not be the place to discuss them, but Senator O'Brien also spoke about the issue. We discussed areas such as Connemara, the hills in Mayo, Wicklow, places where there are mountain lamb and areas which would not be fertilised. Can we get clearance from the EU to classify such areas as organic? One would not spread fertiliser on the top of a mountain. Such a scheme would probably involve sheep rather than cattle. Areas such as Donegal and Kerry could be included. Many areas in Ireland are left to themselves, fertilisers are not being pumped into them and they are not being tampered with. The issue arose during a previous meeting and it is worth discussing.

Senator Pat O'Neill: I thank the officials. Deputy Fitzmaurice has dealt with all of the issues they raised. In their submission to the committee they stated that the Organic Farmers Representative Body is an umbrella organisation. They have dealt with the four issues it raised that were of concern to it. I would not dismiss its concerns and the issues it raised. The officials have dealt with the new organic scheme, increased payments and double funding.

The most prominent issue is the delay in payments. I note in the submission it was stated that an industrial dispute in the office last year held up payments. I hope that has now been settled and that people are paid before Christmas to this year. Bodies that rate organic farmers are independent and the Department cannot interfere with them.

Could I have a breakdown on the 1,600 farmers the officials have said will be in organic schemes within the next year? What is the breakdown between livestock - including sheep, beef and dairy - poultry, tillage and vegetable production, in terms of the farms that will participate? Are many farms mixed or specialised?

Senator Michael Comiskey: I thank the Department for its presentation, which contained very useful information. I agree with Deputy Fitzmaurice that in the west of Ireland, particularly along the western coast, a lot of mountain and hill land is not fertilised. I have always said that a lot of lamb and other produce coming from such areas would be organic. Some farmers may give one or two doses to a lamb and would feed and fatten them up.

I welcome the move regarding the tillage sector, because getting organically grown grain was a problem. The news is very welcome for organic farmers. A number of members have

referred to delays in payments, which was a major problem. We received representations from farmers in the organic sector whose payments were delayed, something which annoyed them greatly. It is good to see that the problem has been sorted out.

I missed the discussion on whether farmers can still join the scheme. It is important that we get the numbers up. Things look very positive for those people. The combination of GLAS and the organic payment will be attractive for farmers.

Senator Mary Ann O'Brien: I thank the officials for coming before the committee and addressing our concerns and comments about the previous visit we had from organic farmers. I listened carefully to what they said and understand that under EU law the Government is allowed to tender for certain things, but I fail to see why five bodies certify the organic sector.

I examined what Austria is doing. Let us remember it is 2015 and we talk about climate change every day. Agriculture is the one area that adds to the problems of climate change. Organic farming saves 60% of the CO₂ that is produced by conventional farming. I want to open a conversation in this country about what Austria is doing that we are not. Some 14% to 16% of Austria's farmers are organic and it has become a centre for all things organic, even tourism.

I listened to the Minister, Deputy Coveney, who is so articulate. We are the green island and there are bodies such as Origin Green and Bord Bia, but a very small minority of farms are organic. The group which came before us at a previous meeting is not powerful. I am not coming up with any light bulb ideas. The officials have given us great answers, but I still feel rather lost in terms of the organic movement and I do not feel we will sit here in ten years' time and say we have passed out Austria. It would be good if we could do so.

Small-scale farmers are important. We do not ever want to become a country of giant farms. A satellite view of Ireland shows that we are suited to small farms, and this is exactly what suits small-scale farmers.

I again thank the officials for the very relevant answers they gave us today, but I am still anxious and slightly concerned for the future. I hope they will join me in thinking that we must brainstorm on how we can assist farmers. I heard what they said about payments and all of that, but we are not the same as all other EU countries. How can we assist farmers and the thinking and vision of our young people in planning to go into the sector in the future?

Senator Pat O'Neill: The average household income in Austria compared with Ireland explains why the rate is 14% to 16%.

Chairman: A number of questions have been asked. On the double payment, I recall the organic representative body identifying that the way the different measures are grouped seemed to restrict farmers who were unable to do something else in a group where there was overlap. I cannot recall the individual measures but the group said farmers might have been able to do things that were complementary. I would like clarification on whether such a rule amounted to double payment. I understand fencing and hedging was one such category.

Mr. Paul Dillon: I will start with the last point first. We have an open mind when it comes to what can be done, in terms of what we need to be doing that we are not doing. We always have an open mind because we identified this as an area which needs attention. We are putting extra resources into innovative schemes. If that does not work, we will have to look again to see what needs to be done.

To turn to Deputy Fitzmaurice's queries, the idea with the existing scheme participants and the new scheme participants is that they will all start now from a new five-year contract. We will lock them all in for five years from now. We thought we could get approval from the European Commission to transform existing old organic scheme participants into new ones, but it said it had a difficulty with that because of the regulations. In fact, that is what we were going to do. We are allowed to leave current scheme participants where they are but we must pay them the higher rate. They are going to get new contracts starting from now which will mean that we will have all of them locked in for five years from now.

Deputy Michael Fitzmaurice: To get clarification because that is an important point, if they opt out at the moment, are we going to have a two-year lull due to having all new ones in? It looks like we will going by that.

Mr. Paul Dillon: We suspect that we will not. To take sheep for example, we suspect the output of sheepmeat is going to go up significantly. We look at it sector by sector but we do not expect that there will be a trough in production, which is what the Deputy is concerned about.

Deputy Michael Fitzmaurice: I am talking about the changeover from zero for the two years.

Mr. Paul Dillon: Yes, I know, because we are taking on so many new people. However, we do not expect that there will be that much churning, for want of a better word, or that there will be that many people walking away from the scheme. We have put in place a measure which allows people who are in the existing scheme to get the higher rate of payment and to get contracts.

Deputy Michael Fitzmaurice: The point is taken. I agree with Mr. Dillon that a measure has been put in place. The only thing is that if one is a smaller farmer, one is walking away from it because if one goes into GLAS, one can get €5,000. I know Mr. Dillon spoke about the measures and I understand the point, but if one gets the €180 per hectare on a 15 hectare farm, one will not get to €5,000. We have done the figures and Mr. Dillon is probably aware of that. One is better off to go into GLAS and not have the hassle of organic, going by the system. For the smaller fellow under 20 hectares, is that a fair point?

Mr. Paul Dillon: No doubt, there will be some people in that situation. Of the 870 new people who are coming in, 160 of them have fewer than 20 hectares and 160 are greater than 55 hectares.

Deputy Michael Fitzmaurice: Where is the 310 starting off?

Mr. Paul Dillon: Yes, if one works it out. There are a number of small ones who are coming in and a number of large ones. We do not anticipate that there will be a large fall-off in production.

I might ask some of my colleagues to answer some of the questions as we go through them. On the issue of double funding with REPS, the big change was that under the new CAP when it was negotiated, the direct payments regulation and the rural development regulation were changed to state explicitly that one is not allowed to be funded twice for the same action. This was previously identified by the European Commission as a risk to funds. What one must look at is what income is being forgone by the farmer for a particular scheme and then ask if the same action is involved for two different schemes. If that is deemed to be so, one cannot be paid under both schemes. That was identified as a serious risk to funds and it was explicitly stated

that double funding had to be avoided. That is why payments in the organic scheme are made on the basis of income forgone and costs incurred. For GLAS, payments are made on the basis of income forgone and costs incurred. Low-input permanent pasture is an example that is often quoted. The action involved - the income forgone by the farmer in GLAS - is almost identical to the income forgone by the organic farmer. Therefore, one cannot pay organic payment and low-input permanent pasture payment on the same land. That is the logic and one can understand it. It was not an issue in REPS because the regulation was changed since REPS. That is the point there.

I was asked whether the Department funds the organic control bodies. We make a payment of €150 per visit per annum. For each member that is attributed to the particular control body, there is an entitlement to a refund from us of €150 per annual visit. That is the way we fund them and that sum was increased.

I was asked about a manual versus an automated system. Our original plan was that we would be able to transfer all of the existing scheme participants into the new scheme and that would all be automated via an online system. However, the Commission told us clearly that it would not allow us to do that. As such, we had to come up with a hybrid system. That is why we are stuck with some of the manual payments.

Deputy Michael Fitzmaurice: They are going to be new now. Are they in the new system?

Chairman: Please, Deputy. The Deputy is taking liberties all afternoon and we are getting near the end of it. My patience is going.

Mr. Paul Dillon: What we finished up with is a hybrid system. As far as the farmer is concerned, if we are able to make the payments on time, it will make no difference. Some of it is being done manually and some of it is being automated. It is kind of a hybrid system. We were forced to do that but they will all be brought in. In due course, they will all come in. It was forced upon us because the Commission would not allow us to transfer the existing guys into the new scheme.

On the delay in payment, we admit fully that we were late with payments last year. We have given a commitment that it will not happen again this year. That is what we are working on now. We have given that commitment and will stand by it.

On marginal mountain land, I was asked if it can be identified as an organic area. There is provision on that and my colleague, Mr. Frank Macken, will probably enlighten the committee in that regard.

Mr. Frank Macken: The question asked by at least two members was on the opportunity to include marginal land in organics. There is a provision within the regulation which speaks about the grazing of common land by organic animals alongside non-organic animals. There are very specific conditions to do that. In short, the answer is yes, there is provision to do this. However the implied question is whether there is a generic approach to all the mountains and hill lands of Ireland. It does not work like that. The rules are specific and confined within the organic regulations so that one cannot break out of that. To avail of this, one must be an organic farmer. The answer is yes, there is provision to graze animals on commonage, but one must be an organic farmer to avail of that opportunity. While the simple answer is yes, in terms of seeking a relaxation from the Commission as a general overall rule for Ireland, that will not happen. Organics is a specific form of food production and within that there are measures and

opportunities for farmers. That includes one of them. If the Chairman wishes me to go into the detail, I will, but that is the principle involved.

Chairman: That is okay. One has to be an organic farmer to avail of it. The land can be deemed to be organic. That is the point. That is the nub of the question.

Mr. Paul Dillon: I will continue if the Chairman likes.

Chairman: Yes.

Mr. Paul Dillon: Turning to the queries raised by Senator O'Neill, we accept the point about the concerns of the organisation expressed at the previous session. That is why we have gone through it in some detail to see if we are addressing those properly. We have met them quite regularly. They are also members of the organic focus group. As such, we have a good bit of contact with them. The biggest issue they expressed was the delay in payments and we have dealt with that.

I was asked about the cost of membership of the organic control bodies. We have looked across a number of other member states of the EU to see how they operate and there is a mix. Some countries operate the same system as we do and some operate it from the agencies themselves. Somebody mentioned Austria, which has eight private sector organic control bodies. That is not dissimilar to how we operate it ourselves. There is competition between the control bodies. That is the way they operate.

I was asked about the breakdown between the different sectors. Ms Joan Furlong will give the committee some of the breakdown.

Ms Joan Furlong: At the end of 2014, having regard to the old scheme, we already had 125 cereal producers covering an area of 1,375 ha. Under the new scheme, 500 new people are converting to organics for the first time and that accounts for 100 new cereal producers with an area in excess of 730 ha. From a horticultural perspective, we have 202 producers under the existing scheme covering an area of 301 ha. Under the new scheme - and I am speaking in relation to the 500 people who are converting to organic for the first time - we have 97 new horticultural producers covering an area of 78 ha. With regard to beef, there were 294 herds at the end of 2014. The new entrants to the scheme will bring in a further 145 herds. To put that in context, at the end of 2014, the 294 organic-registered herds accounted for 4,425 cattle. The 145 herds that are currently being converted to organic herds for the first time will account for 3,040 cattle.

Senator Pat O'Neill: The average herd size is approximately 25.

Ms Joan Furlong: Yes.

Mr. Paul Dillon: We agree with Senator Comiskey that lamb represents an area of great potential. We regard it as one of the big growth areas given the amount of marginal land available and the low intensity at which lamb is reared in many of these areas.

We have spoken about delays in payment already.

On the question as to whether the door is still open to people who want to join, we are examining that at present and will be making a decision on it shortly.

With regard to the combination involving GLAS and the organics scheme, there was a de-

liberate move on our part to regard organic farmers as having priority access under the GLAS because we recognised organic farming as a practice to be encouraged. Bearing in mind the demand for access to the GLAS, it is an advantage to be organic or in the process of converting to organic farming. We are well aware of that.

On Senator O'Brien's points, should we examine further the Austrian model? Is there something the Austrians are doing that we do not do? A larger proportion of Austrian farmers are organic. They have a smaller farm size and a small enough herd size. They operate on the basis of eight certifying bodies, which are private sector controlled. We have five and they have eight so there is a lot of competition there. The Austrians have one representative group, which comprises almost two thirds of all their organic farmers. That seems to be a difference; there seems to be strong representation. Perhaps that is a factor. Perhaps it is just the type of farming they do on the type of land they have, or the fact that they have alpine pastures that are covered in snow for much of the year. Perhaps it is all those factors together. However, we have examined and will continue to examine the Austrian model.

We are open to constructive suggestions. If there are arrangements we need to change, we will consider them. We believe the combination of GLAS, TAMS and the organic farming scheme, particularly considering the capital investment opportunities for organic farmers that are not available for other farmers and the ring-fenced processing money that is not available for other areas, should in itself stimulate interest. If after the mid-term review of the rural development programme we find an insufficient uptake, we will need to determine what we need to change. However, we have an open mind.

Senator Pat O'Neill: Reference was made to "livestock". Is that bovine livestock? The sheep flocks look very small.

Ms Joan Furlong: That excludes sheep.

Senator Pat O'Neill: I am sorry; I missed that.

Senator Mary Ann O'Brien: I thank Mr. Dillon. The comment on grazing in the mountains and hills was fascinating. I wonder whether Senators, Deputies and the farming community as a whole are aware that organic animals can graze alongside non-organic animals up on the hills. I was not aware of it. There is a hell of a difference between the price of organic lamb and non-organic or regular lamb.

Deputy Michael Fitzmaurice: For what is the OFS2 form needed? I realise that when one gets 75% of one's payments, one has to send in the form. What is the reason for it? Does the Department subsidise the organic bodies? I asked that earlier but the delegates may have omitted to answer. As with a farmer who draws down the single farm payment, for example, why can this not be looked after by the Department? Is it true that if one is coming to the end of one's organic farming arrangement, one gets priority in applying for GLAS? If organic farmers get into GLAS now, will they be kicked out of it if they decide to get out of organic farming when their schemes end in January or February, for example?

Dr. Ronan O'Flaherty: On the last point, we have identified organics and organic status as guaranteeing the farmer access to tier 1 of GLAS. As with every other priority or environmental asset one might have, such as a bird action or a Natura action, if that action gets one in ahead of anybody else there is a requirement to keep it for the duration of the contract. Similarly, if one has used organics to get into tier 1 of the system, one is expected to honour that over the

period, to be fair to the farmers who were not allowed in.

Chairman: What about the OFS2 form?

Mr. Paul Dillon: It is the end-of-year declaration to draw down the payments.

Chairman: It is the same as the declaration one used to sign in REPS.

Mr. Paul Dillon: It is a declaration to state one has complied and is eligible for payment.

Chairman: The subvention was €150 per visit.

Mr. Paul Dillon: Yes.

Chairman: On Deputy Fitzmaurice's point, the Department is paying the contribution. Since there are five control bodies, there is some level of competition. There is a refund of €150 per visit. That is in the written presentation and has been confirmed by Mr. Dillon.

All the questions have been answered. I thank Mr. Dillon and his colleagues for attending. I apologise to them sincerely for the delay and I realise they are very busy people. We will endeavour to ensure this does not happen again. There was a couple of unforeseen items on our schedule today, unfortunately. I appreciate the manner in which the delegation has addressed the committee. If every meeting could be held within 45 minutes and with such productive engagement, it would be desirable. The presentation outlined what had happened, and it reflected on and dealt with every issue raised by the Irish Organic Farmers & Growers Organisation. The questions by members were primarily to seek more clarification and qualification on those points. Everybody was well informed during the discussion. The joint committee is to sit again tomorrow at 11.30 a.m., when it is to discuss the horse and greyhound fund.

The joint committee adjourned at 5.10 p.m. until 11.30 a.m. on Wednesday, 18 November 2015.