

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

## JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

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*Dé Máirt, 20 Samhain 2018*

*Tuesday, 20 November 2018*

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The Joint Committee met at 3.30 p.m.

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### MEMBERS PRESENT:

Deputy Jackie Cahill,	Senator Rose Conway-Walsh,
Deputy Marcella Corcoran Kennedy,	Senator Paul Daly,
Deputy Martin Kenny,	Senator Tim Lombard,
Deputy Willie Penrose,	Senator Michelle Mulherin.
Deputy Thomas Pringle,	

DEPUTY PAT DEERING IN THE CHAIR.

## **Business of Joint Committee**

**Chairman:** I propose that we go into private session first to deal with some housekeeping matters. Is that agreed? Agreed.

*The joint committee went into private session at 3.35 p.m. and resumed in public session at 4.05 p.m.*

### **Implications of Brexit for Agriculture Sector: Discussion (Resumed)**

**Chairman:** I remind members and witnesses to ensure their mobile phones are completely turned off as they interfere with the broadcasting system here in the meeting room.

I welcome all of the witnesses to the meeting. I welcome from Bord Bia Mr. Pdraig Brennan, director of markets, and Mr. Shane Hamill, overseas trade manager. Today, we will discuss Brexit, the preparedness of Bord Bia and the implications etc. of Brexit on the agricultural sector.

Before we begin, I bring to the witnesses' attention that they are protected by absolute privilege in respect of the evidence they give to the committee. However, if they are directed by the committee to cease giving evidence in relation to 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 nor make charges against any person, persons or entity by name or in such a way as to make him or her identifiable. Members are reminded of the long-standing parliamentary practice to the effect that members should not comment on, criticise or make charges against a person outside the House, or an official either by name, or in such a way as to make him or her identifiable.

I invite Mr. Brennan to make his opening statement and then we will take questions from members.

**Mr. Pdraig Brennan:** I wish to convey my apologies, on behalf of Ms Tara McCarthy, who was unable to join us here today for personal reasons.

I thank the Chairman and members for the opportunity to brief the committee on the latest position on Brexit from the perspective of Bord Bia. I am accompanied by my colleague, Mr. Shane Hamill. He is the overseas trade manager for Bord Bia. He manages our Brexit activities and supports.

Overall, the value of food and drink exports increased by 13% to €12.6 billion in 2017. The share of exports destined for the UK declined from 37% in 2016 to 35% in 2017. However, despite losing share, exports to the UK rose by an estimated 7% in 2017 to some €4.4 billion, despite the ongoing weakness of sterling and the uncertainty created by Brexit. The change was very much driven by increased demand and strong prices, particularly for dairy and to a lesser extent for beef. As for year-on-year growth, from the end of quarter 2 in 2018 to date, exports of Irish food and drink to the UK was 2% higher. Again, the improvement was largely driven by increases in meat and dairy exports, while helped some fall in the exports of seafood

and beverages.

The value of our exports to other European markets increased from €3.53 billion in 2016 to €4.1 billion in 2017. Other EU markets now account for approximately one third of total exports. The value of exports to markets located outside of the European Union increased from €3.49 billion in 2016 to €4 billion in 2017. International markets now account for 32% of our total trade. Despite the challenges posed by Brexit, the UK remains the most important market for Irish food and drinks manufacturers. Exporters remain fully committed to defending our current market share and, where possible, growing business in the UK in the years ahead.

The Bord Bia Brexit barometer is a risk diagnostic tool that was designed to assess the individual company level impacts that Brexit can pose. The Brexit barometer for 2018 was launched on 23 March for six weeks with an aim to measure the progress made by Bord Bia's client companies as they prepare for Brexit. Key objectives of the exercise were to measure progress across key strategic issues, to identify evolving client priorities and concerns and to further inform Bord Bia's Brexit programmes and supports for its client companies.

The 2018 barometer took the form of an online survey, which was completed by 117 client companies that represent almost 50% of the total exports of food and drinks to the UK. The results demonstrate that the impacts of Brexit vary depending on a number of factors, including the preparedness of individual companies and sector level issues such as export dependency, supply chain complexity and access to inputs. The barometer also assesses the potential impacts that may be felt by the industry with regard to maintaining customer relationships in the UK, logistical challenges and cost increases arising from customs checks, sanitary and phytosanitary, SPS, inspections, the UK landbridge, as well as new export requirements such as documentation and a potential further depreciation of sterling.

Bord Bia published the results of the Brexit barometer on 21 June 2018. The barometer revealed that while 60% of respondents remain uncertain as to the impact of Brexit, 73% of them had made minor or clear progress in preparing for potential outcomes. The barometer found that 85% of respondents had spoken to key customers in the UK about Brexit in the past 12 months of which 80% had discussed Brexit with customers on two or three occasions. Of those that have not done so, 42% report that buyers had not indicated a wish to discuss Brexit with them. In addition, 80% of participants believe they will continue to have opportunities to increase sales to the UK. The potential strategies for increasing sales to the UK aligned on new product development, enhanced key account management and marketing strategies. Indeed, 54% of the clients who responded to the barometer now have tailored marketing strategies in place for the UK market, which is up from 39% in 2017.

Moreover, 62% of respondents have mapped their supply chains to identify possible challenges arising from Brexit but only 40% have taken steps to reduce supply chain costs. In the past year we have seen a significant increase in awareness by clients about whether supply chain partners are Brexit-ready. In 2017, 68% of participants were unsure as to whether their supply chain partners were Brexit-ready but a year later, that level had reduced to 40%.

Companies have made modest progress in their understanding of possible customs implications due to Brexit. Indeed, 45% of respondents believe they have either significant or a reasonable amount of experience in complying with official requirements, while more than 50% of respondents feel comfortable identifying the tariff classifications for their products.

More than three quarters of respondents have identified their risk and exposure to currency

fluctuations. They have taken strong action in terms of market diversification, with 85% of respondents actively seeking to expand their business into new markets and 75% of participants have reported a growth in sales to non-EU markets in the past 12 months. The most attractive growth markets outside of the UK have been in continental Europe, North America and the Middle East.

Bord Bia launched a recommendations report in conjunction with the overall findings of the Brexit barometer. The recommendations report has been disseminated to clients on an ongoing basis and focuses on outlining practical steps that companies can take to become Brexit-ready. The report also flags Bord Bia and other State supports and contains a template that can help companies to draft their own company-specific Brexit plan. A benchmark report was also launched and circulated to each respondent outlining how it scores in its preparedness alongside peer companies by turnover, as well as against overall responses. The objective is to highlight where each individual company should place its focus, which allows it to target resources in the year ahead into areas that require attention.

Bord Bia has focused on increasing the skills of industry in managing the key pressure points identified through the Brexit barometer around customs, currency risk and supply chain. Since November 2017, Bord Bia has been running a customs training programme made up of four two-hour sessions for clients. Each client also receives a two-hour confidential one-on-one mentoring session to work through sensitive commercial information and ensure tailored solutions by company. More than 50 clients will have availed of this training by the end of the year.

A currency training programme was also launched in November 2017 and has assisted 24 clients to design a treasury policy and foreign exchange strategy. This helps companies prepare for buyer meetings, tendering and negotiations and will also support existing and new business development. According to the results of the Brexit barometer, the supply chain is one of the highest risks emerging from the uncertainty around the UK's future status as a trading partner with the EU. Increased lead times, especially when related to short shelf-life products, in conjunction with a complex and intense supply chain, is a key issue facing the industry. Bord Bia's supply chain logistics guide helps businesses to optimise supply chain operations by reducing costs and identifying solutions to potential disruptions and identifying the right partners. The guide is aimed at current and potential exporters who wish to review their logistical operations for servicing both existing and new markets in Europe. Diversifying into new markets will challenge companies to review their existing supply chain and their logistics channels. Bord Bia's logistics partner database enables Irish companies to identify logistics service providers operating both in-market at a national level and internationally. As markets continue to evolve, exporters will need to look beyond their incumbent provider and become more educated in the options available. The database that Bord Bia has developed focuses on the UK, Germany, France, Netherlands, Spain and Poland. Bord Bia has hosted three supply chain workshops, with a total of 87 companies attending, focused on bringing the recommendations of the logistics guide to life, exploring optimisation opportunities and identifying key performance indicators, KPIs, for logistics partners.

If the export growth trends evident between 2009 and 2017 continue, international markets outside the European Union will account for more than 40% of Irish food and drink exports by 2025. Global population growth, along with increased urbanisation and affluence, as well as the intensifying challenges of climate change, provide the macro-context for this opportunity. Bord Bia was commissioned by the Department of Agriculture, Food and the Marine to undertake an in-depth market prioritisation exercise. This focuses on identifying relatively new markets that

are likely to present growth opportunities over the next five to ten years and on assessing these against the capability of Ireland to supply those markets. For this reason, strongly established markets, particularly some of the key European markets when it come to meat and dairy, have been excluded from this analysis. We adopted a funnel approach with an initial screening of over 180 markets using macro-economic and sector-specific criteria to assess and weight on the basis of each category. This has formed the basis of what we have now in our market prioritisation tool. The output from the tool initially was to develop a list of the top 30 markets for each category. Through ongoing consultation with industry and the Department of Agriculture, Food and the Marine, Bord Bia has identified 15 potential markets for meat, dairy, prepared consumer foods, beverages and seafood. Some 75 summary reports have been published for each market and sector, outlining the scale of the opportunity, the potential level of competition and any barriers likely to be faced by Irish exporters. In-depth reports are now being prepared on five of those 15 markets by sector and that will outline how Bord Bia and the industry can leverage what appear to be substantial opportunities. These outputs will guide Bord Bia's allocation of resources in order to help us work with the industry to deliver on insights, lead generation and in-market promotion, among other areas.

As part of Bord Bia's recruitment campaign for 2018, it is currently in the process of placing 13 additional staff in our overseas offices. The allocation of these resources was based on the market prioritisation exercise and these market specialists will assist food and drinks companies in market insights, planning and business development. Four new staff will be placed in Asia, in Singapore, Tokyo and Shanghai; four in Europe: in London, Amsterdam, Dusseldorf and Warsaw; two in the United States; one each in Dubai, Nigeria and North Africa. To complement that deployment, an additional 13 staff have been recruited to be based in Dublin and will support the international office network from various functions including the insight team, Origin Green and our sectoral teams.

A key part of our activities on an annual basis is Minister-led trade missions and this year they started with a livestock trade mission to Turkey in January, and to the US and Canada in February, both of which were led by the Minister for Agriculture, Food and the Marine, Deputy Creed. The Minister then led a trade mission to China and Hong Kong in May and to Indonesia and Malaysia just last month. In addition, Bord Bia hosted Marketplace International 2018 in the RDS on 12 April, which was attended by 532 buyers from 52 different countries across all continents. In the days before and after the event, some 290 buyers participated on 28 bespoke itineraries visiting 61 producers and 20 retail and food service sites. We have been actively following up on these leads to see how we can convert what are good prospects into real business opportunities for Bord Bia clients.

On stakeholder engagement, Bord Bia continues to play a leading role in the various Irish Government and industry fora to provide market and customer insight to policy makers and to prioritise support services and opportunities for Irish food and drink manufacturers. Bord Bia has held a number of meetings with Irish and UK customers to present the findings of the Brexit Barometer 2018 and to outline the preparedness of the Irish supply base. These meetings have been used as an occasion to assess the potential opportunities that can arise for Irish food and drink manufacturers post Brexit. A series of meetings also has been held with logistics operators to better understand the challenges that may arise from the supply chain as a result of Brexit and to feed back the expectations of food and drinks manufacturers on the sector.

In July 2018, Bord Bia launched Plan to Grow, which is a way of working more closely with individual clients to help them develop and implement their own marketing strategy. This

is the first time Bord Bia has launched a bespoke end-to-end service of this scale. This service will be central to helping seize emerging opportunities that have arisen in emerging markets, for example in China, with the opening of the beef market there in April, while also helping client companies to address the challenges being faced by their business.

I hope this presentation has given members of the committee a comprehensive overview of the challenges faced by the food and drinks sectors as a result of Brexit, their level of preparedness, as well as, hopefully, a good understanding of the actions being taken by Bord Bia on behalf of our client companies.

Mr. Hamill and I will be happy to answer any questions members may have.

**Chairman:** I thank Mr. Brennan for a very comprehensive update on where we are at present. Deputy Cahill was the first to indicate and I call him now.

**Deputy Jackie Cahill:** I thank Mr. Brennan for his comprehensive presentation. It is just what one would expect from Bord Bia. I had the pleasure to be on the board of Bord Bia for six years and it is an organisation that does its work very professionally and diligently. This report shows its preparedness, what it is putting in place for Brexit, as well as the implications it can have for this country. Unfortunately we are dealing with a lot of variables at present and we do not know what the deal will be. From Bord Bia's point of view, all it can do is what it is already doing, and to try and get companies prepared for the worst and most doomsday-like scenario one can imagine, which is a no-deal Brexit and the problems that will bring to our shores. Bord Bia has covered and closed off a lot of the dangers and pitfalls by preparing companies as much as it possibly can for it. Hopefully, we will not get into that scenario.

What happens when standards begin to vary between the two countries? At the moment one has rigid standards that are operable both here and in the UK. If standards start to vary along with currency fluctuations, I refer to the damage that will do to trade and how difficult that will make things. We saw the pressure our mushroom industry came under when the first talk of Brexit broke. Currency fluctuations will be a huge issue under that scenario. There is one issue on which I do not see anyone focusing very much. It is the case of other countries that engage in significant trade with the United Kingdom and what will happen when they have their products displaced. For example, the Dutch engage in a serious amount of trade. Their agrifood trade figure with the United Kingdom is 15% higher than ours. If there is a no-deal Brexit, they are also going to be looking for new markets and competing with us on the same playing field. That is one aspect on which I have not seen too much of a focus, namely, that the Dutch, the Danes and the Poles will all lose market share in the United Kingdom. On what markets will they focus post-Brexit?

We are down to a figure of 48% of our beef going to the United Kingdom. Realistically, it would be desirable to get it down by another 7% or 8%, which is going to be a serious job. For a good number of years we have been working to diversify markets. The United Kingdom has always been our best paying market. The beef industry is in serious bother. There is a kill rate of 40,000 head and returns to the primary producer are at a very low ebb. What are we going to do with all of that beef and what possible markets can we find for it? We have seen live exports grind to a halt in the last couple of months. Turkey was seen as the great white hope, but owing to problems with its currency, there are no cattle going there, which is putting a lot of pressure on the system.

Bord Bia has talked about the additional staff it has employed. In the last two budgets there



have been extra resources for it. I will ask Mr. Brennan an awkward question, but it is in the context of a no-deal Brexit. How much extra could be used by Bord Bia? Establishing new markets is not something that happens overnight with the flick of a switch; it is a slow process. Is giving Bord Bia an extra €5 million or €6 million realistic in the context of what it needs to diversify markets, given the huge volume of products we export to the United Kingdom? We will just not find a home anywhere else for the quantity of cheddar cheese going to the United Kingdom. Where can we go with that product? It might be difficult for Mr. Brennan to give a definite answer, but exactly how much extra in terms of resources could Bord Bia use to successfully establish new markets?

I want to ask about Food Wise 2025 and the targets set in it. We have the Mercosur and other threatened trade deals. Having regard to the serious emphasis being put on the need to tackle climate change, does Mr. Brennan believe the Food Wise and Food Harvest 2020 targets need to be revisited? We are hitting a lot of them and people are surprised by the rapid expansion on the dairy side which has exceeded even the wildest expectations. Are the targets set in the interests of primary producers? Last night I attended a meeting in Mallow, at which it was indicated that the figures by which we had increased production were great, but, unfortunately, the incomes of primary producers have moved in the other direction. If we produce all of the product by 2025, will it be possible to have it marketed that will give a return to the primary producer because that is definitely not the case at present?

**Deputy Willie Penrose:** I thank Mr. Brennan and his colleagues for their presentation. In the time of Aidan Cotter and many others, like Deputy Cahill, I always found Bord Bia to be an excellent organisation. Thankfully, we have always championed the call for additional resources which it has always repaid in spades in its efforts and marketing skills in related areas.

Market diversification is the key. Even if we were not hit by the threat of Brexit, it is incumbent on us to secure new markets for different products and to meet consumer preferences and everything else. It is absolutely critical that we do this and to see how we might be in a position to supply various markets. The disruption likely to be caused is something to which we have to pay particular attention.

Has Bord Bia identified the key parameters associated with the quality production in which we engage, particularly in the context of the emphasis placed on the need for people to see our product as being green grass-fed? Is that gaining any traction in identifying the new markets referred to? What is the likely degree of penetration in those markets as a result of what we have to offer? Are there improvements we can make or are we just fooling ourselves? The Food Wise 2025 targets are great, but, as in the case of every organisation, the representatives of which come here, if anyone tells us or indicates that we should stall the horse, he or she is looked upon as a Luddite and castigated, even non-verbally and the frown says it all. However, there is no point in having a glut of products and produce if we do not have markets for them. We have only defined and very limited markets. Up to nine of every ten animals we produce are exported in some shape or form. Likewise, for cheddar cheese, we are close to having one market for our product. These are the challenges. We should also be very clear and succinct in informing the producing public - farmers - that there may well be pitfalls ahead and that they should not allow themselves to go down the wrong road. It is all about finding new export markets for existing products and trying to have reopened some of the ones that were closed off. I am aware that Bord Bia is working on the issue and they potentially sound very attractive.

There is also the issue of developing new lines or products to substitute for the loss of the market share in the United Kingdom. Sterling has strengthened again in the last week or so,

but, of course, the exchange rate is up and down. It has become an oscillating currency as a result of the events occurring within the British Government. How does Bord Bia suggest we deal with the issue? With such a preponderance of products that go to the United Kingdom, how does Bord Bia see us getting our products to other markets if we win them because, as we know, the United Kingdom is a significant bridgehead? I am aware that new seafaring routes are being opened up and that we are making our own way and developing alternatives to travelling through Great Britain. Nevertheless, it is still a significant bridgehead which will be important. Is Bord Bia planning its alternative strategies on the basis that there will be a no-deal Brexit or is it considering the full panoply of potential outcomes to see how things might progress in that regard?

I am aware that next year Bord Bia will employ a number of people, including graduates, to play the roles it requires to play to facilitate the various sectors as they transit into the post-Brexit economic environment, especially after March 2019. I still have a strong feeling that in ten years' time we will be talking about this issue. It took Greenland three years to get out of the European Union and it had only had a few agreements here and there. In this instance, we are dealing with a very large country with a population of 60 odd million people and thousands of interlocking agreements. It is going to be a long haul. That is why I think we will be allocating resources to Bord Bia and other advisory and marketing bodies for a long time to come and I hope they will continue their good work.

**Chairman:** I will go back to Mr. Brennan after we have heard from Senator Conway-Walsh.

**Senator Rose Conway-Walsh:** I thank Mr. Brennan for his presentation. What interaction has Bord Bia had with its British partners which play a similar role? Has it looked at how many transactions somebody who is exporting a single product might have to make after Brexit? In the event that there is a hard Brexit, at what tariffs could we be looking in the absence of an agreement on the customs union? Will the delegates give us a breakdown of how much of the funding for the marketing assistance and step change programmes has been spent this year? Would it be possible for them to provide a regional breakdown in that regard? Can moneys from the Brexit funding be made available to new businesses that might be in the process of setting up? I have a few more questions, but Mr. Brennan might answer the ones I have just asked in the first instance.

I will explain at what I am trying to get when I speak about the possibility of a hard Brexit and the people with whom Bord Bia is working in Britain. Business interests in the North have come together with farming organisations such as the Ulster Farmers Union to try to persuade people to accept the agreement currently on the table. Does Bord Bia have any role in doing something similar here? Is the organisation being used as leverage to ensure we will not have a hard Brexit?

**Chairman:** I will bring members of the committee back in after Mr. Brennan has answered the questions that have been asked so far.

**Mr. Pdraig Brennan:** I will begin by answering Deputy Cahill's questions. His first question was related to standards. It has been very clear in all of our interactions and discussions with customers in the United Kingdom that they have absolutely no interest in seeing standards slip at any stage. Likewise, it is clear from the consumer work we have done that consumers are strongly in favour of the retention of the levels of standards in the market. That is the basis at which we are looking. It will be a key concern for us when the final shape of any Brexit agreement becomes apparent. As an industry, we try to work on a level playing field at all times.



Standards represent a key element of that level playing field. We believe that if there is the potential for competitors who offer lower prices to come into the UK market with what we would consider to be lower standards, it could do a lot of damage to the market. This is recognised in the retail and food service sectors in the United Kingdom. There is a strong desire not to upset the level of consumer trust in the market.

Deputy Cahill also asked about other suppliers to the United Kingdom, particularly in the Netherlands. The key element for us is looking at how we can diversify in markets outside Europe. That was our purpose in undertaking our market diversification exercise. In a worst case scenario all of the produce that has gone to the United Kingdom up to now will end up on the Continent of Europe after Brexit. That is the last thing any of us wants to do because it would be detrimental to everybody who supplies the European market.

It is clear from an examination of global demographics that growth in global demand for food is primarily being led in Asia, the Middle East and, to a lesser extent, North America. It is all about identifying the markets that offer the best potential for growth in international markets. We are putting additional people on the ground in these markets - China, the rest of South-East Asia, the Middle East and North America - and investing our own resources in local market expertise. As the Deputy said, this can take a lot of time, but we are looking at the best ways to hasten the development of our understanding of the markets into which we are looking to diversify. We have our own thinking house facility that works on consumer and marketing insights. We are investing heavily in these new potential markets and need people with their boots on the ground. In addition to our existing or additional staff, we need to access local expertise. We will invest heavily in this area. Even if we are successful in overcoming the challenges that will present in most of these markets in the event of a harder Brexit, Ireland will remain a relatively small supplier in many of them. I know that the beef side is not directly comparable, but it is worth mentioning that China currently imports 700,000 tonnes of beef each year and it is predicted that this figure will double in the next three or four years. Likewise, we are looking at double digit growth in dairy imports demand on an annual basis. For us, it is about identifying the right niche opportunities for us in these markets. We need to realise that in a worst case scenario we will have to compete with other European suppliers. We need to get our credentials and see where we can win in these markets.

Deputy Cahill, rightly, highlighted the importance of the United Kingdom for the beef industry. It continues to take almost half of our beef each year. There is no point in denying that in the event of a hard Brexit, it will be really challenging to displace that amount of product from the United Kingdom and into other markets, particularly because the United Kingdom is the beef market with the highest prices in the world. It is probably the market that we have the longest tradition of servicing. It is also the closest market to us and the returns from it tend to be better than those from many others we have. We will focus on the Continent of Europe. We have made a great deal of progress in recent years in countries such as Germany, the Netherlands and Italy where we hope there will be scope for some further increases. We will certainly have to look to international markets to try to offset some of the real pressure being felt. We hope the key customers for Irish beef in the United Kingdom will continue to want to source beef from here and that is certainly the impression we are getting from them. They know that it is a quality product and are aware of its sustainability credentials. They want to continue the relationship we have with them.

The Deputy asked about additional staff. We have taken on 26 or 27 extra staff during the course of 2018. That might not sound very significant in the overall scheme of things, but from

Bord Bia's point of view, it represents an increase of more than one quarter on the staffing levels we had up to this year. Our resources have increased significantly. It is really important that we are investing in putting people on the ground in the markets in the various regions about which we are talking.

The Deputy asked about the various options that might be available to export cheddar cheese. A level of diversification away from the United Kingdom has already been seen in the dairy industry. It used to be the case that over 60% of our cheddar went to the United Kingdom, but that figure has decreased to 52% or 53%. I know from our various trade missions that the industry has been looking at markets such as Japan and South Korea as options for cheddar cheese exports. There is a growing demand for cheese in countries such as China. They might not necessarily want to buy cheddar now, but there may be opportunities in the food service sector in markets such as China in the future. It would certainly be a big challenge.

The Deputy asked about the level of resources we might need. The Department of Agriculture, Food and the Marine conditioned us to focus on undertaking the market prioritisation exercise. It shows that there is a level of co-ordination as we proceed, as more clarity on the final shape of any agreement emerges, as we seek to identify which markets offer the best potential and which markets in we should invest more. We will be keeping all of these issues under review as we proceed in the coming months.

The Deputy asked about Food Wise 2025. The industry's ambition is to achieve €19 billion worth of food and drink exports within the next eight years. That has always been seen as an ambitious challenge. I think it was deliberately set as an ambitious challenge for the industry. I know from talking to representatives of various sectors and client companies that they are still determined to try to achieve the €19 billion target, but we really need to target the markets and segments of markets in we are trying to do business. That brings me back to the Deputy's question about what all of this means for primary producers. We are also required to be even stronger in the credentials we offer in these markets. Traditionally we have sold Ireland on its clean, green and natural reputation, which is strong. The perception of Ireland in the international marketplace is it is strong in those areas. Increasingly, there is a requirement for us to quantify those claims and to provide more data, facts and figures to back-up and verify the claims on an ongoing basis. For example, through the sustainable dairy assurance and sustainable beef and lamb schemes, we provide the data that reassures and gives customers the ammunition to build a proposition for why they source Irish meat or dairy products. It is something we are investing in. Grass-fed product is one of our key strengths. We have just completed in-depth research across 13 markets in Europe, Asia, the Middle East and North America looking at grass-fed products at a customer and consumer level. There is no doubt that grass-fed products are a motivator for both customers and consumers. Globally, approximately half the consumers we spoke to said whether a product was grass-fed would influence their purchasing decisions, particularly of dairy. In Europe, it was two thirds of the consumers we spoke to. There is an opportunity for Ireland to own that space but to do so, we have to have a clear, quantifiable standard in place to show why grass-fed makes sense for us. If we can establish those sort of positions - the Deputy is correct that it takes time - it gives us the best opportunity to extract the best value out of the market and ultimately give the best return to the primary producer.

Regarding what we are trying to do in diversification, we have established what we call our global relationship team. A number of our customers are global, multinational operators. Up to now we have been dealing with them individually in different countries. Ms Karen Coyle is heading up the team in Bord Bia to try to bring a centralised approach to how we work at a

global headquarters level and to build the awareness and reputation of Ireland at headquarters level and not just on a country-by-country basis. It is all about positioning Ireland in the right way in terms of its capabilities and credentials as a food producing country.

We are all well aware of the sterling challenge to the industry over the past two and a half years. As part of the Brexit barometer, we assessed the exchange rate at which client companies would get into severe difficulties. If one went back to 2017, when we talked about an exchange rate of €1 being equal to between 90p and 94p sterling, it meant that more than 80% of companies would be in severe difficulties. A year later that figure is 55%. It is a decrease but still a worrying figure. Companies have taken steps in respect of currency risk management and efficiency gains within their supply chains to try to offset some of that. We find currency risk training is a good way of engaging with clients on a one-to-one basis regarding what they can do in their businesses. There is no point in saying otherwise - sterling continues to be a major challenge for the industry.

Getting product to other markets is a particular challenge. One member asked how we are preparing. We are preparing on the basis of the worst-case scenario and trying to get our supports and programmes in place to help companies prepare for that. Like everybody around this table, we are hoping it will not come to pass but it is the basis for our planning. Alternative routes are available to get products to other markets. The issue is time delays and their cost implications. They could be significant depending on the product. If we get into shorter shelf life products, it can also be a major challenge for us. Through our customs and supply chain services and supports, we are breaking it down for the client companies we work with.

Senator Conway-Walsh asked if we are engaging with partners in the UK. From the outset, we felt the key for us in the UK market was to engage in maintaining and building relationships. Our first port of call was retail and food service customers that had been sourcing from Ireland on a longstanding basis. This year alone, we had 70 meetings with retailers and food service companies in the UK.

**Senator Rose Conway-Walsh:** I was referring to engagement in the context of opposing a hard Brexit and them using their influence similarly to organisations in the North. I took what Mr. Brennan said for granted because I know Bord Bia is active in engaging with them on a day-to-day basis.

**Mr. Pdraig Brennan:** I apologise. We are sharing the results of the Brexit barometer and the position of Irish companies and the issues and challenges that exist. They concur with the analysis we are undertaking and are certainly making their own representations in that regard. Likewise, we engage strongly with the likes of the UK Food and Drink Federation and the Agriculture and Horticulture Development Board, AHDB, which is our counterpart organisation, on scenario planning and engagement. There is a coherence and consistency to what they are saying. We feed our views and thoughts into that process. As a semi-State agency, we cannot lobby directly.

I will ask Mr. Hamill to comment on transactions and suppliers after Brexit shortly. The implications for tariffs depend on whether the UK leaves the customs union and the shape of any trading agreement. If we take beef as an example, which is one of the key products we send to the UK, we could be looking at tariff rates of between 28% and 53%. For beef, we could be looking at a 12.8% tariff and €3,000 per tonne of a duty. It could be €1,700 for cheddar cheese. These are all WTO worst-case scenario tariffs. With lamb, it could be a 12.8% tariff in addition to €1,700 of a duty. Different tariff regimes exist. The European Economic Area is at the

lower end of those tariffs. The figures I have given are the worst-case scenario figures in terms of WTO tariffs. They would have a significant and serious impact on our ability to supply the UK market and likewise any other European supplier.

**Senator Rose Conway-Walsh:** Has Bord Bia conducted stress tests on the companies that are exporting? How far down the supply chain will it go? What impact will it have on beef farmers, for example? Are they looking at a further price cut?

**Mr. Pádraig Brennan:** We have to consider a couple of factors in terms of what the UK consumer is prepared to pay for some of these products in such a scenario because it is next to impossible to see how food prices could stay at their current levels in the UK. The first issue is the level of tolerance for an increase in consumer food prices in the UK. Traditionally there has not been a great appetite for this in the UK. It is a challenge. We have to consider that throughout the supply chain, we are looking at a sector with a tight margin. With such percentages, the leeway is not in the supply chain to handle those tariff implications if the WTO's doomsday scenario were to emerge. It would leave us in a severe situation.

If I recall correctly, this year we paid out approximately €1.25 million in grants to approximately 50 companies through the marketing assistance programme and the step change programme is part of that. The bulk of it went out through the marketing assistance programme. We can find the regional breakdown figures but I do not have them to hand. A demographic and regional spread is attached to that but the total figure so far this year is approximately €1.25 million.

**Senator Rose Conway-Walsh:** How much is that out of?

**Mr. Pádraig Brennan:** It is our total grant package.

**Senator Rose Conway-Walsh:** It is all spent.

**Mr. Pádraig Brennan:** Yes, we work quite closely with local enterprise offices to support new businesses through that network initially. Through our Food Works programme, which we run with Enterprise Ireland and Teagasc, we identify a number of high-potential start-ups that we can help and work intensively with over a period of 12 to 15 months to help them get ready to go to market with their product. Approximately 70 companies have gone through the Food Works programme in recent years. As companies get up and running, they can avail of the full range of Bord Bia services whenever they are ready.

I referred to our plan to grow services and work with companies on a more individual basis. That new range of services is available to companies that are growing strongly or are facing particular challenges. It involves sitting down with each company, helping it to develop, refine and implement a marketing strategy that fits its business and, during the implementation phase, feeding into it the services that we have on offer in various markets, be that the local market in Ireland, the European market or the market further afield. That is the type of structure that we are bringing to such work.

**Chairman:** I will let Senator Conway-Walsh back in in a moment. We import a great deal of food products from Great Britain.

**Mr. Pádraig Brennan:** We do.

**Chairman:** Would the same tariff apply in the event of the worst-case scenario? What is

our plan B?

**Mr. Pdraig Brennan:** That tariff on imports will be applied in the worst-case scenario. The WTO system, which I hope none of us will have to contemplate in reality, works the same for imports as exports.

On the question of supply for the local market, we have been doing no more in Ireland than we have been in the UK, in that we have been meeting the major retailers and food service companies. In recent months, we have met five of the retailers in the Irish market and have been working with them. They are trying to map out their existing supply chains and the sources of the various products that they have on their shelves or are selling through their food service outlets. They are then trying to determine the implications of various scenarios for their supply chains. Would they still be able to get those products or are alternatives being produced locally in Ireland that could replace some of them?

Given the current situation, no final decisions have been made, but we are working closely with the various retailers to identify opportunities for Irish suppliers. In some categories, for example, private label food manufacturing can play a significant part in an imported product. There could be further potential for existing suppliers with the likes of ready meals, yoghurts and non-traditional products for the Irish industry, for example, tortilla wraps, dips and other products for which retailers and food service companies have been identified as being quite reliant on the UK.

Scenario planning is under way. We are feeding what we believe are the capabilities of our client companies into those discussions. Something that has come across clearly from all of the meetings is that any supplier into retailers or food service companies must be able to show that it has the right scale to be able to supply them week in and week out and to meet their quality requirements. Those are the red lines that have been outlined to us, but we do not view them as a particular challenge. It is a matter of being able to justify and clarify them for the various retailers and food service companies.

The scenario analysis is being done. Depending on how the situation evolves in the coming months, we will stay closely engaged with companies. Our core focus in the UK and Ireland has been to remain a part of the conversation with these key customers, inform them of the state of preparedness of our client companies and what we are doing to assist same, and feed the relevant insight into the discussions as required and as appropriate.

**Chairman:** We are only four months away from doomsday, or April fool's day, in 2019. In the event that the worst-case scenario arrives, are we on target to achieve all that we hope to achieve? Are we ready for that date?

**Mr. Pdraig Brennan:** As an organisation, we are as ready as anyone can be. Given some of the figures in the Brexit barometer, a great deal of progress has been made in the industry in the past 12 months. In all honesty, further progress has to be made before the end of next March, but the building blocks are there. It is now just a matter of determining what buttons we will need to press and what will need to be implemented in each hypothetical scenario to be ready to go live. The structure is there, so it is just a question of investing that time. If we reached that point, then it would of course be challenging.

**Chairman:** Senator Daly is next.

**Senator Rose Conway-Walsh:** I would just like-----



**Chairman:** I will let Senator Conway-Walsh back in in a second.

**Senator Rose Conway-Walsh:** My question on transactions was not answered.

**Mr. Pdraig Brennan:** I am sorry, Senator.

**Mr. Shane Hamill:** I will answer some of the remaining questions. The key point is that the barometer results we have presented are a snapshot in time of preparedness from March 2017 to March 2018. Were we to do that again today, we would see even more progress because of the services and programmes that we have rolled out.

**Senator Rose Conway-Walsh:** I am trying to get a measure of the documentation and transactions. I do not want to take up anyone's time.

**Mr. Shane Hamill:** That is where we see much of the progress taking place. The customs training and supply chain workshops we have launched are addressing those issues. They cover the additional administrative processes and complexities that are emerging and the costs and potential time delays associated with same. The majority of Bord Bia clients were not familiar with those documents until recently. We are showing people what it takes to fill out a customs single administrative document, SAD, and an export declaration, what customs agents will help them do so, and how much customs agents will charge. In the customs assistance market and depending on who is being asked, it could be anything from €25 to €50 to help with an SAD. We also address the associated veterinary inspections. When a product lands in the UK, customs are handled by one group of officials while sanitary and phytosanitary standards, SPS, and veterinary checks are handled by another. We talk to people about the costs associated with those processes. This is a complex methodology and depends on the type of product being moved, how large the consignment is and so on. There is no back-of-the-envelope figure but, as clarity emerges about how the UK side intends to calculate that, we will filter that information through to our client base.

Delays could be entailed. Going by anecdotal evidence, a delay could last two hours or a day depending on whether the check is documentary or physical. If the latter, then is the person's consignment at the back or front of the truck? These are the practical considerations that come into play.

We are equipping Bord Bia's clients to understand these implications, forecast the associated costs and understand the potential delays. Through our training, we try to remind our clients that, even in the softest Brexit scenario, circumstances will change and their supply chains will become more expensive, but also that the just-in-time supply chain in which we operate is not about speed, but predictability. We are trying to help them understand the potential obstacles facing them as they go forward. If they can predict those, they will be better equipped to manage them.

**Senator Rose Conway-Walsh:** I acknowledge that. Mr. Hamill has answered my question sufficiently, but Revenue told the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach several months ago that there could be up to 100 documents for each item. That would have serious repercussions.

**Senator Paul Daly:** I thank Mr. Brennan and Mr. Hamill for their comprehensive document. As we have all stated numerous times, we are discussing a moving target. One can only plan for the worst and hope for the best.

Currency has often been mentioned. Currency, and how the markets read it, may be the key determinant of how Brexit works out for us, be that good, bad or indifferent. Anyone who supplies into the UK is vulnerable, as evidenced by the case of the mushroom suppliers Deputy Cahill mentioned. Following the referendum when sterling nosedived and our mushroom suppliers were tied into fixed-term annual or biannual contracts with sterling prices, there was little sympathy from their customers. They just had to live with their contracts. Given what might happen, how are relationships in Ireland between companies and their customers? I presume that any company here supplying the UK does not have a fixed contract based on the sterling price beyond next March. It would be prudent to write up a contract up until March and then see what happens. With that in mind, could companies inadvertently find themselves in no man's land on 1 April, even if we have a soft Brexit? Are many contracts due to expire at the end of March, which would be prudent under the circumstances?

We are hearing many reports at the moment of stockpiling of non-perishables in the UK. Are Irish producers in the non-perishable sector reporting dramatic increases in sales? Even if we have a soft Brexit, one can only sell a product once and in that case, could they then face a dip in sales in the middle of 2019? When Bord Bia goes on trade missions and signs trade deals, how solid are those deals? Deputy Cahill mentioned the displacement of product in other EU countries. If other member states go scouring the world as Bord Bia has been doing, how rock solid are the deals that we have, particularly the relatively new ones?

Brexit aside, I would like to hear the views of the witnesses on Food Wise 2025 targets and markets. Will primary producers reach the target of €19 billion in sales and will Bord Bia keep abreast of the increased production? Are the targets and the markets in sync with one another?

**Deputy Marcella Corcoran Kennedy:** I thank Mr. Brennan and Mr. Hamill for attending. It is heartening to her about the various initiatives that have been put in place, including the Brexit barometer, the supply chain logistics guide and the logistics partner database along with the market prioritisation exercise and the plan to grow that. A tremendous effort is being made to assist our producers in the awful scenario that is facing us.

In their presentation they referred to the fact that exports to the UK increased, mainly driven by the meat and dairy sector but that exports of seafood fell. I ask them to account for that.

On the Brexit barometer recommendations and a Brexit plan, a template is in place but is Bord Bia monitoring the uptake of that template by companies that are trying to ready themselves for Brexit?

On market diversification, reference was made to 15 priority markets. Which markets are they? Bord Bia has new staff going to various parts of the world, including one into Nigeria and another into north Africa. What products does the organisation believe will be suited to those markets?

On the plan to grow and working with specific clients, how has the organisation identified the clients availing of that?

**Senator Michelle Mulherin:** I refer to the issue of the unsustainable prices being paid to beef farmers and how that impacts on the work of Bord Bia, particularly in the context of the Food Wise 2025 targets. In recent weeks, the price that farmers are getting from the factories is down 30 cent per kilo. Farmers were getting €4.05 last year but are only getting €3.75 now and I believe the price has fallen by a further 5 cent in the past week. Despite the assertion that

there are no cartels and that there is no evidence of same, prices in all of the factories throughout the country are similar. Clearly this is unsustainable. Teagasc stated that it costs €800 per year to keep a suckler cow but farmers are only being paid €700 for a weanling from the factories. There is a glut of cattle at the moment. Last week, a record 40,000 animals were killed in the factories. How long can this go on if farmers are losing money? They will go to the wall. I know this is primarily an issue for the meat factories but Bord Bia and the Minister travel abroad, create markets successfully and the factories benefit from that. What will be done to bring pressure to bear on the factories? Is Bord Bia participating in the beef forum? What is the status of that forum? Are factories being challenged by Bord Bia? If we do not have beef and suckler farmers, there will be no beef to be sold abroad and I am concerned about this.

Another issue is the size of the national herd, which is also having an impact on farmers. The herd size is constantly being challenged, especially in the context of the climate change debate. Farmers are struggling and I would like much more done to be for them. If more is not done, we will not have a beef industry in the future or, at the very least, we will have a diminished industry. They will just fall away because, as we have said here so many times, it is not attractive for young farmers when they have so many other options. Why would they go into an enterprise where they will lose money? That is consistently happening and it is not getting any better. What is Bord Bia doing about this issue? What pressure is it bringing to bear? The factories need to be called to account. Those who ask questions should not just be pointed in the direction of the Competition and Consumer Protection Commission. Bord Bia is helping the factories and there should be a *quid pro quo*.

**Mr. Pdraig Brennan:** I will start with Senator Daly's questions. He is correct regarding the high levels of currency exposure. Half our meat, 65% of our prepared consumer foods and more than half of all of our cheddar cheese goes to the UK. Currency pressures have been, and continue to be, a major challenge for the industry. There is a realisation that suppliers into the UK market are facing currency pressure. That is recognised by both the suppliers and their UK customers. There was food price inflation in the UK for the first time in many years over the past year and a half. That resulted in higher prices being paid to retailers and our understanding is that this reflected itself back in some of the contracts that were being signed.

Regarding the potential at the end of March next year for lots of contracts to close, it is our understanding that some customers in the UK are inserting breakout clauses into contracts that they have with Irish suppliers. I do not say that business will be lost but it is recognising the reality that there could be a significant change at the end of March next year. Businesses are allowing for a reopening of contracts after that date. We have seen that phenomenon emerging in the past six months in particular. One can look at that in two ways but at least there is a realisation that there could be a need to review existing contracts.

On stockpiling, the trade data we have seen does not suggest that there are significant levels of stockpiling happening in the UK. It is shelf life dependent. The Senator referred to the fact that some products are more suitable for stockpiling than others. Our view and information at this stage is that one would not expect a major level of stockpiling in the next while, but it is something we have to keep under review because as he correctly pointed out, it could have a knock-on consequence on the level of trade as we go through 2019.

In the trade deals in new and emerging markets that have been coming through in recent years, the focus of the ministerial-led trade missions is the level of access that we have to these markets. I refer to the detail of the access that we have on specifications such as age, bone-in and boneless meat products. Based on contacts with our colleagues in the Department of

Agriculture, Food and the Marine, I know there continues to be a focus on getting the broadest access we can get. At least then one has more options within the market in terms of what type of product one can supply to different customers in that market. The deals that are done are, typically, at a commercial level, between a supplier and a customer. In any commercial arrangement like that, it is up to the individual arrangement rather than there being a long-term agreement in place. In the markets where there is an increasing import requirement because of a deficit the volume of food produced locally versus the need for imports, no more than in the UK, the onus is on us as a sector and Bord Bia is a key part of that in making clear why Ireland should be the source of the product rather than elsewhere. We outline the quality, health and natural credentials that make us stand out as a supplier into those markets. Each market will always be competitive in nature. Every market is competitive and, therefore, we have to be as strong as we can be in how we position ourselves in those markets.

As to whether we are on track with the Food Wise 2025 targets, if one extrapolates out to 2025 from where we are currently in terms of the growth in exports of food and drink products in recent years, we are just about on target. To return to the point that was raised by Deputy Cahill and Senator Mulherin about being in sync at primary producer level as well, the challenge is how we position ourselves in these markets and where we get the value from them. We must look at what return we can get from different markets for the different products that we produce. That is the greatest challenge overall as the marketing promotion agency for food and drink in terms of finding opportunities. Some of those take time to secure and to develop a position. Everything we do is about where we can position an Irish food and drink product in a market at a particular time to get the best return. Sometimes one has to get into a market and establish oneself and over time gradually work one's way up in terms of the level of return one can get from the market. That is the emphasis of our role in trying to ensure the maximum return from the marketplace.

Deputy Corcoran Kennedy asked about seafood and why our exports were down in the UK. A couple of factors are at play. There has been a significant change in the market distribution of Irish seafood in recent years. The Asian region, in particular, has emerged strongly for products that traditionally might have gone to the UK or various parts of continental Europe and, therefore, it is more a reflection of other markets elsewhere perhaps giving a better return rather than being due to any fundamental issue in the UK market itself.

The Deputy correctly asked about the Brexit barometer and the template and if we are tracking whether companies are using it. I am involved in a sectoral team and we have regular meetings with our client companies as part of that. In our engagement with them at those meetings, we assess where they are in their preparation for Brexit. We walk them through the template and other supports that we have to make sure they are as prepared as they can be. Through our various workshops and training programmes, Mr. Hamill encourages more companies to take part. I should have referenced earlier that all our training programmes and workshops are oversubscribed at the moment. We will continue to run those programmes and workshops until such time as there is no longer a demand for them. That gives a good indication of how tuned in companies are and the emphasis that is being placed by our client companies on getting ready at this stage.

On market prioritisation, we examined five different categories, namely, meat, dairy, prepared consumer foods, seafood and beverages. A total of 15 different markets have been identified for each. On the meat and dairy side, we deliberately excluded many of the European markets from the top 15, not because they are not a priority for us - they are core markets for us - but

they are markets where in most cases we are well established. We focused on new markets. For meat, for example, eight of the 15 are in Asia while in dairy and seafood seven of them are in Asia. There are a number of Middle Eastern countries. For example, the United Arab Emirates is strong in a number of categories. North America - the US and Canada - is also strong, as is Mexico across a number of categories. In the area of prepared consumer foods where the industry has traditionally been strong in the UK, seven of the 15 on the list are continental European market. The markets vary a little depending on the category.

The Deputy also asked about the new staff in Nigeria and North Africa. The person going to Nigeria will cover the west Africa region in general. The primary focus will be dairy, followed by seafood. It is a significant region for seafood exports as well. For North Africa we are looking at dairy, potentially on the livestock side and to a lesser extent on the meat side. They are the areas we are looking at in terms of new staff going into those regions.

On the plan to grow services and which clients they are available to, essentially any company that is engaging with us and working with us to develop their commercial marketing strategy can avail of the plan. Some services will be more appropriate to different clients than others but they are available to any client company.

Senator Mulherin was very hard on us altogether. However, I accept that it is a serious issue. I am from Kilkenny and I live on a beef farm, so I know exactly the challenges she is talking about. We have been in a difficult period for beef prices for some time. There is no doubt when one looks at the profitability figures, which the Senator rightly pointed out Teagasc and others have been releasing and publishing recently, that we have a major viability challenge at farm level. It is a serious challenge for us. At its simplest, what Bord Bia is trying to do on beef is find the best customers in the best markets to buy as much Irish beef as we can. That is reflected in the fact that if one looks at where Irish cattle prices are relative to European cattle prices - while I stand to be corrected - on a year-to-date basis, we are in or around 105% of the European average price for cattle this year. We are below the UK price but that is by far and away the highest price. Almost all UK beef stays within the UK market. Half our beef goes to the UK and half goes outside the UK to other European markets and elsewhere. The challenge has been to get a return from the marketplace because there has been an increase in supply across the continent and that has had a detrimental effect on demand for beef in general, which has put pressure on prices. It highlights the challenge for the industry and points towards looking for new markets more so than ever before, to create competition for our product by having as many markets as can possibly be available to us that are willing to buy different cuts of beef from Ireland to maximise the return that we can get. It is not an easy issue to solve. The onus is on Bord Bia to market and promote Irish beef in different markets, and that will continue to be the case in order that we can establish it and sell it in the various markets. The fact we go into every market as an import supplier and typically there is a preference for locally produced products puts us at a disadvantage from the get go. We try to find a niche or a part of the market where we feel we can establish ourselves and get the maximum value. We cannot achieve that in every market but it is the ambition we have and what we work towards. For us it comes back to what are the unique credentials of Irish beef, what makes it different and how do we stand out, and then selling these as strongly as we can. My brother and my neighbours would like the price to be much better than it is but that is the focus of what we are trying to do. We are in a European beef market where prices can be volatile and where they have been under pressure for a period of time. We are trying to find the best return we can from the investments we make in promotional activities.



**Senator Michelle Mulherin:** We could have quite an extensive conversation on this but I asked Mr. Brennan how the meat factories have been challenged by authorities here. Bord Bia is getting them a lot of business and they are very profitable but the primary producer in the food supply chain is not even breaking even. As Mr. Brennan said, this speaks to viability or non-viability. What is Bord Bia doing? It is selling abroad-----

**Mr. Pdraig Brennan:** Yes.

**Senator Michelle Mulherin:** -----but if it has nothing to sell it will be defunct. How are the factories being challenged?

**Mr. Pdraig Brennan:** It is in nobody's interest not to have cattle supplied to produce the beef. In the first place, the processing industry requires the animals to process the beef. Certainly what we have been trying to do as part of our market prioritisation work is to identify with the industry the markets it feels are priorities where we can grow the value of the business. This is our role; it is marketing, promotion and seeing where should we invest. We need guidance at processor or customer level on where are the opportunities for us to grow. From our point of view, the higher the return we can get from the marketplace the more justification we have to state what we are doing is working.

**Senator Michelle Mulherin:** When Bord Bia speaks with the processors seeking to sell abroad does it not ask about giving the farmers a fair price? Mr. Brennan is not answering the question. It is a difficult question because it is not an easy issue to solve.

**Mr. Pdraig Brennan:** It is not.

**Senator Michelle Mulherin:** These factories are all powerful and the farmer is by himself or herself. The beef forum is up in the air at present. The prices are depressed. The prospect is not good. The meat factories and processors are not paying Bord Bia to do this. The taxpayer is paying Bord Bia and the State agencies so can we not ask something of them? As I understand it, the same carcass in the UK would get €200 more. I can understand a preference for locally produced beef but there is a mutuality. Why is the fact that the prices from the processors across the board are uniform not being challenged by Bord Bia?

**Chairman:** The Senator is right that we could have a long conversation about this-----

**Senator Michelle Mulherin:** If Mr. Brennan answers the question-----

**Chairman:** We are slightly off agenda.

**Senator Michelle Mulherin:** All the rest is academic if we do not sort this.

**Chairman:** We are slightly off agenda.

**Senator Michelle Mulherin:** Yes, Chairman.

**Chairman:** We could have a long conversation and maybe we should-----

**Senator Michelle Mulherin:** If Mr. Brennan answers the question we will move on.

**Chairman:** Perhaps we should have a long conversation in another meeting with the processors.

**Senator Michelle Mulherin:** Yes.

**Chairman:** They have a part to play in this. As Mr. Brennan pointed out, the role of Bord Bia is promotion. The question the Senator asked, which Mr. Brennan did not answer yet, is whether Bord Bia is involved in the beef forum.

**Deputy Jackie Cahill:** In fairness to Bord Bia, it is a promotional body and it does not set prices or sell beef.

**Chairman:** Absolutely.

**Deputy Jackie Cahill:** Meat Industry Ireland should be brought before the committee to answer Senator Mulherin's questions.

**Senator Michelle Mulherin:** So it can be challenged.

**Chairman:** As was outlined at the beginning of the meeting, in the coming weeks we will have a discussion on the report published by the IFA on suckler farmers and the beef industry. That may be where we can tie in this. I ask Senator Mulherin to wrap up.

**Senator Michelle Mulherin:** I propose we bring them all in. We can also bring in Bord Bia.

**Chairman:** That will be for another day. We will have it on the agenda. It is a discussion in its own right.

**Mr. Pdraig Brennan:** To close off on this, we challenge ourselves on what we do in Bord Bia to see how we can deliver the best value for money through our activities. We will be only too happy to be part of any broader discussion that would take place on this matter. To answer the question on whether we participate in the beef forum, we have done so from its very outset and we continue to do so. Our role is very much to be the market voice in the discussions that take place at the beef forum regarding the trends, dynamics and changes we see in the market and what we feel are the important points the industry needs to consider and where it needs to agree a strategy. This is the one and only role we have at the beef forum and we have been doing it since its foundation a number of years ago.

**Senator Michelle Mulherin:** I made a specific point. The most recent meeting of the beef forum was around the time of the budget and there was disarray at it. When is the next meeting and where is the forum at with regard to having all the stakeholders at the table?

**Mr. Pdraig Brennan:** We attended the last meeting and, now that I recall, the Senator is absolutely right it was budget week. We are awaiting the date of the next meeting. Typically we are informed one month to six weeks before the potential date.

**Chairman:** This day week, the Minister will appear before the committee and I am sure Senator Mulherin will ask him the question.

I thank Mr. Brennan and Mr. Hamill for appearing before the committee. I am sure this is not the last we will hear on Brexit. Two years ago, we published a report and at the time Bord Bia appeared before the committee. We have decided to update it because times have changed and Bord Bia is part of this process. We hope to produce the report before Christmas. We all hope we will not have a doomsday scenario on April fools' day next year. I thank the witnesses for their very comprehensive presentation and answers to questions.

*Sitting suspended at 5.27 p.m. and resumed at 5.31p.m.*

## **Irish Sport Horse Industry: Discussion**

**Chairman:** I welcome the delegates from the Irish Sport Horse Alliance, namely, Mr. Barry O'Connor, chairman, and Mr. Greg Broderick and Mr. Ger O'Neill, who are members. I also welcome economist, Mr. Jim Power. I thank them for appearing today to discuss the report on unlocking the economic potential of the Irish sport horse industry.

Witnesses are protected by absolute privilege in respect of the evidence they give to the committee. If, however, they are directed by the committee to cease giving evidence in respect of 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 nor make charges against any person, persons or entity by name or in such a way as to make him or her identifiable. Members are reminded of the long-standing parliamentary practice to the effect that members should not comment on, criticise or make charges against a person outside the House, or an official either by name, or in such a way as to make him or her identifiable.

I invite Mr. O'Connor to make an opening statement.

**Mr. Barry O'Connor:** I thank the committee for the invitation to make a presentation. We appreciate members' time and interest. I will summarise my opening statement due to time constraints. I am sure everybody wants to get on with their evening. I am a producer, seller and trainer of showjumping horses. I am based in Malahide, County Dublin, and have a stable of 20 horses. I have eight staff. I mentor young riders. I have lectured at NUI Maynooth on occasion. I run training programmes for Teagasc young breeders and the Showjumping Association of Ireland.

I am accompanied by Mr. Greg Broderick from Tipperary. He is an Olympian and a breeder and producer of horses. I am also joined by Mr. Ger O'Neill from Kilkenny. He is also a breeder and producer. He produced and rode two of the gold medal winners at the recent world championships for young horses in Lanaken, Belgium. I am also accompanied by Mr. Jim Power, whom I believe is well known to members.

The Irish Sport Horse Alliance is a voluntary body comprising a group of businesses, individuals and sports bodies directly involved in the sports horse industry. The sport horse is anything other than a thoroughbred. The sector is driven mainly by eventing, showjumping and dressage - mainly by the Olympic disciplines. That is where most of the professional economic activity is.

Our group represents 3,000 jobs because our members include breeders, producers, trainers, owners, vets, blacksmiths, feed companies and equipment companies. Most of the major companies in Ireland are members and contributors to our alliance. Our goal is to sustain an increase in jobs, exports and inward investment in the sector and to grow the sector. We believe there is potential to double our output in jobs, exports and inward investment. We are not here to look for any subsidies, price supports or tax breaks. We will look after the price of our product. We just want investment from the Department of Agriculture, Food and the Marine.

We are here to present our report. When we came together as a body two years ago, we found there were numerous reports on our industry, amounting to four or five over the past 15 years, but none had definitive information on the contribution of the sport horse sector or, in-

deed, its potential. Therefore, we commissioned Mr. Jim Power to produce an economic report on our industry. It has been circulated among members and he will elaborate on it. His remit was to inform public policy-makers of the economic footprint of the sector and identify measures that can be taken to unlock its potential.

The stand-out point in the report is that the industry is worth €816 million to the Exchequer and employs 14,000 plus. We did not make up those figures. They come from a UCD report, which was commissioned independently. They are not from any sport or breeding body or from us. They are altogether independent of our group. Another stand-out point in the report is that each horse results in average expenditure of €7,000 per year in the local economy. I refer to expenditure through vets, blacksmiths, feed, forage, bedding, subscriptions, travel, equipment and training. The report also states there are 20,000 active sport horses in Ireland, which means €140 million invested in the rural economy. That is outside the M50 in all the rural constituencies from Dingle to Donegal. In my stable alone – I am based in County Dublin – the feed comes from Kilkenny and the bedding from Ballina. My vet is from Kildare and my blacksmith is from Meath. I do shows around the country and my hay and any straw I use come from County Carlow. Those in the industry spend right around the country, benefitting every village and rural area.

There is a lot of good news in our sector. We are not here to complain and whine. In the past 18 months in the sport alone, we became the European senior gold medal winners. This happened in Sweden. At the world championships in Atlanta, America, this year, we were the silver team medal eventers. We had an individual silver there. We were the gold medal individual winners at the under-14 and under-18 competitions in Fontainebleau in France, with one competitor riding Mr. Ger O’Neill’s horses. We are second in the world breeding statistics for eventing horses. Therefore, our island produces the second best eventing horses for export all around the world. We won three medals this year at the world breeding championships for young horses in Lanaken, Belgium. This is against all the other breeds from areas that are way stronger than us in terms of investment and numbers.

In our report, we envisage that we need €100 million in investment over the next five years to sustain our employment level, double it and increase our worth to the Exchequer. As a group of businesspeople, we realise the realities of budgetary allocations owing to a series of competing demands. I have watched a few of the reviews of people coming in here giving presentations and I realise everybody is looking for money at the same time.

Brexit will have a serious effect on the lower end of our market because England takes approximately 40% of our exports. The movement of horses is worrying for us because any slowdown in the movement of horses is where much of the expense arises. If the product is easier to get in Europe, those concerned will get it there instead.

We ask for €100 million as a group over five years. That is the figure we produced in the Jim Power report. Horse Sport Ireland put in a budget submission to the Government asking for €30 million. It wanted to spend it over the four new departments: high-performance sports; sports and recreation; breeding and production; and coaching, education and training. Unfortunately, in the budget we got an extra €500,000, which brings our annual funding from the Department of Agriculture, Food and the Marine to €3 million. That is completely inadequate. I do not know how people think we can sustain 14,000 jobs and grow the economy with that level of funding. I cannot see the thinking behind it at all. That is one of the requests we have today. If our potential is to be realised, it is critical that realistic multi-annual funding is established so that we are not coming back every year and wondering what we are going to do next year, what

programmes we can open and can sustain and what we can do over the next couple of years.

We have written to the Minister, Deputy Creed, to ask him to establish a high-level group to identify and secure sustainable funding streams for our sector. Without such an initiative the sector will have a high level of ambition, but no growth. With the committee's permission, my colleagues will now give a brief synopsis of what they do.

**Chairman:** That is fine.

**Mr. Greg Broderick:** My stable is based in Thurles in County Tipperary. I am an international showjumper and spend approximately half of my time in Ireland and half in Europe at international shows. That is because of the unfortunate lack of facilities to compete at international shows in Ireland. To give a comparative statistic, when I was an under-21 rider at the European championships in Athens in 2006, there were five riders on the under-21 team and another five on the under-18 team. From those ten riders, I am the only one left in the business in Ireland. All the others have left and set up in England, mainland Europe and America. That is mainly because the facilities in Ireland are not up to scratch and it is hard to produce horses to a top level. It is a very upsetting statistic to think that all of my colleagues when I was a young rider have had to move away.

In total, I have 18 full-time and five or six part-time staff and 70 horses riding out every day in my stable. We breed up to about 40 foals every year, have about 250 horses on the farm and, like Mr. O'Connor, all our investment is in Ireland. I mention hay, straw, feed and farriers. I love being based at home in Ireland. Unless things improve, however, when we are putting so many young horses on the ground - if we do not have better shows, prize money, and, most importantly, better facilities around the country to produce our horses - in the next three years I see myself closing my operation in Ireland and moving to mainland Europe, as all the people I grew up with have done. I am not asking for subsidies, I am happy to drive my own business forward and to look after that side of things.

**Mr. Ger O'Neill:** I am a director at Castlefield Sport Horses. It is a business I started in the last seven or eight years in what were challenging times. I have been lucky to win gold medals at the world championships and my rider has just won a gold medal at the European championships this year. I am in a similar situation to Mr. Broderick. We are trying to push forward and improve our horses here. Some of our expensive horses are worth up to €1 million and yet some of the facilities that we have to ride in here are not safe for the horses we want to compete with.

For the last six weeks, I have based some of my horses in Belgium. There are good facilities there that are up to speed with what we are trying to do. I have a young family in Ireland and I hope not to have to move. Ireland has ten of the top 100 riders in the world but only one of them is now based in Ireland. I would love to try to stay here but at the moment it is not viable for us to do that and operate at a high level. We are asking that the facilities be improved. Perhaps the committee could also have a broad look at the sector and see what we are doing and how much it is worth to the economy. We feel we are being overlooked somewhat. The racing industry is very good, as is the greyhound sector, but we are the poor relation. We really want to be taken seriously. We are serious people and we are committed to what we do. There are great people in Ireland with great love for the horses but we do not feel like we are getting much back from it at moment.

**Chairman:** I call Mr. Power.



**Mr. Jim Power:** I want to summarise briefly the report I did. I spent some years doing this report and I interviewed many stakeholders involved in the industry at all levels, from the top-end professional to the lower level of activities. It is a broad and diverse sector. The sport horse is at the centre of it all. Mr. O'Connor threw out some of the statistics. There are 14,830 active breeders in the country. More than 46,000 people are engaged in the industry, with more than 14,000 full-time equivalent employees, and it makes an economic contribution of €816 million, with an export value of €48 million. All that is achieved with support of about €3 million from the State.

In comparison, the thoroughbred sector makes an economic contribution of €1.84 billion and gets about €65 million in funding from the State. The question that must be asked is if anything like the same level of funding was provided to the sport horse sector, what sort of potential could be realised? The issues I kept coming up against as I did the research were the lack of support structures and the lack of a strategic plan. The industry has traditionally been very fragmented and that was reflected in the whole structure and board of Horse Sport Ireland.

That issue, thankfully, has now been addressed and there is a much tighter and more focused board in place. That is good. The general funding for the industry, particularly in the area of prize money, is very weak. The tourism potential of the sector is not recognised and it certainly is not being exploited. As previous speakers have mentioned, many of our top breeders and riders are being forced to leave the country, which is a great loss of a very talented group of people. The facilities are not up to scratch and there are also issues with maintaining the quality of the breeding stock.

Significant investment in the infrastructure and facilities is needed to try to bring up the level of competition. There has to be a strong focus on education and knowledge transfer. A key part of that is to try to create a career for young people in the horse sport area, so that it is not just an activity that they do in their spare time. It should be made a professional career. There also needs to be a strong focus on the whole breeding framework. Importantly, there needs to be a higher standard of competition available for Irish riders and breeders. If we do not have top quality competitions, we will not have the top quality people participating here and we will continue to see that brain drain.

As part of my research, I visited the Netherlands and viewed some of the facilities there, including the Equestrian Centre de Peelbergen. That is covered in the report. A number of things struck me about that centre. The first was the level of professionalism, the second was the quality of the infrastructure in place and the third, importantly, was the local authority was a key funder of that equestrian centre because it recognised the economic and tourism potential that centre brought to a rural area of the Netherlands. In my experience, the facilities in Peelbergen were up there with the best in class and it is the utopian vision of what the Irish industry can become.

I looked at the potential - and I am not sure if this is a forecast or if it is a target - but if the correct structures are put in place the economic contribution of the industry could be increased by at least 50% very easily. We could create an extra 700 jobs and it would certainly double the export potential from €48 million to close to €100 million.

Two points stand out in my view. First, the sport horse industry is an incredibly important contributor to rural economic activity. It makes a strong rural economic contribution. Importantly, it makes a strong social contribution as well and it is a key part of many communities. My final point is crucial. Ireland has an incredibly strong reputation for the horse. We need to

mind and nurture that reputation. We are going the wrong way about it at the moment. If we continue to go in the direction we are going, one half of the whole horse tradition of Ireland is going to be wiped out. That would be a great pity.

**Chairman:** I will put a question to the group. Mr. Power mentioned the fact that we are not attracting competitions. I presume that is because of our infrastructure. Will the Irish Sport Horse Alliance members give the committee an idea of the type of infrastructure in place at the moment and what would be required to bring it up to a standard that would attract competition?

**Mr. Barry O'Connor:** I will give the question to Mr. Broderick. He will explain how many horses we have abroad, why they are abroad and so on.

**Chairman:** What type of competitions are we talking about? The Dublin Horse Show is the biggest competition we have at the moment. What else do we have?

**Mr. Greg Broderick:** We have five international events in the season altogether over the 52 weeks. Millstreet has a two-star international. The number of stars of the show indicate the prize money on offer, with five-star being the biggest, for example, the Dublin Horse Show, and one-star being the smallest. We have two-star shows in Mullingar and Balmoral. We have a two-star show in Millstreet, a five-star show in Dublin and a one-star show in Cavan in November. Basically, there are five shows in the year where people can ride at international level.

World ranking is relevant. A competitor can only win world ranking points in competitions that are 1.45 m or above and the classes have to be worth €25,000 plus. Basically, it is difficult to win world ranking points in Ireland at a horse show. There is only one ranking class in Millstreet, one in Mullingar, one in Balmoral and none in Cavan, because it is a one-star event. There are some classes in Dublin because it is five-star event. It is particularly difficult for a competitor to base himself in Ireland and stay in the world rankings.

This is something we need to look at if we are to have better show centres with better services. The price of horses nowadays that are in competition at that high standard is relevant. The last thing a competitor wants to do is jump his horse on a poor surface. If people are investing in a competitor and his horse to ride at that level, the last thing the competitor wants to do is jeopardise the investment and jump on facilities or surfaces that are not up to scratch or without the basics. Unfortunately, as silly as it sounds, the facilities and surfaces are far behind in 95% of the show centres throughout the country.

Earlier in the year, in January, I went to the sunshine tour in Spain to produce some of my older horses as well as some of my younger horses. I brought 37 horses to the show in Spain. It was a major operation to move there. I would gladly have left 20 of my horses at home to compete with some of my staff and riders in Ireland if there were better facilities and surfaces here. I am recently home from Vilamoura in Portugal. We had 22 horses at the show in Portugal. We were gone for six weeks altogether. Again, I would gladly have left more than half, perhaps 14 or 15, of the horses at home to do some of the shows in Ireland. Obviously, it costs me. It is far more expensive to put them in trucks and bring them that far. Unfortunately, the shows and good surfaces needed to produce the standard of horses I am trying to keep in Ireland are simply not up to scratch, so I am being forced to go to Europe with the horses.

These events in Europe have people who are at the shows because of the nice facilities. They include agents who are trying to find horses or dealers who have clients looking for horses. They will go to the nice show centres to find horses. Unfortunately, there are not enough of

those shows in Ireland for people to bring such clients here. They opt more for Europe and the sunshine tours like those in Portugal and Spain.

**Chairman:** I will bring in Deputy Cahill presently. The Irish Sport Horse Alliance representatives referenced a figure of €100 million. Is that the figure required to bring these facilities up to five-star standard?

**Mr. Barry O'Connor:** All moneys would go through one body, which is Horse Sport Ireland. That has been restructured, as Mr. Power pointed out earlier. All money would be directed into one body, like HSI, which would distribute it. HSI has four sections, including training, competition, breeding and education and infrastructure grants. That is what the money is for. We envisage it would take €20 million to resource Horse Sport Ireland and have infrastructure grants.

**Chairman:** What would it cost to bring the venues, including Millstreet - I would have thought Millstreet was one of the top-class facilities in the country - Mullingar and Cavan, up to the level of Dublin?

**Mr. Barry O'Connor:** We are talking about €30 million over the next five years. That should be spread out over the top five centres and, to a lesser level, the feeder centres underneath them. They do not have to be identified. It is not to say that if we got money in the morning we would give it out directly. There would have to be a transparent process.

**Chairman:** Absolutely. I would imagine that Millstreet and Mullingar and so on would have to come up to a given standard to attract foreign competitors and so on.

**Mr. Barry O'Connor:** Millstreet and Mullingar attract foreign competitors at the moment but, like the business model for racing, prize money is what they need above all at the moment.

**Deputy Jackie Cahill:** I thank the Irish Sport Horse Alliance representatives for the presentation. It raised numerous issues that we need to address. I was given a question on Horse Sport Ireland by Deputy Darragh O'Brien this morning. We met Irish Sport Horse Alliance representatives some months ago and they made a presentation to us. Horse Sport Ireland is a limited company. Will the Irish Sport Horse Alliance representatives explain the structure? Bord na gCon and Horse Racing Ireland are semi-State bodies. Why was there a departure for Horse Sport Ireland? The Irish Sport Horse Alliance has been set up as a voluntary group. In fairness, the alliance is not describing itself as being in opposition to Horse Sport Ireland. Why are Horse Sport Ireland representatives not sitting before the committee today making these points? HSI is the governing body or the ruling body for the industry. I am not questioning the bona fides of Mr. O'Connor but I am trying to get to the heart of the issue. We have Irish Sport Horse Alliance, which is a voluntary group. I fully accept that. Mr. Broderick is a neighbour of mine and I know his facilities well. He has a superb training establishment beside Thurles. It is a credit to the Broderick family.

The public perception is that our showjumping teams are starting to do better internationally. That is the perception. We went through a trough when we were unable to compete at the highest level. My perception is that now we are becoming successful. I read somewhere that a large number of jockeys or riders rode internationally for Ireland last year. There could be five or six per team at a show, yet the teams had multiples of that number riding internationally. Obviously, the riders all have their own horses. How many of those horses are Irish-bred? There was a time when almost every horse in a show with an Irish rider was Irish-bred. What

percentage is not sourced here?

The Irish Sport Horse Alliance representatives did not mention eventing too much in the presentation. Does the market for eventing horses have the same issues as showjumping? At the trials in Badminton and other places we see the odd Irish competitor. The Irish team completed successfully internationally there in eventing recently. Do the same problems arise with eventing in terms of structure and prize money, being able to compete at international level, and the breeding of the horses?

Let us go back to funding and the hub of the issue. For Horse Racing Ireland and Bord na gCon there is a 4:1 split in what the Government gives. The Irish Sport Horse Alliance produced a graph in the brochure given to us. It shows the horse industry in Ireland at €64 million, the greyhound industry at €16 million, and the sport horse sector at €3.96 million.

Both of those industries would make the point that they have a betting tax that generates income for the Exchequer. They argue that is why they are getting this money back into their industry and that it is self-financing. The Irish Sport Horse Alliance does not have the vehicle to do that. Is Horse Sport Ireland looking for some of that 80:20 split to make it a three-way split rather than a two-way split? No one can argue with the figures the witnesses have given for the number of people employed, the generation of income and the potential of the industry. The other two industries would defend their position very vigorously. Is that where Horse Sport Ireland wants to source the income to promote its industry?

The Dublin Horse Show is world-renowned and we all go and enjoy our day out. It is probably the only day most of us will go to a showjumping event. Mr. Broderick said he was in Portugal for the past six weeks. Will the Irish Sport Horse Alliance be able to attract the top-flight riders here if there are these four or five top events in the year? Horse racing tracks such as Punchestown and Leopardstown have grade 1 races which will be targeted. I suppose it is down to our success on the racing front that not many horses come across the water to run in Irish races irrespective of how valuable they are. It may be that we have become so successful - we are able to go over and win 17 races in Cheltenham - that there is not much point in them coming to try to win races here in Punchestown. Will the Irish Sport Horse Alliance be able to attract the top-flight riders here when they have their own European circuit?

I fully appreciate how the Irish Sport Horse Alliance is trying to promote its industry. Will the witnesses flesh out some of the things said so that we can try to put a structure in place to get agreement on a way forward?

**Chairman:** We will have all the questions first, if that is acceptable.

**Senator Michelle Mulherin:** I welcome the witnesses. I am delighted that the Irish Sport Horse Alliance has taken this initiative and has commissioned this report. Mr. Power outlined the challenge with the industry being fragmented. In the view of the public it is also fragmented in the value that it brings. I come from a part of the country where horse sports are all around. However, what it is delivering to the local economy is not immediately obvious by comparison with other farming, such as beef farming. Therefore, this is a very worthwhile exercise. I can see great potential. There is a labour of love when dealing with sport horses, as is very evident in my part of the country. This is a good start.

The Chairman asked some very pertinent questions which explained some of what is being requested. The witnesses have pointed to the need to upgrade facilities which are substandard

and pose a challenge to those involved and to the well-being of the horses when they compete there. The witnesses spoke about education, training and upgrading facilities. When they speak of prize money, are they suggesting they should get money from the State to provide prize money for competitions? Is that how it is done in the Netherlands? Is that the sort of model needed to attract international showjumpers?

On the education and training side, how much interface is there with current systems like apprenticeships? There is a big debate about apprenticeships at the moment. Are Irish Sport Horse Alliance apprenticeships formally recognised and supported by the Department? Does further work need to be done to flesh out these things?

The witnesses named the top five, but how many show centres are there? Where is the one closest to the west? Does the plan focus on strategic regional centres to develop, or is it more widespread?

We have been given figures for the number of people involved in the industry, but how many people are involved in the alliance? How many people subscribe in an active way to what is being proposed here? While I am sure they would all welcome it, how many people have come together to give the Irish Sport Horse Alliance a mandate to go for it? This spills out on the ground, so to speak, to politicians. If I go to a horse show in an area, for example, in Mayo, will all people say that this is what they need for their industry? Does such cohesion exist?

**Senator Paul Daly:** I welcome the witnesses. What is the corporate buy-in for all this? If the Irish Sport Horse Alliance had the money in the morning, is there potential for matching funding from the corporate side? Although it is not specifically a requirement of State funding, the industry will never get a handout unless it has some form of matching funding. Where does the Irish Sport Horse Alliance envisage getting the balance of what it needs even if it got what it is seeking? How does it envisage additional funding being generated if its request for Government input were to be met?

While the presentation indicated the Irish Sport Horse Alliance did not want comparisons, the horse racing side has betting tax and the tote. It has what I call matching funding. If the Irish Sport Horse Alliance got the infrastructure it deserves and desires, what additional income could be created beyond what it is generating at the moment?

This study has been done by people who are ensconced in the industry. How is it funded in other countries? We are talking predominantly about showjumping. I would probably only watch the Aga Khan trophy competition. Countries such as Brazil, USA, Canada, the Netherlands and Germany participate. What kind of model operates in those countries? What state funding do they get?

I have an interest in horse breeding and the thoroughbred side of things. How is the lack of funding affecting our breeding and our reputation? Ireland is a world leader in horse breeding across the board. From what I have heard today, it cannot be helping the cause. How can that be turned back to where we would like to be as a horse-breeding nation?

We are talking mainly about showjumping, but the Irish Sport Horse Alliance represents all horse sport. Does that include harness racing? Is that on the thoroughbred side or is it somewhere in between? Representatives of harness racing have appeared before the committee in looking for a piece of the pie. Does the Irish Sport Horse Alliance work with them or are they under the Irish Sport Horse Alliance umbrella? I know they are not under the HRI umbrella. Is



harness racing a third entity?

**Deputy Marcella Corcoran Kennedy:** I thank the witnesses for appearing before the committee. They have brought us some very interesting information and provided more detail than we would normally have. I was brought up in the little village of Belmont in west Offaly. There was horse breeding going on there so I was aware of the potential of the sector. Darragh Kenny is from that area and is doing very well internationally.

I will stick with the local. The entrepreneur, Emma-Rose Conroy, founded Euro Stallions and it is fantastic to see all this happening. The information is disparate and making it hard to focus and see how much information is there. The Irish Sport Horse Alliance has done a great service in producing its report. Has the alliance sent this report to Horse Sport Ireland? Undoubtedly, such a sharing of information would be of assistance to Horse Sport Ireland.

Who is the driver of investment in additional facilities? The various venues at which showjumping takes place have been mentioned. Who would spend the funding were it provided?

Why is there such a disparity in the funding for the Irish Sport Horse Alliance, Horse Racing Ireland, Bord na gCon and Horse Sport Ireland, particularly given the pride that we all take in their successes? In terms of developing elite athletes, what relationship do our guests have with Olympic Ireland? Is there a special funding stream to help someone who has been identified as a potential Olympic gold medal winner to reach his or her potential?

Mr. Broderick mentioned the facilities in Belgium. If he had a magic wand, what would he create here? Would it be a single amazing facility or several facilities throughout the country?

**Senator Paul Daly:** In terms of the progression of young riders, I am intrigued to know how far down the chain the Irish Sport Horse Alliance goes, for example, to pony clubs. How much involvement or input into, and how much money would it invest in, the development of young riders who start on ponies and work their way up? A friend of mine whose daughter liked ponies told me once that a pony was just a stopgap for her between toys and boys. What plan does the Irish Sport Horse Alliance have to bring her beyond the boys and keep her interested in the pony before moving on to the horse?

**Chairman:** I also have a question. Who owns the five venues, including Millstreet, Mullingar and Cavan, that were mentioned? Obviously, we know who owns the RDS. Are the others private-----

**Mr. Barry O'Connor:** They are privately held.

**Chairman:** Okay. Mr. O'Connor can reply to the other questions when he is ready.

**Mr. Barry O'Connor:** I will start with the couple of questions on Horse Sport Ireland. When we initiated our contact with the Minister and the Department, the first job of work that the former said he had to do was examine the structure of Horse Sport Ireland, bring it up to date and modernise it as a body. We liaised with Indecon on the restructuring of Horse Sport Ireland, making it more fit for purpose and making it more transparent where Government payments to it were concerned. The Minister appoints three members of the board as well as the chairperson and is responsible for signing off on the hiring of the CEO.

We work and liaise with Horse Sport Ireland constantly. We are all involved in various

training programmes with it, so we are not in any way split from it or against it. There is no rivalry whatsoever. Before it was reorganised, we came together as a group to put together an economic mandate, which was missing from the sports horse industry for years. That was our fault as well. We are not here to try to find Ministers, Governments or Departments on which to place blame. Our industry has since been organised and our structure is up to date. Horse Sport Ireland asked for €13.1 million to start its education, breeding, prize money and infrastructure programmes. We got an extra €500,000, bringing us up to €3 million. I do not know what we can do with that.

As to whether we want, or it is feasible for us, to be covered by the Horse and Greyhound Racing Fund, where the Minister gets the money from is up to him, but we would not want to be seen to be taking money from bodies that are established in that fund. Getting into it is not one of our goals, but we do need money from somewhere. That is a question for the Minister.

On a relevant point, we are trying to emulate what the racehorse industry has done. It is an unbelievable product and, as Irish people, we are not proud enough of it. We hear stories about so and so being worth so much and winning this or that money or about there being three main owners, but those are problems that will only last for a couple of seasons and then it will be something else. It is one of Ireland's three best products. As three showjumpers, we are immensely proud of what Horse Racing Ireland, HRI, and the Department of Agriculture, Food and the Marine have done with racing. It is incredible. When we are abroad, people ask us about it. We are an island off the coast of Europe that has the best trainer in the world, the best racehorse in the world and some of the leading studs in the world.

The Minister and civil servants at our meetings were adamant that they would pay one body, which would then distribute all of the funds, namely, Horse Sport Ireland. Any funding stream will come from it. That is important, as we need to tie the high-performance sport into breeding, centres, pony clubs, statistics and databases. It should all be in one place, as the sector is not big enough to have separate bodies. That is why we support all funding going to and coming from Horse Sport Ireland.

There was a question about Irish-bred sport horses and eventers. I would like to hand that over to Mr. O'Neill, who is more qualified to discuss whether they have the same problems as showjumpers and whether investment in prize money facilities would have a return for the economy.

**Mr. Ger O'Neill:** I used to event up to a world cup level. Events around the country have a different structure. For example, they do not need the same facilities as us because many of their events are held on grass. However, they definitely need a greater prize fund. For the first time, Irish riders on Irish horses have won medals at a very high level. We have been exporting many of our best horses around the world. For 19 years, they have been number one in eventing. As such, eventers are like showjumpers in that they need more money. A greater prize fund is something that they could do with as much as facilities.

**Mr. Barry O'Connor:** We were asked whether, if we had the prize money and facilities in the morning, international riders would come to Ireland. I will hand that question over to Mr. Broderick, who has a number of international clients with him for training.

**Mr. Greg Broderick:** We would of course get more international riders coming to Ireland if the prize money was better. More importantly, if the facilities and surfaces were improved, we could produce our horses to a higher standard. We are lacking in that respect at the minute. If

that happens, the horses will be worth more money. Having better facilities available raises the bar for everything, for example, production and the standard of riding. It would have a domino effect.

I finished at the Vilamoura Equestrian Centre ten days ago and then spent eight days in Holland, Belgium, Germany and France looking for new horses. When I visited some of the very good breeding stables, I noticed that they were working with many international riders. When one tries to buy their best bred horses, they do not want to sell them. They are happy to keep them because the animals are working alongside Belgian or French international riders and the stables will sell them to those riders when the horses are old enough. Thanks to a considerable amount of investment, there is a network of good show facilities within two or three hours of the stables where they can do a great deal of their work. Many international riders are basing themselves around that infrastructure because it allows them to train well and work alongside breeders. When international riders take on horses, the better riders base themselves around those facilities. They can produce the horses to a higher standard. When foreign customers come from places like the Middle East, the United States or Canada, they do not want horses that are not produced well. They want horses that are well ridden and well produced, and they want the facilities there for them to do that. Those horses are being sold for a lot of money and the money then trickles down the line to the breeders, who are able to invest in better mares and better stallions, and pay better stud fees. As the horses are being well procured to a higher standard, this raises the bar of everything else, so they are able to use a better type of mare or stallion, and to hold tough and give the horses international riders.

Unfortunately, the problem in Ireland is that the facilities and better prize money are not available, so the riders we see winning gold medals in the European championships on ponies or at junior level, like myself when I was 21, are all leaving Ireland and are in Europe and America, where horses are being produced to a higher standard. There is a bit of a breakdown between the breeders and those international riders, which is definitely affecting the business. If we had better facilities and better prize money in Ireland, we would keep a better standard of rider and produce horses to a better standard, which without question would have a domino effect down the line.

**Chairman:** The issue of prize money comes up regularly. Who provides the prize money at the moment? What is the typical prize money for a main event in Millstreet or Mullingar and how does that compare with a similar event in Holland or Belgium?

**Mr. Greg Broderick:** At those two-star shows we spoke about, at Mullingar, Balmoral and Millstreet, there would be a prize fund of €25,000 just for the Grand Prix. I competed in some two-star shows in Portugal in recent weeks and throughout the week, from Thursday to Sunday, there were three €25,000 classes at what was the same type of two-star show. In Ireland a rider just gets one bite at the cherry as there is one €25,000 class, which shows the difference. I asked how it is funded in Portugal and they said the tourism board and the Government help a lot in providing the money because it brings many riders to the show and there are spin-offs all around the area.

**Chairman:** Who provides the prize money here at present?

**Mr. Greg Broderick:** It comes from the show organisers.

**Chairman:** It is sponsorship.

**Mr. Greg Broderick:** Yes.

**Mr. Barry O'Connor:** The Chairman asked about corporate buy-in. I would see any grants for infrastructure as being on a 50:50 basis. Prize funds are done in the same way as for racing, in that one would have to come up with a percentage oneself. I will ask Mr. Power to talk about this shortly.

I was asked about apprenticeship schemes. We do not have apprenticeship schemes or a cohesive training programme at the moment, although some programmes are run by Teagasc and different colleges. We have a very good training programme for riding skills but if a farmer wants to diversify income on a small holding, there is no business course they can do which is similar to the green certificate that is done when inheriting a farm. We do not have any of that type of education such as there are in different areas of agriculture.

Mr. Power is best placed to answer on where the Government has used public funds for infrastructure grants to private individuals in a way that has trickled down into the local economy.

**Mr. Jim Power:** It is important to point out, when we are comparing ourselves in an international context, that Ireland has obvious geographical disadvantages. It costs more to transport horses here whereas, on the European circuit, for example, in Belgium, Holland, Germany and France, it is easy enough to get around and is relatively cheap. That places us at a disadvantage and means we have to run a lot faster to try to catch up or to stay up with the others. As I see it, we are not doing that and we are slipping back.

If we accept there is potential for this industry to make a significantly greater contribution, which from a rural and economic development point of view is very important, the State would be justified in intervening where there is this sort of market failure. Facilities are the most important thing. If we create the correct facilities, we will get the top riders here. I was going to use the analogy of the horse before the cart, but it would probably be inappropriate. If we are running top quality competitions with top facilities, we will get top quality riders and that will feed into the generation of the revenues that will fund the prize money. Developing the facilities and creating top quality competition are very important.

I was asked where the State has intervened in similar areas. I would point to the investment by the IDA in facilities which it provides to multinationals in order to create employment. It is the same sort of structure in that one facilitates businesses that will generate economic activity that will generate employment that will generate tax revenues.

**Deputy Jackie Cahill:** With regard to the breeding area, why was Horse Sport Ireland set up as a limited company rather than as a semi-State body?

**Mr. Barry O'Connor:** I do not speak for Horse Sport Ireland. I believe its new chairperson, Mr. Joe Reynolds, will be making a presentation, so it would be more appropriate for him to answer that question.

We have meandered with our purposes for years. I have never heard a Minister, a Department official or a head of any administrative body talk about jobs and exports, which is interesting. I did some research and watched some old tapes of people making presentations here. Most people have those figures. We are a very old industry but we have done it ourselves, as individuals. It is time for us to come together and harness that for the good of the Exchequer and of all the people involved. We have talked about the high end of sport, high-end international show jumpers and high-end prize money. High performance sport encourages local activity and

encourages people to get involved and to participate. However, if one is granting money to a centre, there is a tie-in. In the Netherlands, when the local authority gave money to the local centre, it had to employ local people and give jobs locally, for example, the part-time jobs that arise when there are events. There was buy-in from the centre to the local area and from the local area to the centre. That would be very important going forward.

**Senator Michelle Mulherin:** Has Mr. Power looked at a possible funding stream under the rural development programme?

**Mr. Jim Power:** No, I have not.

**Mr. Barry O'Connor:** We have heard this a few times. We have been asked why we do not ask the Department of Transport, Tourism and Sport or some other Department. This is a bit of a problem. It is like passing the ball or passing the parcel.

**Chairman:** The rural development programme comes under the Department of Agriculture, Food and the Marine due to CAP reform.

**Mr. Barry O'Connor:** As a body, it should all go to the one place. When we are talking high performance, we are thinking how we can get jobs and exports. Every euro the Department gives to us or to Horse Sport Ireland should be converted into inward investment, jobs and exports, and nothing else. It is not for people's enjoyment. It is to create the multiplier effect for the good of the Exchequer.

**Senator Michelle Mulherin:** It is part of the objective of the rural development programme to develop alternatives outside conventional farming. It would match what the Sports Horse Alliance is trying to do and it is co-funded by the Government and the EU.

**Mr. Jim Power:** I am sorry. I misinterpreted the Senator's question. I thought she said "world development programme". I beg her pardon. I have looked at the rural development programme and it would definitely be a fit. There is no doubt that it works to diversify the whole rural economy and adds value. Given the discussion we have just had about beef prices in the last session, for example, the pressure on beef farmers and what is happening on the tillage side, there is no doubt that there is a need for rural diversification. Many small farms could generate meaningful economic entities in this area.

**Senator Michelle Mulherin:** Okay.

**Deputy Marcella Corcoran Kennedy:** I had a couple of questions to which I did not hear answers.

**Chairman:** We will get to Deputy Corcoran Kennedy now and I will let the Senator back in shortly.

**Senator Michelle Mulherin:** I wanted one of these big centres in the west. That is all. Nobody told me that was part of the plan.

**Chairman:** We are over-parochial today. Deputy Corcoran Kennedy's question was on the driver of additional facilities.

**Deputy Marcella Corcoran Kennedy:** And whether this report has gone to Horse Sport Ireland.



**Chairman:** The Olympic Council of Ireland.

**Deputy Marcella Corcoran Kennedy:** I mentioned the Olympic Council of Ireland in respect of the identification of potential elite jumpers. If there was an ideal facility, where might it be and what would it be like?

**Mr. Barry O'Connor:** With regard to Horse Sport Ireland we have used a lot of its figures in this report. One of the Deputy's question was if we had sent the report there. Yes we have and we liaise with Horse Sport Ireland all of the time. On the question about the Olympic Council of Ireland, the Department of Transport, Tourism and Sport gives some funding to Horse Sport Ireland for podium funding. This is for championships, world games and the Olympics. They work with them but on a results basis, in order to gain results in the sport internationally. The chairman of Horse Sport Ireland will be able to make a better presentation.

**Chairman:** Does the Olympic Council of Ireland recognise Greg Broderick, for example, as an elite athlete and does it prioritise him - or whoever it may be - going forward for extra facilities, extra funding or extra training as with boxers? A number of boxers are in high-level special training and get some extra facilities and funding, as do some of the athletes. Are the showjumpers not treated in the same way?

**Mr. Barry O'Connor:** I do not think so.

**Mr. Greg Broderick:** I have not heard of it before from the Olympic Council of Ireland in respect of showjumpers. There are initiatives from within Horse Sport Ireland, such as training days.

**Chairman:** It had some success over the years.

**Deputy Marcella Corcoran Kennedy:** There is a disparity between the funding of Horse Sport Ireland and Horse Racing Ireland, which is quite significant. Horse Sport Ireland gets €2.5 million, which is going up to €3 million. In contrast, Horse Racing Ireland receives more than €67 million, and Bord na gCon gets over €17 million. How do we account for that huge disparity? Has Mr. Power looked at that issue or has anybody?

**Mr. Jim Power:** I have. I remember being asked a question on a radio show many years ago about the preferential tax treatment for the thoroughbred sector. For once I said that I could not answer that question because I did not know the answer. I went away and did a lot of work on it. I looked at Coolmore Stud. I grew up in the neighbouring county to Coolmore Stud, which was just across the river. Coolmore is an incredible contributor to the local economy in south Tipperary. It is amazing. It is a world-class facility and it makes a huge contribution to the local economy such as paying premium prices to farmers for hay and straw. The advantage that the greyhound and the thoroughbred sector has is that they are very narrow and well defined sectors that have always had a very united voice. The sectors work together and it is one small and narrowly defined industry in both cases, whereas the sport horse sector consists of everything from a small equestrian centre in a rural village in Waterford to what we see in the Royal Dublin Society in August, and everything in between. That is the problem. There was never a united approach or a united voice. I worked very closely with Horse Sport Ireland in the compilation of this report. I spoke with them a lot throughout the whole process. I would be very surprised if Horse Sport Ireland had a problem with anything in this report. We are all on board and there is a much more united approach now. The restructuring of the board of Horse Sport Ireland is a major step in the right direction. I would hope that with a stronger voice and with a much

more united approach, the sport horse sector would be able to go some way towards emulating the world-class industry we have in the thoroughbred sector. That should be the sort of utopian vision we have for the horse sport sector, at least from an external perspective looking in.

**Deputy Marcella Corcoran Kennedy:** In relation to the facilities, are the representatives thinking of something brand new or investing in existing arenas that are there already as are outlined here?

**Mr. Barry O'Connor:** We discussed this earlier today before we came in. We are talking about refurbishing places that are there at the moment. One might ask why we have not done that already from an economic point of view. Horse Sport Ireland was set up some ten or 12 years ago with a promise of funding and then along came the big crash and there was no funding available and so on. A lot of people moved out of the industry to get jobs abroad. We missed a step but it is a chicken and egg situation and we have to get in front of it. I would refurbish a lot of the places that are there and maybe do some new buildings. The people we have identified have a track record of running an equestrian centre through the recession and these are the types of people one needs to carry it on for another ten or 20 years.

**Deputy Marcella Corcoran Kennedy:** The reason I ask this is because the sports capital grant fund that has been allocated in recent years has had large funds allocated for various regional facilities. It strikes me that potentially that could be a good way to fund.

**Mr. Barry O'Connor:** We cannot access it.

**Deputy Marcella Corcoran Kennedy:** The witnesses cannot access it.

**Mr. Barry O'Connor:** No, because privately-owned centres are on private property.

**Deputy Marcella Corcoran Kennedy:** I would not go along with that. I would question that.

**Mr. Barry O'Connor:** It has to be on public owned property. It has been questioned by a lot of people more persuasive than me.

**Deputy Marcella Corcoran Kennedy:** Let us check the small print there. I would beg to differ but we will not go into it here.

**Senator Paul Daly:** Does the group have any relationship with the Irish Harness Racing Association or are the organisations under the one umbrella? We had the harness racing representatives before the committee. They were also looking for seed funding and it had a pretty similar presentation. Does that organisation come under the umbrella of Horse Sport Ireland?

**Mr. Barry O'Connor:** I have talked with the head of that body. The Irish Harness Racing Association is a member of Horse Sport Ireland but not a member of our group, Sport Horse Alliance. It is a separate asset. To be honest I find it odd that they are with Horse Sport Ireland because I thought they should be in a betting structure such as Horse Racing Ireland. It is odd that they are with Horse Sport Ireland.

**Senator Paul Daly:** Sport Horse Alliance had some communication with them.

**Mr. Barry O'Connor:** Some communication such as a couple of phone calls.

**Senator Paul Daly:** I am thinking on my feet here. Both groups have been here to give

similar presentations and both have looked for seed funding so would the Sport Horse Alliance perhaps see the merits or potential in a joint venture? They are looking to buy a track.

**Mr. Barry O'Connor:** Yes.

**Senator Paul Daly:** Could there be the potential for a state of the art jumping arena in the centre of the track if the groups were to put their heads together?

**Mr. Barry O'Connor:** To be honest one should never say no, but we already have five and to answer the Senator truthfully, I do not see it. There are two different breeds of horses and-----

**Senator Paul Daly:** I can appreciate that but they are still horses. We have talked already about the thoroughbred and the sport horses, and these are a third one.

**Mr. Barry O'Connor:** We want to refurbish what we have. It is very important to stay with the people and the companies that have run the equestrian centres. They have a proven track record. There have been a few investments in past years where they went on to the new people who had a new idea and it never worked. The centres that are there currently, which we have identified, have fairly good business skills to take on the funding. They know what the market needs, they invest properly and spend the money properly and sustain it over the next ten to 20 years.

**Senator Paul Daly:** I appreciate that totally. At the outset, when the Sport Horse Alliance was giving its figures I thought the representatives were almost shooting themselves in the foot because if the sector is doing so well why does it need the money? The organisation is run well. I understand its need for additional funding. It is a credit to everybody involved that the figures mentioned have been achieved with little funding. In view of the fact that no greenfield site has been identified, however, the organisation might encounter difficulties getting around some of the issues, particularly those relating to private ownership.

**Mr. Jim Power:** Structures would have to be agreed before any State funding could be provided.

**Mr. Barry O'Connor:** Prize money and infrastructure were mentioned. There are a lot of other areas that need funding, including breeder education and education databases for business start-up for young people who want to work on the sport side, namely, stable staff, grooms and so on. It is important to make the point that it is not all about prize money and infrastructure.

**Chairman:** The infrastructure would be crucial to attract competition to the country.

**Mr. Barry O'Connor:** Yes, it is important but spending is also needed in the context of education and training.

**Deputy Jackie Cahill:** Mr. O'Connor mentioned earlier that a large number of riders jumped internationally last year.

**Mr. Barry O'Connor:** Yes.

**Deputy Jackie Cahill:** Upwards of 20 jumped internationally for various teams.

**Mr. Barry O'Connor:** Approximately 27 jumped in the various nations cup. Overall, however, there are probably about 40 who jump internationally. I am speaking only about showjumping because that is our area.

**Mr. Ger O'Neill:** Very few are Irish-based.

**Mr. Barry O'Connor:** A handful are Irish-based.

**Deputy Jackie Cahill:** Mr. O'Connor said that approximately 27 jumped in nations cups. I presume those riders each have two or three international horses.

**Mr. Barry O'Connor:** Yes.

**Deputy Jackie Cahill:** How many of the horses are Irish bred?

**Mr. Barry O'Connor:** Approximately ten.

**Deputy Jackie Cahill:** That shows why we need to invest in and focus on this industry. There was a time when an Irish rider would always ride an Irish bred horse. I am not criticising the riders because I understand they have to go where they can source top class horses but it shows where we have slipped.

**Mr. Barry O'Connor:** It does. Activity funds interest and interest has a trickle down effect. Five or six high standard international shows in Ireland will attract breeders and so on.

**Deputy Jackie Cahill:** Do we have the foundation stock to breed international horses?

**Mr. Barry O'Connor:** Mr. Broderick is best placed to answer that question.

**Mr. Greg Broderick:** The breeding industry needs help. Breeders need more education. As Mr. O'Connor said, the trickle-down effect of better standard facilities and prize money would be fewer riders leaving the country, better produced horses, a better standard of riders and, also, horses could be sold for more money, as currently happens in Holland, Belgium and Germany. We are not able to do this as well in Ireland because we do not have the facilities available to us. If we had better facilities and prize money we would retain a better standard of rider in the country and produce horses to a better standard and this will trickle down the line.

**Deputy Jackie Cahill:** Do we have the mares to do it?

**Mr. Greg Broderick:** If a person hears that a horse has been sold for a certain amount of money, he or she might ignore it. If he or she hears it twice, three times or four times, however, he or she might be encouraged to get involved in breeding the type of horses that can attract that type of money. I attend the foal sales at Goresbridge and Cavan. I can assure the committee the business is flying. Breeding showjumping horses is currently one of the best businesses across Europe in which a person can be involved. People in Ireland need to understand this and to not be afraid to invest in it. When I go to the foal sales, I meet farmers and breeders. I have noted a disconnect between them. They do not get to meet enough of the top riders because they are not in the country. Some of the foals are not well enough bred and so they are being sold for small amounts of money and this is upsetting the farmers and breeders. As stated, if we had better facilities and prize money, we would be able to keep the better riders in the country. We do have the best riders in the world. If we put on bigger and better shows, some of them will come here and that will raise the bar. There is massive potential in this area. We need to invest in the facilities and prize money. As I said, that would raise the bar. If breeders see a better standard of horse being produced and sold for more money they will get behind it.

As we were coming into this meeting there was an online auction underway in Belgium for embryos from some of the good mares in Europe. The price for one of the embryos was set at

€48,000. If that happened once or twice in Ireland, people would get behind the industry and instead of all of the Irish lads riding horses bred in the Netherlands, Belgium or wherever, they could want to ride the Irish horses. Ireland is the best place in the world to raise a horse. We have the best land and we are great horse people. The industry needs a helping hand to raise the bar.

**Mr. Barry O'Connor:** There is a lot of talk about market decline. We have no problem with our markets or the price of our product. The price of our product is reflective of our training and so on. We will take responsibility for that. Most other sectors need help in that area but we do not. The areas in which we need help are those outlined earlier.

**Chairman:** I thank Mr. O'Connor, Mr. Broderick, Mr. O'Neill and Mr. Power for their useful presentations. We will send a transcript of this meeting to the Minister, with whom we will also engage on the matter when he comes before the committee next week to discuss the horse and greyhound industry.

The joint committee adjourned at 6.50 p.m. until 3.30 p.m. on Tuesday, 27 November 2018.