

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Máirt, 29 Eanáir 2019

Tuesday, 29 January 2019

The Joint Committee met at 3.30 p.m.

MEMBERS PRESENT:

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

DEPUTY PAT DEERING IN THE CHAIR.

Scrutiny of EU Legislative Proposals

Chairman: Schedule A is COM (2018) 817, proposal for a regulation of the European Parliament and Council amending Regulations (EU) No. 1305/2013 and (EU) No. 1307/2013 as regards certain rules on direct payments and support for rural development in respect of the years 2019 and 2020. It is proposed that there are no subsidiarity concerns in respect of COM (2018) 817. It is also proposed that the proposal warrants no further scrutiny. Is that agreed? Agreed.

Live Exports: Department of Agriculture, Food and the Marine

Chairman: Before we start the meeting I remind members, witnesses and those in the Public Gallery to make sure that their mobile phones are completely turned off as they affect the broadcasting systems in the committee room. Today we are discussing the issue of live exports. I welcome the officials from the Department of Agriculture, Food and the Marine: Ms Paula Barry Walsh, deputy chief veterinary officer; Mr. Dermot Murphy, principal officer; Ms Maria Dunne, principal officer; Mr. Rob Doyle, senior superintending veterinary inspector; Mr. David Nolan, senior superintending veterinary inspector; and Mr. James Casey, veterinary inspector. I thank them for coming before the committee to discuss the issue of live exports today.

Before we begin I bring to the witnesses' attention the fact 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 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. They are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against either a person outside the House or an official, either by name in such a way as to make him or her identifiable.

Ms Paula Barry Walsh: I thank the Chairman for the invitation. Live exports are a critical part of the infrastructure of our livestock industry. They play a significant role in stimulating price competition and provide an alternative market outlet for farmers. They are, however, commercial transactions which can be impacted by various factors. The live trade of animals is acknowledged to be a sensitive issue subject to societal, geopolitical and socio-economic influences. The Department of Agriculture, Food and the Marine facilitates this trade, recognising its importance to the agriculture sector, while ensuring that live animal exports meet the highest welfare standards. The Department takes its obligation to supervise the industry very seriously, ensuring compliance with these standards and exercising strict controls on the transport of live animals for export. All ships transporting animals undergo inspection and licensing by the Department of Agriculture, Food and the Marine. The handling, lairaging and loading of animals is carried out under veterinary supervision. All animals undergo health inspection prior to departure, and certification is issued by the official veterinarian only if the animals are deemed fit for transport and free of disease. In 2018 live exports totalled 246,226 head of cattle, up 31% from 188,334 in 2017. This change was driven by a significant increase in calf exports to other EU countries. Calf exports to Spain increased by 66% to over 72,500 head in 2018. Exports

of Irish calves to Italy and the Netherlands also increased last year to over 12,500 and 48,500 head, respectively. Calf exports to Belgium increased from 4,200 to 13,000 head from 2017 to 2018. Almost 13,000 head of cattle were exported to Turkey last year despite the currency challenges faced in that country.

I turn to ongoing work on market access for the livestock trade. In April 2017, the Minister for Agriculture, Food and the Marine outlined a seven point action plan to increase international market access for Irish food, drink and live exports. This focused on the development of new third country markets as well as ongoing work to maintain access to existing third country markets and improve the terms of our existing access, which is also crucial. The maintenance and expansion of EU markets is also recognised as critical to the live export trade and Ireland works closely with Bord Bia on live export issues. In the context of market access for livestock, the Department has engaged in the last 12 months at political, diplomatic, official and technical levels with a number of delegations from third countries, including Turkey, Algeria, Libya, Egypt, Kazakhstan and Qatar. New certificates were agreed with Libya and Qatar which are now more favourable to Irish exports whereby animals may be drawn from a larger cohort and are aligned with bilateral certificates with other member states. I clarify that Egypt's certificates are still being finalised. Revised certificates were also proposed to other markets. While awaiting their responses, the Department is optimistic about a favourable outcome. In August 2018, a Libyan delegation visited Ireland. Following this, the Department reached agreement with the Libyan authorities on veterinary health certificates for the export of cattle. The Minister's decision to reduce the veterinary inspection fee payable on live exports of calves less than three months of age from €4.80 to €1.20 has brought about greater equity in respect of fees payable per consignment.

I turn to animal welfare and compliance with legislation. The Department provides strong oversight of the welfare of animals being exported over land and by sea from Ireland through a comprehensive legislative framework, namely the Carriage of Livestock by Sea Regulations 2016, SI 356 of 2016, and Regulation (EC) No 1/2005 on the protection of animals during transport and related operations. In addition, and as already mentioned, veterinary inspection is carried out on animals prior to loading to ensure their fitness for transport. Irish legislative standards for sea transport are recognised by the EU Commission as among the most effective and stringent in force. Under the European Communities (Animal Transport and Control Post) Regulations 2006, the Department requires exporters to provide satellite navigation records and return all journey logs on completion of the journey. Furthermore, the Department does not approve journey logs from exporters for road transport for any livestock export where the destination country has an orange or red weather alert in place or where a significant part of the transit route goes through an orange or red alert area. This is in addition to the annual ban on road transport of livestock to Greece, and North Africa during the months of July and August. The Department does not allow road transport to Turkey due to potential delays at border posts which might impact on animal welfare.

Ireland continues to work closely with other EU member states and the World Organisation for Animal Health, OIE, with a view to improving animal welfare practices worldwide. In this regard Ireland has reaffirmed its ongoing commitment to animal welfare through additional OIE multiannual financial assistance to support its activities to enhance animal welfare worldwide. This additional support to the value of €75,000 per annum over the period 2017 to 2020 is focused on OIE initiatives in the area of slaughter in eastern Europe, the Middle East and North Africa and in the area of "whole journey scenarios" by land, sea or both involving inter-regional journeys. In addition, Ireland hosts technical assistance and information exchange

meetings with third country representatives with a view to achieving improved welfare outcomes. Ireland is currently making arrangements to host such a visit in February 2019.

Challenges are to be expected within the live export trade. These challenges include that of capacity in lairages in France. Lairage capacity in Cherbourg has already been increased in recent years from approximately 1,500 calves per day to 4,000. Departmental officials are in ongoing communication with Irish exporters on the need for their co-operative management with each other to ensure lairage capacity at Cherbourg is optimised. Industry has been advised to make contact with business partners in France to explore options around the increase of capacity at Cherbourg. Departmental officials continue to meet with ferry companies to explore new routes to mainland Europe as well as on the carrying livestock on existing routes to ensure that the greatest facilitation possible is afforded to livestock exporters in the important spring period. The pending approval of a new ferry will assist in addressing these issues. Departmental officials also engage with French counterparts on animal welfare matters and the lairage capacity in Cherbourg. The establishment of an exporter representative body would be a useful development in improving planning and co-operation between exporters. It would enhance their engagement with their French counterparts and especially with the existing owners of the facilities in Cherbourg, where additional capacity may exist.

The Department continues to work with the Egyptian and Algerian authorities with a view to finalising health certificates for these countries. I will be glad to keep the committee apprised of progress in these matters in the coming weeks.

Chairman: I thank Ms Barry Walsh. We will take questions from members in groups of three before coming back to the witnesses. The first three members to indicate were Deputy McConalogue, Deputy Cahill and Senator Lombard, in that order.

Deputy Charlie McConalogue: I thank Ms Barry Walsh and the team from the Department of Agriculture, Food and the Marine for attending today to make a presentation and answer questions from members. Live exports are critical to the health of the beef sector, in particular given the pressure it has been under for the past number of years. It is ever more essential. The strength of trade and the prices paid at marts reflect the health of the livestock market. We have an issue currently around the size of the kill in the country, which has been reaching up to 40,000 head per week and putting pressure on the prices farmers are getting. It is crucial to ensure at policy level that the pathway to live exports is as smooth as possible while remaining at all times cognisant of the need to ensure the welfare of the animals being exported is accorded a high priority. Nobody will wish to ensure that more than farmers.

I ask the witnesses in particular about the live export of young calves over the recent period. As the dairy herd grows, it is important to ensure the calves it produces are exported at a young age so the domestic market is not overwhelmed by beef entering at slaughter age. Given the numbers last year, what is the Department's assessment of how those numbers will hold up or improve? Is the Department satisfied in the context of approvals for boats to export those calves? On the Department's engagement on licences and in particular having regard to the issue of lairage in France, will we be able to build on the numbers achieved last year to increase exports this year? On the export certificates with countries for live export, and especially for northern African countries, Ms Barry Walsh indicated a number of countries where revised licences and new certificates had been agreed in the last period. In her presentation Ms Barry Walsh referred to Egypt, Libya and Qatar in particular and that the Department is continuing to engage in Turkey, Algeria, Libya, Egypt, Kazakhstan and Qatar. With regard to the certificates that were revised to give farmers more favourable terms for export, can the witnesses highlight

what changes were agreed that facilitate that? In my engagement with the beef sector there was previous feedback that some of the terms and conditions that would have been in those prior export certificates were too onerous - such as restrictions in advance and holding periods for cattle prior to export - and that these made the viability of the exports less attractive than for other exporting countries, which would have had certificates with the same countries. That covers most of my questions.

Deputy Jackie Cahill: Like Deputy McConalogue I thank Ms Paula Barry Walsh for the presentation to the committee and I welcome the other members of the delegation here today.

Live exports were never of such critical importance to us. As the number of black and white calves increase this safety valve is absolutely essential. The numbers went up in 2018, which is testament to the satisfactory standards Ireland has in place. If our calves were not arriving in a healthy state to the Continent, we would very soon lose our customers there. The standards that have been put in place by the Department are there and working well. We have to ensure they are. The live exporters, obviously, had to reform their job and they want to do to as economically as possible but it is essential that the calves arrive in a healthy condition. That is happening, otherwise the figures would not be on the increase. In the past we had problems with our weanlings going to the Continent, but we ironed that out. I was with Bord Bia at the time. There were definitely health issues with weanlings and it was going to destroy Ireland's whole reputation. Action was taken on having weanlings weaned before export.

We have had a lot of markets opened for our older stock and a lot of work has been out into that. As has been said previously, however, there is no significant amount of stock moving into those markets. We have to re-examine that with regard to the conditions in place. Are conditions too stringent for the live exports to operate? I refer to such aspects as the quarantine before animals move. While Ireland has to maintain its standards we also have to look at the economic viability of moving stock. Putting conditions on the market that are too onerous is self-defeating in its purpose. Ireland is disadvantaged in that we are the country that has to travel by sea to get to mainland Europe. Do we know how many cattle travel from country to country in Europe, such as to the feedlots in Spain for example? I have been on feedlots in Spain in the past and they had animals on the feedlots from four or five European countries. How far are other animals travelling by road to those feedlots? From our perspective it would be interesting to see how many cattle are moving from different countries on the Continent. We definitely feel that the whole focus is on our sea transport journeys. Is there the same emphasis on other exporters around the Continent who travel by land?

This spring there will be a record number of black and white calves on the ground. While calving season is getting into full swing in all spring-calving herds it is absolutely essential that we consider the consequences of a potential period of stormy weather with a resulting backlog in the system and in the lairage capacity on the Continent. Could it have a serious or detrimental effect on the number of calves we could export in any given week in the spring? I believe that the market for these calves would be completely dependent on live exports this spring and our beef market in two years time is going to be dependent on it also. The Irish capacity is one issue and an allowance should definitely be made for bad weather and a significant build-up of stock on this side waiting to get across. I am worried that the capacity figures highlighted in the presentation would not be enough to cater for the huge volume of calves we need to get onto the Continent.

I hear from live exporters that they have markets that could cater for an increase of 50% in calf numbers to travel to the Continent this spring. Would the Department be happy that the

facilities in place would be able to cater for that increase in numbers, that we could do it very seamlessly and that the lairage facilities would be able to cater for such an increase in numbers? I believe we can stand over our record. We would not be holding on to our customers on the Continent if we were not doing the job correctly or if calves were not arriving in a healthy condition.

The Department feels that it would be useful for the exporters to have one representative body. It is an interesting comment from the Department. They are competing against each other for markets and it would be hard to get them under the one umbrella. I can, however, see reasons it would be needed for the operational aspects of moving livestock. The exporters should use common sense and have the one umbrella body that would come and voice the concerns and issues facing the sector, rather than coming in to the Department in an *ad hoc* manner. That would be useful.

I commend the Department on the regulations we have in place but it is essential to look at the regulations for the older cattle to see if we are being overly strenuous. Some of our customers might demand certain conditions, but if stock does not move it becomes self-defeating. We should go back to examine why no business is happening with some countries where we have negotiated to trade. In any country with which we have an agreement on the movement of live exports, if nothing is happening on the movement of stock after a six month or 12 month period then we should go back to re-examine the agreement to see what is wrong and whether an economic reason is causing the non-movement of stock.

Senator Tim Lombard: I welcome and acknowledge the representatives from the Department of Agriculture, Food and the Marine. The live export trade is a very important leg of our beef industry. In my part of the world the black and white calf is the big name of the game. Bandon Mart, which is only a few miles away from me, is now proposing to have two sale days, which has never been heard of. They are talking about having two sales a week, one on Monday and one on Thursday. This shows the demand and output that mart is predicting in the next few weeks. Such large numbers of black and white calves need to be exported off this island. Trying to get routes for this export is the biggest issue.

It must be acknowledged that 250,000 animals were moved last year, which is a very significant figure and up 31%. A lot of them would have been black and white calves. There is, and was, talk around Irish Ferries, especially in Rosslare, and a route being changed before Christmas. What analysis has the Department done on that route change? In the presentation the Department has said it is waiting for a new ferry to be looked at. Will the witnesses elaborate on where we are with regard to ferry services? I might be wrong but I do not believe that any of the live calves go through Cork Port. I do not believe that Brittany Ferries currently take them and they mainly head to other ports. Is there a possibility that calves from the Munster region would have to go to Dublin Port to be exported? Would that create a significant barrier in getting calves to the market? What is the market line that is planned out for the animals? In the next six weeks, between 2,500 and 3,000 black and white calves will go into Bandon mart and other marts in my district. We need to ensure we get those animals moved off.

Deputy Cahill mentioned weather conditions having an impact on getting calves off the island. We saw the impact of bad snowfalls in southern counties last March. These caused major disruption to the livestock trade for two or three weeks, with a major backlog affecting the price and age of calves. How can we work within the time constraints of calve movements? Will leniency be shown should we experience bad weather? How can we ensure calves are moved off the island if there is an issue of time? Is there a way around the issue and has the Depart-

ment thought it through? We may have another period of bad weather. It happened at a terrible time for farmers last year, around the 8 March to 10 March, and caused major disruption for three weeks. People trying to get animals off the island found that ferries were cancelled and road conditions were bad.

Where do the officials see growth in the market? There was significant growth last year. Will there further growth and greater access to markets this year? What are the Department's target markets? Where will pitfalls arise for those trying to get calves off the island? The two main issues are transportation, both roads and ferries, and lairages on the Continent. Is there capacity in lairages and do the ferry companies have the capacity to ensure we can get access to markets abroad? Without such access, I would be fearful. Last year was an exceptional year and we need to maintain or improve on last year's figures. While we are probably a week behind in calving as a result of the way the weather broke and other factors, I think we will have exceptionally high numbers of black and white calve movements in the next four to five weeks.

Ms Paula Barry Walsh: I will respond but I may amalgamate some of the questions. I may also refer some to my colleagues. The first question was on the outlook and the growth of trade in the next while. The Department works with Bord Bia, which is involved in assessing the trade and the forecast for the trade for 2019. It is considered that a strong trade will emerge in 2019 for live exports. There may be growth both in the calf element and we would hope also in the other weanlings and store animals.

To give members an idea of what happened last year, the principal markets for Irish calves were Spain, which took approximately 71,000, the Netherlands, which took 48,000, Belgium, which took 14,000, and France, which took 9,000. As members said, getting animals across to these countries is a critical issue.

The Department actively supports the live trade. It works with the exporters and it will support the exporters in their endeavours to manage the access to Europe in respect of getting the calves out.

One of the questions related to details of lairage capacity as well as ferry capacity to France? I will ask my colleague, Mr. Rob Doyle, to respond.

Mr. Rob Doyle: My colleague, Mr. James Casey, has been to France to visit our French colleagues and inspect the lairage. The European Union has already funded a considerable increase in lairage capacity from approximately 1,500 to 4,000 calves per day. Our assessment is that there is potentially space to increase capacity in one of the lairages should the operator wish to do so. So far, he has not been particularly inclined to do so, but we have met representatives of the IFA and given them the contacts and details. They will visit France next week to engage directly with the lairages.

We have also engaged on numerous occasions with our French colleagues so they understand the issues. As Ms Barry Walsh said, the Department supports the trade and we understand the issue. However, developing further lairage capacity in France is a commercial issue and we expect that Irish exporters will engage directly with their service providers in France and ask them, as commercial entities, to increase capacity.

The ferry sails three days a week and there is more than enough capacity to meet what is available in Cherbourg. We expect a new ferry to be approved shortly. It has been inspected and there are some issues to be resolved but it has been already approved for pets and horses

and we expect approval for cattle to follow. We understand from the ferry company that this ship will begin to sail to France in late March. The good news is that it will sail on a 48 hour schedule. Currently sailings are on Tuesday, Thursday and Saturday. The new ferry will sail seven days a week every second week, which will increase capacity from 12,000 to 28,000 a week if all the lairage capacity is used. That will be a very significant increase in capacity, which should take much of the pressure off the system.

Ms Paula Barry Walsh: One of the questions related to the certification of the countries, in particular how certification has been improved. I will ask my colleague, Mr. David Nolan, to respond.

Mr. David Nolan: I deal with the issue of certification. A question was asked about what changes we are looking for in certificates. We tried to increase the age limits on the certificates. We look at the weight limits and we have tried to have those increased as well. We also look at limiting the quarantine or holding period that has to apply in Ireland. We have also removed testing requirements for diseases from which Ireland is free. We have to remember that the negotiations for certification is customer driven and customers tell us what they want. Sometimes what we would like to achieve is not obtainable. With that in mind, we have had some successes in certain markets in particular. We have agreed a new certificate with Libya for breeding animals, which has been separated from slaughtered animals. That was a combined certificate previously and it was proving very difficult. Again, we got the age increased in the new certificate and we had many diseases on the old certificate removed. Thankfully, that was agreed in November 2018.

We had also has some success in Qatar with which we have agreed a new certificate for sheep. This makes it easier to supply sheep to the Qatar market. The changes are primarily related to disease conditions. We have had some level of success with Kazakhstan, although the process is not yet incomplete. There is an agreed EU certificate for that part of the world. We have just sent a new certificate for a disease called Schmallenberg virus and we await a response from the authorities in Kazakhstan. We have political agreement from Egypt for the certificate but it has still not been signed off at official level. We expect that to be done shortly.

A great many changes have been made to the old certificate. The main reason for the changes is to ensure the exporters can draw from a larger cohort of animals, making them more competitive in the market. After all, this ultimately comes down to price and if one is not competitive in certain market, one will not operate in them.

We have had a great deal of interaction with Algeria. It needs to be borne in mind that if we engage with these foreign countries, we make proposals that suit the trade. We try to align conditions in our certificates with the certificates they have with other member states, for instance, so that there is a level playing pitch. That is our goal, but sometimes other countries do not come back to us on it. We intend sending a technical mission to Algeria this year, with a view to examining and agreeing the wording in the certificate. It remains to be seen whether we are successful. I have given members a flavour of the work that is being done, which is ongoing. It is time-consuming but I am an optimist and I would say we will get more favourable certificates for Irish exports going forward.

Ms Paula Barry Walsh: The Minister put in place a seven-point action plan in 2017 and there is an ongoing examination of where markets may arise as part of the overall market access programme, whether it is to create a new market or expanding an existing one. These things sometimes depend on currency exchanges and various economic issues in particular countries,

but Bord Bia and the Department, in the shape of the international trade division and the milk and meat policy, are vigilant and keep an open mind on where new markets may arise.

We also keep possible new routes under examination, but ferry companies have to account for various things as part of their business models. We will keep engaging with them, but there may be times when nothing happens.

Chairman: What about the impact of weather?

Ms Paula Barry Walsh: In the transport of animals the primary concern is the welfare of animals, and that cannot be compromised under any circumstances. The sensitivity of the market demands that we only ship animals when it is okay to do so. When there is bad weather such as snow or storms, there may be a back-up of animals. As Mr. Doyle said, with the new ferry coming on line, we will have a capacity of approximately 80,000 per month and, along with the support we have given to farming bodies and exporters to facilitate expansion of their lairage in Cherbourg, we are underpinning trade and facilitating getting animals out, even in bad weather in winter time.

Chairman: Senator Lombard, being from Cork, was concerned about having to bring calves to Dublin.

Mr. Rob Doyle: There was a question on ferries. We engage regularly with the ferry companies because they are a key component of the trade. They are commercial companies and they make commercial decisions. One ferry company has made a commercial decision to sail from Dublin. We have spoken to the company but it feels that overall trade is more advantageous, so it has made the decision. We have also spoken to ferry companies about sailing to other ports in France to try to alleviate the pressure on Cherbourg, but they have said it does not make sense just for livestock trade. They are very focused on their overall business.

Senator Tim Lombard: How many ferry companies are there in this?

Mr. Rob Doyle: Two.

Chairman: The last paragraph of the statement floats the idea of an export organisation. Is any work being done on that? Is the Department driving it or is it hoping that exporters drive it?

Ms Paula Barry Walsh: The Minister held a meeting in July at which he said it would be a useful option for exporters to consider. We met industry representatives recently and the proposal was put forward by ourselves. We are very open to whatever model they would want to use for a representative body and we would work with them. In the context of an expansion of their lairage in Cherbourg, a united voice to represent calf exporters would be an advantage. It would also be an advantage to get exporters to talk to each other and to publicise their high welfare standards as well as the investment they have made in the trade to achieve positive animal welfare results. There are advantages to them and not just to the Department.

Chairman: How many exporters does the Department deal with?

Ms Paula Barry Walsh: I would say there are 14 or 15. They have different areas of work, however. Some may do weaning and some will do calves. Others do third countries while others hire ships.

Deputy Martin Kenny: Many of the questions have been dealt with but I am interested in the capacity issue. If 80,000 animals were to be shipped per month for 12 months, it would be a

fourfold increase on the present figure. I believe 246,000 were exported last year, which shows there is already huge capacity. What is the number of calves being exported? I assume a lot go to feedlots. At what stage do they go to the feedlots? The majority of the destinations appear to be in Europe, to the same countries to which we export beef. What is the level of live exports relative to the finished beef product that we export to those countries?

Most farmers would prefer the animals to be bought by factories here and slaughtered in Ireland and the work to be here rather than elsewhere. The existence of the live export trade is, to some extent, a solution to a problem that should not exist. We should have competition and the necessary capacity to process as much as possible here. What are Ms Barry Walsh's comments on that? There will always be a need for some level of live export, but I was quite taken aback by the scale of the capacity, at 80,000 per month. It would be a huge number of animals if it were to be utilised.

Ms Paula Barry Walsh: The figure is for calves.

Deputy Martin Kenny: It was suggested that exporters come together into a single representative organisation. How many exporters are there? Are there huge numbers or relatively few? I imagine there are relatively few and that we would easily get them all into this room. We have a small number of factories processing meat and they have a representative organisation. It may benefit the overall industry, but I wonder how much benefit it is to the primary producers. When they get together, do they work for their own interests or those of the primary producer? I would ask the same question of any organisation set up to represent exporters.

The other question is where we are going to go. Egypt, Nigeria, Turkey and such places involve long journeys and it is clear that the people who buy the product want to buy a healthy animal, so we have to make sure that a healthy animal arrives at those destinations. Ireland has a very good reputation in this area because the calves and other animals produced here are produced to the highest standards. They are healthy while they are here and healthy when they leave, and we need to maintain that. In regard to much of the criticism of the live export trade, will the Department's representatives provide some truth about the reality of animals' journeys and about their health when they arrive at their final destinations?

Senator Michelle Mulherin: Many points have been covered. When one looks at the reality of the oversupply to the meat factories, the stark economic reality for farmers is that we cannot look to curtail markets, rather we have to ramp up live exports and find new markets. That is brought into sharp focus by figures provided by Bord Bia which show 40,000 extra calves in the dairy herd. Last year there was an increase of 60,000 in live exports. I understand from people in the business that we need to look at an increase of 100,000 to ensure that farmers who supply to factories at the moment have an alternative and do not go out of business. Things are pretty dismal in that regard. The question of markets in which there have been increases has been covered but is there further scope? What are the Department's projections for increased exports? Where might we realistically see new markets and increases in existing markets to take up that glut of animals that are in our own market at the moment and that need to be moved on?

My other question is about Northern Ireland. Cattle that have Irish tags are going into factories in the North and people are being paid less for them solely on that basis. Are steps being taken to address that issue? What is the situation as regards Irish cattle being brought to Northern Ireland?

Deputy Thomas Pringle: I thank the representatives for their contributions. It has been very interesting. I have a couple of questions. One relates to the dairy industry and an issue that has been mentioned already. The growth in the dairy industry is obviously creating a problem in terms of live exports as calves that are surplus to requirements are moved out. How much of an impact is that having? Dr. Paula Barry Walsh said that live exports play a significant role in stimulating price competition. If live export capacity is taken up dealing with calves from the dairy industry, the price competition aspect of the live export trade will be undermined. That is a negative step. How do the representatives see that issue being worked out through the process over the coming years?

Ms Barry Walsh also said in her contribution that exporting to Turkey by road was stopped as a result of welfare concerns arising from delays at the border. Will any similar delays arise here as a result of the dreaded Brexit, which comes into everything? Will there be any similar concerns in respect of delays at points of export that might arise after Brexit? How would that be dealt with? What are the Department's intentions in that regard?

A focus on Libya came up fairly often in Ms Barry Walsh's contribution. With which Government in Libya have we done these deals? That might have an impact. Does the Department monitor where live trade animals go, especially in respect of countries such as Libya which are war-torn at the moment? I would be interested in hearing about that.

In Ms Barry Walsh's presentation, she also mentioned that the price for inspections was reduced from €4.80 to €1.20. That is a very significant reduction in price. Does that have any impact on the actual examination of cattle which takes place? If not, why was the price so high in the first place? Perhaps it is a signal relating to increased trade that this fee has been reduced. If that were the case it would mean the Department is also playing a role in impacting on trade.

Ms Barry Walsh also mentioned that the Department does checks on health grounds and so on. How many animals have been stopped on health grounds in the last year? I know the Department has given figures as to how many have been exported, but have any been stopped on health grounds?

Senator Paul Daly: I apologise for being late. I had another engagement. My reading of scrutiny in the EU at the moment is that it is based on the animal welfare conditions in the non-EU countries of arrival. I am very impressed with the report. I know from experience that we are on the top of our game, that the Department scrutinises everything in its fullness, and that the health, welfare, and travelling conditions of the animals are 100%. When the Department is negotiating certificates or licences, how far beyond arrival at the designated destination does it go before it comes to agreement on a certificate or licence with regard to where the animal ends up and the welfare issues thereafter? As I have said, that seems to be the issue flagged in this regard. How much knowledge do we have of that?

Ms Paula Barry Walsh: One of the first points made was about the capacity of 80,000 per month. I emphasise that figure relates to calves for the seasonal period. It does not reflect a capacity to export 80,000 weanlings and other animals. We probably have the capacity to export a maximum of 5,000 such animals weekly throughout the year. That is what it works out as on average. The capacity of 80,000 is a response to the possible demand this year. It is a response to the needs of industry. We support industry in trying to enable exports of calves but, as I have said, that figure does not reflect all exports.

Feedlots and where calves are going were also mentioned. I will refer to my colleague on

that matter.

Mr. Rob Doyle: This is a very particular trade. It refers to male dairy calves. They are exported for one of two types of veal production, milk veal or rosé veal. The countries involved are mainly Spain and Belgium, which are the big importers. Dairy cows are calving now. By the end of February approximately 500,000 will have calved. Compact calving has been the aim in recent years. We have a short period in which high volumes of calves are born. At peak season, with ferries sailing seven days, we would expect to export 28,000 calves a week. At other times, when ferries sail three days a week, the figure is 12,000. Combining those figures gives an average of 80,000 a month. We will be at full capacity from March. At full capacity we should be able to export in two months the equivalent of all the calves exported last year, and we will have capacity over and above that.

Ms Paula Barry Walsh: Issues were raised around the live export of animals, the export of meat, why such exports are needed, and the relationships around the trade. The Minister has put forward an action plan regarding support for market access. Within that plan there is a willingness to expand the markets for both meat and live animals. There is a dual process going on. The Department is engaged in opening the markets and negotiating the most favourable certificates it can. That enables the trade. At that point the industry itself responds to the market forces. If there is a meat trade, the industry will avail of it. Equally, if there is a live animal trade, it will be availed of. Sometimes the balance between the two fluctuates. It differs wildly between countries. That is the way it is approached. We enable trade and industry responds and is active commercially.

On the issue of the number of exporters, it is a small number. There are 15 or fewer, but behind them is an industry of assembly owners, transporters, haulage companies and various other groups, so the trade does support the agriculture sector and is of value to the sector more widely, not just to the livelihood of 15 people.

Reference was made to a representative organisation for exporters. In terms of its value for such a small number, the feeling is that it would have value if exporters got together, had a person who could speak about their welfare standards, make their case and engage with the industry in other countries. We see that value in exporters being active to try to expand the lairage capacity available in Cherbourg.

Another query was raised about the long trips made and the truth surrounding the issues raised. I will hand over to Mr. Doyle to answer it.

Mr. Rob Doyle: The bulk of the long journeys made by sea are run by dedicated livestock carriers. Ireland is well recognised as having the highest standards in the world. We have specific legislation under which we approve ships. There are two veterinary inspectors and we work with marine engineers to approve vessels. All of the trade is from Irish to Turkish ports and the number of cattle involved depends on the size of the ship used. One interesting point is that exporters are paid by weight of the animals delivered. For a couple of weeks before they are exported to Turkey, the cattle are generally put on a special diet while in quarantine. They are also fed on the ship. A lot of the exporters have reported that cattle actually put on weight while on the ships. If cattle welfare is compromised, they do not thrive. For the long trips to Turkey, it is currently the only form of transport the Department will approve.

Deputy Martin Kenny: For how long is it?

Mr. Rob Doyle: It depends, but it could be ten to 12 days.

Ms Paula Barry Walsh: A point was raised about the Northern Irish nomad cattle. Currently, the labelling of meat is governed by EU rules that are origin-based. The label must indicate where an animal was born, reared and slaughtered. If an animal was born, reared and slaughtered in Ireland, one can include the term “origin Ireland”, or equally it could be “origin UK” as the only other jurisdiction. If animals are moved to Northern Ireland, the label will indicate that they were born in one jurisdiction, reared in another and perhaps slaughtered in another, but the commercial operations do not favour the use of that type of label. They prefer it to use an “origin UK” label. In that context, the EU legislation prevails in labelling.

Mention was made of the decrease in the fee for calves from €480 to €120. It was considered to be an issue of equity. The payment of €480 was originally for a bovine, at which point, going back many years, there was not a particularly big trade in calves. As the trade became more active, it was pointed out that proportionally, relative to the amount of work and time involved, it was very expensive. For the sake of equity, the differentiation was made in prices.

Committee members raised the issue of Brexit. I cannot specify in what form Brexit will happen and will not go there today - I will not reveal it - but perhaps it is very easy. When we are talking about calves, weanlings and stores, Brexit will be irrelevant because they leave the country in intra-community trade and will continue to do so. There will be no impact in that regard. Equally, in the case of the ships that sail to Turkey, for example, Brexit will have no impact *per se*.

To respond to the question of how many animals are stopped, I reiterate that in line with standards ensuring the welfare of animals is the top priority. Prior to loading, all animals in the lairage are inspected by the veterinary inspectors on duty. There are documentary, identity and health checks. Unless it is to be deemed fit to travel and free of disease, no animal is allowed on a vessel. If animals are rejected, it is primarily because of some documentary issue such as an incorrect card, the current owner is not registered or perhaps the results of bovine disease tests might not have been included. Very small numbers of cattle are rejected on health grounds, but, if necessary, they will be.

Mr. James Casey: It would be 1% or 2% maximum.

Chairman: Deputy Martin Kenny asked where calves went. Is it to feedlots? Do the delegates have a breakdown of the percentages or do they have that information? I presume the Deputy was referring to other livestock also.

Mr. Rob Doyle: Certainly all calves go for field production. We export production cattle, as well as some fat cattle and breeding cattle. There is quite a trade in high quality breeding animals. We have, for example, exported a good few to Libya and Kazakhstan. It all depends on what the cattle are destined for on arrival.

Chairman: Deputy Pringle had a query about Libya.

Deputy Thomas Pringle: Yes and also about the price reduction.

Chairman: Ms Barry Walsh has already addressed the issue of the price reduction.

Ms Paula Barry Walsh: The Deputy asked about the monitoring of animals when they reached Libya.

Chairman: I believe it was Senator Paul Daly who asked that question. It would be an issue for the OIE, World Organisation for Animal Health.

Ms Paula Barry Walsh: Yes. On the overall issue of animal welfare, we currently engage with the OIE. In my earlier statement I referred to Ireland's support to the OIE of €75,000 per year in the period from 2017 to 2020. The money will go towards enhancing animal welfare standards in third countries. Our officers engage in technical assistance and information exchange programmes which involve personnel coming from third countries to look at our systems. We can show them best practice. There will be such a visit at the end of February by personnel from one of the third countries with which Ireland trades. We are very active in supporting the European Union in promulgating best practice, while ensuring we meet those very same standards.

Deputy Thomas Pringle: To respond to the question about Libya, as far as I understand it, there is no functioning government there and that if there is, it can change. How do we deal with that issue?

Mr. David Nolan: I thank the Deputy for his query, of which I had taken note. We have dealt with a particular doctor in the Libyan National Centre of Animal Health. It was the same gentleman who entered into negotiations with Ireland on the old certificate before the turmoil started in that country. He is well regarded in the community, but we must bear in mind that there are a number of factions there. It is the same gentleman who is representing the same well known authority within Libya. We felt we were talking to the right people.

Deputy Charlie McConalogue: Obviously, trade with Turkey has diminished significantly owing to currency issues in the last year or so. It was a significant contributor to live exports the previous year. There were previous proposals for additional land routes to Turkey. The delegates have indicated their concerns about the position on the Turkish border. Will they elaborate on the viability of potential additional land routes and the current position on the border?

Mr. Rob Doyle: The border crossing between Bulgaria and Turkey - essentially it is the only border crossing at which cattle can be cleared - is particularly difficult. There are different operating hours on the Turkish and Bulgarian sides. Welfare organisations have paid significant attention to what happens at that border crossing and there have been multiple reports of animal welfare violations, including of cattle being held for long periods without water in areas with very high temperatures. The risk to the animals and the reputational risk to Ireland are simply too great for us to approve the transport of animals on that route.

Senator Tim Lombard: I want to follow on briefly from the comment made on Brexit and the UK market. There is a significant market in the United Kingdom for breeding dairy stock, in the southern part in particular. It depends on currency exchange rates. There might be nothing one year and a big fluctuation the next. On moving in-calf heifers and dairy stock to the United Kingdom, what will the impact of Brexit be? Has it been thought through? What preparations have been made in realigning our markets in the event that there is a hard Brexit? Even though there are no calves going there, the dairy industry has a significant interest in securing access to the UK market for breeding Friesian heifers.

Ms Paula Barry Walsh: I will deal with the Senator's question in the context of animal risk. It is already obligatory in intra-community trade to certify animals, whether they are being moved between the North and the South or whether they are going to or coming from the UK mainland. Any animal coming here will be certified. The reason for certification is

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protection of animal health and welfare, as well as protection of public health in the context of any transmissible disease. For now Ireland is able to trade freely with Great Britain and Northern Ireland. I cannot speculate about the arrangements after Brexit, but one can say without speculating too much that the risk will largely be the same and that, if certification will be a requirement, it is likely that Ireland will continue to be able to provide it. Equally, Ireland will have to ensure it will be able to offer its own guarantees on animal health and welfare. I cannot speculate about what will happen after Brexit, but the current situation gives good reason to believe there will be no risk.

Chairman: I thank Ms Barry Walsh and her colleagues for coming before the committee and giving us a very good understanding of where things stands in the live export trade which obviously will be very important to the beef industry in the coming years.

The joint committee adjourned at 5.25 p.m. until 3.30 p.m. on Tuesday, 12 February 2019.