

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Máirt, 12 Feabhra 2019

Tuesday, 12 February 2019

The Joint Committee met at 3.30 p.m.

MEMBERS PRESENT:

Deputy Jackie Cahill,	Senator Paul Daly,
Deputy Marcella Corcoran Kennedy,	Senator Michelle Mulherin.
Deputy Martin Kenny,	
Deputy Charlie McConalogue,	
Deputy Willie Penrose,	

In attendance: Deputies Fitzmaurice, O’Keeffe and Danny Healy-Rae

DEPUTY PAT DEERING IN THE CHAIR

Live Exports: Discussion

Chairman: I ask members, witnesses and those in the Public Gallery to make sure their mobile phones are completely turned off as they affect the broadcasting system. I welcome Mr. Ray Doyle from the Irish Co-operative Organisation Society, ICOS, and Mr. Seamus Scallan and Ms Elizabeth Scallan from Wicklow Calf Company Limited. I thank them for coming before the committee to discuss the issue of live exports. The joint committee is having an ongoing discussion on the future of the beef industry and we have heard in recent weeks about difficulties in the sector. The committee has decided to see what we, as a collective, can do to try to move things on.

Before we begin, I draw the witnesses' attention to 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 on 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 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. Doyle to make his opening statement.

Mr. Ray Doyle: Ireland has more than 6.7 million cattle, producing approximately 2.4 million calves annually. This results in almost 1.7 million cattle being presented for slaughter, of which we export almost 90%. Almost 1.8 million cattle and 750,000 sheep were traded through the livestock marts in 2018 and live exports number between 200,000 and 300,000 animals depending on the year. This trade in live animals is vital to maintaining competition in the marketplace and acts as a countervailing force against the beef processing sector which is dominated by four private companies. Ireland has always been a provider of live cattle for export to Northern Ireland, the United Kingdom, other European countries and third countries such as Turkey as well as countries in north Africa. As a nation, we consume approximately 10% of what we produce and in 2018, Ireland produced more than 480,000 tonnes of beef meat for export.

The United Kingdom, on the other hand, is only approximately 75% self-sufficient in beef meat and must import approximately 350,000 tonnes of additional beef to satisfy national demand. Ireland supplies the vast majority of this imported beef meat as one would expect given our proximity to the UK market. In 2018, Ireland produced and exported more than 250,000 tonnes of beef meat to the UK representing almost 70% of total British beef imports. With Brexit only six weeks away, we should be promoting live exports to all possible countries to counteract the potential drop in sales volumes into the UK, especially if a hard Brexit were to result in large tariffs on beef and sheep meat.

It will not be in the Irish beef and sheep farmers' best interest if this valuable source of competition is lost with little or no real scientific argument to back it up, other than emotive stances taken by non-governmental organisations, NGOs. The beef processing industries and large multiples would be delighted with a ban on live exports as it would allow them to stifle

and manipulate to the greatest extent possible the prices the primary producer receives. The meat industry and UK multiples are fully aware that prices rise when live exports are buoyant. Ensuring the live trade is hindered ensures a depressed live trade price and a cheaper price for the raw material for them. Irish and all European farmers need to get a fair and true market value for their stock and this can only be achieved when there are multiple avenues of competition for livestock.

Irish livestock marts adhere to stringent EU legislation, as do the companies that export live animals. Maintaining high animal welfare standards is not just the right thing to do. It is also good business practice as any animal that becomes poorly or dies during transport represents an economic loss and nobody wants that to occur.

It is of great importance that the live export sector is heavily regulated. Council Regulation (EC) No. 1/2005 has been enacted to the letter of the law by the Department of Agriculture, Food and the Marine. If all EU countries ensured compliance with Council Regulation (EC) No. 1/2005, the NGOs would have very little cause for complaint with EU transporters of cattle and sheep. The real issue with live animal transport in the EU is that current legislation is not being enforced in some eastern European member states and the reaction by NGOs and some Members of the European Parliament is simply to ban the transport of live animals. This is flawed logic. The consumer demands high animal welfare standards and ICOS agrees with that approach. However, we need to promote, foster and enhance full compliance in other EU countries because simply banning the transport of all live animals could potentially cause bigger animal welfare issues in the future. For example, if lesser quality dairy calves could not be exported to the Netherlands and Spain, as they have been for the past few years, what would happen to calf prices? Would this trigger animal welfare issues because animals would become worthless? What we currently have in the form of Council Regulation (EC) No. 1/2005 does exactly as it states, namely, it provides protection of animals during transport. As long as member states abide by the regulation, there is no animal welfare grounds on which to crudely ban all live exports.

The Department of Agriculture, Food and the Marine has transposed in Irish law a very stringent interpretation of Council Regulation (EC) No. 1/2005. While on a practical level some exporters and farmers might not agree with all aspects of the legislation, it safeguards our live exports into the future. Everything has to be done in full compliance with the regulations on stocking densities, disease status, planned routes and unloading at lairages, for example, in France, where calves are fed, given a rest period and then reloaded. All of this has to be properly managed and that is the case.

All transport of live animals, especially animals from Ireland, comes under serious scrutiny from prominent animal welfare groups during peak calf export season. Certain animal welfare lobby groups and action groups monitor us very closely, as do the regulatory bodies whose job it is to supervise this activity. The issue is, therefore, in the public eye. Some lobby groups intentionally stir up emotive arguments on the transport of young calves in particular because these animals are usually only a few weeks old. However, calves are managed properly during transport. It is vital we continue to manage these and other animals in the best possible manner to protect the markets that want to purchase Irish livestock. We want to protect our reputation for raising quality livestock.

Chairman: I thank Mr. Doyle. I understand Mr. Scallan will make an opening statement.

Mr. Seamus Scallan: I will address the live export of calves and the number of calves that

can transported by ship each week. Last year, some 166,000 calves were exported from Ireland. We think that something along the lines of 200,000 calves will be going out this year because of the price of beef, farmers and new entrants coming into the dairy sector, and other issues. We are going to have an awful lot more calves to go out. The issue we are having with our business is that we are limited by the space available in Cherbourg, France, when our calves come off the boat. There are only two licensed premises in France. These are capable of handling 4,000 calves a day, three times a week. These operators say that they can take 12,000 calves a week. What I have been saying to different organisations to which I have been speaking is that this capacity is not 100% right because it leaves out the fact that we have calves coming from the UK, from Northern Ireland. Approximately 1,500 calves a week come down here and go out in the ships. This leaves capacity for 10,500 calves a week. In two weeks time we will be in full swing in respect of the calves. We will be getting 10,500 calves out a week when, at this time of the year and considering what is happening with the numbers and so on, we should be peaking at 18,000 to 20,000 calves in each of our five or six busiest weeks. There is, however, no space in the lairage. Lairage is like a hotel over there in France where the calves are fed. The calves come off the ship and rest for 12 hours before continuing on their journey. The two lairages licensed at present can only take 4,000 calves. If we discount the calves from the North, we are left with capacity for 3,500. We cannot get the calves out because there is no room. We have the customers for the calves, we have the capacity to handle them at our export points and we have the trucks to bring them. The ships are not a problem at the moment. The problem is the lairage.

There has been a lot of discussion about the new Irish Ferries ship, which will sail on alternative days. I met with farming organisations and some people from the Government and spoke to them about the issues we were going to have last October. I was the only one who raised the issues and who said that I saw a problem coming in respect of the export business this year. Everybody said that the ship was coming, that it would go on alternative days, and that we would be all right. I said that was not true, that this ship would not come until May, and that it would be no good to us in May because the markets would be flooded by then. The problem arises when the weather turns bad. This happened on Thursday of last week. There was no sailing for the calves on Thursday so that boat went out on Friday. One ship took no calves out because its operators felt the weather was not correct for it to sail. This ship is not as big as the one Stena operates out of Rosslare. The boat left Rosslare with calves packed to the gunwhales and we went to the lairage. There was no more room. We had another two trucks of calves which we could not send. It was okay that day. The capacity was there. We had 4,000 calves and they all went out. We are going to have serious welfare issues in respect of the calves when we get two bad days together. These farms cannot handle holding the calves over. We cannot buy the calves off the farmers if we cannot export them because we have no room at the far side.

The whole problem with this issue is that the livelihood of every farmer depends on the two men who own the two lairages that look after all our business in France. We need a back-up and a contingency plan for bad weather so that, when the weather is going to be bad, we can use the alternative lairage which we were able to use for the last number of years, which is four hours further than Cherbourg. We cannot use that lairage any more because of the legislation which was introduced. There is capacity for an extra 4,000 calves per sailing which we cannot use. We are snookered every way.

The price of calves is going to collapse in Ireland. With the price of beef there is going to be an awful lot of extra calves coming on the market this year. Farmers are not interested in buying them because we are losing €200 or €300 per carcass. People are not going to buy the calves.

The dairy farmers who are keeping them are not going to keep the extra calves because there is no money in it. Everything is so costly to keep. What are we going to do with the calves? We need to find a plan. In coming here today I am hoping that the committee will be able to look into the matter and see about an alternative plan for the weather and a plan in respect of the two people who are - I will not say "controlling" because that would not be a nice thing to say - doing their business in France and who have their lairages there.

Chairman: Are the two lairages in Cherbourg privately owned?

Mr. Seamus Scallan: Yes.

Chairman: Do all of Mr. Scallan's exports go to Cherbourg?

Mr. Seamus Scallan: Yes. All the calves that leave Ireland pull into Cherbourg.

Chairman: From there they are distributed-----

Mr. Seamus Scallan: They rest for 12 hours and then they move on. We were able to go through the UK, but there are a lot of problems with some of the ships in England. They will not take the calves out because of animal rights and things like that. It is making a big problem for us here as well.

Chairman: Live exports are crucial for Ireland. They are essential.

Mr. Seamus Scallan: Yes. Another problem is now coming down the line, which we must address and into which we must get the people who represent us to look. We ship three decks of calves out on the trucks, 100 calves to a deck, for a total of 300 calves. Different people in Europe are trying to bring in a law whereby calves coming from Ireland or anywhere else will have to be transported on only two decks. This will mean 33% fewer calves per truck. Coming back to the farmers again, it will not be me who loses out, but the farmers. We will only be able to go out with two thirds as many calves if this legislation comes in.

Chairman: This is European legislation.

Mr. Seamus Scallan: People are trying to bring it into legislation. As we are an island, we should be looking to see what measures we can get so that we are able to get our calves out. As I see it, what is coming this year will have a devastating impact on the whole cattle business. All of the calves left at home will have to be reared or whatever. They will not be reared; they will be killed. We are going to have to have a big look at welfare issues and costs in respect of what is coming down the road. We are going to have a series of problems when the bad weather comes.

Chairman: To go back to the Cherbourg issue, there are two lairages there.

Mr. Seamus Scallan: Yes. There are two lairages.

Chairman: Is there a possibility of other space being made available?

Mr. Seamus Scallan: I had a meeting on this issue. My daughter and I went to France in October to see the guy who owns the lairage. We spoke to him to see what he would need to get extra space in the lairages.

Ms Elizabeth Scallan: To expand.

Mr. Seamus Scallan: Yes, to expand the lairages. What he said to me was true enough. He is 57 or 58 years of age. He said that he had spent enough money on this business area. He has an excellent set-up. The welfare provisions are top of the range. Everything is done, 100%. No one could complain about his workmanship, the way he looks after the calves, or his premises. He said that he did not have the money to put into the lairages. I suggested that we could go to the farming organisations and that we could all put some money in together to build extra space in the lairage out there. There is another thing at which we want to look. We definitely need to have two more lairages operating in Cherbourg. If anything happened to either of those guys tomorrow morning or if their businesses closed down, where would we go with our calves? How would we get our calves out? We can only travel for nine hours, take a one-hour rest, and then travel nine more hours. It takes our best effort to get to the lairage in time and to keep within the letter of EU legislation.

Deputy Charlie McConalogue: I welcome Mr. Scallan and Ms Scallan and Mr. Doyle from ICOS. The witnesses have outlined the importance of the live export sector to our beef industry. There is massive price pressure on beef farmers this year and it is proving to be the most difficult year of many difficult years in recent history. There will be massive pressure on the industry unless live exports grow in comparison with previous years. The number of calves being produced, particularly in the dairy herd, is certainly growing. Without additional outlets and volume we will only add to the domestic difficulties we have with prices.

Mr. Scallan outlined the difficulty relating to the two lairages, which is the other main factor creating a blockage. He said that this year we should be in a position to export 200,000 calves.

Mr. Seamus Scallan: That is right.

Deputy Charlie McConalogue: What is the peak time for that?

Mr. Seamus Scallan: Peak time will come as we get to March.

Deputy Charlie McConalogue: How is it going so far compared with last year? Unless additional lairage capacity is sourced in the very short term, what numbers are likely to be exported over the coming months? How many operate in the space in which Mr. Scallan operates? How many people are in the business of exporting calves?

Mr. Doyle and ICOS do a lot of important work in this area. There are issues around mart rules and the gathering of cattle for live exports, with some of them sourced on farms. How relevant are the four-movement rule and the 30 day rule for live exports? Are there outstanding issues relating to the conditions attaching to export licences for various countries? Are they unnecessarily cumbersome or more onerous for us than for other live-exporting countries? Are there opportunities to develop further live export routes and markets? Are there any where we could make progress with a different policy impetus or more attention at national level?

Mr. Scallan spoke about the domestic situation with bad weather. What do we need to do to provide capacity when weather causes disruption? Are there alternative ports to Cherbourg? I am aware that timelines are tight in the context of the legislation.

Deputy Jackie Cahill: I thank both gentlemen for their presentation and I welcome Mr. Scallan. Live exports are essential from the point of view of balancing the beef market and we cannot overestimate their importance. Mr. Scallan said 200,000 calves were our target and that we had the ferries, so the issue was lairage. Is there more potential for the market if we had the transport facilities? Are other countries going into veal units? Some 40,000 cattle per week

are being killed, and if we take 200,000 calves out, it will not be enough to bring our market back into equilibrium. How many extra customers might there be and could we displace other countries with veal units?

Is another port an option? Will Mr. Scallan expand on the timelines and say if it is possible to go into a Dutch port with calves? How far does he have to travel from Cherbourg to the veal units after the rest period?

The density on trucks is a red herring and designed to make it uneconomical for us to export. We had this argument seven to ten years ago and we made costly alterations to the trucks we took to the Continent. I remember going to feedlots in Spain and Italy and looking at our weanlings, which caused us problems at the time. We had to get our house in order because if we do not bring healthy animals to these places, we will not hold customers for very long. No one wants an animal that arrives sick or unhealthy. We had to make sure the weanlings were weaned and vaccinated.

We have no export outlet for older animals, that is, animals aged 12 years or more. Could any such markets open up for us? Is there any possibility of expanding the number of weanlings that can be exported, especially the dairy variety that are kept on farms? The factories' focus is on getting Friesian bulls killed rather than the price. Farmers with bulls aged under 24 months are on their knees, begging meat processors to take the bulls off them and they are making less than a culled cow from a suckler herd. Is there any possibility of opening live markets for that type of stock? This might put extra pressure on processors.

Bord Bia is a promotional body that seeks to secure markets for us. Are the witnesses happy with Bord Bia's efforts to secure markets or do they feel its focus is more on processed meat? Should more resources be put in to drive the numbers up? Dairy cow numbers are going to continue to increase fairly significantly. We have been killing nearly 40,000 cattle per week for the past three months. It is as plain as the nose on one's face that, while the factories can kill them, they cannot sell them at an economical price for us. It is not financially viable for farmers to produce beef at the prices being paid at the moment. It would be great if we hit the target of 200,000, but even that would not be sufficient to put the market back into equilibrium.

The 12 hour rest period is, in my opinion, very reasonable. I know calves that have been fed and had 12 hours rest in a warm bed will be in peak condition for continuing the journey. This issue has been raised before. Mr. Scallan said extra lairage space could be found four hours further from Cherbourg, but how near would that be to the final destination? Is it possible to get into a Dutch port? By how much would the current regulations on travel times be exceeded if live transports went to a Dutch port near the final destination?

Deputy Martin Kenny: I thank the witnesses for coming before the committee and making their presentations. It is clear that the live export market is needed to maintain prices for farmers, and we all recognise that. I am interested in lairage, one of the key points that has been raised. Mr. Scallan referred to the time factor and said that calves stop for 12 hours rest and feeding, etc., and then move on again. In general, how long is the journey after that? If additional lairage were available, would it have to be in that exact location or are there alternatives in the region?

On the regulations on export licences, particularly for heavier, finished cattle, which Deputy Cahill mentioned, I know Algeria and other markets have been opened up to some extent. I believe there are difficulties, however, and cattle are not being exported to Algeria. I would

like to explore this a little and see what needs to be done to ensure that this can happen safely.

Reference has been made to the various NGOs, lobby groups, etc., that are always looking at this under a microscope to find out what is happening and so on. This may not be a bad thing, though, because it shows the world the quality of cattle and animals exported from Ireland, and that we can meet the highest standards. I do not think scrutiny is a problem. The problem is ensuring we have the infrastructure in place to deal with the regulations.

If longer journeys are required, for example, to north Africa, is it difficult to get boats and transportation in place to facilitate them? Will the new boat that is coming online assist in that regard?

A point was made about the increasing numbers of cattle, and we all see the expansion of the dairy herd. While this is certainly very good for people in the dairy business - they are making plenty of money - the excess calves coming from that market will pose a problem unless they can be got out of the country, as far as I can see, because there seems to be no other route for them. The issue here is whether we have markets and whether we can find them without having to travel very long journeys. That is one of the key questions. If very long journeys do not need to be travelled, one mitigates much of the criticism because it is focuses on live exports to places at the far end of eastern Europe and further afield. If we can keep the trade closer, we will overcome many of these issues.

Deputy Jackie Cahill: What was the largest number of calves exported in one week last year?

Chairman: We will seek answers to the questions put by the previous three speakers before coming back to Deputy Cahill. Senator Paul Daly also has a question.

Mr. Seamus Scallan: The question was asked whether there are other export markets we can find for the livestock. The answer to that is "Yes" and we can also find them in Europe, where there are good markets. The problem at present is that while the markets are there, the people involved in the exporting are not getting correctly to follow up these markets. There are very good markets in Poland, which is in the EU, but we are not using Poland to get in and sell our cattle. Then we can go to the Balkans, which import many calves from different countries, including Russia. My son and I went to Bosnia 18 months ago to have a look. I was amazed by the way they fed the cattle and the big feedlots used out there, although I do not mean big feedlots with 400 or 500 cattle. They were very interested in coming and there was no problem. I went to the Department of Agriculture, Food and the Marine, which went out of its way to get the licences approved and looked at all the things that had to be done. We had meetings with officials and they could not have been more helpful. The problem with many of these countries, however, is the ships. The problem we must investigate is whether we can get the ships. We need Bord Bia and others to come together and to sit down with ICOS and everyone else to find out what we can do to explore these markets, which are available for our cattle. If a ship that can carry 4,000 cattle comes here, we need to have it chartered by perhaps ten people instead of one person. This would create considerable activity in the market and increase the price of the cattle. An awful lot of things can be done if we make a start. After this week we will form a committee to explore where we can go with the cattle.

Chairman: May I ask Mr. Scallan a question? I am sorry for cutting across him. When he talks about people coming together, is he talking about fellow exporters?

Mr. Seamus Scallan: Yes. I am also talking about the likes of ICOS sitting down with us because it has the market system and people from Bord Bia.

To respond to one of the questions asked a moment ago, we do not get a fair crack of the whip with Bord Bia in terms of exports. It is there for the meat industry, not the export industry. We pay Bord Bia a weekly levy of €1.90 per animal that leaves. It should try to bring people in from the Balkans, Poland and other such countries into Ireland or bring the right people out to see where we can go ahead with this. We need to get all these people sitting down together. We have never got the exporters to sit down together. Beef Plan is trying to put together a forum and represent exporters, speak on our behalf and so on. The aim is to form an association.

Chairman: Has Wicklow Calf Company, as a group of exporters in its own right, tried to form a group together?

Mr. Seamus Scallan: No.

Chairman: Would Mr. Scallan see that as being beneficial?

Mr. Seamus Scallan: It would be very beneficial, but we would have to get someone to set it all up for us. We have never sat down together to look at this because in the business we are in everyone thinks he will get more than the other lad and he wants more, instead of sitting down and looking at all the markets. This is the reason I said that if the ship comes in, instead of one guy having 3,000 cattle on the ship, ten people could share the ship and all of them could afford to put 300 or 400 cattle on it. We can all look at the markets-----

Chairman: How does it work at present? Mr. Scallan has 4,000 calves to go this week.

Mr. Seamus Scallan: Yes.

Chairman: His competitor, whoever it may be, has 4,000 calves to go.

Mr. Seamus Scallan: Yes.

Chairman: How does Mr. Scallan get onto the ship before Mr. X?

Mr. Seamus Scallan: With many of the bookings, business has been going on with the companies for the past 20 years. The way it is at present, it does not matter who one is. The bookings must be shared out with everyone. We are unique in the way we do our business because we buy all our calves off-farm so we export all our cows mainly of a Friday and do perhaps four, five or six trucks or whatever of a Saturday. Now we cannot do that. We cannot put our plan together because all the space has been taken up.

I left out one other very important point there. Our three sailing days are Tuesday, Thursday and Saturday. If we are entering into the middle of Holland, we have a serious problem. Due to their religious beliefs, people in that part of Holland will not accept calves coming in on Saturday evening and they have to work at the calves on Sunday. This means that while going to Holland on Thursday may not be a non-runner, people do not want the calves landing on a Sunday as they have to do the work on them. We are really working with two days to export all the calves, a Tuesday and a Saturday. I do not know how we will find a way around that.

Mr. Ray Doyle: I will try to remember what members said. Deputy McConalogue raised the issue of live exports and the four moves. That is affecting our trade of cattle to the UK. The UK labelling regulations have stymied that trade. The four moves in 70 days is the basis

of the bonus payments that factories initiated and we have discussed them here before. It is a construct of the UK multiples. How that will change after 29 March remains to be seen. Will it change that? Will it move back to no stipulations whatsoever? Will that allow our free trade of live animals to reoccur in the UK? It probably will not because we will have a tariff on the live animal just as we will on the dead animals. The four moves is definitely hindering the live export of cattle to the UK. If one looks at Bord Bia figures for the past ten years, we have been steadily decreasing our live exports to Northern Ireland and the UK on the back of the tightening of the labelling regulations and, as I said in my opening remarks, the tightening by the multiples of the beef processing sector to try to stymie beef prices as well as they can.

The 30 day tuberculosis rule on the export of weanlings has been an EU construct in place since 2000 and even before that. It does not greatly affect the trading or export of many weanlings out of the country. There was a change two years ago in the interpretation of sales of animals directly from a mart but we still facilitate that through negotiations by the Department of Agriculture, Food and the Marine with Europe and it does not hamper that trade greatly, but it is still an extra layer to our live exports. The push from the Government on the tuberculosis forum to eradicate it by 2030 would significantly transform our ability to export animals. There are certain requirements, even for carcass beef, for certain Chinese markets that have stipulations on sourcing animals that had tuberculosis and also, drifting into another Deputy's question, export to north African countries. There are stipulations in the veterinary certificates from some north African countries relating to tuberculosis and when animals could have had a breakdown.

Mr. Scallan addressed lairage issues. The lairage issue in France and the export of calves is a by-product of the dairy industry and the type of animals going to the veal units. We have had an extra 300,000 of those animals born in the country in the past five years since quotas was ceased. I contend that it is a national issue which we will have to grapple with. Members have been told that we have a problem with the lairage in France, but this lairage is merely disembarkation lairage. It is a shed that the animals need to exit the truck, be fed and watered, rest for 12 hours and be put back on the truck. It is not a control point. We do not need IT systems or a rigorous inspection by departmental staff, whether the French or Irish authorities. I know I am giving a simplistic answer. I believe it is a national interest issue. If the Department of Agriculture, Food and the Marine could rent a lairage or large areas of sheds, that would suffice to ensure that these animals have disembarked the trucks. This is an issue for approximately six to eight weeks of the year but not for the rest of the year because the capacity of 4,000, albeit low, is more than adequate to soak up the volume of calves. We have an issue for perhaps six weeks of the year. It is completely understandable from the point of view of the Frenchman running these two lairages. Why would he provide a service to Irish farmers for just six weeks? It is a business decision. Because of that and since it is a national issue for us, we will have to solve it, though it will be solved on French soil.

Deputy Charlie McConalogue: How close will the lairage facilities have to be?

Mr. Ray Doyle: I will defer to the expertise of Mr. Scallan on that. As far as I am aware, it is an issue of time rather than distance. The problem is that they have to reach the greater Cherbourg area, so if it was extended 20 km or 30 km farther south, that may be it, since a person would be caught for time. The problem with the time is that it is administered by the French authorities. They administer penalties to our transporters. For want of a better phrase, the French authorities will not allow us to sneak past, not that we want to. The transport times are best practice.

The Deputy asked about other exports and Bord Bia issues. Bord Bia is our national author-

ity for marketing our beef and lamb, both dead and alive. This dovetails into a question that Deputy Cahill raised. There is an adage at mart manager and dealer levels that one needs a good live trade to keep the dead trade alive. Even though the numbers are quite small, at 200,000 animals out of 1.7 million slaughtered, that is still 9% to 10% of the total. That is enough to keep the trade honest and to keep another bidder for animals. We need to expand on that. The north African markets are really the only markets for those older, larger one to two year old bulls or bullocks. In 1994, we exported 250,000 live Friesian bullocks from Ireland. That is one category alone, ignoring the weanlings and the calves going to the veal units. I think the total figure for that year was in excess of 400,000. That was a fantastic source of competition and I am sure that Deputy Cahill remembers selling animals that ultimately ended up on that boat. It was great to have that extra source of competition and to remove that poorer quality, for want of a better phrase. It is probably a poor phrase because the north Africans do not have a problem with that animal and it is quite reasonable in their eyes.

Deputy Jackie Cahill: Bullock conformation is probably better than bullock quality.

Mr. Ray Doyle: I thank Deputy Cahill for correcting me.

Chairman: It probably means the same thing.

Mr. Ray Doyle: I think so.

Deputy Martin Kenny: We will be politically correct.

Mr. Ray Doyle: We will not expand on that.

Deputy Jackie Cahill: A person will not notice much difference once it is in the frying pan.

Mr. Ray Doyle: I would be the first to say that Bord Bia is doing a great service to the country on a national level, but with regard to live exports and live trade, it is supposed to represent us and look for new markets, and to be fair, it does. It is very visible in the veal units in Holland in its promotion of Irish livestock, but it needs to do more. It is a bit of a difficulty for Origin Green to square with the promotion of live exports because we have so many enemies to live exports. The NGOs and some consumers of Irish products are quite happy to consume Irish beef but they are not that happy to promote and endorse live exports. It is therefore a difficult line that Bord Bia is walking, but it needs to put more resources towards this and in some way promote live exports across the world. Across the world really means north Africa, some Balkan states, Turkey and beyond. It needs to put a bigger effort into that because of what is happening with Brexit. It is supposed to represent all beef and sheep, whether dead or alive, and perhaps it needs to be better resourced.

I do not have a figure off the top of my ceann for the maximum number of calves exported in any particular week. I have a figure in my mind but it might be incorrect. It is approximately 13,000 but that is maybe only a guess on my behalf and Mr. Scallan may have a better answer.

Deputy Martin Kenny asked about the additional time for rest lairage and the penalty. Perhaps Mr. Scallan can answer this better but fixed penalties are issued to hauliers that breach the EU time regulations. From memory, it is approximately €500 per breach but that accumulates if they are caught repeatedly. That was the issue that has maybe led to us discussing it here. There was a change a year and a half to two years ago. It was not a problem for the hauliers to make it to the next lairage point but the change in legislation completely undermined that and has led to this issue occurring now. It did not happen in the past.

Deputy Martin Kenny: Is the time measured from when it leaves here until it gets to the lairage?

Mr. Seamus Scallan: It is 9-1-9. From the time the transport leaves Ireland, there are 19 hours to feed the calves. The driver can drive for nine hours, stop for one hour and drive for another nine hours. It is known as 9-1-9. The ferry journey takes 16 or 17 hours and when the transport leaves the ferry, the driver must go to the nearest point to feed the calves. Wherever he drives in Europe he must apply the 9-1-9 rule. If he does not reach the destination in 19 hours, he must stop for 12 hours to rest and feed the calves before continuing.

Mr. Ray Doyle: Deputy Kenny's question about the boat dovetails with Deputy Cahill's question about the north African trade. There are only three or four vessels that jump through the hoops of EU registration and approval and are licensed to take animals out of the country. Various stringent parameters apply, for example, they must be stable. These boats are off in various parts of the world because live exports go around the globe. It is sometimes difficult to get one's hands on one of these boats. The number that comply with EU legislation and our Department's standards is quite low. That trade occurs only when it is economic. The amount the north African countries can pay is sometimes quite small. Letters of credit have to be generated and some of the north African countries have been politically unstable in the recent past. That happened too in the Turkish market which was showing plenty of promise for us until a year and a half ago when the currency took a nosedive.

We do not have home markets for these animals. We do not have a well developed meat industry. The Dutch have because it has been a tradition for them. They have ready access to the raw material to feed these animals, such as milk powders. We do not have that tradition.

The core point is that the suggestion that the EU may completely ban live transport of animals from the EU to third country markets needs to be resisted with the assistance of this committee, the Department and beyond in Europe. Such a ban would be the thin end of the wedge as far as the non-governmental organisations, NGOs, are concerned. If they got live transport of animals from the EU to third countries banned, we would lose our potential in the north African markets and the Turkish market. They are being lost because there is no consistency in the EU 27 to enact a law that has been in place since 2005. The Bulgarian border is the flashpoint with the third country of Turkey. The combination of Turkey and its issues, and the control posts, has led to the notion that we should simply ban all transport of live animals simply because one member of the EU has an internal difficulty in manning its control points. This could suddenly mean we lose live transports within the EU. The NGOs would be delighted to have third country exports banned because they would then go for banning all live transport of animals. They have a notion that this is all integrated and an animal should not be moved unless it is going direct to slaughter, or they do not want them slaughtered at all. That is fine if that is their belief but if there is an integrated approach that we cannot transport an animal, it will annihilate farming as we know it.

Chairman: A few other questions were asked on the contingency plan for bad weather and the live export of bigger cattle. Deputy Cahill also mentioned bulls. Does Mr. Scallan deal only with calves?

Mr. Seamus Scallan: I deal with weanlings as well but calves are our big thing.

Chairman: Is there a market for bulls or bigger livestock?

Mr. Seamus Scallan: There was a good market in Turkey for the bigger livestock, such as weanlings of 400 kg or 500 kg, but that business has collapsed because of the currency and the problems there.

We need to return to the problem with England. We had a good market in England years ago but, as time passed, we were unable to send Irish cattle to England and have them killed in the slaughterhouses there and *vice versa*. I cannot understand this because we can send Irish calves to Spain, which takes them from maybe eight or ten different countries, and Holland and it does not make any difference where the cattle come from, yet we cannot have our cattle killed in England. Traditionally, we could send the cattle to England by boat or ferry but that all stopped in recent years. I cannot understand the reason for that. Our cattle cannot cross the Border into Northern Ireland to be killed and *vice versa*. However, when the factories in the North are short of cattle they will come South and buy the cattle and bring them up to the North. I cannot understand why this trade has stopped. It hampers this business because in England there is a big market for the store cattle, the bulls and heifers. Whether the market is being controlled, or who is controlling it, that is there to be seen.

Deputy Jackie Cahill: Is there a market for Friesian bull weanlings? How far from Cherbourg is the destination for the calves?

Mr. Seamus Scallan: Spain will take the Friesian bulls up to a certain size, approximately 200 kg. They do not want them if they are heavier than that because feeding in Spain is much cheaper than here, as are labour and electricity, and the weather and the climate are different. They can feed the cattle much more cheaply than we can. They are interested in them only up to a certain weight. We must look to the north African countries to export the Friesian bulls because the market for Holstein Friesian cattle in Ireland is getting worse and worse. The only reason we are not in serious trouble is that we have been able to export the calves.

If there are movements on the cattle, the owner is penalised €70 or €80 because the supermarkets do not want the cattle moving. In this country for hundreds of years, farmers have moved cattle. Some people keep them for six months before selling them on and the next guy keeps them for six months and sells them on. A lot of money was stirring for the local communities, with people buying different things but all of this has been stopped. We cannot sell our cattle. The factories want cattle bred and fed on the farm then sold into the meat plants. There is a monopoly with regard to these movements and we must look into it very carefully to find out what the problem is. I notice there are people buying weanlings to go to Spain. It does not matter what movements the cattle have made. Ireland and England are the only countries of the 27 EU countries that have this issue about cattle making four movements. I believe this is a big factor in people in this country rearing calves and cattle because there is such an emphasis on the penalty if an animal moves four times, with €70 or €80 taken off its price.

In response to Deputy Kenny's question about the ships going to different ports in France, we can do that and reach the other lairage areas in time but there are no ships to do it. Irish Ferries and Stena Line are not especially interested in cattle for the peak times. They are bringing lorries to France which then travel onwards to other destinations. It does not pay them to go to another port with five, six or ten trucks of calves. I see a lot of problems arising down the line in the export of calves because of the activities of Animals Angels or animal rights activists. If we do not all work together to exert a lot of pressure in Europe, we will have a serious problem down the line and I am not talking about in ten years' time. It will arise in one or two years' time.

Chairman: What does Mr. Scallan think we should do about bad weather contingency plans?

Mr. Seamus Scallan: The contingency plan I would like to see in place would involve the Department of Agriculture, Food and the Marine seeking to open up lairage four hours' away in the event that problems arise from bad weather. If there is bad weather in a week when we have three times the normal number of calves to export, the other lairage-----

Chairman: Is Mr. Scallan referring to lairage in Ireland?

Mr. Seamus Scallan: No. I am speaking about lairage in France in the context of having a contingency plan in place. The problem is not with lairage in Ireland arises when we get to the far side. The welfare issue in Ireland arises when calves cannot be exported. Are farms capable of handling all of the calves when cows are calving? We need to move calves out as quickly as we can.

The other point about exports, on which people involved in the export industry should have been consulted, is that there was a plan to allow calves to be sold when they were ten days old. They are entering the market system, being bought, possibly by exporters, and held for four days because they cannot be shipped anywhere in Europe before they are 14 days old. If I am right, the rule in Holland is that they may be sold when they are 15 days old. From a welfare perspective, we must bring forward a plan which would show other countries that we were not selling calves at a very young age, that we were keeping them to give them a chance to develop before they were allowed to travel. Legislation should be brought forward to prevent calves from being sold before they are 15 days old. This would be better for everybody and the health of calves, but we are not being consulted or asked for our opinion on many of these rules. That is why we must form an association to speak to the right authorities and say we must find a way around-----

Chairman: I am going back to the association about which Mr. Scallan has talked and which I have mentioned. Is it not incumbent on exporters to come together to form such a group? The representatives of that organisation, including Mr. Scallan or whoever else it might be, could deal directly with the Department of Agriculture, Food and the Marine

Mr. Seamus Scallan: It is very important that we form that group and we are working on it. We hope to have a meeting next Sunday because during the week everyone is busy at markets and so on. We hope to start to do something about the group after Sunday. We should have had it a long time ago. We will then be able to express our feelings and thoughts to the Department and say the system is not working, that we have to find another way to maintain the flow of calves.

Deputy Michael Fitzmaurice: I thank Mr. Scallan for his presentation. I presume the new rule is an EU rule.

Mr. Seamus Scallan: Is the Deputy referring to the rule in the movement of calves of having to stop in Cherbourg?

Deputy Michael Fitzmaurice: Yes.

Mr. Seamus Scallan: That rule was actually in place all the time, but it was not enforced. The nine-one-nine rule meant that, from the time animals left Rosslare, one had 19 hours to get to the feeding station to feed them. Normally, in leaving Rosslare for Cherbourg, if the first two

stations were full, we were able to continue on to the next one to feed the calves.

Deputy Michael Fitzmaurice: What has changed?

Mr. Seamus Scallan: In France some trucks were followed. The animal rights activists said the calves had travelled for an extra three or four hours, that it was not fair, that the journey was too long and that the trucks carrying them had broken EU regulations.

Deputy Michael Fitzmaurice: Mr. Scallan asked a question about the problems in having cattle killed in Northern Ireland. I will answer it.

Mr. Seamus Scallan: I am sorry-----

Deputy Michael Fitzmaurice: Mr. Scallan spoke about the problems in having cattle killed in England and Northern Ireland.

Mr. Seamus Scallan: Yes.

Deputy Michael Fitzmaurice: I will answer that question. There are certainly monopolies in those jurisdictions which are preventing the slaughter of Irish cattle. The same applies in respect of the guidelines on cattle younger than 30 months. If the factories are stuck for cattle, they will not give a damn if cattle are 40 months old, but if there are plenty of cattle available, they will find a problem with everything.

I have a question for Mr. Doyle and Mr. Scallan. Do they agree, in respect of bed and breakfast arrangements, that taking cattle to marts where they might not be sold should not be classified as movement? In Ireland it is classified as such. We could actually help in that regard. Mr. Doyle was right in saying, in respect of the food chain in England, stipulations had been put on us, but there are certain movements which should not count. Should we look at movements between Bord Bia-approved farmers who work under the same regulations?

Is Mr. Scallan saying it would be advisable for the Department of Agriculture, Food and the Marine to work with exporters to find alternative accommodation in France? As he rightly pointed out, there will be a glut of calves between February and April. In sending stronger cattle rather than calves is there a problem in obtaining licences and having the paperwork in order? Are exporters being held up in that regard?

I have a straight question for Mr. Scallan about Bord Bia. Representatives of the meat factories are brought on trade missions. Has Bord Bia ever brought exporters of live cattle on trade missions to other countries to promote the export of cattle on the hoof?

Mr. Seamus Scallan: A chosen few are brought. The Chairman has said I have to be careful about what I say, but I have to be very honest. We have been involved in the business for the past 20 years and I pay my levies to Bord Bia every week, but I believe it does nothing for me and that it is a waste of my money. It is a waste for exporters. We have to look at something different because its mind is set on the beef industry and selling beef. It is not in place to do anything about live exports. I am getting no help from it. Between off-farm sales and what went through our books this year, we are talking about the guts of 40,000 calves, but I am getting no help from it. One issue arose and I requested information from it, with a view to meeting some people in Poland. The email went to the wrong address and I waited for six weeks for someone to come back to me about arranging a meeting to sell calves to Poland where there is a market, by which time the information was of no use to me. Personally, I believe we have

to look at many things. Bord Bia is good for the beef industry, but it is of no help to exporters.

Deputy Michael Fitzmaurice: Mr. Scallan mentioned that 2.4 million calves a year were born in Ireland and that 1.7 million were presented for slaughter. The reality, as the dogs on the street know, is that once the kill goes above the figure of 30,000 each week, we are in trouble. The factory can pull down one's trousers and the farmer is left with a lower price. They are the facts. Whether we like it, that is what happens. What is the potential as between calves and bigger cattle? That is what I want to know. To look again at Mr. Scallan's figures, 2.4 million calves are born and 1.7 million are slaughtered. Therefore, we are talking about a figure of 700,000 cattle. Are we capable of pushing that up with our calves, weanlings and Friesian bullocks of over a year old? Are there markets we could utilise to keep the scales balanced in view of the number of cattle being killed in this country?

Mr. Seamus Scallan: Yes. There is a lot of potential, but it is not being explored at the moment. If we had the right people working for us and the right committee lined up, we could look at these different countries. It is very hard to have a foot in two camps and one cannot work both for the meat industry and in exports. One needs a body of people who can look into exports, and there is a lot of potential in the Balkans, as well as Poland. We lost our biggest market four years ago. We sent Rosé calves to Holland at between four and five years old but they were a bit rough. They were not sweet and were not really good enough for the Spanish market but they were good enough for the Dutch market. As a result of TB in Ireland, Holland decreed that once an Irish calf entered a rearing shed, it could not leave. The Rosé calves were to be reared to ten weeks and then shipped to elsewhere in Holland or to Germany, but we lost the market. We should never have lost it. It was a very important market because it kept the price of the Friesian calves up in Spain but all the extra calves now have to go to Spain. As a result of TB, the calves that we send to Holland cannot move out of the units they go into and they have to stay there until they die at one year old.

There are no problems with other markets because one can move cattle and sell them. We have to have ten ships so that they can be called on at any time, and two or three are not enough. The potential is there and we have the livestock to ship. We have the best animal welfare in the whole of the European Union. The Department has always been more than fair and very helpful when we have looked for certification, but the biggest problem we have is the four-movement rule. The number of people involved in this in rural Ireland is getting smaller and smaller. If I buy a calf in the market system, bring it home, and then resell it to a farmer, it involves three movements. Is that right?

Mr. Ray Doyle: No. The mart is not counted.

Mr. Seamus Scallan: It is two movements. If another man feeds the animal for five or six months, however, and then sells it, there are four movements and we lose whatever profit there was. It is not economical to buy such cattle.

Chairman: Mr. Scallan referred to getting other ships. We depend on commercial enterprises for these ventures and the owners of ships will only be interested if they make money.

Mr. Seamus Scallan: Correct.

Chairman: It has to be economically viable for them. Is it economical for them to make more ships available?

Mr. Seamus Scallan: No. The people who have ships should get licences from the Govern-

ment, even if they only come into Ireland three times a year.

Chairman: Do they have to be assessed to get a licence?

Mr. Seamus Scallan: Yes.

Chairman: Would it be true to say they might not be prepared to go down that road?

Mr. Seamus Scallan: There are one or two vets who go to different countries to pass ships if they are asked to do so.

Chairman: The ships transport other stuff such as cars and other things around the world.

Mr. Seamus Scallan: No. These are walk-on ships. Cattle walk onto them and there are no trucks on them.

Chairman: What else would such ships be used for?

Mr. Seamus Scallan: They are only used for cattle or sheep. They would be working in Australia and South America.

Chairman: It is up to the owner of ships to get a licence.

Mr. Seamus Scallan: Correct.

Senator Paul Daly: Mr. Scallan spoke about lairage and explained what was in France for this purpose. He suggested it might be good for the farming organisations or the Department to secure further lairage there. How far did Mr. Scallan get with his conversations on this matter? All business is based on supply and demand and Mr. Scallan seems confident that he could get rid of at least 200,000 calves if he had the lairage and the facilities. How do the potential customers pick up the cattle that Mr. Scallan cannot supply on account of the regulations and restrictions? If they find it difficult to find other suppliers, would they be interested in getting involved by part-funding additional lairage so that they can get calves which meet all the health and welfare regulations? Can they get their calves readily enough elsewhere?

Brexit aside, will Mr. Scallan explain the land bridge? How does going north across England via the land bridge compare with going to Cherbourg? Is it a runner or not? There may not end up being a land bridge, of course, but how would it compare, timewise and in the context of the regulations?

Senator Michelle Mulherin: Mr. Doyle said there was a glut of 68 weeks and that there was a real problem in this regard. He said it was more in our interest to expand capacity than it was in the interest of a private business person in France. Is there not already a capacity issue there? We do not have the capacity to ramp up live exports but we would need to do a lot more than now to address the problems with the number of calves we have to deal with. As such, there is, in effect, a capacity issue regarding our ability to grow exports in the way we need. Is that a fair assessment? Some of this may have been answered. Mr. Scallan places a great deal of emphasis on the fact that there are customers and ships and the problem is the lairage facilities. Is Mr. Scallan saying there is demand in our markets which we are not meeting? What countries or markets is that happening in? How much are we missing out on? Can Mr. Scallan or Mr. Doyle quantify the loss? We want to export more live animals but are we missing opportunities right now because of the constraints described? Mr. Scallan is an exporter. At what point is he finished with the job of exporting? He brings the animals to the lairage; does he

bring them onwards or does someone pick them up? How does it work in general? Mr. Scallan has contracts with people. Are they flexible contracts? If he had 4,000 calves a day and the entire exclusive use of a ship and the lairage, could he meet the demand? Does it work like that? The main emphasis today has been on expanding the lairage as a solution. Are there other elements to a solution? I want to be clear as we go forward on what we need to do to increase actual live exports and our capacity to export.

Deputy Danny Healy-Rae: I am delighted that the witnesses are here and thank them for coming to the committee today to discuss this very important matter. Farmers in Kerry are very concerned, especially about calves from dairy herds, the numbers of which are increasing year on year. That is especially so since the then-Minister, Deputy Simon Coveney, advised farmers they should increase milk production. If one increases the number of dairy cows, one will increase the number of calves from the dairy herd. As Mr. Doyle said, to ensure we have a vibrant dead trade, we must have a good live trade. It is a major issue and a lot of meetings are taking place among farmers on the new phenomenon of the beef plan. The major topic of discussion is dairy calves and their export and we are delighted to meet the witnesses face to face given its importance.

Regarding the lairage issue, whose responsibility is it? How can the Government, the Minister or the members of the committee as political representatives help the witnesses with lairage in another country? If that was dealt with, more calves could be taken out of the country so the nub of the matter is how we can help, if at all. Depending on the answer I receive, I might come back in later.

Deputy Kevin O’Keeffe: I welcome the witnesses. I come from an area that depends greatly on the live export trade. At this time of year, we are coming into the peak calving season. I have watched today’s proceedings closely. The issue of lairage has been touched on but I want to ask about the following. Exporters agreed to the 12 hour rest period to let calves get nourishment and a chance to lie down and rest. Afterwards, there is a journey of ten to 20 hours. Why are we worried about giving calves such a long rest? Does the calf need 12 hours rest? There is a contradiction in that the calf can then be sent on a 20 hour journey on an empty stomach, to be blunt. Do we need the 12 hours or could we get out of the lairage after five or six hours? In that case, the calf’s welfare would be better maintained in that it would at least have some bit of nourishment rather than to travel on an empty stomach after 12 hours. That could increase the turnover. Could we allow livestock to move sooner than 12 hours? Do we need the 12 hours? Is it right to have 12 hours? Even the animal welfare people must understand that to give calves 12 hours lying down and then load them into a cattle box to travel on an empty stomach is a contradiction. Should we not allow the animal to move within five or six hours? If one travels to Australia and has to stop over in the Middle East, one is happy to get out and walk around for a couple of hours before getting on the flight again. One does not want to be hanging around but would rather keep the show going.

Chairman: The key point in this discussion is that we do not want to say anything here that will have a negative effect on live exports either. That is a crucial point.

Deputy Kevin O’Keeffe: It is a comment.

Chairman: I am not being critical.

Mr. Seamus Scallan: I was asked about Dutch or Spanish people putting money into the lairage in France. If one asks them to do things like that, they will only laugh. They are buy-

ing cattle in other countries also. If they tell us they want 500 or 2,000 calves this week, they are not interested in how I feed them or what I do with them. All they are interested in is the price at which I can supply quality healthy calves and get them to a destination. It is all down to a financial thing and the welfare issue. As we ship the calves from Ireland, our farmers and exporters should be the ones looking at building the sheds. We want to sell a product, whereas they are buying. It is up to us to see how we can help. We can speak all day about it, but the issue we have is the contingency plan to get the calves for the six-week period. That is what Mr. Doyle has said here too. We need to get those calves out. We need to get something done immediately. We need to have a plan to move the calves if the weather is bad and a plan to increase the lairage capacity. People in Holland and Spain are getting calves from Lithuania, Latvia and Germany too. Everyone says the Irish calves are very good. I have seen the German, Lithuanian and Latvian calves and they are every bit as good as the Irish ones; however, the Irish calves are healthy. They are a different calf and they are better bred, but there is no difference when one looks at them. Calves coming from Germany come 40 weeks of the year and they need the baby calves in Ireland then for ten or 12 weeks. After that, it is fine. One can come and it is not a big issue. When the calves start to come again in Germany, they start to take the calves from there again. They are really only interested in our calves when calves are scarce. However, if we had a plan whereby calves were going on a weekly basis, they would set up a feeding plant to take our calves the whole time. We only have the calves leaving Ireland for 20 weeks, really.

Ms Elizabeth Scallan: Many dairy farmers were told to compact calving and that led to the present situation. There are many calves on the ground for three months, rather than being spread throughout the year. We need a contingency plan so we, as the farming community, can get these calves out of here.

Deputy Jackie Cahill: The lairage in Cherbourg is only for use for ten weeks and at peak for only six weeks. Is that what the Ms Scallan is stating?

Ms Elizabeth Scallan: Yes. That is why the excess calves were going to the overflow lairage four hours away. We always complied and there was never an issue.

Deputy Jackie Cahill: Ask a man to invest in that kind of accommodation for six weeks-----

Ms Elizabeth Scallan: Yes, it is not-----

Senator Paul Daly: The witnesses referred to talking to the Department, farm bodies and fellow exporters about collective investment in additional lairage. How far did the witnesses get in those discussions?

Mr. Seamus Scallan: I met the farming bodies. I stated to them that we are paying a levy of €1.90 to Bord Bia and we should examine using that money to set up a lairage in France. That is where I believe that money should be used. I also made some suggestions about different aspects of where our exports should go. The answer was that option was a non-runner because Bord Bia is a Government body and it was not going to put money into something like that. It was too late then to do anything about the issue. We had four or five months where we could have done something. As Mr. Doyle stated, all we need is a shed. The paperwork is done in Ireland and all of the travelling plans, etc. We just need a place to rest and feed the calves. What we are seeking is not rocket science.

Ms Elizabeth Scallan: When we were in France, we were also told that if we sought to

build something or do anything the answer would be a flat “no” because we are not French and have not lived in the area for ten years.

Deputy Jackie Cahill: Bord Bia, however, collected about €250,000 or €260,000 last year from the levy on calf exports.

Mr. Seamus Scallan: It was more than that. Some 166,000 calves were exported at nearly €2. It was closer, therefore, to €300,000.

Senator Paul Daly: As I see this situation, there was then no buy-in and there was a flat knock back. The witnesses did not have time to have their proposal in place for this year and there is still no contingency plan to have something in place for next year. There is a full year until next year.

Mr. Seamus Scallan: None.

Senator Paul Daly: It fell flat and there is, therefore, no plan.

Mr. Seamus Scallan: I have spoken to people who had been trying to do this. The IFA has put in much work to try to get things done. The problem is that it will now be 2020 before we can get something done to address this issue and we need it done now.

Senator Paul Daly: I appreciate that.

Mr. Seamus Scallan: Mr. Doyle will be able to tell the committee members about the market system, how many calves are coming onto the market, etc. That is his field. Something needs to be done with the calves coming onto the market now because they are not wanted in Ireland. We have to find a way to deal with that. Something should have been put in place already. I went to the Department of Agriculture, Food and the Marine and explained that this problem was coming. I have told the Department and everybody else that this problem was coming since October. I feel that because we have had no representation as a body of exporters we could not get anything done. If we had been standing as one, perhaps we would have been able to achieve something. The problem is on top of us now and we must organise to get something done very fast.

Chairman: I am sorry for cutting across Mr. Scallan. I will bring him back in later. I call Mr. Doyle.

Mr. Ray Doyle: I will address some of those points. One of the problems we have is the way our dairy industry has evolved. It is predominantly grass-based and extremely seasonal. About 700,000 calves will be born this February out of a total of 2.4 million. Some of our competitors in Europe are calving all year around. They do not have this big bulge of calves to deal with and those calves are transported small distances. Calves from Germany that end up in veal lots in The Netherlands are only on the trucks for four or five hours. There is no problem in that case in complying with the 9-1-9 regulations. The 12 hour stop is an EU regulation so we cannot change it. We cannot get away from leaving the calves for that 12 hour period.

Senator Mulherin asked if we need more markets. We do, of course. Deputy Fitzmaurice clearly stated that once we go over 30,000 animals slaughtered per week we are price takers at farm level. We have been at 40,000 per week for four or five months of this year and the resultant weakness in the beef price can be seen. That is the issue with these calves. We could do with every single market we can get to try to bring the market back to equilibrium. At present,

calves go to veal units, older calves go to Spain and older animals still go to North Africa. We need to keep and develop all of those markets as much as we can. One of my points concerning Bord Bia related to that issue. It needs to best resource live exports. I do not know what portion of Bord Bia's overall budget is put towards live exports. Perhaps that needs a fresh look from Bord Bia's point of view.

Deputy Jackie Cahill: There might be an answer given on that.

Mr. Ray Doyle: I could give an answer too, but I do not think I will chance it. That issue most definitely needs urgent attention from Bord Bia. As I said, it is conflicted from an organisational point of view and looking over our shoulders, as we are, at NGOs, vegans and vegetarians and how best to navigate that area. Live exports are a hot potato for many people to deal with at the moment. We are trying to navigate this issue in our discussion here today. Cherbourg is just one small aspect of a greater issue. It speaks to the need to remove as many animals as we can off of our island. We are unique in this situation. As I stated in my opening address, 90% of our cattle - it is less so in the case of sheep - have to find a home somewhere else. They have to be consumed somewhere other than our island. Every other European country more or less consumes what it produces. We are always going to be caught, from a political perspective, by rules and regulations on transport.

I will wrap up by saying this issue on transport is one of non-conformance throughout the entire EU. Some member states have, however, made unilateral decisions to even trump those present regulations. Transporters with three decks of calves, or two decks if the animals are over six months old, are not allowed to transit through The Netherlands, for example. It goes beyond EU legislation on animal welfare and that has been done for that country's own benefit. This a natural progression and we are going to have to deal with these increased restrictions on animal welfare. We have no problem complying with what is there. This one particular issue in Cherbourg, however, is a symptom of our expansion, our seasonality, and that it is not economic for this lairage to be run in the fashion we would like it to be. I also refer to increased monitoring of EU regulations. If we went back two or three years, there was no problem with our transporters going directly to The Netherlands. That was probably wrong because legislation was being breached.

Chairman: I call Deputy Cahill.

Deputy Jackie Cahill: I do not want to be argumentative but I do not fully agree with Mr. Doyle on the welfare standards. We are meeting very exacting standards as it is. If welfare standards are raised, then the economics of exporting go out the window. We changed our lorries ten or 12 years ago at great expense. Our calves and weanlings arrive in perfect condition. There comes a time when we have to state that these animals are able to lie down in the lorries where they are comfortable, ventilated and have water. They have everything when they are travelling. If we give into demands to increase standards, then the hand brake is going to come up at some stage and it is not going to be economical to transport those animals. I would be holding ground on this issue. Our calves are arriving in perfect condition now. We are the only island country within the EU and we have to travel. Once we are getting our calves delivered in good condition, we should state that enough is enough.

Mr. Ray Doyle: I could not agree more with Deputy Cahill. My point was perhaps misunderstood. Certain countries within the EU are trumping the regulations and seeking to go beyond them. We are fully compliant. I fully defend Council Regulation (EC) No 1/2005 as being a perfect standard to ensure good animal welfare. We are complying with it and are

happy to comply with it. Some countries, unfortunately, are taking a unilateral decision, and some consumers are also taking a unilateral decision, to impose standards that I agree will be uneconomic for us to comply with. We have to deal with the cards we have, however, and one of those at the moment is the issue in Cherbourg. Our bigger issue is to promote live exports to deal with our increase in calf registrations of 400,000 in the past five years.

Deputy Jackie Cahill: It will increase more.

Mr. Ray Doyle: Yes, it will.

Mr. Seamus Scallan: The whole problem we have is that we have to get the plan in motion and we need the members here to push on so that we have a contingency plan for the farmers of Ireland to get the calves out. We need that plan and we need it fast.

Chairman: Everyone is on the same page on that.

Mr. Seamus Scallan: Yes, that is the case.

Chairman: We have a serious problem in this country without live exports. It is a delicate subject, as the witnesses have stated. They are dealing with it regularly. We have no problem complying with regulations but a valid point has been made by Mr. Doyle about what could be coming down the line and we must be aware of that. It is crucial that we can develop further markets. We have started a process in the past number of weeks of considering the future of the beef sector, and there is a major question mark over it. Many people have plenty of opinions but there is no silver bullet solution to the matter, as we know. Live exports will be a crucial part of the issue. If we produce 300,000 or 400,000 calves on an annual basis over and above what was produced previously, we could only manage that by getting them out of the country as quickly as possible. We have to do it as efficiently and as economically as possible. This is a crucial sector of industry that must be developed further. The contribution of witnesses today has been very important and we are delighted to have them to discuss the matter so we can do our bit to move on the issue.

Senator Paul Daly: Brexit aside, how does the land bridge across the United Kingdom compare with the Cherbourg route, especially for the calves going to Holland and northern Europe? How does it compare with respect to regulations etc.?

Mr. Seamus Scallan: We can go through England but we would have more problems. A couple of weeks ago Scottish calves were going out through Ramsgate and animal rights people were there. They started banging on and punching the lorries, as well as throwing objects at them. If the Irish calves travel across the United Kingdom, we will have great difficulties because the English have such an issue with the export of live animals. Most of the boats on the east coast - the calves would have to get to that coast - would not take the Irish calves. P&O will not take calves on boats going from England. A small boat that carries six loads of calves goes from Ramsgate but most of the shipping companies do not want to carry the calves because of the problem with animal rights activists.

Senator Paul Daly: Correct me if I am wrong but are those people putting a longer journey on the Irish calf because of their protests? They are having the opposite of their desired effect.

Mr. Seamus Scallan: If we went from Rosslare to Wales, it would take three hours on the ship. It would take six hours to cross Wales and England, bringing the total to nine hours. The ship to France would be another three hours, meaning we would be out there in 12 hours. That

means there is a seven-hour difference in the journey of the calves.

Senator Paul Daly: The animal rights people are blocking the lorries.

Mr. Seamus Scallan: They block us going through England.

Senator Paul Daly: A longer trip is taken instead.

Mr. Seamus Scallan: We must also be very careful about other people who may have problems with Irish calves going through. We are blessed that we can go out of Rosslare and Dublin. The weanlings do not have to be there in the 9-1-9 period, which is a maximum of 19 hours, and when they come off the ferry in Cherbourg they can travel for another ten hours. The weanlings are not causing a blockage in lairages as they can travel onwards. The calves must come off.

Deputy Kevin O’Keeffe: That is even worse from the economics perspective for the man with the lairage. The weanlings bypass them in Cherbourg.

Mr. Seamus Scallan: They must go to another lairage.

Deputy Kevin O’Keeffe: I understand that but they bypass Cherbourg.

Mr. Seamus Scallan: Stopping after 12 hours is good as the calves need to be rested because they are young. It demonstrates to other countries the good standards we have. It is in European Union legislation as well. If there is travel for 18 hours, one must stop to rest and feed the calves.

Chairman: We saw today the importance of exports to the industry. Lairages in Cherbourg was another crucial point. We also saw the importance of an umbrella organisation so that these exporters can have a stronger voice when it comes to negotiation, whatever the case may be. They are three crucial points to sum up our conversation.

Deputy Jackie Cahill: There is also the idea of Bord Bia using its resources to establish markets.

Chairman: That is very true. Those four points sum up our conversation. The importance of the industry cannot be underestimated if we are to get as many as our small stock calves as possible out of the country to help the beef industry.

Mr. Seamus Scallan: We should look at what can be done about getting store cattle into the United Kingdom. The cattle go through the markets in Ireland and there is a market for big cattle. We should look at what monopoly would cause that to close.

Chairman: It is something we can investigate. This has been a very interesting and informative discussion. We will come back to this issue over the next number of weeks and the witnesses are more than welcome to tune in over the next while. I thank Mr. Scallan, Ms Scallan and Mr. Doyle for coming before us today and making a very important case for the industry.

The joint committee adjourned at 5.36 p.m. until 3.30 p.m. on Tuesday, 19 February 2019.