

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

## JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

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*Dé Máirt, 9 Aibreán 2019*

*Tuesday, 9 April 2019*

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The Joint Committee met at 3.30 p.m.

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### MEMBERS PRESENT:

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

In attendance: Deputies Michael Fitzmaurice, Eamon Ryan and Eamon Scanlon.

DEPUTY PAT DEERING IN THE CHAIR.

*The joint committee met in private session until 4.10 p.m.*

### **Future of the Beef Sector: Discussion**

**Chairman:** I remind members, delegates and those in the Visitors Gallery to make sure their mobile phones are turned off completely as they interfere with the broadcasting and recording systems, even when left in silent mode.

Some weeks ago the joint committee decided to bring together all of the stakeholders involved in the beef industry to see where its future lay in view of the fact that it had been through a very difficult year or a number of years. We requested submissions from those who had an interest in the sector. We received approximately 24 submissions from organisations and individuals and decided to make an analysis of the submissions received. As a result, we invited the Irish Farmers Association, IFA; the Irish Creamery Milk Suppliers Association, ICMSA; the Irish Natura and Hill Farmers Association, INHFA, and An Taisce to appear before us. Next week other groups will appear before us. We hope to have a report completed in the middle of May on what will have happened at the meetings we will have held to perhaps put a roadmap in place for the sector in order that it may have a more sustainable future.

From the Irish Farmers Association I welcome Mr. Joe Healy, president; Mr. Angus Woods, livestock chairman; and Mr. Kevin Kinsella, livestock director. From the ICMSA I welcome Mr. Pat McCormack, president; Mr. Des Morrison, chairperson of the livestock committee; and Mr. John Enright, general secretary. From the INHFA I welcome Mr. Vincent Roddy, director of organisation, and Mr. Brendan Joyce, national vice president.

I would like to bring to your attention that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members 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 ask Mr. Healy to make his opening statement.

**Mr. Joe Healy:** I thank the Chairman. We have submitted the document already so I do not propose to go through it all. I am joined by Mr. Angus Woods, chairman of the national livestock committee, and by Mr. Kevin Kinsella, the director of livestock. The single biggest challenge in the beef sector is low farm incomes. The Teagasc national farm survey, NFS, for 2017 showed an average farm income on cattle rearing farms of just €12,529 and just over €17,199 for other cattle farms. A year later, in 2018, each of those figures was down by about €2,000, to €10,175 and to €15,412, respectively. The NFS also highlights the importance and dependence of the beef and livestock sector on direct payments in terms of farm income. For cattle rearing farms, direct payments account for 114% of their income, and for other cattle rearing farms, such as store and fattening, the figure is 96%. It is clear from this data that any reduction or cut

to direct payments will impact severely on the incomes of livestock farmers. This is critical in terms of the future reform of the Common Agricultural Policy, CAP.

Incomes on livestock farms are defined in four critical areas: cattle prices, direct payments, costs, and productivity. In order to address the income challenges on livestock farms, policy must focus on addressing these issues. To develop the beef and livestock sector to reach its full potential, the sector must return a viable and sustainable income at farm level. Without this, the sector will continue to struggle. While addressing the issues raised by the committee regarding the challenges facing the beef sector and Food Wise 2025, the IFA submission to this committee focuses strongly on proposals and recommendations to address the income crisis in the beef and livestock sector at farm level. The IFA is strongly of the view that the Food Wise 2025 strategy needs to be revisited with the primary objective of developing and implementing policy change on the beef and livestock side that will deliver profitability to beef and livestock farmers.

The most fundamental problem in the Food Harvest 2020 and Food Wise 2025 national strategy for the beef and livestock sector is the absence of a clear policy to make beef farming profitable for farmers, and its ongoing failure to deliver a fair income back to farmers. While the Food Wise strategy has delivered substantial growth in the volume and value of beef output and exports, it has failed to address the income crisis at farm level.

In detailed submissions to the Government in 2015, and again in 2017, as well as in every annual budget submission, the IFA has consistently highlighted the farm income issue, and the need for farmers to be rewarded for their work and to get a fair income return. An analysis of the data from 2012 to 2017 showed that the value of beef exports in Ireland had increased by €360 million, or 19%. However, in the same period, there was no increase in beef and livestock farm incomes. The reality under Food Wise 2025 is that beef output, exports, and value have all grown. The Minister, along with Bord Bia and the factories, have lauded this as a major success. However, cattle prices and farm incomes have fallen, and we need more success for farmers from this strategy.

Beef prices in Ireland are low and inadequate to cover the costs of production and leave a margin for the farmer. Irish cattle prices are consistently and substantially below the prices in our largest export market in the UK. Irish prices have closed the gap with average EU prices over recent years but with Brexit uncertainty, prices have fallen back below the EU average. There is a severe lack of competition in beef cattle prices in Ireland that needs to be addressed. The more powerful retailers and meat factory groups dictate the pace on cattle price at the expense of the farmer. In the ten-year period, 2000 to 2009, inclusive, the average price gap was just under 24 cent per kilogram. However, in the ten year period , 2010 to 2019, inclusive, the price gap almost doubled to 41 cent per kg, an increase of over 70%. While the Minister for Agriculture, Food and the Marine constantly reminds farmers that he cannot become involved in the issue of cattle prices, the Government has a major responsibility to ensure there is a fair and competitive market for farmers in selling cattle in Ireland. We are calling on the Minister and the committee to request the Competition and Consumer Protection Commission, CCPC, to undertake a comprehensive analysis and produce a report on the lack of competition in the beef processing sector.

With a view to bringing more transparency to the beef and livestock sector, the IFA has engaged the economist Jim Power to conduct an independent investigation into a number of important aspects of the sector. They include the impact of changes to the Common Agricultural Policy, CAP; margins along the supply chain; the value derived from all parts of the animal; the cost of production at farm level; a beef price index; factory controlled feedlots and the impact

they are having on cattle prices; and the in-specification bonus, among other issues.

The IFA is very clear that a strong live export trade is essential to ensure competition in cattle prices, provide additional market outlets and maintain a balance in the supply to factories. The logjam in the calf export trade this year created major problems for dairy and beef farmers. The problem was related to ferry and lairage difficulties and a lack of action on behalf of the Minister and the Government to recognise and resolve the issues involved. We strongly believe Ireland needs a live export trade with the capacity to export at least 400,000 animals annually. It is essential that the Government take action immediately to break the logjam. We do not want to have to face the same issues next year as we did this year. We, therefore, recommend that the Government and the Department establish a dedicated section to deal with live exports, with high level expertise, and put significant additional resources into supporting and developing the live export trade to maximise its full potential.

The excessive power of retailers and processors in the supply chain must be addressed. Farmers cannot continue to produce at below the cost of production. With an average retail price of €8.90 per kg in our main export market in the United Kingdom and a similar retail price in the Irish market, the IFA believes there is more than adequate scope in the overall market return for retailers and factories to pay a higher price to farmers, without increasing the price of beef for the consumer. It is also clear that there is a very unfair divide of the price achieved across the food chain.

The IFA has welcomed the initiative of the European Commission in prioritising the imbalance in the food supply chain and recognising the vulnerability of producers. The introduction of a minimum common standard of protection across member states is welcome, but it is only a first step. The situation where processors and retailers always make a margin, while farmers are sometimes forced to produce at or below the cost of production, is unacceptable. We have also called for greater transparency in the market at all levels of the food chain in order that the margins and profitability of processors and retailers are clearly visible. The IFA is demanding a fairer distribution of the price returns across the beef supply chain.

Mainly as a result of the uncertainty surrounding Brexit and its impact on sterling, cattle prices are down by 20 to 25 cent per kilogram on last year's levels, or up to €100 per head, particularly for steers and heifers. Winter finishers selling young bulls have endured price cuts of over €200 per head. Farmers selling cattle at the current low base price levels of €3.70 per kg for steers and €3.80 per kg for heifers are shipping major financial losses, with some facing financial ruin. Irish beef exports to the UK market reached 298,000 tonnes, or 52% of all beef exports last year. In addition, the United Kingdom is the market with the highest prices for Irish beef exports.

In the event that there is a no deal or a hard Brexit and there is the imposition of import tariffs, the impact on the beef sector and Irish farming will be devastating. We have made proposals to the Government and the European Commission on the need to introduce a comprehensive package of market supports and direct aid for farmers from the European Union to mitigate the impact of a bad Brexit and losses already incurred. We have calculated that beef farmers have already incurred losses of more than €100 million in the autumn to spring period, from October to the present day. Based on an IFA analysis which compares pre-Brexit prices in 2015 with those in the autumn of 2018 and the winter 2018-spring 2019 period and the numbers of cattle sold, farmers are down €100 million. They are also carrying the additional cost of feed. We have put this to the Minister for Agriculture, Food and the Marine, Deputy Creed, and are requesting the support of the committee for our case. We have written once again today to Com-

missioner Hogan and the Minister about the issue.

On direct payments and the Common Agricultural Policy, I have highlighted the importance of direct payments to farmers. The current proposals provide for a cut of 5% in nominal terms in the CAP budget. In Ireland that would mean a loss of €97 million, which is totally unacceptable. When the 2% EU proxy rate of inflation is applied, the real figure for Ireland would amount to 17%, or €246 million per year. The IFA is insisting that the CAP budget be increased to take account of inflation and compensate farmers for additional requirements placed on them as a result of the reforms. We propose that the CAP budget be rolled over as it is critical that a budget be in place to avoid linear cuts in direct payments and fully facilitate a seamless transition for farm schemes under Pillar 2.

I will now hand over to my colleague and the livestock chairman Mr. Angus Woods who will bring us through the issues involved in more detail.

**Chairman:** I ask Mr. Woods to be as quick as he can be.

**Mr. Angus Woods:** I thank the Chairman and members for giving me the opportunity to present and discuss the IFA's submission on the livestock sector. As a livestock farmer, with suckler cows and sheep, I have first-hand knowledge of the impact of the loss of income and the crises experienced in the sector. I also deal on a daily basis with the anger and frustration of livestock farmers across the country who are working extremely hard but finding it impossible to make ends meet and pay their bills. I highlight, in particular, the financial crisis facing winter finishers who have sold cattle in recent months. They have already taken the full brunt of Brexit. Lots of people talk about Brexit happening in a few months' time, but the farmers in question have already taken the full brunt of it. Some winter finishers, particularly fatteners of young bulls, are facing financial ruin.

As the president, Mr. Healy, outlined, the IFA has calculated the losses incurred since last autumn at €100 million. They are directly related to Brexit. The Minister for Agriculture, Food and the Marine, Deputy Creed, and the Government must introduce a compensation package for the farmers affected. The Minister needs to act urgently. Again, we are asking members of the committee directly for their support for this proposal.

On the Common Agricultural Policy, the single biggest issue is the budget. Livestock farmers cannot afford any cut in their direct payments. Many lost out financially in the last round of CAP reforms when their payments per hectare were cut substantially owing to convergence. Under the current reform proposals, further convergence is proposed such that all payments per hectare would be brought up to at least 75% of the national average by 2027. The IFA estimates that the cost of this convergence would be about €30 million. We support the European Commission's proposals to increase payments per hectare for genuine farmers in receipt of below average payments. However, they must be funded through an increase in the CAP budget or the implementation of the EU genuine farmer definition. They cannot be funded by reduced payments per hectare for those in receipt of above average payments. Convergence cannot result in more farming enterprises being made unviable. The EU Commission has proposed that Pillar 1 direct payments, go to genuine farmers. The IFA proposes that the genuine farmer concept be fully explored in the context of the need to target payments towards active farmers. A further issue to be evaluated in the context of defining the genuine farmer is the practice of farmers leasing out their entitlements, having exited farming.

The IFA proposes that the option of introducing coupled payments as part of the next CAP

should be considered in the context of targeting support to active farmers in vulnerable sectors. The IFA supports the current Commission proposal on capping, however we believe leased-in entitlements should be excluded from the calculation and family and formal partnerships be factored in.

Targeted sectoral support for sucklers of €200 per cow, and €30 per ewe and a tillage per hectare payment are important, with environmental schemes with maximum payment of €10,000 per farm, with higher payments for designated lands. The areas of natural constraint, ANC scheme has an increased annual allocation of €300 million, ANCs should be allowed as part of the 40% environmental calculation requirement in Pillar 1 plus Pillar 2.

The targeted agricultural modernisation schemes, TAMS, investment scheme is for all sectors, with 70% for young farmers and 50% for all others. A key point is to minimise the leakage of funds to service providers. Many people think this is a great opportunity to extract funds from farmers. We need the reintroduction of installation aid for generational renewal and mainstreaming the land mobility service. It must be noted that closure or cuts to the various farm schemes over the years, such as REPS, AEOS and the suckler cow welfare scheme, and cuts to ANCs all have had a detrimental impact on livestock farm incomes.

The IFA proposes strong support for committed young farmers - national reserve, top up payments, BPS and TAMS, partnerships, land mobility service and taxation policy must be the focus in the next CAP

The suckler cow herd is of critical importance to the Irish beef sector but is under immense pressure at farm level due to the lack of profitability at farm level. The IFA commissioned Professor Thia Hennessy from UCC to report on the economic and societal importance of the suckler beef sector. At a previous meeting we presented the details of that report to this committee. I will again highlight some of the key issues on sucklers and IFA proposals.

A key aspect is that research has estimated that every €1 of direct payments to cattle farmers supports €4.28 of output in the wider economy. Suckler farmers contribute to wider societal sustainability, particularly as they are often located in marginal or economically disadvantaged areas, where their presence is vital to the social fabric and cultural capital.

The national suckler herd is of fundamental importance to Ireland's reputation as a major exporter of high-quality prime beef. Cattle from the suckler herd generally have a superior grading profile and heavier weight for age resulting in higher saleable meat yield and higher value cuts.

The very difficult income situation on Irish suckler farms is unsustainable and is already resulting in individual farmers reducing animal numbers leading to a loss in beef output, export values and employment.

It is estimated that a 10% contraction in the suckler cow herd would lead to a loss in beef output of €145 million and a loss of total output in the economy of €305 million, furthermore over 2,000 jobs would also be lost.

The beef data genomic scheme, BDGP, which is worth €44 million per annum, to 24,200 suckler farmers got overly bogged down in unnecessary departmental bureaucracy. However, payments of €100 per cow on the first ten cows and €80 on the remainder provide important income support to the suckler sector.

Following a strong campaign by the IFA in 2018 to secure increased supports for sucklers, the Government introduced the beef environmental and efficiency pilot scheme, BEEP, worth €40 per cow in January 2019.

The IFA made proposals to the Food Wise meat sub group chaired by Michael Dowling, which recommended increased targeted supports for the suckler sector to the Food Wise High Level Implementation Committee, chaired by the Minister.

The group stressed its view that beef from the suckler herd is of critical importance for the international marketability of Irish beef abroad and for the health and viability of the rural economy in large parts of the country. IFA is committed to supporting our national suckler herd and the 67,500 full-time and part-time farmers involved in the enterprise.

The IFA has put proposals to the Government and others to provide additional targeted direct support for sucklers and a price premium for quality suckler beef. The proposal is for a targeted direct payment of €200 per cow, financed from a combination of national resources and CAP Pillar II funds. We are of the view that farmers should be rewarded for quality. Livestock farmers must be properly rewarded for quality in prices. In addition, retailers and factories applying additional market specifications must also pay additional price rewards. The IFA recommends an additional price premium for quality cattle from the suckler cow herd.

The quality of beef calves from the dairy herd needs to improve. An essential element will be the roll-out and uptake of the dairy beef index. The ICBF and Teagasc have a major role to play in leading the required change in policy and adopting the breeding strategy at co-op and farm level. The Teagasc policy aim must be to breed calves that meet market specifications. The IFA considers the Glanbia-Kepak Twenty20 Beef Club scheme announced last week to be much needed new thinking in the sector. It has consistently argued for more secure price contract type arrangements from the factories.

In the context of the major market challenge from Brexit, additional market access is a priority for the beef sector. In addition, more liberal access to some existing international markets and the removal of access restrictions for beef such as frozen, boneless or age under 30 months only, disease status, etc. are essential to expand access.

On branding and geographical indication, GI, status, the IFA has proposed that Bord Bia develop a strong brand for Irish beef that will return a price premium directly to producers to capture the benefits of Origin Green and the quality assurance sustainability scheme. In addition, the IFA has proposed a price premium for grass fed and suckler beef. Following an IFA initiative in Brussels with the European Commission, the IFA has held discussions with the Commission, the Department of Agriculture, Food and the Marine, Bord Bia and others on a proposal to seek GI status for Irish beef.

On carcase classification, trim and weights, the IFA has consistently highlighted farmers' concerns about the lack of proper controls and checking of carcase classification, trim and weights at meat plants. Following reports of inaccuracies in carcase classification, trim and weights at meat plants, the IFA has proposed that the Minister and the Department of Agriculture, Food and the Marine increase controls and strengthen inspections and penalties. The current departmental system of announced random checks is inadequate. In addition, the modern method of hanging the carcase has rendered the Department's checking system much less relevant. It is the responsibility of the Ministers for Agriculture, Food and the Marine and Business, Enterprise and Innovation to guarantee farmers that the carcase classification, trim

and weights at meat plants are accurate. The IFA has proposed that there be a permanent Department of Agriculture, Food and the Marine presence at meat plants to monitor carcass trim, that the monitoring of and controls on carcass classification be increased to guarantee accuracy, that a proper appeals system be introduced and that classification images be made available to farmers. The IFA has proposed that farmers access to the kill line in meat plants for those who wish to observe their cattle being killed, classified, trimmed and weighed. It has proposed that improved technology and modern systems of cameras and lighting, having been fully tested and proved to increase accuracy in classification, be introduced in the meat plants.

On international trade deals, the IFA has consistently highlighted the threat to the Irish and EU beef sector from an EU-Mercosur trade deal. A Mercosur deal which would give substantial additional market access to the countries concerned would seriously damage the EU beef market and must be rejected by the European Union. The Mercosur countries fail to meet EU production standards on the key issues of traceability, animal health, food safety and the environment. The European Union must insist on all EU imports meeting full EU standards. In addition, the carbon footprint of Mercosur countries is four times that of Irish beef production and involves the destruction of the Amazon rainforests. In the context of the new challenges posed to the Irish and EU beef sector by Brexit, including the potential loss of a high priced market for 290,000 tonnes of beef, the IFA is proposing that the Irish Government and the European Union withdraw any offer of further access for beef in the Mercosur negotiations.

I thank committee members for their attention. We will be delighted to take questions or comments on our proposals.

**Chairman:** I am sure members will have plenty of questions in due course. I invite Mr. McCormack to make his opening statement.

**Mr. Pat McCormack:** I thank the joint committee for giving me the opportunity to address it on such an important issue. I am joined by Mr. Des Morrison, chairperson of the livestock committee, and Mr. John Enright, general secretary. I acknowledge Ms Áine O'Connor, our policy officer who is in the Visitors Gallery, for her contribution to our submission. As members have had sight of it for a number of days, I do not propose to read it word for word. I will, however, comment on the critical issues. As I look around the table, I note that all of the public representatives present come from rural areas. It is the people they and I represent who are directly affected in terms of their income and potential income.

There are a number of pillars in rural Ireland which are driving the rural economy, the predominant one being agriculture. Within this pillar there are dairy, beef and tillage farms which, for some, may be a single driving force, depending on geographical location. The key issue in the beef sector is the lack of income from beef production. As highlighted by Mr. Healy and Mr. Woods, 100% of beef farmers' income comes from direct payments. If these farmers had no livestock, they might well be better off. That is a critical point to make. I acknowledge the below cost selling initiative which was introduced recently, in which Commissioner Hogan played an important role, but there are monopolies operating in the sector, something which leaves producers vulnerable.

The CAP provides us with a serious challenge. At the very least, we need to maintain the existing budget. Even in so doing, we are on a downward spiral because of inflation. I am speaking not about inflation for five or six years but for 25 or 26 years during which the CAP budget has been maintained. As in the last CAP round, convergence remains an issue. While there were some winners, there were also significant losers. The people the ICMSA represents

are family farmers. Some of them lost heavily because they had small land areas, but they received significant payments per hectare. This issue needs to be addressed to prevent farm families in rural Ireland from losing in the next CAP round in terms of convergence, but it will not be an easy task. I understand it is a per hectare payment, but there must be a set figure under which no farmer will be subject to convergence.

Farm families live in fear of inspection. Our branch and county executive meetings are generally held in the autumn. During these meetings we hear many bad stories from people, usually from the second last row. For each one of them, there are 25 waiting to meet us after the meeting to tell us their stories.

I have been involved in the ICMSA for the past ten years as a national representative. The word “simplification” has also been around for the past ten years. Farming has become extremely complex, as has the CAP. We need to see simplification, as defined in the dictionary, delivered in such a way that life will be made easier for the people participating in the schemes.

As regards Pillar II, in the past we had great environmental schemes, including the rural environmental protection scheme, REPS. Unfortunately, environmental schemes are now about payments for income forgone or moneys invested, rather than providing support for a farmer or his or her farm.

The IFA mentioned the genuine farmer. All of us here failed miserably in the last round for the active farmer. If we are serious about maintaining a viable agriculture sector, this time we need to hit the nail on the head for the genuine farmer.

Cost is another significant issue. Costs are escalating. The argument could be made that the escalation in costs 12 months ago was weather related, but that is not entirely true. The price per tonne was increasing at the same time as use of product was increasing. Another cost that is escalating is the cost of veterinary medicines. I know from my discussions with farmers living near the Six Counties that if a hard border is reintroduced - I hope that will not be the case - they will cross into the Six Counties to buy animal medicines. We need to look at every aspect of reducing costs, including the VAT on those products. Our standards have increased and must be maintained, but it cannot be denied that we are getting squeezed. I am from County Tipperary and it is not viable for me to travel a long way to cross the Border, but those who live right on it cross over because there is a significant difference in price.

Origin Green and Bord Bia have done great work in promoting our products, traditionally beef and, in recent times, to a lesser degree, dairy products. There is no point in saying Bord Bia has not done so. The industry approached the farming organisations ten or 11 years ago to state it needed an insurance scheme under which there would be a return from the marketplace and something in it for everybody, including farmers. Farmers are subject to quality assurance scheme inspections. This morning I saw an inspector going up my neighbour’s road to inspect his whole farm and all of his animals. However, when he goes to have them slaughtered, the factories will only pay a premium or a dividend on some in-spec animals. All animals are quality assured, given the time, effort and care and animal remedy records that are involved in it. All animals from a quality assured farm need to qualify by meeting that specification.

We talk about transparency and confidence. We all need one another in the beef industry, but the reality is that the primary producer has no confidence in the rest of the chain. We are almost ten years on from the introduction of the quality pricing system, QPS, scheme. When it was first introduced, one of the Deputies on this committee was sitting on the other side of

the fence. Nonetheless, the Irish Creamery Milk Suppliers Association, ICMSA, opposed it at the time. There are 225 hedges to hide behind. One could send 225 animals to the factory and obtain 225 different prices. It is not very transparent.

I want to compare the beef and the dairy industries. The Milk Market Observatory gives information on prices and volumes across Europe. The Meat Market Observatory gives information on volumes but none on prices. Our association sometimes condemns Ór Nua, but it is a collaboration of milk processors who are marketing product and they have an index to communicate what a basket of products is returning. When do we really, genuinely know what the basket is returning to the beef processor? That is a serious issue when it comes to transparency and confidence in a significant sector of our business. Things are often hidden in the quoting of averages which tell a lot but mean nothing. A price range is needed for full transparency.

There was a lot of anxiety in January and February about Brexit and, believe it or not, there still is. There were 54,000 cattle killed in Department registered feedlots in January and February. What impact did it have on the overall kill figures? They represented a substantial 17%, but it had a massive impact on any hope of a price rise for the primary producer. Some committee members are very familiar with how factories and farmers work. Farmers often, or nearly always, send cattle through an agent to the factories. How many cattle did the factory agents arrange to have killed? Was the figure another 54,000 or was it 108,000? The answer is nobody knows. It is far from being free and transparent trade. There is a belief in rural Ireland that it significantly manipulates the price we receive and prevents the occasional rise in prices. The ICMSA fully supports beef producer groups, but there are three major players in the beef processing industry. With 54,000 or more cattle coming on stream from them, it is hard to break that monopoly.

My colleagues have mentioned that there is a significant difference in prices for steers and heifers compared to 12 months ago. We must also remember cull cows which are an asset on any farm, whether suckler or dairy cows. Prices for them have gone backwards by about 60 cent per kg, or €200 a head, in the past 12 months.

We certainly welcome the beef index because it is an opportunity for farmers, dairy farmers in particular, when they have bred a significant number of dairy cows, to add value both for themselves and other elements of the chain in the years to come. We have seen the merits of the beef environmental efficiency pilot, BEEP, and beef data and genomics programmes in the recent period. They have provided benefits for suckler cow farmers, but they will ultimately not be sustainable if the farmer is not getting a decent price for his or her product.

We have passed the peak in 2019 for live exports, particularly calves from the dairy herd. We need to be ready for 2020 because the clock is ticking. We need lairage space in Cherbourg and elsewhere to move that stock. We need to establish a working body to represent exporters, the Department and farmers. We are the primary producers and there are veal units that want our stock, but there are people in between who make a margin. There is a responsibility on all of us to maximise what leaves the country to the betterment of what stays here.

We thought Brexit would be done and dusted by now. D-day could be 12 April or a later date. All of the uncertainty and the unknowns have led to a lack of farmer confidence and farmers hedging their bets. They are buying a few cattle and letting a bit of ground on a long-term lease or for meadowing. There is fear. Farmers lost their shirts in 2018 and do not have them to lose in 2019. Brexit is an important issue and there is a need for adequate funding to be put in place. Farmers are not only losing their money in March and April and possibly into

May and June, but they have also been losing it for the past six, eight or 12 months because of the uncertainty surrounding Brexit. It has been used as leverage to pull prices in that period. Money needs to come back, in a meaningful way, to the primary producers and finishers along the chain.

The environment has not really been mentioned yet. It would be hypocritical of the Government to support the Mercosur deal at this time, given the potential losses and consequences in the UK market, but, as well as that, environmental issues present a global challenge and needs to be tackled as such. Ireland is the fifth most efficient country in Europe in beef production, something we need to protect. Ultimately, it all comes down to economics. We have an environmental sustainability programme in the form of the beef and lamb quality assurance scheme and various other sustainable programmes, but it will be to the detriment of the industry unless it is economically sustainable. It is up to all of us from rural Ireland to put our shoulders to the wheel in that regard.

My colleagues look forward to taking questions from committee members.

**Mr. Vincent Roddy:** I thank the Chairman and committee members for giving me the opportunity to address them. As outlined in the submission from the Irish Natura and Hill Farmers Association, Ireland's beef sector is a critical component of its overall economy and a major asset in sustaining and developing rural economies. With this in mind, we believe any plan for the future of the beef sector should also take into account the positive impacts beef and, in particular, suckler cow farmers have in delivering for rural towns and villages.

We are repeatedly informed of the cost of carrying a suckler cow. Based on recent figures in the *Irish Farmers Journal*, that cost is €782 per year. While many have used that figure to emphasise the unprofitability of the sector, we believe there is another way to view it. This cost represents the money spent throughout rural Ireland, in the many areas where economic activity outside livestock farming, in particular, cattle and sheep, is low or non-existent. In the delivery of a €2.5 billion export industry suckler cow farmers spend almost €750 million each year in maintaining their herds. Crucially, this money is spread across 66,000 families who are creating a much wider impact as the figure of €750 million does not take into account the money spent by farmers and their families which continues to support the rural economy and associated services. In reassessing the strengths, weaknesses, opportunities and threats, SWOT, analysis, there are a number of points specific to our beef sector that need to be addressed. With regard to our strengths, we believe reference needs to be made to the top quality beef product produced from the suckler herd. A further strength is our farmers, especially our suckler farmers who know and understand breeding and what their land can deliver. While cattle are often seen as a negative for the environment and climate change, we believe there is an opportunity where cattle and, specifically, suckler cows can be marketed as a positive in delivering improved biodiversity on our hills and in high nature value farmland. We remind anyone who doubts this of what happened in the Burren where conservation measures had to be reassessed, resulting in cattle being reintroduced to help manage the area. While some might say the Burren was unique, we disagree. On our hills, cattle have a role in improving biodiversity and managing higher vegetation. Cattle can help to deliver on improved biodiversity through extensive grazing on much of our high nature value farmland, which other options may not deliver.

In promoting this, we have an opportunity to market this high quality beef from a biodiversity and low carbon or indeed carbon neutral option. By branding this type of beef, we can move it up the quality chain and deliver a premium price. We as an organisation are developing this model for a light lamb market, which I am sure Mr. Brendan Royce will discuss more later,

and we see similar opportunities with our extensive suckler and beef systems. However, to ensure that there is a product, we need to support the farmers who will deliver this. While the next CAP will give us the opportunity to further examine this and other measures, we see an option at present to support this biodiversity grazing through GLAS or GLAS Plus as a supplementary measure or for farmers not in GLAS as a standalone payment. A payment can be targeted at a set number of livestock units and take into account nitrate usage. In justifying this payment, we believe it is consistent with the priority objectives in our rural development programme.

We see another opportunity in increasing our live exports, which is the best way of ensuring the factories do not dictate the price. This has worked in the past and can deliver in the future but needs to be supported. While Turkey is prominent in live exports, most of our live exports have gone to other EU countries, most notably Spain, the Netherlands and Italy. The Iranian market is another market that is seeking beef. We understand that there is a lot of potential but obstacles relating to recognition and banking arrangements are impeding the development of this trade. Action is needed from our Government to clear these obstacles.

With regard to weaknesses and threats, market price and profitability are the major weakness. When assessing this, there are a number of factors that are undermining price and need to be addressed which include the 30 month rule that was introduced at the height of the BSE scare to help reassure consumers, which we believe is no longer required and should go. The four movement rule is no longer justified and we question if it ever was. During the last ten to 15 years, we have seen a significant increase in the number of feed lots owned by meat processors. We are concerned that these feed lots are being used to manage price. This is why we recommend that legislation be passed to ban meat processors holding or managing feed lots as we understand has happened in the USA. Another weakness is our over-reliance on the UK market, which is already an issue and could become a bigger issue in the coming months and years. The decision, whether by accident or design, to not diversify away from this market was a major mistake. Questions needs to be asked, both of Bord Bia and our meat processors. When we look at how the dairy sector is trying to diversify away from the dependency on cheddar cheese, one wonders why our meat processors have not done more.

We are where we are and we understand that the Government and EU have contingency plans in place that they are ready to implement depending on the final Brexit outcome. The INHFA will be supportive of any measure that helps the beef sector. These measures should include direct payments to farmers, price support measures, support for marketing of beef and supports for transportation. It is difficult to define exactly how much this will be needed, but even in a soft Brexit where the UK remains in the customs union, we see up to €500 million being needed.

Two further threats to our beef industry come from climate change and forestry, which is a major competitor for land use with our suckler and beef farmers. To many, especially those developing policy relating to climate change, the prospect of replacing cows with trees is no doubt quite tempting. We believe that previous experience, for example, in the Burren, will have shown that quick-fix solutions rarely work. In the INHFA, we believe that we can have our suckler cows and increase our carbon sequestration. This can be achieved through better supports for agroforestry to help offset any increased emissions from the farm of origin. Another issue concerns those farming on small and high nature value farms with suckler cows, who may want to consolidate their farms and are now being priced out of the marketplace when local farms come up for sale. We see large industrial-scale farm operations purchasing all available land, sometimes hundreds of miles from the home operation, to circumvent the nitrates rules

and also to offset any negative carbon issues as a result of aggressive expansion. This practice must be stopped.

Moving on from our SWOT analysis and looking at the next Common Agricultural Policy, CAP, more targeted support is needed. In addressing the need for these direct supports, we are aware of the two payments available to farmers, those being the beef data and genomics programme, BDGP, and the beef environmental efficiency pilot, BEEP. After conducting an extensive survey of our members, the view on these two schemes has not been kind, which is why we need a different approach.

The new CAP will provide us with the opportunity to address the clear deficiencies in supporting a vulnerable suckler sector. The view expressed by many of our members is the need for a welfare scheme paid either on the cow or weanling or a combination of both. We believe this should form part of the next CAP and we are currently finalising details on a scheme based on welfare measures. However, we understand the next CAP may not commence until 2022. This will be too long for many suckler farmers to wait which is why we have recommended the interim measure to support biodiversity which can be supported from the GLAS budget, which has a significant underspend.

I thank the committee for taking the time to listen and I will take any questions in due course.

**Chairman:** I thank all the organisations for their very comprehensive submissions and presentations today. Before I go to members, there is no doubt that this is an important issue at present. Should we all have been looking in our crystal ball a couple of years ago when the milk quota rules were abolished? Was it obvious that there would be a significant increase in production numbers and cattle numbers as a result of that? Should we have seen this coming? There is a beef challenge, a Brexit challenge, a CAP challenge and a climate action challenge coming quickly down the line. Is it now more important than ever that all farming organisations work collectively to achieve a common goal?

**Mr. Joe Healy:** The first part of the Chairman's question relates to the end of quotas and the increase in dairy production. When the quotas were introduced, Ireland was at a very low ebb of development in the dairy sector. What typified that more than anything was that the Netherlands had nine times more milk per acre in a quota than Ireland had. It was obvious that we were caught. A whole generation of Irish dairy farmers lost out, since we would regard 31 years as a generation. It was obvious when that straitjacket was removed that there would be an increase in production. We have probably reached that. It was always going to happen and the pace of it was probably a bit faster than expected. The pace was probably increased by the lack of alternatives in agriculture. When young people came back to any farm that had a block of 40 ha or 50 ha, they saw that milk was more profitable than beef production and that is what they went into. There is a problem with the age structure of farmers across Europe. The numbers in Ireland are no different from elsewhere in Europe, with approximately 6% under 35 and over half our farmers over 55. The milk production in Ireland, even with the increase, is still less than 1.5% of total milk output in the world. America probably produces more milk in a month than we produce in a year here.

There is a spin-off from that in that there is more beef. To have competition, it is imperative that we do not have the lax attitude that occurred with lairage spaces in Cherbourg this year. We need a more intensive attitude from the Government. On the day we were in Cherbourg, we saw two lairages with capacity for about 4,000 calves, yet there was not one calf in those lairages. That was terrible to see, with so many calves which farmers want to sell and get out of

this country and with customers in Europe for them. To be forewarned is forearmed and it cannot be allowed to happen next year. We need export facilities for at least 400,000 animals. We fought hard last year to have the export levy on the calves removed altogether. Some 50% was removed, which was worth €1,100 on every load of calves. That made our calves competitive on the European markets which is how we increased live exports by 30% last year. We must ensure that trend continues and that up to 400,000 animals leave here in coming years.

**Mr. Pat McCormack:** Food Harvest 2020 set a goal of 50%. Many people thought that it could not be achieved but it has been and ahead of schedule. That it was achieved ahead of schedule is probably because suckler farmers with a significant block of land have transferred over. They had much of the infrastructure in place and only required a milking parlour. If one goes to the south east, and talks to Glanbia and similar firms, they still have suckler farmers who are transferring across because that is what economics dictates.

The Chairman did not ask about milk and the dairy issue, but the issue is the impact that the expansion of the dairy herd had on beef. A closer analysis of the last three years or so would show that the reduction in the weight of slaughtered animals has between 12 kg and 15 kg a carcass. That would offset the increase in numbers. EU production is down almost 2%, at 1.75 million head. Ireland's increase in beef production should not dictate the sluggishness in the marketplace. That is purely based on the fear of Brexit and some being in the position to exploit that fear when dealing with primary producers.

There was another part to the Chairman's question about the farm organisations working together. As I said in my opening statement, it involves all of us around the table. The farm organisations are lobby groups but the politicians are the people who can implement things. We all need to work together. The politicians need to listen to the farm organisations and to implement something for the good of rural Ireland, which is to stimulate the agricultural economy there. If I drive 30 km away from here, I am in a different land. The Chairman knows that too, because he has driven the same road.

**Mr. Brendan Joyce:** The point here is clear. We represent farmers who do not have the opportunity to diversify into dairying. They are beef farmers who are often operating on marginal land where their only option is sheep or cattle. I will keep things very simple. We have a crisis in that sector. The factory cartels with their feed lots are controlling the beef price and we are price takers. We are taking a price well below the cost of production now and we are asking the committee to support us in breaking that cycle.

On the quality of suckler being reared, it is not being promoted as a premium product. We need to get our suckler reared cattle promoted as a premium product, highlighting the very high standards they are reared in on a high grass-based system. That needs to be promoted particularly as many of our sucklers are reared on marginal, high nature-value land, which does not have the alternative to switch to dairying, tillage or other agricultural enterprises.

The beef data and genomics programme and the BEEP are welcome initiatives but have failed the smaller suckler farmer in the west of Ireland. Unfortunately, the level of take up is not acceptable. Those with smaller suckler herds have found the large levels of paperwork that go with them too high a price. We are calling on the Minister, Deputy Creed, and the Department to review the rural development programme immediately to provide funding which could be targeted towards sustainable suckler herds in areas which have the highest level of dependency on the enterprise. There are clear opportunities in the regulation particularly in relation to the green low-carbon agri-environment scheme, GLAS. There are far more farmers in the GLAS

programme than in either beef genomics programme or the BEEP. While it looks as though the CAP is being delayed, we ask that additional measures be brought in immediately through GLAS which would be targeted at the smaller suckler farms. They are crying out for help. The cost is crippling them and they have no alternatives. They cannot leave the enterprise, it is all they have and the only thing that is suitable to their land.

We welcome the opportunity to make the case here today. I hope this message is heard because it is critical for the farmers we represent on the smaller, marginal farms in the west which do not have the opportunity or ability to change and are hit on every side they turn.

**Chairman:** I will open the meeting up to members, beginning with Deputies McConalogue and Penrose.

**Deputy Charlie McConalogue:** I thank all three organisations for taking the time to come here and putting together their very comprehensive submissions.

When looking for a viable future for beef, the key objective must be price. Profitability will provide the sector with a future. We must ensure there is a profit margin which unfortunately is not now the case and has not been for a significant time. If that continues into the future, there will not be a big future for beef. That the sector continues to grow and that it has a future must be our key objective in the options we consider here.

All the organisations have mentioned the differential between our price and that of the UK, our main market, how that has been there for some time and how it has increased recently. Will they comment further on that and how it can be addressed? Obviously, Brexit hangs over everything and can radically change everything, but if that market stays open to us, do they see capacity for that to improve?

I am also interested in their views on our own processor price versus the European average prices, which is our next market after the UK. There has been an issue over the last year when we have fallen below the European average. The beef processors, who have been before this committee, have argued that they tend to pay in, around or slightly above the European average but that has not been the case. They have big questions to answer on that. Over 90% of our beef is sold within the European Union. Outside the EU market, in emerging markets such as China and the Far East, we compete with non-EU meat, including South American producers and American producers. Ultimately, we are looking at where we are getting additional prices which is why I ask for the three groups' further view on how we compare with the European average as well as the price gap with Britain.

On unfair trading practices, I am interested in the potential of any of the regulations and proposals put forward at European level recently to improve transparency in the beef sector.

The removal of milk quotas has had a significant impact on our beef sector and has led to additional cattle coming from the dairy herd. I would be interested to hear the three organisations' perspectives on recent breeding practices within the dairy sector, in particular, where we have seen Jersey crosses coming into the system, for which there seems to be no outlet, market or little thought given regarding their place within the beef sector. The removal of quotas has also resulted in increased pressure and competition. We are seeing more cattle coming from the dairy herd and also more competition for land because existing dairying enterprises can expand and new people can go into that area but they need land to do that. That puts pressure on the availability of land for the beef sector. There is now that opportunity but only for those who can

afford to do so, and it is not an option in many parts of the country, to move into another sector.

Do the three organisations believe the meat grid should be reviewed, reopened and reconsidered? I would be interested in their perspectives on an announcement in that past few weeks by Glanbia and Kepak regarding dairy bred beef and providing a contractual outlet for those. Do they consider that contract pricing could be developed and that it would offer more certainty to the primary producer? Do they consider that the beef data and genomics programme should remain a feature of the next Common Agricultural Policy? What role, if any, should it play? Would they support it continuing as a scheme?

I made the point at this committee previously that were suckler beef farmers to stop producing beef and were payments to them to remain the same, the one sector in the food and economic chain in rural Ireland that would not be much worse off would be the beef farmers because they are not making a margin from all the hard work they put in. They create massive revenue and turnover in rural economies. The money is circulating and staying within the area, and maintaining jobs in the wider economy but the beef farmers are not getting a return for their produce. That is not sustainable. What potential do the three organisations see in having a premium for suckler beef? The representatives of the meat industry will appear before the committee next week. While we might say there should be a premium for suckler beef, they have told us that when they deal with their customers they are not seeing it. I will put this question to them next week. How much potential do the organisations see in having a premium for suckler beef because without it, it will very hard to find a margin which will keep the sector healthy into the future?

**Deputy Willie Penrose:** I welcome all the organisations whose representatives made comprehensive submissions. It appears those involved in the intermediate steps in the farm to fork beef industry and the wider agriculture industry are making money and the only people who are not making money are the primary producers. That is a peculiar phenomenon. The intermediary steps have to be examined because there is a lack of transparency. I never met group as skilful in avoiding indicating their market returns as those involved in the various steps in the food production chain, including the processors and all those involved. Much of this was predictable because when we look back to the period from 1998 to 2002 the average income derived from an 87 acre suckler farm was €12,228. I agree with Mr. McCormack that taking the average figure is a dangerous thing but it is the rage to do that. Working off the averages, in the period from 2013 to 2017, the average income derived from same suckler farm was €11,063, which represents more than €1,100 drop in income in that period. If we factor in inflation, an income of €11,063 last year would need to increase to €16,752 to achieve the benefit of the income secured in 2013. That income derived from 87 acres represents a 1.6% return on the capital employed. When I was in college in the early 1970s, the return on the capital employed was 2.1%. Therefore, the return on capital employed is declining. I deal with many suckler cow farmers who understand this. Sometimes what is uttered by the three organisations does not reflect their views. I come from the midlands where there are a large number of suckler cow farmers who are looking at alternatives as they are aware that the market is not giving an adequate return. They are convinced that unless a Houdini enters the market, they will never receive an adequate return. In the context of Brexit, even a soft Brexit, they will still not see the significant improvement required to maintain their families. Many of them are considering reducing their stock numbers or using some of their land that might be suitable for forestry to achieve a return while making a contribution to dealing with climate change by way of carbon sequestration.

Deputy McConalogue was right and I have said it here previously that a few of those farmers have told me that they would be better off if they stopped producing beef. Considering that CAP payments represent 105% of their income, they would be better off out of the business as there would be no outflow. They would, as it were, be better off standing still. That is serious, especially in my area. One issue that really bugs them is grading. It is an absolute no-no for most of the farmers I know. There is too much involved. Everybody know that the quality pricing system, QPS, is grounded on subjectivity, albeit a few factors are included. I am not blaming the farming organisations for this, as they are considering various measures, including a pilot scheme involving the use of LED lights and cameras. Would it give farmers a better return? It might create confidence in that there would be objectivity, rather than the subjectivity, which is important. The perceived anomalies in grading between factories is a massive cause of concern and annoyance.

I recall campaigning many years ago to have a co-operative retained. I was one of the only fools to do so because farmers nearly smothered me in the run to get the money on offer from one of the big processors who is now causing them headaches. I do not like to say "I told you so," but farmers are involved in a sector in which the co-operatives are critical. We can argue about milk prices, about which Mr. McCormack and colleagues know more than I ever will, but the co-operative system has been very useful, including Ornua and everything else. The boards have their own representatives and deal with matters at first hand. Everything is transparent, but it was lost in the beef industry. We are talking about competition. It is great to be able to export cattle and calves to introduce competition, but it can be manipulated. Co-operatives in the processing sector would have provided real competition. I have always regretted that it has been lost.

Six or seven years ago when I mentioned that I had no time for feedlots, there was a bad reaction from some people, but I knew the game they were playing. They were releasing cattle into the market to depress prices. It was called "controlled release". When I mentioned it, I was portrayed as a baddie. Some in the media do not like me saying these things, but I say what I believe to be the truth. The big boys are playing the game and will have enough as they have thousands of cattle. One big change is needed. A way must be found to ensure these concerns will not be eligible for CAP payments. I have always believed no corporation should be eligible for such payments. They were never meant for that purpose.

I might disagree with the delegates a little on the issue of convergence. The objective of the CAP was to maintain the maximum number of farmers on the land. When I started out in 1974, there were 375,000 farmers. Now that number is 100,000 or thereabouts. We have not maintained the maximum number on the land. The payments have not been used properly to do so. They have gone to well-off farmers, including corporate farmers. Let us stop coddling ourselves. Let us face up to the harsh reality that one cannot represent everybody. The farmers at the bottom with 60 or 70 acres who include some of those represented by the men present are the ones we have to start to converge. We must make sure they get a decent return to maintain their families on the land. I have always supported that policy, to my detriment as some see it, but that is neither here nor there. One must stand for something or nothing.

I am struck by the issue concerning Kepak and Glanbia. It was the reaction to farmers getting annoyed. Deputy McConalogue is right. I have met some of those in County Westmeath who have switched to dairy farming in the last two, three or four years. Substantial farmers have left the beef sector. I can understand the reasons, but there is a consequence. One only has to look at the returns for milk processors. We are already way ahead of target. We are flying.

Removing the quota had an impact, as I said it would at this committee.

Twenty years ago I conducted a study that showed one of the problems in the beef herd. At the time only one in four animals qualified for entry into the top markets in Europe. When I questioned the Dutch about the matter, they said they could get black and white cattle anywhere. When farmers compete in the beef market, they must have animals bred for beef production. There is no point producing Jersey or Holstein crosses or suchlike. One has to have top quality produce. That is where the Government can step in and it is the only way. We would then have a socialist system, with the Government stepping into everything. As I am a socialist, I would be very eager to see that happen. Beef farmers and some sheep farmers are really under threat. Farmers have to obtain a premium price for producing top quality beef as otherwise they will not survive.

There is a glut and a lot of talk about lairage facilities and everything else. Some exporters wail about how the Government has to step in, but it has to create the conditions to help out. Those exporters buy calves for €5 or €10 and want somebody else to step in and save them, but they should cop on. Let us call a spade a spade. It might not be very popular to do so, but sometimes we have to speak the truth. They were roaring and shouting about this issue, but if I was exporting, I would make sure I had access to lairage facilities. I was buying calves in marts in the south at a time when farmers could not give them away and exporters were still not happy, although they were getting them for virtually nothing.

I also represent some struggling shopkeepers who are entitled to ask me to get €150 a week or some subsidy for them to allow them to keep their doors open. It would be right to do so because most of them will close very soon.

These are the important issues and I heard Mr. McCormack say farmers did not want to be in this situation. They want to be in a situation where the market provides a return. They do not want to be in a position where they have to try to secure assistance. I subscribe to that view and think everything possible should be done to support them.

The suckler cow industry is the genesis of the beef industry and I worry about its future. When I hear very good suckler cow farmers in my area in the midlands talking about getting out, it is not a veiled threat. It is real. They are deeply concerned. The issue surrounding Kepak and Glanbia is interesting and I heard Mr. Woods examining it critically the other morning. He was right. It is important. It is a useful prototype to see if this type of scheme will work. Jersey cows and crosses are being excluded. Potentially a premium of 43 cent per kg could be paid between all of the various schemes, including seasonality bonuses, etc. We must factor in the whole lot. Why can it not be paid now?

**Senator Rose Conway-Walsh:** I thank the delegates for their presentations. I want to concentrate on figuring out once and for all whether a cartel is in operation. Do the delegates believe there is? Above all, do we have sufficient data to establish if it is? We have been talking about this issue for 20 years and had the Bacon report in 2000. Dr. Peter Bacon said the data did not support the contention that there was a cartel in operation. However, there are 35 beef producing facilities and three major players, yet prices are stagnant. I am not saying there is or there is not a cartel, but we need an examination of the data. I ask each of the delegates to say if he or she believes there is a cartel in operation and if there are sufficient data to support that contention? How can a proper investigation be carried out to put the matter to bed once and for all? We have to look at where the money is going. We are looking at a beef sector that is worth €2.4 billion. That is a lot of money and it is not going to the farmers I see around me at home.

Where is it going? We can talk about genomics, increasing value and such like, but they are all medium-term concerns. In a crisis we need an immediate response. We need to have this done quickly as somebody is making money and it is not the farmer. I have two sons and certainly would not advise them to go into farming on marginal land in County Mayo where the only option is beef production. They would need to have their farms certified before they would be able to do so. That is an awful thing to say because there are really good young farmers who have gone into the business in the past few years. As legislators, with the farming organisations, we need to support them in a meaningful way. We have received loads of paperwork and suggestions. We need to prioritise the things that need to be done immediately.

It all comes down to the price obtained in the market. There was a big fanfare in the opening of the US market, but has it had any impact on beef prices? Has the opening of the Chinese market had any impact, or is it just a way to get people to look in that direction? Farmers are under the impression that it is really good. Their expectations are being raised all the time, yet they are not getting the price they deserve for the quality product they are producing. It is a quality product, regardless of the genomics programme or anything else, and it should be very competitive in the global marketplace.

Simplification was mentioned, but things become more and more complicated and expensive all of the time for farmers. We are not winning in that respect either.

Will the IFA clarify what it meant by taxation policy? I am not sure what is meant by it or why it needs to be looked at.

Who made up the four movement rule? It is a ridiculous idea. From where did it come and on what was it based? The fact that a person can say that because beef cows were moved four times they are worth less money is bizarre. Who made it up? Who allowed the four movement rule to continue?

**Mr. Brendan Joyce:** Deputy McConalogue made reference to the removal of dairy quotas and increasing the numbers of dairy calves. He is correct. Many beef farmers do not have the opportunity to diversify out of beef production. That cohort is under the most pressure. In developing the market work has to be put into the story. We produce product in a very particular way on the highest high nature farmland in Europe, but that story is not being told. It might place it as a premium product, but that story has to be developed by Bord Bia and the factories in order to sell it. There is a similar issue, albeit on a smaller scale, within the light or hill lamb market. For 15 years there was no such market and light lamb could not be sold, but with a bit of work it was shown that the story of that product did sell and connect with the retailer. That model, even though it is only a very small pilot project, has shown that there are examples from which we can learn. Those involved in the beef sector, in particular, need to develop that mindset to sell the story of where the product is produced and how it is produced and of the farm families who are absolutely dependent on it.

Historically, there has been a reliance, or over-reliance, on the UK market. A question was asked about the US and Chinese markets. Any diversification has to be welcomed. If one were to ask a farmer whether it had delivered, the answer would be no, but the opening of any new market has to be welcomed. We have to encourage and push the Irish story and the way our beef is reared into these markets to try to achieve premium prices.

Deputy Penrose highlighted the issues of grading and objectivity in that exercise. Most farmers feel powerless. The issue has to be looked at and we should legislate for it in order to

bring objectivity to the process in order that farmers can have confidence in it. It should not be the case that they are left to pray for a particular person to be in charge of an abattoir on a given day. A level of confidence has to be brought to the system.

Deputy Penrose mentioned convergence. It is true that it is critical for all family farms. In a very short space of time we have moved from having 300,000 or more farmers down to 100,000, which figure is going to decrease further. Farmers in receipt of low payments have been pushed out of the system. Convergence is a critical component of the CAP proposals. Farmers should be paid for their level of production and the environmental and public good they do. Looking back at the way payments were developed, I sold my suckler calves at six months. I did not avail of the 11 month, 22 month or slaughter premium. Many of the farmers concerned have been legislated against. We have sympathy for farmers with a small number of hectares with a high payment per hectare. We are in favour of increasing the disregard in a convergence model to support that process. The idea that the convergence model is not positive for many of the farmers we represent is incorrect and that myth has to be put to bed. The family farm is a critical component of our projections. We would much prefer if we were getting a proper price for our product.

We were asked whether there was a cartel in operation in the beef sector. Any farmer at the side of a mart ring would give members his or her opinion if asked for it. There are three processors playing the game; it is as simple as that. We are consistently running behind the price being obtained in the marketplace. Members can answer the question. The facts are there to be seen. Members might like to analyse the price obtained and who the players are. It is increasing. As much as I welcome the move between Kepak and Glanbia as a pilot project, as we welcome any move that might change the situation, we have to be very careful that we are not starting to build bigger cartels. I am not being critical of it - the pilot scheme should certainly be looked at - but there is a cartel in operation in Ireland. I have no problem in putting forward that view. Facts might be used to show that there is not a cartel based on a standardised measure of cartels, but ask any farmer standing ringside at a mart if he or she believes there is a cartel in operation and in 100% of cases the answer will be yes.

**Mr. John Enright:** It was suggested expansion of the dairy herd was responsible for the price of beef being obtained. I do not agree, but there are certainly things which should be improved on the dairy and beef production side of things. However, the number of calf registrations is down by 5,000 head, while live exports are up by 50,000. Bord Bia estimates that the cattle kill in 2019 will be down by 50,000 head. The expectation is that fewer cattle will be slaughtered in 2019 than in 2018. The numbers of steers and heifers are down by approximately 10%, while beef cow prices are down by 17%, all because of Brexit. It has nothing to do with the fact that the dairy herd has expanded, rather it has to do with a lack of confidence. Some 52% of our beef goes to the UK market. We were supposed to be out of that market on 29 March and could be out of it on 12 April. There is a lack of confidence in the sector. Brexit is the major reason for the fall in beef prices. Farmers, whether finished cattle producers or producers of weanlings or stores, are wondering what is going to happen to our major market. There is concern that while support has been promised which is to be welcomed, there is a lack of detail behind it. Confidence must return to the sector for those who are producing calves, weanlings, stores or finished cattle. There is massive uncertainty. The European Council is meeting tomorrow and there is a deadline of 12 April. Will there be a new deadline? That is the big issue in beef markets. It has nothing to do with the expansion of the dairy herd and it is unfair to say it does.

Unfair trading practices have been mentioned. There has been a welcome step in the right direction in that regard. The reality is more needs to be done, not just on the beef side but also on the dairy, sheep and tillage side, etc.

I do not disagree with Mr. Joyce in his comments on the cartel operating in the beef sector. The issue is how to establish the facts on beef pricing. With the European Union Milk Market Observatory, if a dairy farmer rings me tomorrow to ask, based on his or her co-op's product mix, what he or she should get for a litre of milk, I can make a fair observation on what the price should be. The Milk Market Observatory gives the price of skimmed milk powder, butter, whey powder, whole milk powder and the range of dairy products. However, if a suckler cow or beef farmer rings me and I look at the European Union Meat Market Observatory, there are no such data. People can say there is a cartel or there is not, but we do not know because there are no data available. I know the carcass price in Ireland and different European countries, but I do not know the price of sirloin or fillet steak, minced meat, burgers, etc. as there are no data available. If we do not get into that detail, we will be having the same conversation in 20 years' time. That is my honest opinion on the matter. We can talk about cartels, but unless we have data, it is only talk.

**Senator Rose Conway-Walsh:** Where would such data be held? Whose responsibility is it?

**Mr. John Enright:** Data are collected by the EU milk market monitoring agency. One can log on to the website to see the stuff that is available on the milk side. It can be contrasted with what is available on the beef side and there is a substantial difference. I am not saying the dairy side is perfect, but there is much greater transparency in what is available on the milk side than on the beef side.

**Senator Rose Conway-Walsh:** It is collected at EU level.

**Mr. John Enright:** It is collected at EU level. There are data available for each member state.

**Mr. Des Morrison:** Members asked about grading practices at meat plants, specifically mechanical grading or the quality payment system, QPS. We were opposed to this when it was introduced in 2011 and are still opposed to it. Farmers have lost all confidence in the grading process. It only grades one half of the carcass. With manual grading, the grader makes a visual assessment of two halves of the carcass, calling it O+, O-, or R, for example. Approximately 91% of slaughtered animals are graded by the machine. That is mechanical grading and it grades only one half of the carcass. European legislation determines that the machines only have to be 60% accurate. That applies all over Europe, not just in Ireland. I ask any member, farmer or even manager of a football team if we should put up with a 60% strike rate in any industry. Now that we are in the digital age, it takes five seconds to grade one half of the carcass. I am not saying Irish plants are only 60% accurate, but they are nearly 90% accurate. A person could be on the off-side because only one side of the carcass is graded; there could be two grades for a carcass under the current system. They could be O+ or R-, for example. One grade out could equate to a farmer being out by 12 cent per kilo; with a 350 kg carcass, that is €42 straightaway. If a grade is in the region of O when the animal is slaughtered, the farmer could also miss out on the quality assurance bonus of 12 cent per kilo, which is another €42. If a farmer is in a producer group or a premium scheme, such as those for Aberdeen Angus and Herefords, he or she could also lose another 10 cent to 12 cent per kilo. That could be another €40 to €42 lost on the animal. I am not saying it is happening all the time. However, what I and

ICMSA are saying is that while the potential is there, why would the farmers and livestock producers in the country not lose confidence in that system of grading? The ICMSA has requested that the Department carry out an analysis of grading both sides of a carcass. We should remember that farmers are paid on the carcass on three or four areas, including weight confirmation, fat trim and inspection bonuses, which are all different shapes and sizes. It is not too much to ask that in 2019 or even long before it that both sides of a carcass be graded so the farmer can be paid on the best grade that the animal makes.

As an example, young bulls may be killed and the result depends on how the hide is removed from the carcass, specifically how fast the hide puller removes the hide from the carcass. There could be different fat levels on two halves of a carcass from the same animal. There are too many anomalies. The ICMSA did a report on the system, and it was found by our consultants that €121 million was taken from farmers' pockets in the past eight years because of this. That is unacceptable for any farming industry in any country, let alone Ireland. I call on the Chairman and members of the committee to take that on board. I could go into a range of different issues but I know the Chairman has time constraints. I thank the committee for the time.

**Mr. Kevin Kinsella:** I thank the members of the committee for their various questions and I will try to address some of them. I will lump some of them together. The first question concerned price issues. We tried to outline this very clearly in our submission and I hope members have had a good chance to look at it. The critical issue from a farmer's perspective is the income crisis in the sector. Income ultimately comprises two components, which are the price on one side and direct payments on the other side. They are both equally important. Very specific questions were asked about price, particularly around the area of competition, the price differential between Ireland and the UK and the European average. We have tried to gather as much data as we can for our submission. As some people have said, there is an absence of data in the area.

Looking at the average retail price in the United Kingdom, our biggest market, it is the equivalent of €8.90 per kilo. That is the average retail price, whether it is a steak, burger or round cut being sold. Of course, all beef does not sell at that price or through retail, although we can take it as a benchmark for the type of return in the market. We can then look at the farmer price, which has been consistently under €4 for a number of months now. If we had a fairer share of the ultimate consumer or retail price, the farmer would be in a better position and be able to get a higher price.

How could this be done? It comes back to this committee and to legislators, as well as the work being done on a European level, in the Dáil and in this committee. We ask that there be a strong focus on the farmer's share from the ultimate price. We must try to bring transparency into the facts and figures in this respect. There are some facts and figures available and we are working with an economist, Mr. Jim Power, to try to develop this beef price index along the lines of what is modelled on dairy area. It is about bringing more transparency and return there.

That takes me to an issue raised by Senator Conway-Walsh regarding lack of competition in the sector. Our president, Mr. Healy, was very upfront on this in his presentation today, clearly requesting the members of this committee to call for and support the proposition we put forward for an investigation into competition or the lack of it in the sector. Let us undertake this investigation and put it to bed, either deal with it or take it off the table. We are very clear and specific on that point and we request that this would be part of this committee's ultimate conclusion, that it would deal with this issue. There is no point in asking farm organisations or farmers whether there is a cartel and whether they have the evidence. All the figures and all the evidence on this,

in terms of looking at the prices and analysing them, are with the authorities that have the power to do that and the authorities that gather that information. In Ireland, that is the Department of Agriculture, Food and the Marine, which has all the data on all of the cattle killed and the price of every animal killed in this country for the past ten years. The Department has the data. The Competition and Consumer Protection Commission, CCPC, has the responsibility to ensure that we have a competitive market in this country. When we ask the CCPC about this area, the response is that it needs political direction on this issue and the only people who can give it political direction are the Minister, the Government and the joint committee members. It is in the hands of the joint committee to deal with the issue and resolve it to the benefit of the sector. It would be a very significant benefit if the issue could be dealt with in the sector.

On the issue of competition that Deputy McConalogue raised and the differential between the Irish price and the UK price, we are very specific on our figures and we have considered and analysed them. We have a detailed table in our report that shows that between 2000 and 2009, the average differential between Irish and UK prices was about 24 cent per kilo. Between 2010 and 2019, that differential had increased to 40 cent per kilo. Of course, margins have increased in that time, that is, for everybody except the farmer. One has to draw one's own conclusion about what is happening in terms of the retail and processor margin. From the farmers perspective, they rely on two things to try to bring some competition, first, they rely on the Minister and the Government of the day to ensure that they are selling their cattle into a competitive market. The Minister keeps telling us he has nothing to do with the price of the product. We feel differently and that there is an onus of responsibility on the Minister of the day to ensure there is a competitive market for Irish farmers to sell their cattle into. This is very different from what the Minister is saying. Second, in order to have a competitive market, a key ingredient is an active live export trade. That is proven statistically. We engaged a competition economist to look at this area and that was one of the conclusions he came to. We want a very strong competitive live export trade that can deliver increased competition for us in the trade and our president went through that in detail.

When one compares Irish prices and the EU average, that data is both used and somewhat abused at times. We need to dig into the data and analyse what we are talking about. First, we have predominantly steers and heifers. We are comparing the price of that meat to the average price for the meat from young bulls across the European Union when one looks at the average price. That is not comparing like with like. On balance, the meat from steers and heifers is a superior eaten product compared to the meat from young bulls. We should not be saying that if we are at or just below or just above the EU average price, we are doing very well. That is not the case, because we cannot be as competitive in terms of the productivity of those animals, steers versus young bulls. Second, we have to consider that in producing steers in place of young bulls, we are and should be capable of returning a price premium in the market for those type of products. That would lift us above the comparison between the price we get for our product and the EU average price.

In regard to the change to the milk quota, when that was being looked at at the time and the Food Wise 2025 proposals and the new growth targets were being put forward, the IFA raised the issues around the implications of the increased volumes of animals coming through the system and the increased volumes of beef and whether we had the markets to sell it into and whether we had the capacity to deal with it. If one looks at the submissions the IFA made to Food Wise 2025 and at our budget submissions, we kept highlighting our concerns about the farm income situation, while driving on in terms of exports and volume growth. We certainly highlighted at the time that the Department was not dealing with the farm income situation. The

IFA believes that there is a requirement to keep a balance in the numbers in terms of what we are capable of slaughtering and selling. That is why we see a strong live export trade as essential in terms of the calves, the weanlings and the store cattle.

Going back to the income of farmers with suckler cows, of course, we need a price premium for suckler beef and we made very specific proposals to Bord Bia, the Government and the meat processors. We hope we will see some progress in that regard in the next number of weeks and months.

We should never forget the role the direct payments play in terms of livestock farm incomes. If one goes back to the time when there were specific targeted payments, coupled payments on livestock, there has always been strong support for the livestock sector, because that is the way the market is geared, that is, that we can supply an abundant volume of quality beef at reasonable and affordable prices to consumers. If one goes back and analyses the system, out of the €1.3 billion in direct payments that go to Irish farmers, traditionally almost €900 million of that went to the beef and livestock sector, which is more than 77%. That was the way it was structured. On the dairy side, there was the milk quota and there were other protections on the other side. That is the way the supports went to the livestock sector. That has changed fundamentally in recent years in terms of the decoupling that took place and the move towards a per hectare payment. That needs to be assessed and analysed in the context of looking at the system and at what has happened to livestock farmers' incomes as we go forward. Part of the argument from an IFA perspective is that in order to maintain our valuable suckler cow herd - we most definitely must try to maintain the number of suckler cows for the reasons some previous speakers mentioned, such as the return they bring to the areas unsuitable for dairy or tillage such as down the western coast - we need to ensure we have a strong targeted direct payment for suckler cows. We propose a payment of €200 per cow and I was heartened to see the cross-party support, including from the Government side and in particular the Chairman, the night we visited the Dáil, where politician after politician rose to say that we need, at least, a targeted payment of €200 per cow. We need cross-party support on that issue and we need it to be a priority for the next budget in terms of trying to deliver on it. We ask that this committee strongly support that payment as we move forward.

We have appeared before the joint committee today as representatives of livestock farmers and we are looking for the support of members of this committee. We want the support of the various political representatives for the suckler payment of €200 per cow, which is vital to the Irish beef sector. We want the support of the committee for live export, as it is vital for competition. We want support for a fairer share of the consumer price to go back to the farmer, which is vital in order to make the product viable. Ultimately, we want the support of the committee to try to have a strong competitive market and price for the beef and livestock sector.

Our president made the case on the impact of Brexit. Already this year beef farmers have incurred price losses of €100 million. When one compares the price that farmers received from 1 September last year to date with the pre-Brexit levels of 2015, it is down about €100 million in total. We have consistently heard the Commission and the Government say that they will not leave farmers short-changed in respect of Brexit. We are short-changed at present in the order of €100 million and we are asking the committee to support the case to the Government and the European Commission that there should be a compensation aid package to support those farmers to that magnitude and level.

**Mr. Angus Woods:** What I observe quite often in many different forums is that people ask if it is the increase in the dairy herd that is causing the problem in the beef sector and why the farm

organisations do not work together and so forth. Generally, the perspective is that if people pull themselves together it will be grand. The reality is that every farm organisation here has a right to represent its members. It is no different from every political party representing different sectors, and they all have a political right to represent their members. It is great if it works out that they all correspond on a particular issue, but there are always going to be objective differences in opinions. Moving from there it becomes a discussion on what a farmer's impact is on the other farmer. It is almost a divide mentality being pushed down at farmer level. One gets it from the processors as well - divide them, do not let them talk to each other, give them special deals on their own cattle and tell them not to talk to anyone. Divide and conquer is often being pushed.

What I would like from this engagement today and the project in which the committee is engaged is that we have a proper examination of the structure of the beef sector. It is very easy to get sucked down into the smaller detail, and Senator Conway-Walsh spoke earlier about the medium-term issues such as grade, quality assurance and the like. It is very easy to get sucked down in that regard but I would have expected a committee of this stature to look at the overall, bigger picture issues. We have been talking about a lack of competition in the beef sector for over 20 years now. Show me a committee that has been brave enough to step up and say it is going to investigate this. We put together a report two years ago but no committee came forward and said it was going to look at what is happening.

This is a crisis situation at farm level. This is where we should be talking about big ticket items. Brexit is having a monstrous effect at farm level. My two colleagues have highlighted exactly how much impact it has had just since 1 September. Bear in mind that on the morning after the vote we saw 10 cent per kilo wiped off straight away. Brexit is a big political interference in what was a normal functioning marketplace. It is unreasonable to expect farmers either to be able to plan for it or to be able to carry the cost of it given such a level of interference in what was a well functioning marketplace. That is a big item which must be dealt with. Mr. Healy and Mr. Kinsella have outlined our retrospective look at that and what is required to address that scenario. I would expect the committee to support that because it is political interference.

On other key issues, it comes down to the base price. What is impacting on the base price? There are questions asked about markets, new markets and whether we were too much involved in the UK. The reality is that industry will always go to the highest paying market at the time. Consider many of the big announcements about markets such as China and the US, and how that will transform us overnight and make a significant difference. The best paying markets are the European and the UK markets. There must be strong recognition that anything that damages those markets will have a significant impact at farm level.

There is the Mercosur trade deal. Even with current imports into the European Union the vast majority of beef imports from the Mercosur countries are coming in by paying the full tariff that is already in place. They are priced at such a low level they can afford to pay the tariff and still come in and undercut us. We have to look at the overall European market. We are asking our farmers to produce a product to a European standard yet it is going to take in other product which is not produced at that standard. Those countries have significant competitive advantages. If we ignore the European and UK markets and look at the Chinese or US market, we will be competing for shelf space with product that is, perhaps, hormone treated from massive feedlots. It is completely different product from what we can produce and completely different from what Irish and European consumers would want us to produce. The European market is

key in terms of where we go.

On the transparency aspect, our two main sectors are probably our beef and dairy sectors. We see the level of transparency in the dairy sector and the complete absence of transparency in the beef sector at present. I believe the initiative displayed by Glanbia and Kepak is forward thinking. It is interesting that it took a dairy co-operative to stick its toe into the beef sector before an initiative such as this could come forward. Since Brexit was announced we have been asking for the key issue of contracts for de-risking at farm level to be included in forums such as the beef forum. We were told it could not be done but, lo and behold, suddenly a dairy co-operative is able to do it in the beef market.

There has to be political will to look at the bigger picture in terms of where the structures are. It has been wholly irresponsible on the part of the Government to allow farmers to carry the full risk on Brexit, even though we have known for over two years about the risk that was coming in the UK market. There should have been proper, adequate contracts available for beef farmers and there should have been an element of risk sharing across the marketplace, be it the processors, consumers or purchasers. It cannot all be borne by the farmers. That is unsustainable in the long run. We cannot operate in a scenario where we are calving cows today and we have no idea what we will get for our product two years hence. We keep our fingers crossed and hope that everybody else does their job and perhaps returns us a margin when they have all had enough drink out of the cup. That must be examined.

While the European meat market was discussed earlier, I believe we must start at home. It is possible for us to do much of this work at home. We cannot just say: "Let Europe deal with it and put together a model of transparency and when it gets that done we will join in". Even at present there are clear data in Europe relating to the Irish steer price versus the UK and Northern Ireland steer price. Europe is already saying that Brexit has had a significant impact on the Irish steer market. However, we must deal with those issues at home. We must set up an Irish market observatory where we can analyse the data and put forward something like a beef price index, somewhat similar to what is available in the dairy sector. That can be done at home. We cannot continue to try to fob it off and say that Europe has to do this or somebody else needs to do that. We must talk about big ticket items when we are examining the structure of the beef industry.

**Chairman:** It is obvious that there is no single silver bullet. The committee wishes to have a very honest and deep rooted discussion about the beef sector from start to finish. My late father used to say that a suckler cow always died in debt. That was 20 years ago and it is probably the same today. Things have not changed from that point of view. We must be able to do an analysis to find out why she always dies in debt and what we can do to make sure she does not die in debt in future. She is a key part of the suckler industry.

Deputy McConalogue wishes to make a brief intervention.

**Deputy Charlie McConalogue:** Thank you for your indulgence, Chairman. I will not ask the speakers to respond now but they might respond to the point in future contributions. It is with regard to the differential between ourselves and the British market. We only have Irish beef on the shelves of three of the seven large multiples in the UK. The differential will form part of our report. If the organisations have made any further analysis of this issue, they might forward it to the committee because we need to get to the heart of it domestically. They might also forward any further information they have on the average European price. Mr. Kinsella has made the point that, by and large, it relates to bull beef, but if the three farming organisations

have any additional information in that regard, it would be useful to the committee to have it.

The delegates might also comment on the reason the co-op movement in the Republic has not moved into the beef processing sector. The dairy co-ops are very progressive: they are not afraid of entering new markets. If there is an issue with margins, as everybody believes there is, why has the co-op sector which is farmer-led not moved into that sector also?

**Chairman:** The next speaker is Senator Mulherin who will be followed by Deputies Martin Kenny and Corcoran Kennedy.

**Senator Michelle Mulherin:** Many questions have been asked and issues debated. I thank the farming organisations for their presentations and contributions to the debate which for me, aside from being agriculture and food related, concerns one of the biggest challenges facing the fabric of rural Ireland. The face of rural Ireland will change if there is no suckler cow farming. That is the reality. While everybody here recognises it, people living in market towns and villages do not. It has taken years to achieve the current levels of quality and traceability in the beef sector, such that it is world class, we can compete in international markets and continue to win new markets. Great credit is due to the primary producers, Bord Bia and others for how our beef is presented. The reality is that somebody is making money on the back of it, but it is never the primary producer. That is the kernel of the discussion. We need to examine how the money can be redistributed. We do not want to be communist or socialist, but we do have to deal with the reality.

Many of the issues raised today and at previous meetings of the committee attended by representatives of the organisations represented have been around for the past 20 years and there have been many suggestions and ideas on how to address them. We have won a lot of new markets and live exports have increased. The size of the national herd has also increased. Last February there were headlines in the media about meat processors being unable to meet their obligations to the Chinese under the contracts they had signed. The reality is that even if they meet the targets set for exports, it will not mean one extra cent in the pockets of farmers. Transparency in pricing was discussed. Would greater transparency result in the primary producer receiving more money? I do not think it would.

The lack of competition and cartels are issues that arise time and again. On whether there is the political will, when officials from the Competition and Consumer Protection Commission appeared before the committee, I asked them what they were going to do to address the situation where all around the country on a Monday morning farmers were offered similar prices for their animals. The response was that the commission needed evidence that it could examine forensically. Mr. Healy has suggested the commission undertake an examination to assess whether there was a lack of competition. There is a lack of competition in the banking sector, in respect of which there is no suggestion of wrongdoing. All of the suggestions do not mean that we will get to the bottom of the problem. I am not suggesting everything is right in the banking sector; rather, I am making the point that in an open economy we have to observe market rules, although I take issue with the corporate veil and excessive protection provided in that regard.

In comparison with the dairy sector, those involved in the beef sector are demoralised and will remain so for all of the reasons mentioned. How can producers continue? When there is a crisis, there is no resilience. The only solution is making more payments such as a payment of €200 for a suckler cow, as well as additional farm payments, with references to the need to go back to the Government or the European Union, while others continue to make money off the backs of those involved in the sector.

**Mr. Kevin Kinsella:** There is nothing wrong with farm payments.

**Senator Michelle Mulherin:** I am not saying there is, but I am more ambitious for the beef sector. In the dairy sector there is resilience when it comes to price fluctuations, which is not a feature of the beef sector. I am not saying anything new in that regard. Co-operatives such as NCF in my area started from humble beginnings. It was of its time and has progressed into what it is today.

The organisations represented are lobbying us to do something to help the people they represent and an industry of which they are proud. Is there a case to be made for having more beef forums at which people could express their concerns about beef prices? Why do the organisations, with all of their expertise and resources, not work with farmers to create co-operatives? Earlier the question was asked why dairy co-ops did not get involved in the beef sector? Farmers need to take control in order that they will not be always the victims. They take great pride in the work they do. Without it, there would be no quality product.

Leaving aside the issue of regulation, I want to know about co-ops and what can be done to empower farmers who are price-takers all of the time, but regardless of what we do, we cannot fix prices. As long as the current structure remains in place, we are tinkering at the edges. Price transparency and new markets aside, unless primary producers are empowered to add value or set terms and conditions, they will remain in a weak position. Something needs to be done or on the expiry of Food Wise 2025 there will be fewer farmers involved in the beef sector. There is need for greater empowerment of farmers and greater enforcement of legislation dealing with cartels and so on.

I am not sure what the Competition and Consumer Protection Commission has told the organisations, but it has told the committee that the only case that has been made to it is that generally prices are similar across the board. It has not been presented with files or evidence it can forensically examine. I am sure the IFA has debated the issue a lot more than I have, but it has been an ongoing issue for many years. The IFA has produced expert reports on many issues. It now needs to produce a hard case on prices. Everybody here will fight tooth and nail to bring it forward.

**Deputy Martin Kenny:** I thank the farming organisations for their presentations. This is a critical issue for family farms across the country, particularly those in areas where dairy and tillage farming is not an option. In County Leitrim there are five marts, at which, in the main, weanlings are sold to those with good land on which they can be fattened and finished. There has been much talk about producer groups. As many suckler cow farmers do not have the capacity to finish an animal, they have to sell it to another, which is a backward step that affects processors and everyone else involved. I take Mr. Kinsella's point which is well made that farm payments and supports and various income streams such as the CAP play a vital part in keeping the family farm alive. If that is what we are about - protecting that model - we must step back. It is true of anywhere in the world that as economies develop and grow and countries become more affluent, every other sector starts to make more money and the cost of living increases but farming stays behind. As it stays behind and the cost of living increases, agriculture increasingly becomes less important in every economy as it develops and grows. The numbers working in agriculture will fall and the level of income, compared with the cost of living, will decline. The CAP is about protecting the model of farming.

We spoke about looking across Europe and how there was a milk price index and asked whether we could have a beef price index. I argue that we should not compare prices in Europe

only, that we should say we have a different product from that anywhere else in the world because it is grass fed on the family farm which makes it unique. We have to find a way to market it properly to get the maximum price for it. The obstacle is the processors and the supermarkets do not want this. They want to keep it the same as it is everywhere else in the world such that if beef becomes scarce in Ireland, they will be able to buy it elsewhere and call it Irish beef. We will not pretend that they are not doing so already because, of course, they are. Nor will we pretend that when an animal is graded, if there is an order to be filled, the grade matters; the boxes will be taken out and the order filled. The person who goes into the supermarket does not know the grade of beef they are buying. It is all bull to screw the farmer.

The age limit is another issue that really annoys me. It is said the animal must be under 30 months. We talk about this unique, grass-fed, natural product, yet we put an age limit on it. It flies in the face of everything we are supposed to be trying to develop and evolve.

The issue is really land use. To an extent the farmer is being paid by way of farm payments for being a custodian of the land. The other side is efficient production and how much a farmer can produce and what price he or she can get for it. We must try to establish the balance between them. We have a beef forum that does not work. Most of the farming organisations have walked away from it and we must ask why. To be fair to him, the Minister will tell us that he is an honest broker who is trying to solve everyone's problems, which is fine, but, ultimately, a huge amount of taxpayers' money is being put into finding markets, while the primary producers whom the State and we, as a society, should look after most are the ones who get the least out of it.

The big questions about monopolies, the unique product we produce in Ireland and how we can overcome all of these issues bring us back to the fundamental problem. Market economies work very well, but they have to have rules. The Government must take a firm hand and go into the market from time to time to ensure people play by the rules, but that is not happening. I take the point that sometimes the case has to be proved, as we all know, but there is no willingness to examine what is happening. I am not saying there is no willingness on the part of the farming organisations - I am sure there is - but while everyone is standing back and pointing to all of the problems, nobody is prepared to say what the solutions are. If we must break eggs, we will have to break them, but people do not seem to want to do this; they are just tip-toeing around the issues. It seems the industry and the processors are so important that we cannot really challenge them.

People are fearful about Brexit. It was said we could be out of the British market because of it. We will not be, but huge tariffs will be imposed on our products. If they are, how will we get around them? Some beef processors are considering moving their processing operations to England and bringing cattle across. Many of the workers they employ in their factories are transient. Foreign labour is brought in at very low prices. As long as the industry continues to move in that direction, where every part of it is about low costs and efficiency, we will have a problem. We must discuss where it might operate at lower intensity levels and achieve higher values. If we insist on this happening, we can make progress. The difficulty arises because no one is prepared to insist on it happening. The factories are and always have been in the driving seat and it seems that is going to continue to be the case because there is no real challenge to them. The State has a role to play in that regard. Therefore, the Minister must step in. Establishing the beef forum may have been a good idea, but it has not worked and we must ask serious questions about why it has not.

It was observed that the Competition and Consumer Protection Commission wanted a po-

litical direction on what it should do. If we, as a committee, have a role to play, we are up for it. If we bring representatives of the commission before the committee, we should tell it what we want it to do. Ultimately, we must try to ensure the primary producers will receive a proper payment. They are the ones who need to be properly looked after in all this.

I do not know if greater transparency on prices and what the system does would make any difference. I do not think knowing exactly what everyone is getting for everything would change anything. As a country, we have to make a choice. Are we going to seek to achieve higher value and insist on ensuring proper prices or will we allow those with a monopoly to continue as they are in an open market, whereby if prices here are much the same as those in the rest of Europe, that is good enough? I do not think we should stand for that; rather, we should be saying our product is better, that our prices should be better and that we should be able to market our product better. There will be questions to be asked if we are unable to do this.

**Deputy Marcella Corcoran Kennedy:** I thank the representatives for coming. As members of the committee, we are here because we are deeply concerned about what is happening in the beef sector and we agreed to examine what needed to be done to achieve the targets set in Food Wise 2025. We use the word “sustainability” a great deal, but there is no harm reminding ourselves that not only must we consider environmental and social sustainability, we must also examine economic sustainability. I have not heard much that is positive from people I know, the farmers, young and old, who talk to me about the economic sustainability of what they are doing. Only last week I was talking about the matter with someone who had come to my clinic. He was deeply shocked by the state of his finances. He was in dire straights and being saved only by his off-farm income. When we, as public representatives, hear these stories, we must ask ourselves hard questions about economic sustainability and how we can make recommendations to ensure farmers will be able to make a living in doing what they want to do and what they do best.

There has been much talk about the Competition and Consumer Protection Commission. Has any of the representatives had any engagement with it on this issue? Has any of the organisations conducted research into the profit levels of meat processors? Many young farmers are anxious about the investment they will have to make and it looks as if they will not make any money from farming. Does the IFA have figures for the numbers of farmers who are switching to forestry, or renting out their land?

A suggestion was made about the appointment of a public authority related to the European Commission directive on minimum common standards of protection. The directive is about re-balancing power in the food chain, something I think we would all welcome, but I wonder if our guests have ideas about which public authority should be designated. Should it be the Competition and Consumer Protection Commission, CCPC, or do they have other suggestions for which authority might be suitable to play that role?

Which groups have been treated unfairly by processors and what measures are needed to give them additional protection?

Our guests from the Irish Natura and Hill Farmers Association talked about feedlots. I was interested in what they said because they mentioned what was happening in the USA. Ireland has built its reputation on grass-fed beef production. What will be the impact on it of the move towards feedlots? We certainly know that the producers are feeling the impact in their pockets. When did it become the norm to use feedlots? Clearly, it is a way to control what is happening. The CCPC may be able to look at them.

Agri-forestry was also mentioned. I would like to hear a little more about the extra supports our guests think those involved in agri-forestry should be getting. The Committee on Climate Action had a long discussion about not saddling certain counties or farms with the responsibility of growing forestry to a figure of 20% of land cover. There was a suggestion each farm should take on the responsibility of planting half an acre or an acre. Is that the kind of thing our guests are thinking of? I am curious to hear the answer to that question.

I ask the representatives from the Irish Creamery Milk Suppliers Association, ICMSA, about the recommendation they made about VAT rates on farm incomes because of the high costs involved. What rate did they have in mind and how would it be achieved?

We need to look at the issue of economic sustainability. Do our guests think the model will have to change based on what is happening?

**Deputy Michael Fitzmaurice:** I thank our guests for their presentations.

There are places in the country where large numbers of cattle do not see grass because they are housed in sheds. Is that sustainable? Slurry is being exported to arable farms. Is that the way we should be farming in Ireland? It appears that there is a monopoly in certain sectors, with a large number of cattle that can be wheeled out during the year. When farmers come to the market with their cattle, prices have been distorted. It cannot be sustained. That issue needs to be addressed immediately because what is going on is not natural. A lot of farmers are moving towards zero grazing, about which I have specific questions. Butterfat levels are better in Jersey cattle, but there is a major problem with Jersey bull calves. How are we going to address it? The stocking rate on some farms has fallen because of zero grazing. Does that issue need to be looked at? I come from a farming background and we had average land. There are limits. We are going too high in the numbers of farmers moving towards zero grazing.

Are our guests from the dairy side concerned that in some parts of the country there are certain conglomerates or groups that are buying up large tracts of land and getting into dairy farming with 600 or 1,000 cows? This practice is not widespread, but it is happening. Is it a concern? If milk prices were to get bad, some of these groups might not be able to withstand their borrowings. Is that a concern?

On forestry, the reality is that there are places in the country where farmers are not allowed to cut. It was a bad investment because the State is now stopping farmers from cutting forestry because the National Parks and Wildlife Service has written about it. I want it to be known that farmers are being stopped from cutting forestry in designated areas.

Farmers make reports on trimming and the grading of cattle. Mr. Morrison spoke well about grading. We are at a stage where a picture of nearly anything can be taken with a mobile phone. We should be able to show every farmer every part of his or her farm, with the different visuals that can be taken. We are still dealing with the cover up that is ongoing. In the past, when sheep or cattle were killed, one you could walk along and look at them. Now one has to look through a window and from a distance.

I understand the average amount of land held by an applicant for the single farm payment is approximately 32 ha. We can talk until the cows come home, but nobody involved in business is paid for something he or she did 20 years ago; he or she never did and never should. Under the single farm payment scheme, farmers are being paid on the amount of cattle they had in 2000, 2001 or 2002. The figure has been adjusted and modified a little since but by damn all,

to be quite honest.

We must address the shortage of young farmers. I have a young son and daughter at home who would give me the two fingers if I was to tell them they would receive a single farm payment of €4,000 or €5,000. They would be gone. Unless we get young farmers onto an average payment of more than €20,000, between the environmental single farm payment and either the suckler cow payment or the sheep premium, we are going nowhere in keeping youngsters on the land. The proposals made suggest it will be 2027 or 2028 before we haul back in the big figures.

There is potential in exporting. We all need to work together on the capacity problem at Cherbourg. If I am involved in business, I have to go and find a place for my cattle. Licences and other items are required, but for the next year we need to work together to address the problem or we will be in the same trouble again.

I am concerned about suckler cow farmers because everyone is talking about getting out of the sector. The area from the top of County Donegal to County Clare, across the River Suck towards County Longford, is huge, in which the main concentration is on suckler cow farming, although it also includes some dairy farmers. If farmers get out of sucker cow farming, what will be left? Is what is being done being done by design to make the west the theme park of the country? I worry about that.

Mr. Woods referred to payments where lands were designated. He is 100% correct. The exporters who appeared before the committee will state, rightly or wrongly, that Bord Bia is not emphasising live exports as much as the factory set-up. There has to be a good live trade to have a good dead trade. A balance must be kept.

**Chairman:** Bord Bia representatives will be here next week.

**Deputy Michael Fitzmaurice:** That is fine.

Reference was made to lighter carcasses of 10 kg, 12 kg or 15 kg. Last Sunday when I talked to Mr. Joe Healy, I said there were 27,000 or 28,000 cattle when they were what I would call “right cattle”. When we opted for smaller carcasses, the number rose to 30,000 or 31,000. During the years, leaving out Brexit, cattle prices dropped every year. We are now at a figure of 37,000 or 38,000. Is that one of the biggest problems we have?

I come from the contracting side. With a price of €15 per bale, every farmer would incur a cost of €1 per bale. It would be more if spreading slurry. Are the delegates concerned about the impact of the proposed carbon tax on a beef sector that is on its knees?

With reference to a farmer with 1,000 cattle sending slurry somewhere else to cover him, that is not farming of the kind with which we were brought up.

**Deputy Eamon Ryan:** I am not a member of the committee, but I very much appreciate the chance to participate in the discussion. I was following the proceedings on the monitor and had to come when Mr. McCormack, rightly, said there were no urban people present, that it was all rural representation. I am the least rural representative the delegates will ever meet, but I am important because the rural representatives need the urban people on their side. What I have listened to is a shocking account of an industry in absolute crisis. It is clear that the current system is not serving farmers. For them to bring about change, their urban brothers and sisters will have to be represented.

I wish to issue an invitation. The Green Party is hosting an event at the Bridge House Hotel in Tullamore this Thursday at 7.30 p.m. We are bringing over some of our advisers from the European Parliament to discuss where we believe CAP reform is going. CAP reform is obviously one of the chances to get us out of the utter crisis in which we find ourselves. We may hold the balance of power in the next European Parliament which will decide on the CAP. The consumer is important in that regard if we are to have a proper price paid for products of proper quality. The consumer must be on side. We represent the consumer and, I hope, the farmer.

What have we heard today is just shocking. The industry is a cartel. No one disagrees with that. There is a big cartel but it is hard to prove it.

**Senator Michelle Mulherin:** We represent both consumers and rural people because rural people are consumers.

**Deputy Eamon Ryan:** Fair play. What is occurring is a disgrace. There are clear increases in outputs and emissions. There has been an increase in the transportation of slurry across the country and a decrease in income. That has been the case for a long time, including in recent years. We have a premium product being sold at the average EU price. While I absolutely hear what the IFA is stating, Food Wise 2025 needs to be revisited. We have been saying the Government needs to do so. The climate committee has also been stating it. Everything needs to be revisited. The basic policy structure associated with farming needs to be revisited. We need to change tack because the current approach is not serving us.

I was shocked to hear that the number of family farms had decreased to 100,000.

**Deputy Michael Fitzmaurice:** There are 132,000-----

**Deputy Eamon Ryan:** But the number is falling rapidly. I heard a figure of 100,000.

**Chairman:** The figure of 100,000 is incorrect.

**Deputy Eamon Ryan:** That is fine. I take it back. I can see why some of those present believe we need live exports, but the proposal to export 250,000 calves does not represent the position of the consumer.

**Senator Michelle Mulherin:** The middle class-----

**Deputy Eamon Ryan:** That is not what they want.

**Senator Michelle Mulherin:** They are not the people living in reality.

**Deputy Michael Fitzmaurice:** We want to eat also.

**Deputy Eamon Ryan:** I am just representing my constituents. If one says to them we are shipping live animals-----

**Senator Michelle Mulherin:** The Deputy has all of the ideas for rural Ireland. They will shut us down.

**Chairman:** With respect, Deputy Eamon Ryan has the floor.

**Deputy Eamon Ryan:** Consumers were also listening to what the FAO stated recently. Its major international report states we are not the lowest carbon emitter, but there is a dispute about this and the Committee on Climate Action was examining the issue. The story that we

have the lowest levels of carbon emissions in everything is contested. From the consumer side, the story does not lend great credibility to what we are doing. Critically, consumers do heed what is stated in the latest report in *The Lancet*. People in my constituency are going vegan and eating less meat. They are cognisant of their health and not just buying the meat-industry message that more meat is good for you. They are actually buying the opposite message. Pinning everything on a big export boom and sending produce to a market where the consumers who are going to pay the high prices are not thinking in the same way as the industry suggests we have to change tack.

**Deputy Michael Fitzmaurice:** I have just one point to make.

**Chairman:** No. Deputy Eamon Ryan should continue.

**Deputy Michael Fitzmaurice:** It is the aeroplanes flying around the world that are doing it.

**Deputy Eamon Ryan:** The Deputy is right in that every sector has to play its part.

**Chairman:** We are not going to rehash the climate change debate here.

**Deputy Eamon Ryan:** The climate change argument is the way to get us out of the crisis. It is the way to start paying farmers properly, which is why I go back to the issue of CAP reform. We should be radically improving the payment for environmental services, water quality, biodiversity protection and good quality, resulting in a premium price. There is not a premium price, as I heard today. With all our talk about Origin Green, we are getting the average price. The climate approach is the way to get out of this difficulty by getting the consumer on side. I have to go to a European Friends of the Earth meeting tonight. It is important to attend to state where change occurs. It will be made through the European Union and CAP reform and when one has the Green Party on side, as is the case. It is not on the side of the current system which has to change. There has to be better water quality and better animal welfare standards, which does not mean shipping calves all over the country, Europe and the world.

**Chairman:** In fairness, it has to be said we have very high animal welfare standards in this country.

**Deputy Eamon Ryan:** I am not disputing that, but I am not too sure a calf can be sent to Libya or Saudi Arabia and not lose certain-----

**Deputy Michael Fitzmaurice:** They are not going to Libya or Saudi Arabia but to Spain.

**Senator Michelle Mulherin:** The Deputy is making sweeping statements.

**Mr. Joe Healy:** Before Deputy Eamon Ryan leaves, we need to answer a few points.

**Deputy Eamon Ryan:** I hope the local representatives will be able to come to Tullamore on Thursday because we would love to have a good debate on the issue.

**Chairman:** Leave out the advertising.

**Deputy Jackie Cahill:** I had to attend another meeting and apologise for being away for some of the debate. It is not often that I agree with the Green Party Deputy, but I agree with his statement that we have to change. As it stands, the beef industry is not going to survive. I have never seen such despondency among beef farmers. Last week I said in the Dáil that it did not matter whether one was a suckler cow farmer, a calf-to-beef producer or a store producer as

it was only a question of who was losing the least. Everyone is losing money. This must not continue and it will not because farmers will make an economic decision to leave the business.

On the CAP budget, beef farmers have become very much dependent on the single farm payment. In the context of Brexit, we have attended numerous conferences discussing the next reform of the CAP. The one thing I see coming out of that discussion is that the CAP is no longer the number one priority in Brussels. Immigration and defence have passed agriculture when it comes to priorities in Brussels. We can act like ostriches and stick our heads in the sand or we can realise that this is the position we are in. We have an uphill battle to maintain the CAP budget. If the UK leaves, it will take its money with it. Again, this will be an uphill struggle. The reality is that for the past 20 or 25 years, the percentage of the EU budget spent on agriculture has decreased. If we take inflation into account, the amount of money in the envelope has reduced dramatically.

Before I left the meeting earlier, I heard that the payment should be directed towards the genuine farmer. With all due respect to everyone, the last time we were asked to come up with a definition of “a farmer”, we failed to do so. If a man is unable to make a living from his land and has to get off-farm income, are we going to say he is not a genuine farmer? Where will the definition sit? For economic reasons, many people have off-farm income. While it is lovely to say that the payment should go to a genuine farmer, I do not know how that would operate in practice.

Regarding a cap on the single farm payment, if a cap is going to be effective, it must be set at a realistic limit. If we keep putting in conditions that this and that must be allowed, we should not go through the pretence of putting a cap on it because a cap will be immaterial. We must face reality as regards the CAP budget. We will not have enough to do everything we want to do. If we are serious about trying to keep people on the land, preserving family farming has to be our top priority. A realistic cap on payments must be introduced. There is no point in thinking that we will have an endless supply of money because we will not have one. Even today, if we look at Commissioner Hogan’s comments about Brexit and how there will be no special fund allocated for Brexit, it reinforces the Commission’s attitude to agriculture and that agriculture is no longer that high on the Commission’s agenda.

Regarding the Competition and Consumer Protection Commission, this is something on which we need to focus if we are to change things. The effect of feed lots on the marketplace and the effect of the monopoly in which factories operate must be looked at. The Competition and Consumer Protection Commission is very quick to focus on farming practices. It needs to look at how factories are operating. This has been talked about for a long time but nothing has ever happened.

I also wish to address the fifth quarter and rendering plants. At this stage, a serious amount of money is being made out of the fifth quarter in cattle. It is not being factored in anywhere. It is well over 20 years since BSE hit us. Many restrictions and costs were introduced into the system. This is something that needs to be revisited and re-examined. Many different parts of the animal had to be disposed of in the past but this is no longer the case. An analysis needs to be carried out as to who is making what out of it and what costs are still being imposed on farmers. Even the knackery costs that were introduced after BSE have never been revisited. I do not think there is the same justification for the costs that there was 20 years ago.

Regarding the dairy calf and the beef scheme that was talked about in the last week or two, there is great fanfare about this great initiative. The last initiative I saw factories embarking on

in a similar fashion encouraged farmers to keep Friesian bulls for beef. It encouraged farmers to keep Friesian bulls and when they reached 18, 20 or 22 months of age, they were left high and dry because there was nowhere to get those bulls killed and farmers lost a substantial amount of money. I hope we do not see a repeat of that this time around. To me, this is a knee-jerk reaction on the part of the factories, which do not want to see live exports in any significant number from this country to bring equilibrium back into the marketplace. I heard a figure mentioned this morning. It was said that we need 400,000 live animals to leave this country per annum. I would not disagree with that. Virtually no animals over 12 months leave this country. There were numerous announcements about live markets being open for us. It is grand having a market open but if there is no stock moving, there is not much point to it. The same is true of meat. We are told that 170 countries are open to our products but, in fact, virtually all our beef is sold within the EU. Unless the supply goes to these markets, their being open is of no use. Deputy Fitzmaurice spoke about how we need a good live trade to have a good dead trade. We badly need that competition for older animals so that there is some live export outlet for them that would put competition at the ring side and compete with factories.

We talk about sucklers and suckler beef and the brand it gives Ireland but most of the media attention and most of the promotional activity over the past number of years has been in the heifer scheme and the Aberdeen Angus scheme. That is where the focus has been. We are talking about prime heifer and Aberdeen Angus. If we look at the advertisements, we can see that most of the promotional activity was based on those two schemes. The reality is that 80% or 90% of those animals come from the dairy herd. The quality and taste of that beef measure up to the highest standards. I saw figures in some submissions. Roughly only 50% of those animals qualify for quality assurance payments even though they are sold as part of the prime heifer and Aberdeen Angus schemes. They are not qualifying for the quality assurance payment. A person buying a burger in McDonald's will see a sign saying "quality assured - Irish beef" but I can virtually guarantee that none of that beef had a premium attached to it when it was sold by the farmer.

Our industry must change. The current model will not survive. We have had Food Harvest 2020 and Food Wise 2025. If we had a scheme for 2030, and I presume we will, the barometer of any scheme going forward must be farmers' income. That is the one issue where both these two schemes have fallen down. The significant economic reality is that farm families depend on the single farm payment. We have a struggle to maintain that. If Brexit happens, the EU will be seriously self-sufficient in beef. The Dutch and the Danes send a lot of product to the UK as well. They will be out in the marketplace looking for market space as well.

Regarding the trade deals the EU is trying to do with South America, such as that with Mercosur, concessions will be made. When one talks about them, it just shows how the Commission's emphasis has changed. When the Commission is prepared to allow 74,000 or 100,000 tonnes of beef from South America to get a deal with Mercosur, it shows how its views have changed. This committee has decided to try to compile a report on the future viability of the sector and whether Food Wise 2025 can meet the challenges farmers are now facing. The challenges in our sector were never as strong. It is not often I agree with a Green Party Deputy on farming matters but he is correct in that what we are doing now is not sustainable. This industry has to change. We have to adapt, and producing 40,000 cattle a week for our factories will not give a viable income to the primary producer. We do not have the ability to sell that amount of beef at a viable price. That is the reality we have to face. Cattle prices this week are at €3.70 per kg. If one put freezing cattle, so to speak, on the grid at €3.70 per kg, one would be lucky to come out at €3.45 per kg. Following a year when the cost of concentrates has increased rap-

idly the one thing farmers will not be worrying about is their income tax bill. My apologies for having to miss part of the meeting but the committee hopes to put forward a report containing pointers that it is hoped will point to a way to restore profitability to this sector.

**Chairman:** We have covered a good deal of ground but time is moving on. We have another delegation to interview before the night is over. For the record, according to the 2016 census figures, there are 139,500 farmers in the country. We will try to keep the next contributions as brief as possible. There are many questions to be answered.

**Mr. Joe Healy:** If I may I will answer a few points and the other two witnesses can come in on the others.

**Chairman:** I want to allow all the groups to speak.

**Mr. Joe Healy:** I refer to one or two points made earlier. There was a question from Deputy McConalogue on unfair trading practices, UTPs, and whether there is potential in that regard. There is potential in that regard. It is seen as a first step. It is definitely the first time the EU Commission has got involved. I believe that has been driven by Commissioner Hogan. The Competition and Consumer Protection Commission, CCPC, has been mentioned a few times. We have no faith in the CCPC, which we said in its presence in a room somewhere in this House, because it stated clearly that when it came to the UTPs and the legislation, it was only interested in the consumer and not in the producer. However, we had no faith in it even before that. We want an independent regulator to ensure the findings of the report are carried through because the producer has to have faith in the process from the start.

There was a lot of mention of jersey cows. Sometimes the media exaggerates the issue of the jersey cow. It is an issue but probably less than 7% of the dairy herd is jersey or jersey cross, which is fewer than 100,000 cows. If AI or a bull is put across those, approximately 70 of them might go back in calf to a dairy type bull. In the cleaning up, the rest of them will go to an Angus or a Hereford. We are talking about approximately 30,000 to 40,000 bull calves out of a total dairy herd of 1.4 million cows. The jersey issue probably gets more air time than it deserves. The real issue is to have live exports.

Deputy Eamon Ryan and I have often spoken about this issue. In fairness, whether it is the Deputy, Pippa Hackett or Senator Grace O'Sullivan, the conversations are always constructive and we agree to disagree but we always take the motives in the spirit in which they are meant. Our live exports are done to the very top standard. I know of humans who would love to have the facilities to sleep in at night that those calves or any cattle that we export have to travel in those lorries. No matter what sector of life one goes into, whether it is farming or any other sector, if 40 hours of footage is taken one can very easily get 20 or 30 seconds that might not look up to scratch.

I take what the Deputy is saying about the consumer because we need the consumer to be positive towards agriculture, and I believe they have every reason to be positive. In fairness to Commissioner Hogan and the EU Commission, when they were doing the consultancy report with the ordinary consumer, there was a huge positive towards the workings of the Common Agricultural Policy, CAP, and its objective, which is to produce top quality food at affordable prices. It does that.

I agree with the Deputy, as did Deputy Cahill, that the industry needs to change. We talk about biodiversity and renewables and what needs to be done in that regard. We have already

called on the Taoiseach to lead a whole-of-Government approach to the area of renewables. We all know that farmers have had two false dawns with the willow and the miscanthus. They cannot afford another false dawn. If we go down that road we will lose their interest forever. We need the Government to come in at a political level. All we can do on this side of the table is lobby. There has to be a proper feed-in tariff and proper access to the grid. I accept there has to be bureaucracy in terms of planning but that must be kept to a minimum.

On the lairage, Deputy Penrose left after he asked the questions. Before Deputy Ryan leaves, I will refer to the increase in emissions. It is very important to say that what he is talking about is not comparing apples with apples. I refer to the people who say we may not be as sufficient as we are say we are in that regard. We based that on science. The European Joint Research Centre committee has highlighted that when dairy production - not any other type of production - anywhere in Europe is compared with dairy production in Ireland, we are the most carbon efficient producers of dairy product in Europe, and we are in the top five in beef.

**Deputy Eamon Ryan:** I appreciate the response and I am sorry to interrupt but that alternative view came from the Food and Agriculture Organization of the United Nations, FAO. It was not from a-----

**Mr. Joe Healy:** I take what the Deputy is saying but my information is that it is not comparing dairy production with dairy production. It is comparing other types of production of protein with the production of dairy protein. When we compare dairy with dairy, we are the most carbon efficient. That should be the real measure. We should not be talking about 33% of emissions. We are all trying to do our best on emissions, and there is much more we can do in that regard. The Teagasc roadmap is a plan. We are the only sector with a plan for the next ten years. There is work we can do and we will do it but we need to always compare like with like when we are making comparisons. That is all I will say on that.

On the lairage, no politician around here can say that the political establishment can wash its hands of that issue and that it is up to whoever else to deal with it. I am not flying a flag for the exporters. The lairage spaces were there and it was vital that the ferry companies sailed on alternate days. Farmers were being told that they were sailing on alternate days but a different message was coming from people in the Department and the Minister on the same day. We had two different messages from them and that is not acceptable.

**Chairman:** On that, is there an issue whereby the exporters should be working together? This is an issue we came across at a previous meeting. The exporters were encouraged to work together to try to alleviate some of those issues. Correct me if I am wrong but I understand there has been an effort over a long period to ensure they would come together and work under an umbrella organisation. There seems to be a bit of a drawback in that regard. Would Mr. Healy see an area for improvement in that regard?

**Mr. Joe Healy:** We are trying to assist that happening for next year because we all have a part to play.

**Chairman:** I believe the same issue arose last year.

**Mr. Joe Healy:** Yes. As farm organisations we have calves for export. The markets are there for them and it is disgraceful that there was empty lairage space every second day in France. Lairages should be-----

**Chairman:** I am sorry for cutting across Mr. Healy and I know we are dragging on a bit but

my understanding, and Mr. Healy can correct me if I am wrong, is that some of the exporters were offered a bigger ship with lairage capacity and that was not taken up either.

**Mr. Joe Healy:** That is not as straightforward as the Chairman thinks. That was going to another place and there was no response from the Government. If we are talking about the same ship, it got a contract elsewhere and took it.

**Chairman:** It may not be but we can discuss it another day.

**Mr. Kevin Kinsella:** There are a couple of specifics which I would like to address, including issues that Senator Mulherin raised. We take on board what Senator Mulherin said in her support for the sector and trying to advance it, and the questions that she is asking in a bigger context. The IFA made a very detailed and comprehensive submission to the Competition and Consumer Protection Commission, CCPC, about the beef processing sector. It is 105 pages long. It was sent to members here. It was sent to the then Competition Authority, which sent it on to the competition authority in the European Commission. We met the CCPC and one of its responses was to ask if we could go back to talk to the Ministers for Agriculture, Food and the Marine and Business, Enterprise and Innovation, to ask them if they could prioritise competition in the beef processing sector. We communicated that to the relevant Ministers involved.

**Senator Michelle Mulherin:** We had it here and it said that it was not getting evidence of specific cases to investigate.

**Mr. Kevin Kinsella:** The evidence is with Government Departments. What farmer will walk in off the street and say that he or she has all the beef prices and evidence of the lack of competition?

**Senator Michelle Mulherin:** That is not what I am talking about.

**Mr. Kevin Kinsella:** I know the Senator is not but the point that I am trying to make is that this has to come-----

**Senator Michelle Mulherin:** I gather from the proposal made by the IFA's president that there can be further investigation into lack of competition in that field.

**Mr. Kevin Kinsella:** This has to come from this committee and the political establishment to advance the issue. There were some very positive comments about it here today with regard to driving it on. It is important to put on the record the environmental work taking place on Irish farms to tackle climate change. Some 25,000 suckler farmers are involved in the BDGP. Just less than 20,000 have joined the BEEP. Some 200,000 farmers have had 200,000 individual carbon assessments carried out on their farms, with approximately 1.5 per farm. As far as I am aware, no other sector and no other country in the world does that work to assess and tackle the climate and carbon challenge. Some 40% of our farmers are involved in GLAS and the statistics speak for themselves, with the number of hectares, hedgerows and fenced-off waterways involved. All the statistics are there. We ask that Deputies such as Deputy Eamon Ryan recognise that. Do not condemn the sector but recognise us for the work that we are doing. Give some recognition of the work taking place at an individual farm level.

Deputy Fitzmaurice asked about the CAP and payments. We have no difficulty with addressing the importance of direct payments and trying to increase the average direct payment to €20,000 per farmer. We want that but the reality is that, to do that, one has to get a 50% increase in the budget.

**Deputy Michael Fitzmaurice:** I talked about the environmental scheme and the suckler welfare scheme.

**Mr. Kevin Kinsella:** I am including that and that is what it requires. We have to start there. Robbing Peter to pay Paul is not the solution to that. The solution is to increase the budget to get the money to do that. I come back to the issues that we raised today and ask the committee to support the issues relating to price, competition, live exports, the suckler herd and the case that we made about compensation for Brexit.

**Senator Michelle Mulherin:** I thought Mr. Kinsella might address this. I asked about employing the co-operative model to try to improve the situation.

**Chairman:** Others might address that issue.

**Senator Michelle Mulherin:** Somebody else might answer it.

**Mr. Angus Woods:** It is unfortunate that Deputy Eamon Ryan has left. There is a lot of talk about getting European and Irish consumers on board. We have to bear in mind when looking at policies for our beef sector that we are an exporting country. We supply the European market. Cheap, substandard imports coming into the European market have a negative effect on the Irish beef sector. We cannot have a CAP that instructs Irish and European beef farmers to produce a product at a standard way above whatever is produced around the world and yet have a trade policy allowing a product in which pulls the bottom out of the market. That cannot happen and the CAP has to reflect that.

Deputy Cahill spoke about beef farmers having become dependent on CAP. The reality is that beef farmers have had a high level of dependence on CAP payments for a long time. It is not that they have just become dependent in the last couple of years.

**Deputy Jackie Cahill:** I did not say that.

**Mr. Angus Woods:** I want to clarify that for others in the room who do not recognise that.

**Chairman:** The point made earlier was that 115% of beef farmers' income comes from Europe.

**Mr. Angus Woods:** With regard to not allowing the feed lot operations, the men and women who historically bought the weanlings and stores and finished them on a family farm model unit traditionally had a high per hectare direct payment because they were finishing cattle. If we cannot support that family model unit and keep it active and around the ring, buying weanlings, and it disappears, the reality is that we will end up with only a couple of feed lots left doing it. The CAP that is put in place has to recognise the input that those family farm models have to beef finishing and the production that they engage in. Otherwise, we will end up with only the feed lots if we cannot keep the family unit going. That is critically important.

I hope when the report comes out that it will focus on the big picture and the structures within the beef sector, and how we can move it forward using issues such as forward pricing, contracts and derisking it from a farmer's perspective so that the farmer does not carry all the risk when the calf is born. The CAP is key. A report is one thing but I will be closely watching the recommendations that come with it. I hope that the committee recognises the impact that Brexit has had on the finishers in the last six to eight months. It has been very significant with more than €100 million gone. The report should recommend a retrospective payment for those

finishers.

**Chairman:** The report will be an in-depth analysis of where we are, starting from scratch and hopefully putting in place a roadmap for the future. It will have to be an honest report.

**Mr. Angus Woods:** Will there be recommendations?

**Chairman:** There will be recommendations. All reports have recommendations as I am sure the report from the IFA will have in due course.

**Mr. Pat McCormack:** Senator Mulherin and Deputy Martin Kenny made similar remarks. They were concerned about the face and fabric of rural Ireland. In my presentation this afternoon, that was a critical concern for ICMSA. We have to be careful and clear that we understand where we are. We sat here listening to what was put forward from this side of the table, which is that beef finishers and producers, and weanling producers had direct payments of between 103% and 112% of their income. That means that their business model as it stands subsidises the beef industry. We need to be careful on two accounts. If funding is made available for suckler cows, it should not further subsidise another part of our industry. If there is funding to be made available for the suckler cow, it is important that it is not further subsidising another element of our industry. The second thing is that we need to look at where additional funding can be found to fund that, whether at national or European level. We also need to remember that at the moment, less than 50% of Irish beef comes from the suckler herd, so a suckler subsidy is supporting less than 50% of our beef output. We need to put that in context. Some things are in our control, but more things are not. Brexit is not in the control of this House, but of a House on the other side of the sea. The beef grid, however, is an Irish issue, and we need to take control of that. Since becoming president, I have sat at the beef forum, and I also sat there on one or two occasions before that as deputy president. ICMSA policy has always been to review the beef grid, and yet that policy has fallen on deaf ears. The Irish finisher may have lost more than €100 million in a six month period over Brexit. We do not deny that, but, to a degree, it is outside of our control. It was highlighted earlier that we had an independent report, and that showed €121 million in six years that is inside Paddy Irishman's control. That beef forum needs to re-engage, and be fully engaged and put the interests of the beef finishers at the helm.

The consumer was mentioned. Deputy Ryan raised the flag and then did a runner. It was very disrespectful to the other two farm organisations that he did not wait for an answer, and I would like for that message to be sent loud and clear to him, Chairman. The consumer needs to engage, but the consumer also needs to be educated that what Irish farmers are producing is a unique product, whether it is dairy or beef, and I do not want to differentiate between dairy beef or suckler beef. It is a unique product, and it needs to be economically sustainable if consumers want to have it on their shelves in the future. That will ultimately come at a cost for them. The model needs to change. I would fully agree with Deputy Corcoran Kennedy there, because we are a grass-fed system.

On Deputy Fitzmaurice's point on cattle in sheds, they are in sheds directly for meat processors, and for meat processors' agents. Very few people talk about Santa Claus, but in a separate context we would all be talking about Santa Claus, his elves, and the reindeer, and that is what the agents are. They are part and parcel of the meat processing industry. There is a register of cattle hauliers out there, and there is also a register of cattle agents, so it would not be very difficult for somebody with more influence than myself to come up with a list of agents, their herd numbers, and how many cattle they are sending into the factory. We quoted the figure of 54,000 for January and February, and my belief is that the number of cattle under the control of agents

is probably double that. Where are these factories keeping their cattle? They are keeping them in farmyards where family farms and farmers made a living in the past, but found themselves to be non-profit-making, where cashflow was getting tighter, and where they were not in a position to re-stock and gamble. Ultimately, those farmers are now working for the processor, feeding those cattle.

There are a lot of issues as to why young men cannot get into the industry. It is not just a reference, Deputy Fitzmaurice. It is because we are forced into working significantly longer hours than those earning an average industrial wage, to earn, in a lot of scenarios, significantly less than the average industrial wage. That is an education piece that needs to go right out there to the consumers, to show them that it is not sustainable. Deputy Ryan mentioned *The Lancet* report, which recommended that we “may” need to cut back on our beef and dairy. *The Lancet* report from two years previously, however, highlighted that having beef and dairy in one’s diet put one in a position where one would live for 10% longer. There needs to be consistency in the argument. Deputy Ryan is flying people into Tullamore midweek. That is an aviation issue and there is a carbon footprint to that, so he needs to be consistent. He cannot just pick one aspect of his life, such as his diet. He needs to be very consistent.

Renewables are something that were on our pre-budget submission in the last period of time.

Deputy Cahill mentioned the knackery costs, which came in as a result of BSE. A look at them is long overdue. For a person unfortunate enough to lose a calved heifer, or a young animal, whether dairy or suckler, they are paying €100 on top of the loss of the animal to have it removed. It is absolutely imperative that the export of animals over 450 kg becomes vibrant, because that is the one thing that will compete with the finisher and his elves at the ringside, because it is his elves he sends there.

As regards the exports, they are an absolutely critical part of our industry. Going forward, we need to get between 300,000 and 500,000 calves moved. I visited some fabulous export facilities and Mr. Healy is right that many people in the country would be glad to have accommodation as good. However, they are registered. It is time that ownership is taken of those exporters and that they are brought together to have the facilities in place for next year. If there were an opportunity for a walk-on, walk-off boat, which is what was mentioned here, it should be fully endorsed. We need to be in a position in 2020 to use that facility for a peak period of time.

The jersey cross was mentioned, and I am not going to shy away from it. We have members who have made that decision and they are quite happy with it. We never promoted jerseys, and if one looks at where they were promoted, and where they are, it is on the co-op owned farms, experimental farms, and our farm advisory service farms around the country. I would be very slow to tidy up somebody else’s mess. We need to be very careful about the potential for damage to the beef industry from that, and that is why we fully endorse the beef index for dairy herds. We have worked with exporters on trying to come up with sires that would deliver a decent carcass into the future from the jersey cross. I do not know whether my colleagues want to come in or not.

**Mr. Des Morrison:** Just on the specifics-----

**Chairman:** Will Mr. Morrison be very brief? I know this is a very important issue and I want to give everyone a fair crack of the whip.

**Mr. Des Morrison:** I will be very brief, I can promise the Chairman that. Deputy Martin Kenny mentioned the age limit of 30 months. That is the legacy of BSE, and it is far out of date. It is another weapon to extract money out of the pockets of farmers, livestock producers, and bio-processors, and that is the only reason ICMSA can see that it is there now.

**Chairman:** Can I interrupt briefly? I asked a parliamentary question on that in the last two or three weeks, and the answer I got back was that there are a number of markets which make it a condition that those time limits stay in place.

**Mr. Des Morrison:** The new markets.

**Mr. Pat McCormack:** A number but not all.

**Mr. Des Morrison:** Not all.

**Chairman:** Quite a lot of them, just for information purposes.

**Mr. Des Morrison:** Deputy Fitzmaurice mentioned the grid. We were never in favour of it, and we have called for a complete review of the grid. It is simply not acceptable in this day and age, and ICMSA will not accept that the grid is doing justice to the farmers' animals, the farmers' grades, or the fat cover of the animals they are selling. It is taking money out of farmers' pockets.

Deputy Cahill went on to the fifth quarter. It is difficult to put a value on the fifth quarter, but it could become the most valuable quarter of the animal at this stage because a lot of the fifth quarters of animals are being exported. Neither the factory nor the processor pay any money for it, but it is built into the price of the animal, or that is the answer we get from processors. It has been a very valuable quarter of the animal and I think farmers should be getting paid for it.

On the issue of feed lots, they are clearly distorting the price of cattle. I am around long enough that I remember a time when, if factories were in short supply of cattle, they would ring up suppliers and ask them to have the cattle there for the kill at 7 a.m. on Monday morning, and they would get a few cent extra for their animals that way. That is no longer happening, because they are in control of it themselves. Our only help in regard to the cartel and the price of cattle at the moment are a couple of independents, and there is one in Senator Mulherin's town, which could be leading the way in cattle prices, but it is definitely not the big players. I thank the Chair; I told him I would be brief.

**Chairman:** I appreciate that. I ask Mr. Enright to be very brief.

**Mr. John Enright:** Reference has been made to sustainability. There is nothing that frustrates farmers more than hearing about it. They fully buy into it, but the focus is completely on environmental sustainability, while at the same time the Mercosur deal talks about bringing 100,000 tonnes more beef into Europe, as Mr. Woods said. That is not sustainable and farmers in Ireland are expected to compete with it. If people are serious about sustainability, they will have to step up and deal with these issues. Rather than talk about and preach to farmers about sustainability, they will have to deal with such issues.

The power of multiple retailers has not been discussed. There has been a lot of criticism of other links in the supply chain, but a lot of the conditions imposed on farmers are imposed by the multiple retailers in the name of the consumer which they claim to represent. This issue has to be addressed because more and more conditions are being imposed on farmers. Deputy

Eamon Ryan spoke about the consumer having to pay for environmental sustainability. That is lovely talk, but in reality it is not happening. There is a cost attached to environmental sustainability, but if we want to achieve it, as consumers we will have to pay for it.

Deputy Martin Kenny referred to transparency and asked if it should be achieved at EU or Ireland level. I believe it should be achieved at EU level for the simple reason that we sell more than 90% of our beef into the EU market. We need to know what is happening in it in order to determine our prices.

**Chairman:** I call Mr. Roddy. I got to him eventually.

**Mr. Vincent Roddy:** I will comment on the queries raised by Senator Mulherin and Deputies Corcoran Kennedy and Martin Kenny. Mr. Joyce will cover the points made in the other three contributions.

I was delighted to hear Senator Mulherin talk about the impact on suckler cow farmers. I am aware that the discussion has mainly been about beef production, but sometimes the suckler cow farmer who is the primary producer is lost in the debate. They are the farmers we represent and highlighting the impact on them is critical. Deputy Eamon Ryan referred to the consumer, but I would also look at businesses in rural Ireland and the people employed in them. They need to understand the important role played by farmers, including suckler cow farmers. Deputy McConalogue said that if suckler cow farmers were to stop farming, they would not actually lose out, that it would be the businesses revolving around farming that would lose out. It is important that members of the committee and others get that point across. With the local and European Parliament elections coming up, the point needs to be got across by Deputies and Senators that farmers will do the best they can.

Senator Mulherin also spoke about the co-operatives. I, too, have heard it said we need to get the co-ops involved in the beef industry. I understand this will not be easy, but I am not saying it should not happen. It is the best option, but it would definitely need to be farmer-led through farmer owned co-ops. There is no easy fix in that regard. I do not have an answer today. I have, however, heard what the Senator has had to say on the issue.

Deputy Martin Kenny referred to the family farm model. I also believe we sometimes lose sight of it. The CAP supports the family farm model. Deputy Fitzmaurice spoke about the average CAP payment and the payments made historically. We cannot ever accept that the children of farmers, or in some cases their grandchildren, will be paid in 2027 or 2030 based on what may have been done in 2010. That is wrong and that model has to go. We need to make sure the family farm will be protected. The farms in the parts of Ireland we represent are family farms. We represent smaller suckler cow farmers, sheep farmers and so on.

Deputy Martin Kenny also referred to beef production. Our beef is grass-fed beef, but it is also produced in a bio-diverse manner. This is a subject about which we have also talked and my colleague Mr. Joyce might speak more about it. It is a pity Deputy Eamon Ryan has left the meeting because he misses the point. We can get a premium price. We have done and are doing so in the light lamb market. I emphasise that beef produced from the suckler cow herd has the potential to be moved higher up the chain. That is at what we need to look. I am aware that the processors have, rightly, taken a bashing today. They have stepped back and are expecting the European Union and Ireland to handle the issue of Brexit. The focus of a lot of them seems to be more on the United Kingdom than on Ireland. That is definitely a factor. I hope this will be put to their representatives when they appear before the committee next week. It is important

that it be put to them.

Deputy Martin Kenny touched on the 30-month age rule. We believe it should go. The Chairman made an interesting comment on it, but it applies to just some of the market. Senator Conway-Walsh spoke about the four-movement rule. I do not know why it was introduced. There is no logic to keeping it at this point. We can get caught up in why it was introduced, but let us get rid of it as there is no reason to keep it. It is definitely being used to deflate the price of cattle, especially at the marts. Both the 30-month rule and the four-movement rule are being used against farmers who are seeking to move cattle on.

Deputy Corcoran Kennedy asked about two specific points made by the Irish Natura and Hill Farmers Association, INHFA, one of which was related to feedlots. They are definitely impacting on price, a fact on which everyone here has concurred. They are being used to manage and deflate prices. The Houses of the Oireachtas have the option of bringing forward legislation to stop re-processors from having feedlots. It is that simple. I am fairly confident that herd numbers could be used in that regard. Obviously, whoever is buying cattle needs the herd numbers. This issue needs to be looked at. It would be a concrete message sent from here.

On agri-forestry, it is the INHFA's view that if there is expansion, wherever it happens on a farm, and there is an increase in carbon emissions, it is not fair that some areas in the State will be expected to carry the can. If there is to be a hit, each farm should carry the can. It should be based on the farm of origin, not as we mentioned-----

**Deputy Michael Fitzmaurice:** What if a person is stopped from cutting and there is no income?

**Mr. Vincent Roddy:** Where a person is stopped from cutting what?

**Deputy Michael Fitzmaurice:** A forest in which trees are ready to be cut, for example.

**Chairman:** In fairness, that is an issue for another day.

**Mr. Vincent Roddy:** I would want to look at the issues involved, but if the matter relates to designated land, there is a wider issue, on which we have our own views in terms of how it would impact on a farmer's income. Perhaps Deputy Fitzmaurice is referring to mature sites under the 2000-06 afforestation scheme.

I heard a point being made about agri-forestry. Throughout Europe one does not see hedgerows: there is forestry, arable land and very few cattle. Once one drives beyond Brussels one never sees cattle outside. That brings me back to Deputy Fitzmaurice's comments. At one level there already is agri-forestry in Ireland in the form of hedgerows. Agri-forestry covers some 6% of the State. We may not see it as-----

**Deputy Michael Fitzmaurice:** It is hard to know about the carbon emissions aspect.

**Mr. Vincent Roddy:** Yes. Perhaps that aspect might be looked at. The issue surrounding agri-forestry is the timescale. On the trees to be planted, we would look specifically at planting broadleaves, not Sitka spruce or pine trees, with the payment to be made covering the lifespan of the tree. It is as simple as that, if it is a public good.

**Mr. Brendan Joyce:** The issue of Brexit has been brought up during this discussion. It is very simple: Brexit will hurt the suckler cow farmer.

Deputy Fitzmaurice asked for our views on the issue of keeping cattle in sheds. Having large numbers of cattle in feedlots hurts suckler cow farmers and ultimately it the members we represent. It gives control back to the processor in timing the run-out of cattle.

The expansion of the dairy sector has occurred where farmers have seen an opportunity to expand and I do not blame them for doing so. That has had an unintended consequence for suckler farmers. It has put more calves into that system and, as a result, unfortunately, as we have seen from the kill figures, the number has increased from 27,000 up to 37,000, and that will get worse. I am not engaging in a blame game because of the dairy expansion. Farmers saw an opportunity to expand and they went for it. We are here today to deal with the fall-out from that and, for our members, that hurts, of that there is no question. It is increasing the pressure on feedlots and on deals being done to rear those calves through the system. There is one way to deal with that, namely, to differentiate between the grass-based suckler high-level product that we are producing and the dairy-fed calf. There is no doubt there is room to market that on a higher level. We call on the committee to push that message forward.

With respect to the schemes, we have spoken about the beef data and genomics scheme. The schemes have predominantly not worked for the smaller suckler producer in the west. We consider the number participating in the beef scheme - approximately 18,000 out of 66,000 farmers and very often those with the higher numbers of suckler cows - tells its own story. In the new Common Agricultural Policy, we must have a measure similar to the suckler welfare scheme, which brought real benefit, and it must be properly funded.

Given the delay in the new Common Agricultural Programme, an interim measure must be put in place, which is a proposal we have put forward today. There is space for the Minister and the Department to review the current rural development programme. There is a precedent and space within the system to put an additional GLAS measure in place under the GLAS Plus measure to bring forward a payment that would be targeted, and have a front-loaded option on the first number of cows, at suckler farmers who are under real pressure and are waiting on a clear message from this committee, the Department and the Minister.

**Chairman:** I thank Mr. Joyce. That concludes this part of the meeting. The witnesses have given this subject a very good airing. We have been discussing it for more than four hours and another delegation has yet to appear before the committee tonight. I thank the three farm groups, the IFA, the ICMSA and the INHFA, for their participation. Their delegates have given us much food for thought in the context of the discussion we will have next week and questions we will ask of the witnesses who will appear before the committee next week. I am sure they may contradict some of the information that we will have heard here today but that is something we will have to evaluate in due course. We look forward to having a very detailed report containing a number of recommendations in the next month or six weeks. As I said, the report must be an honest assessment of where things are at. As Deputy Cahill, and to a less extent Deputy Eamon Ryan, said, there needs to be change but the change must occur in a structured way to ensure farm families have a sustainable livelihood for the future. Farming must be a viable proposition for the future. Farmers cannot exist if they are not making any money from their farms and that cannot continue into the future. With that in mind, I thank the delegates for their participation and we look forward to talking to them again in due course.

I propose that we suspend the sitting for ten minutes to allow the delegates from An Taisce to take their seats.

*Sitting suspended at 7.45 p.m. and resumed at 7.55 p.m.*

*Deputy Jackie Cahill took the Chair.*

**Vice Chairman:** From An Taisce I welcome Mr. Charles Stanley-Smith, public affairs division, and Mr. Ian Lumley, advocacy division. By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the joint committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to so do, 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 and 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 Houses or an official, either by name or in such a way as to make him or her identifiable.

I invite Mr. Lumley to make his opening statement.

**Mr. Ian Lumley:** It is appropriate and timely that the joint committee is deliberating on the future of the Irish beef sector considering the recent review by the Conference of Parties, COP, of the UN Climate Change Conference and the publication of the report on climate action of the Joint Committee on Climate Action. The report states there “is a need for a more diversified, resilient, sustainable and equitable model for Irish agriculture”. We all have common cause to ensure a sustainable future for Irish farm families. However, we must also recognise the rising voice of a new generation which is telling us more stridently that my generation which includes many Oireachtas Members has failed in dealing with the issues of climate action and sustainability. That is also very much the message of the report of the Joint Committee on Climate Action.

It is important when looking at any sector that one move away from silo thinking. That was a key phrase used in the inquiry into the collapse of the Irish banking and financial sector. It was found that there had been too much of an inward looking culture, while lobbying by vested interests had been allowed to prevail in the banking sector. The overarching consideration of the sustainability of the property market and financial debt had simply not been faced up to. Equally, when looking at the beef sector, it is important to take an international perspective on the future of beef consumption when the planet is facing converging challenges and threats. There is a rising global population and a need for equity in access to food calories. There is an injustice, with 820 million people having inadequate food and facing the worst and most immediate risk of climate impact caused by emissions from developed countries, including Ireland. On a *per capita* basis, Ireland actually has high emissions. Last year, at the UN Climate Change Conference in Poland, an international rating was published to show how developed countries were performing in dealing with the issue of climate action. Out of 57 developed countries that were rated, Ireland performed worst in the EU and was down in 48th place in with some of the worst carbon polluters.

When we consider the future of all sectors, including beef, we must take an overview. We must consider what is the future of all the beef sector, not only in Ireland but in the other major beef producing countries, including Brazil, South America in general, the USA, Australia and Europe. In the developed world obesity, food waste and diseases of affluence are arising and very high levels of red meat consumption have been identified by the World Health Organization. There is an imperative now to listen to that voice of the next generation and to what

climate science is telling us and to adhere to our commitment under the Paris Agreement to stabilise global temperatures to as near as possible to 1.5° Celsius over pre-industrial levels. That includes methane and nitrous oxide emissions, which are generating 30% of Irish emissions.

The carbon budget is an important concept to be taken into account. Members are all well used to, as we all are, to the annual budget with respect to balancing the books in terms of spending and borrowing but we now must equally consider a national and global carbon budget. The capacity of the atmosphere to absorb carbon, methane and nitrous oxide is limited and needs to be progressively and radically reduced on a yearly basis. That is where the carbon budget comes in and a fair share allocation system is needed between developed countries like Ireland and the developing world. That has been very much the issue in the ongoing international negotiations at UN level in the implementation of the Paris Agreement but that brings a major challenge. Ireland is not alone in this, nor is the beef sector, because practices we had been used to and industries that had developed over a period of time are no longer compatible with meeting those climate targets. I point to coal producing areas in Germany or the United States and major industrial cities such as Stuttgart which have been dependent on the internal combustion engine car manufacturers. They face challenges as much as we do in Ireland. We have already encountered this in dealing with the phasing out of peat for electricity generation, which the ESB and Bord na Móna propose to do by 2027 with a progressive reduction.

In that context, a very important concept, that of a just transition, must be recognised, and we should think of “just transition” in capital letters. It has been very much the theme of the UN conferences over the years with respect to the way to address the challenge of sectors or geographical areas whose economic base or particular operation needs to change to meet the carbon budget. However, in agriculture there is a major opportunity to do this because the Common Agricultural Policy represents a significant budgetary input at EU level and down to national level that can be used to redirect agriculture from higher carbon emitting food production models to those with a lower carbon impact.

Not only does Ireland, as a developed country, need to face up to its obligations on climate action, we should be a world leader because even though Ireland is a small country, we like to think of ourselves as being a leader in many other ways. We are increasingly vulnerable to climate change that is already happening. Average temperatures are rising and the ocean is warmer, generating higher potential risk of storm conditions coming across the Atlantic in future years. Hurricane Ophelia is a possible foretaste of what we may be facing in the future. In 2015 we also faced a drought. One climatic year can be related to global climate change or human-caused emissions, but all the climate modelling carried out by Met Éireann and the EPA, which works in conjunction with the UN and international climate modelling, projects that annual rainfall, when aggregated, may not change much on an annual basis, but there could be more variability, leading to more intense periods of high rainfall at some points in the year and longer period of low rainfall, as we experienced last year. That affected all sectors of agriculture, including grains, vegetable crops and fruit, as much as grassland. However, grassland was certainly affected. Looking at the figures it is clear that we had a serious fodder crisis which resulted in a 25% increase in animal feed, which was up to 4 million tonnes in 2018 from 3 million tonnes in 2017. That pressure, of course, extended across Europe. We are very dependent on imported animal feed when compared with other EU countries. The UK, for instance, imports 37% of its animal feed, France imports 27% and Germany 26%. Ireland is twice as dependent and imports two thirds of its animal feed.

It is not for me to speak for the members, but there will clearly be serious engagement

between this committee and actions recommended in the Joint Committee on Climate Action report. Apart from climate emissions, Irish agriculture, and beef and dairy in particular, especially in the more intensive areas as opposed to the upland areas where there are fewer inputs, is having multiple and very problematic impacts. Ireland is continuing to perform poorly on water quality. Agriculture represents the largest single adverse impact on water quality, followed by urban wastewater treatment. EPA data show that there is a continued deterioration of high-status water in Ireland. Although water bodies such as lakes and rivers have been more or less stable over the last ten years, the requirement of the water framework directive to improve water quality is not being met. More recent data that have been produced show the increased fertiliser load that Irish land is using, raises concern that the gain we made in terms of reducing the fertiliser impact on Irish water may be reversed.

Ammonia is a very serious issue that does not get enough attention. There is an ammonia map, submitted in advance to the committee in our main document, which shows that there is a direct relationship between higher concentrations of ammonia and more intensive agriculture. The western seaboard counties, where there are more Atlantic winds and where most hill farming is done, have very low levels, but Ireland is now in breach of EU ammonia limits, and has been since 2016.

Consequently, we are exposed to legal actions. Agriculture accounts for 98% of atmospheric ammonia emissions. Only a couple of weeks ago the European Parliament passed a resolution on the need for concerted action to reduce ammonia emissions, because ammonia interacts with other environmental pollutants, exacerbating a pollutant effect. Ammonia has a health impact, which is felt by workers in intensive agricultural facilities particularly, and also has a very damaging effect on natural ecosystems. There are very graphic reports of the damage that high concentrations of ammonia causes.

We have multiple issues with peat in Ireland, including our failure to follow the scientific advice set out by the EPA in 2011 that we needed to reverse the continued decline in peat levels and the carbon loss and emissions that was causing. We still have an exit date for electricity which is still too far away. There is a major problem with horticulture and domestic burning. There is an increasing impact through the use of peat bedding for animal housing. That is caused by peat extraction sites that are unregulated and not subjected to environmental impact assessments and are environmentally devastating. They are causing carbon loss, which will have to be accounted for in the land use change accounting system that will come into place under land use, land use change and forestry, LULUCF, after 2027.

We should look at some of the overarching considerations that should apply to climate and food, and beef in particular, and the message we are getting from the United Nations. In 2010 a major UN report, assessing the environmental impact of consumption and production, stated that the western taste for a diet rich in meat and dairy products is unsustainable, and called for a global shift towards a more plant-based diet, which is vital to save the world from hunger, fuel poverty and the worst impacts of climate change. The UN has continued to reiterate this message, including most recently in the November 2018 report which we have cited. We need to take seriously the major peer reviewed scientific studies that are taking place on a multi-disciplinary and multinational level on the future of food production and its interface with climate, meeting the challenges of a rising population, and equity and fairly sharing food calories across the world, as well as the issue of healthy diets. Such a study was published in *Nature* last year. A newspaper article following the report said:

Huge reductions in meat eating are essential to avoid dangerous climate change, accord-

ing to the most comprehensive analysis yet of the food system's impact on the environment. In western countries, beef consumption needs to fall by 90% and be replaced by five times more beans and pulses.

This means that we should be looking at the crops we can grow that are compatible with our climate. I will turn to that in my concluding recommendations. The EAT-Lancet report was cited earlier by one of the Deputies. This is one of, if not the most, significant global overview by a multi-disciplinary science, nutrition, health and climate expert and research based team that has been published to date.

It has been independently funded from a number of sources because there is often criticism that reports on food or a particular sector may be biased. A universal healthy reference diet is quoted in the report as being "based on an increase in consumption of healthy foods (such as vegetables, fruits, whole grains, legumes, and nuts), and a decrease in consumption of unhealthy foods (such as red meat, sugar, and refined grains) that would provide major health benefits, and also increase the likelihood of attainment of the Sustainable Development Goals".

That is an overview of the introduction to the report. Turning to specific findings, they include:

The dietary shift that is needed requires a dramatic reduction of consumption of unhealthy foods, such as red meat, by at least 50%, with a recommended daily combined intake of 14 g (in a range that suggests total meat consumption of no more than 28 g/day) with variations in the change required according to region.

Therefore, it is not stated red meat must be given up entirely. The recommendation is for a reduction in the consumption of red meat per person. The report goes on to state "at the same time, an overall increase in consumption of more than 100% is needed for legumes, nuts, fruit, and vegetables, with the changes needed again varying according to region".

Another important concept I would like to introduce to the committee is that of planetary boundaries. It comes from the international scientific community. To understand it, we must think of what is probably the most famous photograph in history. I refer to the view captured by the camera of the Apollo looking back at the Earth from the moon. We must face up to the fact that the Earth is finite and has a rising population. We need to avoid crossing certain thresholds and boundaries if we are to sustain population projections of up to 10 billion people on the planet by mid-century, stabilise our climate and have fairness and global equity in the rights set out in the sustainable development goals. I refer to clean water, health and well-being and a fair share of global food calories for everyone on the planet. To meet these boundaries, we have to limit carbon dioxide, methane and nitrous oxide emissions into the atmosphere. We have to reverse biodiversity loss because food production is dependent on pollination and soil quality which, in turn, is dependent on worm life and microbes. We also have to ensure land system use does not cause further pressures, protect freshwater and limit nitrogen and phosphorus flows. Therefore, we have to come up with a development and food model that will not exceed those planetary boundaries. A detailed illustration of the planetary boundary model is provided in our main presentation documents already supplied to the committee. It was produced by the Stockholm Resilience Centre and is gaining global recognition in the scientific community.

The EAT-Lancet report embraced these planetary boundaries. It examined how to achieve equitable food production and stay within all of the boundaries. It also looked at meeting the challenges of malnutrition in deprived parts of the world and obesity in the developed world, including increases in associated diseases such as diabetes and cardiovascular issues. The report is not prescriptive. It is a reference report and marks the beginning of a major debate. A page

from the medical journal *The Lancet*, with a bar chart, has been taken out of context. With what everybody needs to engage is this very challenging EAT-Lancet report. We have already had an opportunity to engage on it at a meeting held by An Taisce and members of other environmental organisations in Ireland.

We move on to the international external rating of Ireland by the United Nations Food and Agriculture Organisation, FAO, global livestock environmental assessment model, GLEAM. We often hear from all levels of the agriculture sector that Ireland is a world leader in the carbon-efficient production of beef and dairy produce, or at least that the production system has a lower carbon impact than that in many other countries, including within Europe. It is a point much used in the international marketing of Irish beef and dairy produce. However, the carbon efficiency of Irish agriculture has been entirely debunked by GLEAM. A full life cycle analysis that considered all externalities and pathways revealed that Ireland was actually the most carbon-intensive beef producer in Europe and had the third highest emissions in Europe from the dairy sector. This is going to cause serious trouble, particularly for those of us who get our farming news every week from a certain major national newspaper. GLEAM reveals that the data on which the marketing of Irish agriculture relies are out of date in many places. The data also do not address rising emissions and other sources such as ammonia and nitrates. This is not just a matter for the Irish agriculture sector. It is an international matter because of Ireland's responsibility as a developed country to undertake responsible production in the context of climate action. Thus it is a matter for all Irish citizens. The future of Irish food production is not just a matter for those directly involved in the sector or those directly employed in rural communities. Let us remember all those involved in the network of food distribution and the serving of finished products, from shops to restaurants. The total number employed in the food sector overall is startling.

In 2017 the Citizens' Assembly specifically considered how the State could make Ireland a leader in tackling climate change. It made 13 recommendations in that regard. On beef production, 89% of the members of the Citizens' Assembly recommended a tax on greenhouse gas emissions from agriculture. It is important, however, to remember that the assembly also recommended that farmers be rewarded for land management that sequestered carbon and that the revenue raised from a tax on greenhouse gas emissions be reinvested to support climate-friendly agricultural practices. That is the gain and the benefit. A total of 80% of the members of the assembly also stated they would be in favour of paying higher taxes on carbon-intensive activities.

Let us look at what is happening. Two graphs are important in understanding these issues. They are supplied by Teagasc and were updated at the beginning of the year.

The first concerns agricultural emissions, while the second concerns nitrogen fertiliser inputs. We have heard, correctly, from the Irish agriculture sector that current emission levels have not risen since 1990, or that they are at least the same since 1990. The graph indicates that there was a rise up to 2000 and that there was then a significant decline between 2000 and 2010 due to a combination of factors, particularly the nitrates directive which required the more efficient application of nitrate fertiliser, although it also makes good farm management sense to use nitrate fertiliser more efficiently. There was also a spike in fertiliser prices, such that everybody became very mindful of fertiliser costs. That was a major factor in the reduction of fertiliser use as can be seen in the second graph.

We can also look at what happened after 2010. We have had Food Harvest 2020, Food Wise 2025 and the lifting of milk quotas. The Teagasc figures demonstrate a rise in 2011 and an up-

ward trajectory from 2010, but the figures were always behind and it was only in December last year that we received the 2017 figures. They demonstrated a significant rise, with agricultural emissions rising by 2.9% in that year. If that trend continues, the annual average will be a 3% increase indicated by the red arrow in the documentation. Teagasc has modelled what we can do about this, looking at various emissions abatement scenarios that will be very well known to people involved in the agriculture sector or members of the carbon soil or fertiliser management groups. It also examined the potential for carbon offsetting. All of these measures only deliver marginal variations in a continued increase in emissions, including a small reduction that would bring us to 2015 levels by 2030. The reality is that when we look at the global carbon budget and the equitable Irish share of it, the trajectory in which agriculture needs to move, both globally and in Ireland, equates to a rapid descent, not just with a distant 2050 target but immediately, with a rapid 2030 reduction target. Equally, members can see parallel figures for nitrogen fertiliser imports, with a spike in 2000 and a very significant overall decline between 2000 and 2010, after which there was much jumping up and down, with rising figures in 2018. Various Teagasc scenarios demonstrate rising fertiliser impacts. It leads to rising NOx emissions, with an impact on nature and water quality that will cause enormous difficulties in the future.

Teagasc has become concerned about this issue. I cited a major national newspaper which carried the heading “Greenwashing Could Backfire” on a report on 2 April 2019. It is worth quoting in full:

Irish agriculture needs to back up its “green” image with credible evidence rather than “glamour stories”, Teagasc has warned. “We’ve seen problems in other countries where they resort to glamour stories and greenwashing on biodiversity performance - that has major repercussions and backfires very quickly,” Teagasc researcher and ecologist John Finn told the *Farming Independent*. “In (Bord Bia’s) Origin Green we are making very strong claims about sustainable performance and environmental performance that is creating a need for credible demonstration of sustainability - the industry needs credible evidence rather than glamour stories. If we are to continue with the sustainability claims that we are a clean, green food producing nation, we need to prove it. Other organisations outside of Ireland will be very quick to pounce on claims that we make.”

This is a very serious issue with respect to marketing. In certain legal jurisdictions, if a claim is made for a particular product, whether it be food, a service or goods of any sort, and that claim is not substantiated, a legal action could arise in that jurisdiction. I will not name the parties involved, but a legal action has arisen in the United States with respect to the advertising, branding and labelling of a major Irish food exporter. At national court level, the Irish national mitigation plan is facing a legal challenge from Climate Case Ireland. The hearing of that case in the High Court before Mr. Justice McGrath was earlier this year and the judgment is awaited. There is mounting convergence of climate litigation that is happening internationally and the rate is rising. To date, it has focused on fossil fuel interests, but in countries like the Netherlands there is also a focus on agricultural impacts. The committee can look at what has happened in the Netherlands where there has been destocking to meet nitrate objectives, in particular. Legal action is a potential outcome, not just with respect to climate but also with respect to ammonia, air pollution, water quality and a series of other areas. All sectors of the industry sector should be mindful of this.

We can turn to the recently published report of the Oireachtas Joint Committee on Climate Action that highlights something of which all of us are fully aware. It is Ireland’s complete failure to meet its 2020 emissions reduction targets by such a wide margin. The committee has

stated the State must ensure emissions will decrease rapidly in line with the national target of net zero emissions by 2050 and in line with the recent analysis of the UN Intergovernmental Panel on Climate Change. The report calls for five-year carbon budgets consistent with the emissions reductions pathway to 2030 and 2050 targets, which is to be welcomed. I quoted the overarching recommendation which we commend as the overarching consideration to be embraced in looking to the future not just of the beef sector but all Irish agriculture sectors. The committee has indicated a “need for a more diversified, resilient, sustainable and equitable model for Irish agriculture” as it recognises that Irish agriculture has become overly reliant on emissions-intensive beef and dairy production. It has observed that “Ireland cannot meet its international emissions targets without tackling agricultural sector emissions”.

I know that this is very challenging, but we are not alone. All across the world people involved in the agriculture and energy sectors, as well as communities dependent on coal mining and cities dependent on car manufacturing, have to meet the challenge of the change that needs to be faced and addressed if we are to stabilise emissions and maintain a living planet. This means that voices should be listened to by public representatives. Obviously, they must hear what an industry or a sector says to them. That applies to food retailers and producers. We do not have a car manufacturing industry in Ireland, but we do have a motor industry covering car sales and maintenance. It also applies to the energy industry. Public representatives have a duty, in the public interest, to move beyond considering representations made by individual vested sectoral interests. I am not singling out the agriculture sector in that regard. Unfortunately, it is in the nature of any industry or interest group to be daunted by change and global pressures. Major historical changes proved devastating for Ireland. This was a major linen producing country in the 18th and 19th centuries. We grew flax and provided massive employment in the manufacture of linen, not only in the North of Ireland but all the way across the west, including County Mayo, the midlands and the greater Dublin area. Cheap cotton imports from across the world destroyed the linen industry. We were major grain exporters until the mid-19th century, as can be seen from all of the ruined mills throughout the country. North American grain was imported after the reform of the corn laws. A more recent experience with which we will all be familiar is that associated with the beet crop, particularly in the south east where I grew up and my cousins were directly involved as growers. We now import sugar which is manufactured from sugar cane from South America. Our lifestyle and demand for sugar are causing problematic environmental impacts on the climate as a result of deforestation.

This is a tough message about to what we need to face up in developing a sustainable national herd and it is not just coming from our organisation. It is a global message. We are just the communicators. All too often, to use the well known phrase, we shoot the messenger. We are advocates for an international message which has been accredited by science. In our submission we mention the fact that the 30 environmental NGOs in Ireland, of which An Taisce is just one, form the Irish Environmental Network. They have entered into a partnership with international development organisations such as Christian Aid Ireland and Trócaire through Stop Climate Chaos. In 2016 Stop Climate Chaos published a very significant report entitled, Not So Green. It highlights what Teagasc now describes as the major emerging challenges in the marketing of Irish agricultural produce and the reality about climate change, emissions and the environmental impacts. The data show that things have not got better since, as they should have. They have become significantly more problematic.

It is not just an environmental sustainability issue. In the earlier session it was most useful and engaging for us to hear about the enormous economic sustainability challenge facing the beef sector, particularly the suckler cow sector, and the pressures on family farm incomes in

Ireland. We are entirely sympathetic. There is no “us and them”; there are no opposing sides. We all wish to see a common solution and work in common cause to have an inhabited, working, food producing Irish landscape, with family farms, in the future. As we heard from all of the representatives of the farm sector, the current situation is challenging. It is dependent on Common Agricultural Policy, CAP, payments, on which the beef sector, particularly the suckler cow sector, is entirely dependent. That is a challenge we would like to address constructively.

We would really like the result of this session and ongoing engagement with the committee to be planning for alternatives. I refer to increasing agricultural emissions, ammonia, water quality decline, animal feed impacts, nitrogen fertiliser imports, stocking rates and poor margins. As mentioned, farmers are up in the middle of the night to keep their traditional lifestyle. They are not getting the economic benefits of that tough lifestyle.

There is a common attitude which we have encountered many times that the environment is something to think about after adopting economic and production-led targets. That was the flaw in Food Wise 2025, although it was based on the strategic environmental assessment, SEA, directive. Food Wise 2025 is now open to legal challenge. The SEA directive requires proper monitoring. We can see how bad the data are for biodiversity loss and water ammonia. If there are unforeseen adverse impacts, Article 10 of the SEA directive provides that mitigation and ameliorative measures must be taken. If it is not done through constructive engagement with all of the sectors involved, it will cause more pressures and legal challenges.

The Food Wise 2025 strategy sought to increase beef and dairy exports. In the European market the younger generation shows a rising awareness of sustainability and a rising demand for plant-based food. These consumers are not necessarily seeking a full vegetarian or vegan diet, but they are certainly seeking one with fewer animal products. This means that Ireland is looking to provide that western diet for new international markets. However, there is not enough space available. The planetary boundaries concept shows the problem in expanding that western diet, with the attendant land use and planetary boundaries impacts on a finite planet. We would need two or perhaps three planets to replicate the diet we have in Ireland, Australia, North America and much of Europe. The position in Mediterranean countries is slightly different.

This message has been very well communicated. I recommend to committee members the website of the World Resources Institute which looks at the planetary boundaries concept and the idea of a footprint analysis. The footprint of somebody in sub-Saharan Africa, reflecting the water and resources he or she uses, can be compared with that of somebody in a developed country, reflecting his or her food choices, lifestyle, mode of transport and clothes. We simply do not have the planetary capacity required. We are now at tipping point of global biodiversity loss. We heard the major warning from Sir David Attenborough at the United Nations Climate Change Conference. We face both a convergence of global biodiversity crisis and a climate crisis. If we are to embrace what the United Nations, the international agencies and independent international science tells us, with the Oireachtas Joint Committee on Climate Action’s call for a diversified, resilient, sustainable and equitable model for Irish agriculture, we need to transition to lower input land use, including reviving tillage that is climate compatible because it is obviously facing competition challenges, with lower production costs in other countries, as well as climate challenges; horticulture, agri-forestry, permanent woodlands and energy and carbon sequestration crops. We see this as the beginning of a process of multi-sectoral engagement because not enough research is being conducted in Ireland. With New Zealand, Teagasc is a world leader in grassland research. It carries out its research at Moorepark in Fermoy. We have

decades of world leadership research in grassland yields, but we have not been conducting the research on the type of food crops to which the EAT-Lancet Commission and global science on dietary recommendations say we need to move for low carbon and other reasons. Crops that are suitable for Ireland include oats for oatmeal and oat milk. Other types of milk, apart from dairy, also raise major sustainability issues. Almond milk production has an enormous water footprint in places like California. Moving to large-scale almond milk production as an alternative to bovine milk is not the answer either. Soya is very problematic because of its production sources, monoculture and production in Brazil, the United States and other countries. We are importing soya in animal feed. We are also importing it for environmentally conscious individuals who want to move to a plant based diet which is challenging and difficult in terms of sustainability, planetary boundaries and global threshold issues. Many of the alternative milk products are problematic in different ways. As I said, soya, in particular, is problematic.

We need to consider cultivating more plant based food, as we did in the past in Ireland. I was born in the 1950s and my father worked in the leather industry. My two grandmothers were raised on farms and my cousins were in farm families. Several of my first cousins in the south east continue to farm, almost entirely in the beef and dairy sectors. When I was growing up, farm enterprises were more diversified. There were orchards behind farmhouses, mixed vegetable growing, chickens and so on. Let us look at the figures for imports, which are shocking. In 2017 we imported 72,000 tonnes of potatoes, 47,000 tonnes of onions, 29,000 tonnes of tomatoes, 23,000 tonnes of cabbage and 15 tonnes of lettuce. We need to reverse this problem and increase research on other foods. The global orange crop is under a climate challenge, while rising sea levels in Florida are causing desalination in groundwater. This means that we need to examine alternative sources of vitamin C. The hedgerows of Ireland are rich in elderberries and blackberries, while our peat soil is ideal for growing blueberries. We need to examine the potential for growing blueberries and to produce honey and nuts which are high nutrition sources. In the food science advice from the Department of Health there has been a lot of misrepresentation in that regard.

We have seen a lot of media coverage in the last week to the effect that the eating of meat is not necessary to have a balanced diet. The food pyramid document produced by Healthy Ireland and endorsed by the Department of Health on food proteins is emphatic in stating meat consumption is not necessary to have a balanced diet for proteins. It states peas, beans and lentils provide good quality protein and are a low fat, high fibre alternative to meat. The Department of Health's report reflects the international data that indicate that meat is not a necessary requirement to have a balanced diet. There is a huge dilemma for those looking for alternatives. We are importing lentils, nuts and other products from countries across the world, including the Middle East, North Africa and Asia, which also face increasing climate stress levels. We need to examine how we can produce vegetable plant based protein products in Ireland.

We are in this together and everybody needs to work together on solutions. Ireland is not alone in facing this challenge. It is a global challenge. Ireland's history in the co-operative movement was mentioned. We need to look to a new movement of co-operative action in terms of the future we need to embrace together in reversing climate emissions and biodiversity loss and producing healthy mixed diet foodstuffs and food exports that meet genuine sustainability requirements such that we will not be accused of green-washing.

**Deputy Martin Kenny:** I thank Mr. Lumley for his presentation. To an extent, I agree with much of what he said. An Taisce has done some great work, in particular, with the green schools initiative. Many rural areas have been enriched by work done under An Taisce's pro-

gramme. That said, I come from County Leitrim where many people who wanted to build a house in an area had their planning application objected to by An Taisce. They are very sore about this. They find it very hard to accept the credentials of An Taisce in the depopulation of areas where people want to live.

We are here to discuss the beef industry. I agree that we need to examine how we can reduce our emissions and engage in a model of low intensity farming which will produce a higher profit for the farmer. The points made about fertilisation and soil nutrition are being worked on. We need to reduce the levels of nitrates and other chemicals in watercourses and so on. I think work is under way in that regard. I agree that we need to move away from mass afforestation and use our hedgerows as an asset to expand and develop a bio-diverse model of farming.

Solar farming and solar panels were mentioned in An Taisce's document. There is an opportunity to engage in solar panel installation on all farm buildings throughout the country. There is no reason the Government cannot provide assistance to allow this to happen.

On the maintenance of peatlands, bogs and mountain uplands, I agree that the model used in the Burren can be extended to other areas.

On the concept of new sectors of farming and farmers diversifying into growing alternative crops and so forth, in many cases they have found that developing these sectors and models has met with difficulty because there has not been a developed market. In other words, one must develop the entire sector. One cannot just encourage farmers to plant thousands of acres of willow or whatever else unless one also considers how it will be processed and the machinery and equipment that will be available to harvest it and so forth. That is where there are holes. This issue has been dealt with at the Joint Committee on Climate Action. A great deal of the presentation made was on such matters.

Mr. Lumley referred to international scientific research on various issues and made a big push for people to eat no red meat, or certainly a great deal less. We are all open to that argument, which is fine. At the same time, however, there is a market for it and people wish to buy it. If they want to buy it sourced from the grass-based family farm model, we provide that model. It is much more authentic and the right way to produce it. An issue was raised with the farming organisations and others related to the more intensive way of producing it using big feedlots and the like. We need to move away from that model, but that does not mean that there is not an opportunity for Irish farmers to continue to do what they have always done, that is, produce high quality beef and sell it to a market that wants it.

Much of the material in the document refers to scientific research. I will not doubt any of it, but I came across stuff that was wrong. For example, it is stated mushrooms are grown in compost made from peat. I do not know if the delegates were ever on a mushroom farm, but the compost used is not made from peat but from organic matter such as straw. Probably less than 10% is a layer of peat on the surface. When something that is not factually correct is included, it makes people look at the figure and the research referenced more sceptically.

I can go some of the distance with the delegates. As Mr. Lumley said, it is not a case of "them and us". We must work together. At the same time, however, suggesting the future lies in getting rid of the beef industry is not the way forward. If he is not saying that, it is welcome, but on this side of the table that largely is what I heard.

**Deputy Charlie McConalogue:** I was just saying to my colleague that I could have left

when the meeting started to return to Count Donegal, had my dinner and returned before it finished. This has been one of our longer meetings. I thank our guests for their patience and the presentation.

Considering that Ireland is such a strong and efficient producer of beef from a carbon emissions point of view, does Mr. Lumley accept the premise that it makes sense in meeting the global demand for beef as an important part of the food chain for Ireland to continue to produce it, that it should be a sector we value and promote domestically? I would appreciate it if Mr. Lumley clarified exactly and concisely what he was saying we should do in considering the future of the beef sector domestically.

On the wider point, Mr. Lumley appeared to be suggesting at the end of his presentation that he saw the value of the milk and dairy sector as a reasonably sustainable and good way of producing food, given some of the difficulties in terms of environmental sustainability associated with other produce such as soya and almond milk. Will he clarify and elaborate on that matter? We are also very efficient producers of milk from a climate change point of view.

On the school pack that was delivered to schools in the last couple of weeks and the dietary advice from An Taisce, given that, from a national health point of view and in many studies meat is seen as a key part of a healthy diet, does Mr. Lumley accept that the message that people should avoid meat provided in it is not territory into which An Taisce should stray?

**Deputy Marcella Corcoran Kennedy:** I thank the delegates for their presentation. Will Mr. Lumley expand on the point made about what the fossil fuel car industry did? He appears to be linking it with what is happening in the beef sector. I would appreciate it if he gave me more information on it.

Having heard the presentations made by the representatives of the beef producing sector, we are very concerned about the challenges it is encountering. I am also a member of the Joint Committee on Climate Action and the main message is about a just transition. Our concern is how we can oversee a just transition for people involved in that sector when we are looking at reducing beef consumption by 90%. That will be enormously challenging globally. How is it to be achieved? In any case I cannot envisage it happening in the short term.

On the point made about replacement of the sector by beans and pulses, is Mr. Lumley proposing that those involved transition to that form of agriculture and suggesting there would be enough of a market for them to be able to replace their income? Where would those markets be? Obviously, we would have to have them for ourselves, but where would they be internationally?

In addition, Mr. Lumley spoke about animal feed. If we could produce more of our own, what might it be, apart from grass which is what we have relied on to date?

I am shocked at the amounts of potatoes we import. We are importing 72,000 tonnes of potatoes and 47,000 tonnes of onions. These are staggering figures. Do we have enough land to produce all of these amounts? There is only a certain amount available on the island. Do we have enough soil available to produce what is required? Is it of the standard required to produce vegetables? As somebody who lives in a rural area, I welcome the approach taken in having the family farm at the heart of any transition decision we have to make. We have to be conscious of the role the family farm will play in terms of food security. That is something of which we must be aware if we transition to the production of vegetables as we see the climate continuing

to change and extreme weather events occurring. When there were bad summers in the past, we saw acres of vegetables being ploughed back into the ground because they were unable to be harvested. That is another concern.

Mr. Lumley talked about oat milk production. Is he saying we could replace dairy milk with oat milk or is he looking at replacing the milks referred to such as almond and rice milk with oat milk?

**Senator Paul Daly:** I was a member of the Joint Committee on Climate Action. The presentation would have been more appropriate to that committee. The brief today was the future of the Irish beef sector and while the witness highlighted many of the negatives and mentioned just transition in passing, he has not given us anything that we could incorporate into the report we are compiling as to what could be that just transition. By his own deliverance based on the EAT-Lancet Commission report, if, hypothetically speaking, we were to have a 50% reduction in the meat intake of every human being, based also on his own figures on population growth towards 2050, there will be a need for 50% more than we are producing today. That balances out in terms of the *status quo*.

The solution to the problem of emissions from the beef sector, which is what the witness has highlighted, is not achievable because even if we reduce by 50% we need to increase that 50% to meet population growth. We are in a *status quo* position. Our target has to be carbon neutrality. There was nothing in the presentation on how we can achieve carbon neutrality. In a million years' time, if there are still human beings on this planet, there will be carbon emissions. The solution is sequestration or achieving carbon neutrality and there is nothing forthcoming from the witness's presentation as to where and how we can achieve that. Irrespective of his philosophies, beliefs and passions, there will always be beef production on this planet. As my colleague put to him, An Taisce and Ireland have to tick all their boxes but the beef the people of the rest of the world will eat will be produced in the felled Amazon jungles in Brazil, fed hormones and will travel by steamers across the Atlantic. This is a global issue. Ireland achieving carbon neutrality and the rest of the world not achieving something similar will not change our global warming issues.

It is all well and good to highlight the negatives and say we should close the gate, put a lock on it and that that will solve our problem. It is not a solution. It will not help the sustainability of rural Ireland. I refer to the small family farms that are trying to survive on land that will not grow beans, land that one could not afford to buy shares for if one tried to plough it or on small fields and plots of land that are surrounded by hedgerows. Some 3.9% of the country is surrounded by hedgerows and the witness gives no credit to the sequestration value of those hedgerows. I have a small farm and a suckler herd. If I were to go into growing beans or any other crop, the first thing I would have to do in the morning to make it in any way viable would be to remove all the hedgerows. That is a negative move straightaway. What is the witness's "just transition"? The witness used those two words continuously through his presentation but he did not say what that just transition needs to be for the Irish suckler beef farmer, which is the topic of conversation here today.

**Senator Michelle Mulherin:** Many of the issues have been discussed already at the Joint Committee on Climate Action, and Mr. Lumley quoted from the report. I want to refer to the issue of veganism. I accept that veganism as a lifestyle choice is valid and that people can get a balanced diet from veganism. In fact, veganism was on the go before global warming, climate change and climate action became buzzwords. However, I object to an agenda of pushing veganism on people. In particular, I believe it was a step too far to promote veganism in a

school pack to children. I say that for a couple of reasons. I refer to children's consumption of meat and their daily meals with their parents. Most parents are trying to feed their children in a balanced way. Everyone accepts that we need a balanced diet and that one can eat too much meat. One can eat too much of many foods, bar greens and so on. A bigger problem is processed foods and sugars being linked with the acceleration of cancers, etc. However, aside from that, the witnesses are pushing veganism on children, as a morally superior choice, in a situation where many children might not even know how to become vegan, although it might be something they want to pursue. In my experience we have an increasing number of children who have eating disorders, are bordering on having an eating disorder or have a very confused relationship with food. I spoke with somebody in the HSE today who was not too impressed with An Taisce's proposals. It is not its domain to step into that area. That is a matter between the Department of Health and the parents who make decisions in regard to their children. An Taisce should not push veganism as a better lifestyle or something that will make one become a better person. These children can be dealt with by their parents and, in respect of their nutrition and balanced diets, through the health system. The witness can smile or do whatever he wants but a bus load of 50 retired women came to Leinster House today from my town of Ballina and they all thought it was a step too far. Anybody one speaks to believes An Taisce is going to a place it should not be going. We have many vulnerable and impressionable children who need to be taught about sustainability. We do not want them to be taught about their diet and their requirement to save the planet by the likes of An Taisce giving out information when that is not its expertise. I object to it. An Taisce has gone too far in regard to it. I object to that agenda being pushed.

**Deputy Martin Kenny:** What is the stance of An Taisce on biogas and anaerobic digestion as one of the ways we can sequester carbon?

**Mr. Charles Stanley-Smith:** I will start with veganism. I live in rural Tipperary. Many of my neighbours are farmers. In fact, one young farmer who is a neighbour of mine recently pulled out of beef production and went into milk production at an extreme cost to himself because, like many things today, it was very difficult for him to make a living. We are fully understanding of that.

To deal with Senator Mulherin's point, I am not a vegan. I will never be a vegan. I might eat vegetarian a couple of times a week. I do not know how somebody has got this idea that we are promoting veganism. A pack of cards was produced, and the idea came from children themselves, on how climate change can be dealt with. That was one of the suggestions along with one on when "Dr. Who" returns and so on. However, this has been pulled out and made into a fact that we are promoting veganism. It is untrue. I certainly will never promote veganism. I have been a meat eater for a long time. I have been in the food industry. I understand the quality of Irish beef. I am fully behind Irish beef and I would promote it. Some people have a choice and become vegans. That is their own choice. I have nothing against them. I am just saying that on a personal basis, I will not. I am not sure how-----

**Senator Michelle Mulherin:** I am talking about the potential impact on the vulnerable minds of children who, in many cases, already have issues with foods.

**Mr. Charles Stanley-Smith:** This pack was produced for second level schools and it is a discussion document. The cards are a separate issue. They were produced long before this pack, which people do not realise. It is a discussion document. Young people today know more about climate change than any of us of this age. They are well aware of the effects of climate change on their future. We have to promote mechanisms whereby they can save their own fu-

ture because we have made an appalling job of doing it. Opening up discussion with children who are already aware of most of this is all that is happening. We are not promoting veganism and never have.

**Senator Michelle Mulherin:** An Taisce should not be giving advice on how they should eat.

**Mr. Charles Stanley-Smith:** We are not-----

**Senator Michelle Mulherin:** It is the same thing.

**Vice Chairman:** Please, Senator.

**Mr. Charles Stanley-Smith:** We are not giving dietary advice. We tell students to look at the climate change impact of the food that they eat. A discussion will start within the class with the teacher. That is what it is all about. We will not apologise for giving climate change advice about looking at the different types of food that people eat.

Earlier, a lot was said that we would agree with about the difficulties of farmers. As I said, I live in a rural area. The difficulties include cattle prices, retailers, factories, consumer protection, lack of competition and the Mercosur deal. We are fully aware of all these things and feel that the members of the agricultural groups would be better off fighting for their members, for better prices, against the retailers, factories and so on rather than getting themselves upset about the fact that we are telling students to think about what they eat. As Mr. Lumley said, there are many problems and we understand them. We would fight the Mercosur deal for other reasons as well as the beef issue. We are fully supportive of solar panels and so on. That is a problem with the Department of Housing, Planning and Local Government which it has to deal with. We support CAP reform and more environmental protection. We understand the problems. We are not and never have been against the agriculture and beef industry. This is said about us and it is said that we object to everything. We have made 70 planning appeals around the country in the last year. We are not making objections and appeals in every single parish despite what has been said that An Taisce is against everything. An Taisce is not against everything. It has a valid reason for those appeals, which are small in number. The idea of CAP reform and more environmental protection within it is definitely worth getting behind.

I would like to address a matter related to the GLEAM report, which Mr. Healy talked about. People who talk about the GLEAM report are slightly wrong in that there is no GLEAM report. GLEAM is an online tool produced by the United Nations Food and Agriculture Organization. One accesses it and submits parameters which one wants to know about, such as beef cattle, selects the country which one wants the information for, and then gets an answer. One has to go into this and repeat the test each time for all 28 countries in the EU. It is a similar test each time. Just the country is changed. It is done on a comparable basis between one country and the next.

in the past few years I fought with the Department of Culture, Heritage and the Gaeltacht on the protection of hedgerows. We have been to the forefront of protecting hedgerows and such and absolutely understand the sequestration of hedgerows.

This is difficult and nobody is saying it is easy. The targets that the United Nations Framework Convention on Climate Change, UNFCCC, sets out will be incredibly difficult to achieve all round the world. The one thing about talking about whether it is here or there is that the planet does not care where greenhouse gases come from. It is our moral duty to do as much in Ireland as we can, as every country should. We are not trying to preserve our way of life but the

way of life of the world. That is why future generations and young people are so upset. They believe, and I concur, that my generation and other slightly younger generations are really not doing enough for them and their futures.

**Mr. Ian Lumley:** I will respond briefly to some of the more significant questions asked by members. Deputy Martin Kenny raised concerns about the forestry issue in Leitrim. We sympathise with him. He also raises a good question about what sort of markets we should develop and he quite rightly highlighted the bad experience that people have had with miscanthus. There is a question of what markets we should look for to grow food crops. It is clearly to substitute from those who are importing because there is an immediate market. That growth would clearly be concentrated in the more arable soils in the south and east of the country. North County Dublin has a tradition of market gardening but there has been a major decline in the level of market gardening in an area with the best mineral soils in the country. The areas with poorer soils and richer hedgerows should be involved in high nature value farming. We welcome the submission from the Irish Natura and Hill Farmers Association. This is where a premium value should be obtained for beef being produced in nature-compatible systems. We have heard clearly that the price being fetched on the market is simply not fair for the producers involved. In this respect, we are in complete sympathy with the suckler farmers.

Those are the areas where we want to see the sort of vegetation use seen in nature. We all want to see those rich hedgerows maintained. There is a major problem with hedgerows in that new mechanical cutting techniques use flat-topping, which is very bad for bird life, flowering pollination and fruit growth. We need to move to better hedgerow management strategies which sequester carbon and make those hedgerows more attractive for bees, birds and wildlife, from which we all benefit.

Deputy Martin Kenny also asked about the future of biogas and anaerobic digestion on farms. That is a potential part of the future energy mix. It has been talked up to a degree that may be exaggerated. There is also a worry about greenwashing. The amount of biogas that we will be able to sustainably produce is limited. If we start growing biogas from crops, what happens if there is a fodder crisis? Cropland grass will have to go into animal fodder instead, so there is a variability risk. The question should be as much about how much biogas we sustainably produce and the best way of using it. The current model being adopted for biogas is ill-advised. What is being proposed is that biogas be injected into the fossil gas network so that fossil gas is thereby labelled as somehow being more green. However, that means we are all being locked into this whether it be in the transport sector in a move to gas vehicles or in housing in a move to maintaining gas boilers, when in fact the move should be towards the electrification of transport, reducing dependence on the private car and in terms of energy there is no justification for installing gas in new houses. The Tipperary Institute, which has appeared before Oireachtas committees previously, had made effective presentations in this respect. With the construction of new houses and apartments, higher insulation standards can be achieved and they can be serviced with heat pumps from renewable electricity. There is a gas lobby who wants us to continue to be dependent on gas. Public representatives need to be very wary of that and of the green-washing of gas, but that is a matter of Joint Committee on Climate Action, with which we are pleased to be involved.

Deputy McConalogue said there was a strong global demand for beef but taking account of the global constraints, that demand simply is not capable of being accommodated within the land limit, the carbon limit, the biodiversity limit and the fertiliser limit. We are not offering magic solutions. We fully admit that those people whom I would know who are struggling

with trying to address their own sustainability are encountering major problems. I would point to soya production, biodiversity, the chemical impact on production in South America and the USA, almond milk production and water stress, whereas milk has a high carbon emission and nitrate impact in terms of the fertiliser required to grow the grass for milk production. It is not simply a matter of looking at the future of beef or animal agriculture, all agriculture has to follow a sustainable pathway in terms of carbon impact, land use and biodiversity in meeting the global constraints.

An interesting question was asked by Deputy Corcoran Kennedy about the parallels between the car industry and what happened in Europe. The largest element of the car industry in Europe is in Germany. The nature of any industry facing challenges ahead is to dig its heels in and continue with the production lines that are in place. A principle in the European car market and other market areas is that of “peak car”. A car manufacturer would be worried about it because the younger generation who live in urban areas will wonder why should they bother having a car when they can use an electric scooter, of which we are seeing more in Dublin and other Irish cities, and hire an electric car when they need it now and again. The car industry dug its heels in and lobbied at European Commission and Parliament level against emission standards and electrification targets. The European car industry is now in serious trouble as a result because the Asian car industry is better geared towards the switch to electrification and the Asian car manufacturers have been working in co-operation with battery sourcing. The European car industry was also involved in green-washing in emissions cheating with the Volkswagen emissions scandal, which involved a declaration that cars met a particular emissions standard based on very arbitrary testing models that did not simply stand up to reality. That is a warning that Teagasc has delivered. If one claims to be meeting particular emissions standards and carbon efficiency and that is not the case, one can run into serious trouble.

On the subject of a just transition, the World Health Organization and the global nutrition and science community say that what is needed is a 90% reduction in red meat consumption in countries that have a high consumption of red meat. They are not saying “eat no red meat” but what they are saying involves a major reduction in consumption. They say industrial produced red meat, and its ruminant trans fat content which is a particular concern, should be reduced to less than 1% of a total energy intake. That is a significant reduction in red meat consumption globally, on the advice of the health sector. That is why it is ill-advised to seek to develop new red meat markets in countries that historically did not have red meat consumption. Vegetarians face an equal dilemma. If one goes to any vegetarian food shop, one will note the labels indicate the food comes from all over the world. Countries will face farm stress. Let us work at a solution, as the Oireachtas Joint Committee on Climate Action recommends, where we have more diversification and put the effort first into substituting for those vegetables and other can based foods we import in such undesirable quantities. We mentioned a number of foods such as oats, milk and berries. The hazelnut is a native species and nuts have a high nutrition content.

Senator Paul Daly mentioned percentages, balances and phased figures but percentages are always confusing, particularly at this time of the night. He mentioned that while health recommendations and climate constraints propose a reduction in the consumption of particular foods in developed countries, he rightly highlighted there is a rising population. The question is how to match those considerations. That is why climate justice and food equity principles are important. We must take account of the 840 million people in the global population.

There is the issue of carbon neutrality. Senator Paul Daly asked a good question, namely, can carbon neutral beef be achieved. It is a similar question to power generation. Can carbon

neutral power plants through using gas or coal be achieved? In theory, it can through carbon capture and storage but there is no viable option at present to have carbon neutral fossil fuel energy. Similarly, the research by Teagasc and internationally indicates there is no carbon neutral beef production. If we consider any of the bar charts for beef - we included one in the main document we circulated - the bar chart for beef is way up. Other animal sourced foods such as poultry and pigment are way down and the various pulses and bean based foods are lower still.

There is considerable confusion about carbon - carbon is methane and the whole nitrogen oxide, NO<sub>x</sub>, cycle. On the issue of beef production and its carbon impact, one aggregates nitrate and it is part of an overall calculation, but there is no remote prospect of there being carbon neutrality for beef. All Teagasc is showing are various models of marginal offsetting and abatement, which are only relatively small percentages. That is a tough message to communicate to people in the beef sector but equally the same message must be and is being confronted by the fossil fuel sector across the world.

Senator Mulherin's contribution focused largely on the vegan and balanced diet issue but I reiterate the Department of Health research indicates that a balanced diet does not necessarily require meat but can be achieved in protein from beans, peas and lentils. My colleague has answered some of the overarching issues raised by Senator Mulherin with regard to the schools pack, which of course was approved by the Department of Communications, Climate Action and Environment, and had a page with an introduction by the Minister.

**Vice Chairman:** That does not make it right. I thank Mr. Lumley very much.

I thank the delegates for attending the meeting and making presentations to the committee. That concludes our proceedings. I also thank members. We have been in session for more than six hours and I thank them for their forbearance and patience. As there is no further business, the meeting stands adjourned.

The joint committee adjourned at 9.35 p.m. until 3.30 p.m. on Tuesday, 16 April 2019.