

# 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 Céadaoin, 2 Márta 2022*

*Wednesday, 2 March 2022*

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Tháinig an Comhchoiste le chéile ag 5.30 p.m.

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The Joint Committee met at 5.30 p.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Martin Browne,	Victor Boyhan,
Matt Carthy,	Tim Lombard.
Michael Collins,	
Michael Fitzmaurice,	
Joe Flaherty,	
Paul Kehoe,	
Michael Ring.	

Teachta / Deputy Jackie Cahill sa Chathaoir / in the Chair.

## **Business of Joint Committee**

**Chairman:** I wish to propose a vote of sympathy to Senator Paul Daly whose father passed away late last week and was buried yesterday.

**Senator Tim Lombard:** I second that.

**Deputy Joe Flaherty:** I would like to be associated with that too. I want to pay tribute to Senator Paul Daly's father Seán. He was a great advocate for agriculture and the rural community. If ever we need a reminder of why we sit on this committee and what this committee is about, we should reflect on the life of a man who was of the land, dedicated himself to it and will be forever immortalised in the land. He was involved in racing through his local track Kilbeggan. He was involved in ploughing and so many aspects of farming. I am glad to see many of those traditions continued by his son. I know it is a great loss not only to the Daly family but to the wider agriculture community and the local Kilbeggan community. May he rest in peace.

**Chairman:** I thank Deputy Flaherty. I would ask him to pass on our condolences to the Daly family.

**Deputy Joe Flaherty:** I will.

### **Challenges in the Pig, Poultry and Horticulture Sectors: Irish Farmers Association**

**Chairman:** Before we begin, I remind members, witnesses and those in the Public Gallery to turn off their mobile phones or switch them to aeroplane, safe or flight mode for the duration of the meeting. It is not sufficient to put phones on silent because this will maintain a level of interference with the broadcasting system.

The purpose of today's meeting is to discuss the challenges facing the pig, poultry and horticulture sectors, particularly with regard to production costs and retail prices.

Witnesses giving evidence within the parliamentary precincts are protected by absolute privilege in respect of the evidence they give to a committee. This means that a witness has full defence in any defamation action for anything said at a committee meeting. However, witnesses are expected not to abuse this privilege and may be directed by the Chair to cease giving evidence on an issue. Witnesses should follow the direction of the Chair in this regard and are reminded of the long-standing parliamentary practice to the effect that, as is reasonable, no adverse commentary should be made against an identifiable third person or entity. Witnesses who are giving evidence from a location outside the parliamentary precincts are asked to note that they may not benefit from the same level of immunity from legal proceedings as a witness giving evidence from within the parliamentary precincts and may consider it appropriate to take legal advice on this matter. Privilege against defamation does not apply to the publication by witnesses, outside the proceedings held by the committee, of any matter arising from the proceedings.

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 any official by name or in such a way as to make him or her identifiable. Parliamentary privilege is

considered to apply to the utterances of members participating online in a committee meeting when their participation is from within the parliamentary precincts. There can be no assurance in relation to participation online from outside the parliamentary precincts, and members should be mindful of this when they are contributing.

We are joined today by representatives of the Irish Farmers Association, IFA, including Mr. Tim Cullinan, president, Mr. Roy Gallie, pigs committee chair, Mr. Nigel Sweetnam, poultry committee chair, Ms Niamh Brennan, horticulture policy executive, and Mr. Robert Malone, senior policy executive for retail. I invite Mr. Cullinan to make the association's opening statement.

**Mr. Tim Cullinan:** I thank the Chairman and committee for the invitation to discuss retailers and retail legislation. Before I start, I want to speak about the Ukrainian people and, in particular, Ukrainian farmers. I want to pass on our sympathies to them on what is happening out there at the moment.

Again, I thank the committee for its invitation to discuss the issues facing the pig, poultry and horticulture sectors. I am joined by IFA poultry chair, Mr. Nigel Sweetnam, IFA senior policy executive for retail, Mr. Robert Malone, and IFA policy executive for horticulture, potatoes and organics, Ms. Niamh Brennan.

The challenges facing the sectors we are representing here, namely horticulture, poultry and pig farmers, are multifactorial but centre around the increasing costs of production and the dominant position of a small number of retail buyers, resulting in ever tightening margins. These three sectors are going through a very difficult time. Energy, feed and fertiliser bills are overwhelming for farm families trying to run their businesses. These same farmers are being squeezed from all sides with the added actions of retailers who are relentlessly pushing down the retail price of their products and embarking on unsustainable discounting to encourage store footfall.

Produce from these sectors is dependent on the Irish retail sector for routes to market. Apart from mushrooms, virtually all horticultural produce is for the home market. Poultry production is centred around servicing the home market, with some low-value offcuts exported. The Irish pig sector, while generating significant export value of close to €1 billion per annum, is reliant on the home market, predominantly the retail trade, for 50% of all sales.

Retail food price deflation from 2010 to 2020 is putting huge downward pressure on farmers' margins. The falling price of food, and of fresh produce from the horticulture sector in particular, has resulted in squeezed margins for primary food producers and it now poses a significant threat to the viability of primary food production in Ireland in these sectors. The horticulture sector, similar to the pigs and poultry sectors, depends on getting a viable return direct from the marketplace as farmers in this sector generally do not receive direct payments under the Common Agricultural Policy, CAP. While there have been some moderate increases in food prices on the shelves in recent months, the reality is that between January 2010 and December 2021, the average price of all food declined by 9 %. Over the same period, the average level of overall consumer prices increased by 12.5%, according to the CSO. As a consequence, only a small number of horticulture growers have survived. They have been forced to scale up and all are extremely vulnerable today. This situation is replicated in the pig farming and poultry sectors.

The Department of Agriculture, Food and the Marine published a strengths, weaknesses,

opportunities and threats, SWOT, analysis of the Irish agrifood sector in 2021 and clearly identified that the primary producers' share in the value chain is very low and is well below the EU average of the total value-added share which is being passed back to farmers.

Today's retail environment is dominated by five players, Dunnes Stores, SuperValu, Tesco and the two discounters, Aldi and Lidl. Together, these five retailers constitute 90% of the total grocery market in Ireland. It is the latter two, Lidl and Aldi, that have fundamentally had the biggest negative impact on the price that primary producers receive for their produce. These retailers have used fresh produce in particular as marketing tools to attract consumers into their stores, offering fresh fruit and vegetables at discount prices that do not relate to the production costs. Retailers may claim that the cost of special promotions is funded by them and while this may be accurate on a short-term basis, the cost of such promotions is built into procurement prices over time. The reality is that the price farmers get paid each year has consistently declined up until this year. Many primary producers in these sectors have been forced out of business and many more will follow unless strong intervention in the market occurs.

Retail discounters Lidl and Aldi, in particular, use local-sounding brand names and fake farms and creameries to market many of their products. The IFA called out this practice in summer 2021, only to be hauled into the courts by Lidl seeking a court injunction to stop IFA from highlighting this potentially misleading practice. However, the court rejected the application by Lidl and awarded costs against it.

The average price of food increased by 1.3% in 2021, the first year that food has increased in over a decade. The price of food will have to increase further in order for the producers to be paid for their work. The massive increase in energy and fertiliser costs in recent weeks are well documented. These costs cannot be borne by farmers without significant increases in the food chain being passed back to the farmer. While there has been some recognition by the retail sector of these cost increases in recent weeks, it is not nearly enough. We need the food regulator that has been long-promised by this Government and that regulator needs to be given real statutory powers of investigation and enforcement to ensure that there is equality in the food chain.

The EU directive on unfair trading practices, UTP, was transposed into Irish law in April 2021. This is a step in the right direction, but on their own, the UTP regulations will have minimal effect. There is no recognition of the price required to produce a head of cabbage, a kilogram of carrots, a dozen eggs, a whole chicken or a pound of rashers in the UTP regulations.

We are bombarded with talk about sustainability. There are three pillars to sustainability: environmental, social and economic. Today in Ireland we have legislation underpinning two of these pillars, environmental and social sustainability. There is no legal protection for the economic sustainability of food producers. This has to change.

The Government has the opportunity today and must give the new food regulator office legal powers that go beyond the UTP regulations. It must have the authority to investigate and properly sanction those who breach the regulations. It must ensure the farmer's position at the bottom of the food chain is not abused as it has been for many years. The Department has set up the UTP enforcement authority as required under the EU directive on UTPs. The Government has committed to setting up and funding a food regulator, or food ombudsman, to ensure the implementation of the UTP directive and, going further, to provide greater transparency and reporting of where the value is being distributed in the food chain. Budget 2022 committed €4 million to the establishment of a food ombudsman office.

There were an estimated 350 commercial vegetable growers in Ireland in 2010. The IFA now puts this number at fewer than 100, only one third of what we had. This can be almost exclusively attributed to the reducing price being paid by the big retail buyers to their suppliers, forcing more and more of them out of business. The result is what we see on the shelves today: imported broccoli from Spain, imported tomatoes from Holland, strawberries from Egypt and raspberries from Morocco. All these crops can be grown and produced almost ten months of the year in Ireland, but only if the retailers pay the cost of local sustainable production.

Below-cost selling must be prohibited. The IFA is calling for this to be enshrined into Irish law and regulated by the new food regulator office. The discounting and degrading of food must be stopped. Retail buyers must be held accountable for the declining number of farmers in these vulnerable sectors of Irish food production that depend on the Irish domestic retail market. It is a sad state of affairs when farmers who are producing beef and dairy products, where over 90% is exported, are doing better in world markets than farmers supplying fresh fruit, vegetables, pork and poultry to be consumed here in Ireland.

I am calling on every Deputy and Senator here today to ensure legal protection is given to food producers. Legislation on the office of the food regulator must be prioritised and must be underpinned with statutory powers of enforcement. Below-cost selling must be banned. Fairness must be returned to a fundamentally unfair food supply chain.

**Deputy Joe Flaherty:** I thank Mr. Cullinan and the rest of the IFA delegation. It is always good to have them in. I have a couple of questions, so I will ask them very quickly and perhaps one at a time. On the pig sector, is the IFA happy with what the Government has recently announced in terms of supports for the sector or does it see any shortcomings?

**Mr. Tim Cullinan:** Any intervention by the Government or the State is always welcome. The pig sector is going through an extremely difficult situation at the moment. It is very impacted by the enormous increase in the price of feed, fuel and energy. It is a very serious situation and we will need more intervention from the Government. It is important that all stakeholders in the industry come together. It is about protecting a sector that is very vulnerable at the moment. I described where a number of vulnerable sectors are at the moment. We have seen a massive decline in the horticulture sector. We want to ensure we protect the pig sector going forward. Overall, there are 8,000 people involved or employed in the sector in Ireland. We have exports of almost €1 billion a year. It is very important as well that we have 50% of our produce sold here on the home market. That goes right back to the practice within the retail sector of using fresh pork as a loss leader and driving down the price. We need more measures from the Government and we also need legislation coming forward, which is the reason we are here this evening. It is a combination of funding and legislation and everybody in the chain working together.

**Deputy Joe Flaherty:** I will come to the legislation on retail, specifically, shortly. If we could turn very quickly to the horticulture sector, we have met with many of the producers and we are deeply concerned about the challenges that are there. Growing Media Ireland, GMI, would have circulated us with a snapshot of where it sees the sector at the moment in terms of the Government's guidelines and the definition of the sub-30 ha rule. There is a view that if it were to be clarified, in the sense that the 30 ha were set aside, anything above that could be left over to environmentally appropriate works. Is that in line with the IFA's view on that sector at the moment?

**Mr. Tim Cullinan:** Ms Niamh Brennan, our horticulture expert, will answer that question.

**Ms Niamh Brennan:** Our position is that there is a bit of ambiguity around the sub-30 ha definition. If the sub-30 ha plot of land was part of a larger-scale bog that had already been exploited for horticulture for the production of peat, it would be beneficial to the sector because one would be using a bog that had already been utilised and the machinery, etc., would be in place. This would be better than starting on a virgin 30 ha bog, as they outline it to be, where one is unsure of the quality of the peat that would be there, whether any infrastructure would be available in the locality or whether there would be any expertise to go into that. Therefore, we are in agreement with that. If the sub-30 ha plot of land was taken as part of a larger-scale bog, historically, that would be beneficial to the position at present.

**Deputy Joe Flaherty:** I am greatly heartened by the emphasis on retail in Mr. Cullinan's presentation. I take great heart when I see the IFA taking on the retailers and, particularly, the discount multiples. Everybody in the Government and everybody in every political party wants to see cheaper food prices and it is very important. However, it is set out there very succinctly in the consumer price index, CPI, over the past ten years that there is only one loser in cheaper food prices and, unfortunately, that is the producer at the moment.

I have a couple of questions on this. Clearly, we need to do more legislatively to support farmers, and the IFA has certainly set out some of that. The Government and the political parties need to stand shoulder to shoulder with the IFA on this issue. We need to take on the supermarkets and multiples. They have to be accountable. They have been very adept and successful at their marketing and they have certainly presented an image that they are a friend and are putting a warm embrace around rural Ireland. However, when one looks at the stark figures, that is certainly not the case. They need to be challenged. I am very supportive of any effort by the IFA to take the fight to them. I am interested to tease out where the IFA sees we need to go in terms of legislative support. Certainly, the food regulator is very important. The UTP has its shortcomings, and I suppose for Mr. Malone in particular, we would have seen the legislation on alcohol pricing recently. From my own discussions with small retailers, they would say that while it was not necessarily the aim of that legislation, it has levelled the playing field and the multiples cannot do the huge discounts that they were able to do. Suddenly, the corner shop off-licence is able to compete head-to-head with Dunnes Stores on the price of a bottle of whiskey. Do we need to get to a model like that? Is that where we need to get to in terms of food production and food retailing?

**Mr. Robert Malone:** Exactly. If one looks at a large retailer today, they have 18,000 lines in that shop. Therefore, one line will not make or break them, whereas everything that a small local retailer sells is important. Therefore, legislation is required. It does not necessarily have to mean that the consumer has to pay more for a particular product. However, the cost of production for the farmer must be recognised in whatever is paid back with the wholesale price. That is not happening now and it is why we continuously see fresh produce in particular with fewer growers. It is evident right across the sectors we represent today because they are more closely linked to the retail market. It is evident with 50% of all pig meat sold by retailers and virtually all poultry product sold in domestic retail and some food service. Retail is the biggest part of it. All of our horticulture, except for mushrooms, is sold in the retail trade as our president has outlined.

The commodities dealing with the export market are in beef. They are open to those markets and they are up and down; we are in a high period now. We can see today with high commodity input prices, we have not the response from the retail trade. That is the ultimate issue. We need transparency so we can see clearly who is taking what from the value chain. At least

if there is transparency people will have to stand up and be accountable.

**Deputy Joe Flaherty:** Is any retailer proactively engaging and putting its hand up as having identified an issue for the producer? Do any of them wish to work with the producers? Is it very much a case of them standing off and doing what they want, with the farmer and producer paying the price?

**Mr. Robert Malone:** We have done a full round of retail engagements and ultimately a discounter by its nature will look to offer value. They want it at both ends. They want it from the suppliers putting in product and that has ultimately driven down the price of food. According to the consumer price index, the price of food is down almost 10% over the past ten years. That is where the problem lies. They can all say they are engaging and we see many Irish flags and farmers' pictures in all retailers. Ultimately, it is where the man is buying the product and setting the price that we need to tackle this. Legislation is required to open up this process so we can get accountability. Below-cost selling is an issue but tackling it on its own is not the answer. We must have transparency and somebody to call out these retailers. We have seen it in the UK with Ms Christine Tacon in the role of food regulator. It worked there and we need something like that put in place here in Ireland.

**Deputy Joe Flaherty:** What about the aggressiveness of the discounters and their buying policies and practices? Is it fair to say that in many cases the producer is at the whim of those retailers, particularly with fresh products? A person with a product is basically told what price it will be bought at and there is no choice only to accept the price. Is that a fair analysis of the position with the discounters?

**Mr. Robert Malone:** It is a little overly simplified in that they recognise some cost increases. I know plenty of farmers and Teagasc that have done work on cost increases this year. As we know, this year cost increases have been above and beyond what is expected. Last October, in Ms Brennan's sector of horticulture, Teagasc did an excellent report identifying cost increases across different sectors. There were cost increases of between 10% and 20%. I know suppliers at the scale where they deal directly with a retailer. They have sought 10%, 15% or 20% of an increase and have got back half of it. That is the reality and they have not got full costs recovery. People can take some price volatility but these producers are looking at facing into 2022 at not recovering their costs; they will be producing below the cost of production. It is very disheartening to see a head of broccoli or cabbage retailing at less than what it can be produced for.

**Deputy Joe Flaherty:** I thank Mr. Malone.

**Chairman:** Before going to the next Deputy, I ask about prices in the pig sector. We knew input costs have increased dramatically. Can what has happened in the pig sector be attributed to the retailer or is it about world market trends? The price has dropped very significantly in the past couple of months. Horticulture and poultry is more home-based and would not be as prone to variations in the world marketplace.

**Mr. Tim Cullinan:** It is a very relevant question. Teagasc has done a nexus analysis of where the sector is now. Farmers are losing anything between €35 to €40 per pig currently, and that put in the context of a 500 to 600 sow unit means it is in the region of €50,000 per month. There are multiple reasons why it happens. There are pressures from the input side and on the back of Covid-19, there is the matter of transporting Irish pork, much of which is exported to China. We have an excellent export market but the cost of transporting that pork increases

because of factors such a lack of availability of containers and the increasing price of energy. It has put substantial pressure on the market. The import of grain into the country has been substantially affected by the cost of shipping.

The practices we see retailers using when it comes to fresh produce, whether it is meat or vegetables, continues to drive down the price. We employed Mr. Jim Power in 2019 to look in particular at the retail beef sector, as that was struggling at the time. I will quote a paragraph from the report at the time, as it is relevant to this evening's discussion. It states:

The growing market share of the discounters, such as Aldi and Lidl, has fundamentally altered the retail grocery landscape and retail food prices. The market share of Aldi and Lidl has expanded from 9.5% in October 2010 to 24.5% in November 2019. This is not unique to Ireland. The growth of discounters is altering the pricing behaviour of the rest of the retail grocery sector.

What has happened over the past number of years is that as discounters have moved into Ireland, there is what we might call a habit of using food as a loss leader. That is fundamental to the problem we are experiencing this evening.

**Deputy Martin Browne:** I welcome the witnesses. In the past ten years prices have fallen by approximately 9% and in the same period the number of vegetable growers, for example, has fallen to a third of what it used to be. Given that so much of the industries concerned have a reliance on the Irish market, is it incomprehensible that our current position has been allowed to develop to this stage? Is the challenge facing the sector even more difficult given that retailers have based their business model on the long-standing trend continuing and consumers have also become used to loss leaders and so on? Will the witnesses give an idea of the negotiating power of the sectors concerned? Will they give their views on the farm to fork strategy and the extent to which economic sustainability for the producers can be developed with officials to ensure food supply and security?

**Mr. Tim Cullinan:** I will deal with the farm to fork strategy first. We all know the challenges we must deal with in that respect. This is another challenge coming from the European Commission, involving taking out land and putting 25% of European land into organic farming, with less fertiliser and pesticide being used. In itself, that will lead to less food produced in Europe. That is very worrying, given where the world is now. We have seen that over the past two years people have been trying to produce food in very difficult times during the Covid-19 pandemic. Now we see what is happening in Ukraine, which is known as the breadbasket of Europe because it produces grain in particular for the feeding of animals right across Europe and the world. I am very concerned about the farm to fork strategy.

We all acknowledge there are many challenges around climate change. We are working to meet those challenges but we must be very careful not to legislate ourselves into a position where we end up with a food scarcity, which may well happen. If we continue on this journey, we may end up with a shortage of food. At that point, food will be at a price that the consumer will not be able to afford. We are clearly saying that the price of food has to go up. That is our position on farm to fork.

**Deputy Martin Browne:** I will ask one more question and then will let someone else in. I have to go to another meeting. On pigs, what capacity do farmers have to deal with the further increases in energy costs that are likely to be incurred immediately due to the invasion of Ukraine? We need to be realistic. The war is happening in real time so the consequences that



will be felt in higher energy costs will be felt more immediately. What are the IFA's views on what is needed? I refer to the €7 million package that was announced during the week by the Department. What impact will that have for farmers in the immediate term?

**Mr. Tim Cullinan:** There is massive concern, not just in Ireland but across Europe, on the natural gas supply in particular. Almost 50% of the natural gas that is consumed in Europe comes from Russia. We are concerned about that and about the impact of the increase in the price of energy. Pig, poultry and horticulture farmers are all massive users of energy so that will have a direct impact and lead to further losses for those sectors. In the pig sector specifically, the Deputy is referencing the €7 million direct aid package that the Minister has announced. That is a first step but it will take more for any sector that has the potential to lose somewhere in the region of €130 million, to quote Teagasc figures again, in a 12-month period. This is a substantial amount of money. The Deputy will be aware that many people in Tipperary are employed directly in the pig sector. This is because there is a large processing plant in Roscrea. Overall, 8,000 people are involved in the sector so we need more engagement from the Government and we need a strategy and more funding to get us out of the serious situation we find ourselves in.

**Deputy Martin Browne:** I will come back in later when I return from the other meeting.

**Deputy Matt Carthy:** I thank Mr. Cullinan and his colleagues for being with us. However, I must record my disappointment that we have set to secure a meeting with two Ministers and one Minister of State, who we have asked to be present to discuss the issue of horticultural peat. It is nothing short of a scandal that they have continuously refused to co-operate with us in that regard. Nevertheless, the issues that have been raised this evening are incredibly important and I thank our guests for bringing them up.

Perhaps the witnesses will take this opportunity to outline to laypeople how it is that the IFA's battle is with retailers. In my county, there was a protest outside Dunnes Stores by pig and poultry farmers recently. Many people stopped and asked me about it because the farmers do not sell their pigs and chickens directly to Dunnes Stores so they wondered why they were protesting outside the shop. I was trying to explain as best I could the issue of retailers suppressing the prices relating to agricultural produce. Farmers sell to processors and those processors agree a price with retailers. As a result, the first battle is with those who are underpaying the IFA's members. It does not matter if Dunnes Stores decides to give away the food for nothing if farmers are paid a fair price for it. That is all that we want to see.

**Chairman:** Two of them said they would attend that meeting.

**Deputy Matt Carthy:** They also said they would not attend unless the third fellow was there as well.

**Chairman:** The third Minister declined the invitation but two accepted it on the basis that they would all be present.

**Deputy Matt Carthy:** There was a bit of semantics involved.

**Chairman:** Two accepted and one did not.

**Deputy Matt Carthy:** I thank Mr. Cullinan for agreeing to come regardless of who else was here.

**Mr. Tim Cullinan:** I never miss an opportunity like this. The reason we are here is that this is a serious situation. I want to comment on the meeting with the two Ministers and one Minister of State. This is a good initiative on the part of the Chairman. It is important that the two Ministers and one Minister of State attend because peat is a serious issue. We have been engaging a lot with the committee on that topic.

Mr. Sweetnam is with me. He is chairman of our poultry committee. There is a lot of poultry in Deputy Carthy's area so I will ask Mr. Sweetnam to comment on this first.

**Mr. Nigel Sweetnam:** The reason we went outside Dunnes Stores is that it is our final link with the customer and it sets the level of price for our product. As poultry farmers, we see the multiple buyers as bully boys who have forced down the retail price of our products. Our products are produced to the highest standards in the world, yet we are getting one of the lowest prices in Europe for it. We have been to the processors looking for money but the intermediaries are already battling with the increase in the price of feed, which is astronomical and going up to €250,000 per week extra just to feed the birds. Their backs are to the wall and they have a poor relationship with the supermarkets, which are refusing to even give them a price increase for their costs, not to mind our costs. That is why we were at the door of the retailers and we got no response back from them. We have been waiting for representation from Dunnes Stores for three years so that is what brought us outside their doors and that is what it took to get it to talk to us.

Along with Mr. Cullinan and Mr. Malone we have met representatives of most of the supermarkets and they all know our costs. We did not have to tell them how much soy or gas had gone up; they all knew already. Getting the price back through the food chain is our big problem. Our costs to produce chicken are double what they were this time last year. As a result, the big battle we face is to get the money back to the farmers who need it.

**Mr. Tim Cullinan:** It is valid to ask how we ended up outside the doors of the retailers. Our farmers are all busy and they do not want to be outside the doors of retailers, nor do I. I wrote to all the retailers before Christmas because the problem was escalating and the reason we target retailers is that they are our route to the market. Some 50% of pigmeat is sold in the Irish market, which is an excellent market to have. It is the best market we have. The vast majority of poultry and horticultural products are sold in the Irish market as well. We engaged with a number of retailers but we protested outside the premises of the retailers that did not engage with us. As primary producers it is important that we are able to engage with all actors in the chain. We are relying on the retailers for a route to the market and that makes it very important that all actors will sit around the table with us to discuss where we are coming from.

The other reason we were there is because of the massive impact that the extraordinary price increases we are dealing with has, particularly with the cost of feed and energy. That has put us in a serious loss-making situation. The retailers we engaged with acknowledged this and they pointed out that they have a practice with a range of produce whereby they have contracts from six months to one year in duration. They gave us a commitment, which we need to see followed through on, that they would go back to their processors and suppliers because of the extraordinary circumstances and look at the contracts again. That is why we were there.

If one looks at poultry in particular-----

**Deputy Matt Carthy:** Why are the processors not the ones who are protesting outside the retailers? I am trying to get to the core of why that is not the case.

**Mr. Tim Cullinan:** I was coming to that. The money has to trickle down the supply chain from the retailer to the processor and down to the farmer. The ask from poultry farmers was for 15 cent of an increase in the price of a chicken and a 2 cent increase on the price of an egg. On pigmeat, they need to be able to get 50 cent at retail level down the line, which is a minimum increase at retail level. We had best be clear. The people dealing directly with retailers would be afraid, and there is no point in saying otherwise, to stand outside their doors as they would run the risk of being delisted. That is a major issue for them.

**Deputy Matt Carthy:** That prompts the next obvious question. Are farmers afraid to stand outside the gates of their direct contractor, as in the processors?

**Mr. Tim Cullinan:** No. We have engagement with the processors, which is important. If we did not have that engagement, we would have to stand outside their premises as well. We want to be able to engage and have direct dialogue with all actors in the supply chain. The retailers were not having that dialogue or engagement with ourselves and that is the reason we were outside their premises. It is very important in this sector that everybody would act together from the primary producer down the line. In some instances, there is a secondary processor along with a primary processor before the product gets to the retailers. All those actors must be able to engage in a proper manner. People must acknowledge when there are extreme circumstances, as there are currently with the extraordinary costs with which the primary producer is trying to deal.

**Deputy Matt Carthy:** I have a few more questions. I will be as brief as possible before the Chairman cuts me off.

**Chairman:** I am not in the habit of doing that.

**Deputy Matt Carthy:** No. The Chairman has been very easy-going and relaxed but I do not want to test him. How important is the establishment of a food ombudsman office in addressing the broad range of issues that were mentioned?

**Mr. Robert Malone:** It goes back to the Deputy's fundamental first question. The food chain, as it stands, is broken. If farmers are protesting outside a retailer with which they do not deal directly, they are doing that because their costs are not recognised through that food chain. That is why we are here. We need legislation to make this food chain transparent, to open it up to see who gets what and to make sure there is fairness right through the food chain. If somebody is dealing directly with a processor and is not on the ground producing pigs or chickens, he or she is a step removed from the reality facing the farmer. The Deputy is right in what he said. In normal circumstances Mr. Sweetnam would go into his processor to supply chickens, outline his costs and negotiate a price increase and that would be it. However, it has gone to a stage where that provision is not in the food chain. We need somebody with legal powers to do a legal overview of the food chain, to request the books to see who is getting what out of the food chain and where the value is going. Ultimately, that is why we are here today. We need to establish the office of a food regulator, fully fund it, have it up and running in order that, on foot of a complaint, I or anybody else can get the regulator to investigate it and call out malpractice. Ultimately, that is why we are here. Retailers are not recognising the cost of production.

**Mr. Tim Cullinan:** I want to make a further point before the Deputy comes back in. He asked how can we get a solution to this problem. The establishment of the office of a food ombudsman was part of the unfair trading practices directive. The Deputy will recall we had a beef task force. The Department commissioned Grant Thornton to carry out an investigation into the

margins along the supply chain, to ascertain what margin the retailer had and what margin the processor had. We all know the result of that was that we did not get an answer. The Deputy rightly probed that also. I was a member the beef task force for the final year of its term. When we were not able to get that information, the Minister came before the task force and committed to introducing primary legislation to establish a food regulator to strengthen the powers of the ombudsman.

I would like to hear from this committee that we would get its support to ensure that when the legislation comes on to the floor of the Dáil, the regulator would get proper powers. There is no point in introducing legislation if it is not targeted in the right direction. By that I mean the person appointed must have the power to ascertain where the margin is at. We know one thing for certain, the margin is not with the farmer at present. We are open and transparent. We are willing to show our margin. I ask the committee for its support in bringing forward that request to the Minister to ensure when this legislation comes on to the floor of the Dáil it will be effective and the person appointed will be able to check the margin along the food supply chain. We do not want to revert to what we had with the Grant Thornton report when it failed to find out the answer to that question for us.

**Chairman:** I assume the Bill will be dealt with by this committee and we will make our input into it.

**Deputy Matt Carthy:** That is if it ever comes before us.

**Chairman:** Now, now, Deputy.

**Deputy Matt Carthy:** As the Chairman will recall, I was a member of the European Parliament when the unfair trading practices directive was adopted. I voted against it because I did not think it was sufficiently robust. I thought it gave too much latitude for governments to take a minimal approach. The Irish Farmers Association had quite a go at me for voting against it and I was challenged in many a forum, but that is its job as a lobby organisation.

I will outline the problem I have with where we are at now. The Government transposed the directive, essentially, on the last day it could do so. It left it until the last moment and did it on a minimal basis, as I had feared. Since then, it has two or three members of staff working in the enforcement unit it was obliged to establish. Last May, the Minister told the Dáil he intended to establish a food ombudsman or regulator by the end of last year. He told us this month it will be established by the end of this year. It is nine months since the original commitment was given and we have been told it will take an extra three months than was originally anticipated. Does Mr. Cullinan have confidence on foot of his direct dealings with the Minister or the Department that when we have sight of this legislation, it will do precisely what he has set out, namely, it will have the teeth to address the imbalances that exist within the food chain?

**Mr. Tim Cullinan:** My response to that question is that the Minister was on his first trade mission to Dubai two weeks ago. Unfortunately, we were protesting outside two Dunnes Stores retail premises at that time. The Minister's was very clear in what he said when answering a question put to him by the media seeking his response to the action taken by Irish farmers. This is an important point. He clearly stated that farmers cannot continue producing food below the cost of production. If the Minister and this House are serious about that statement, it will take legislation to address it. The Deputy asked me if I am confident about it. I suppose I have to be confident and I like to take people at their word. The Minister spoke at our annual general meeting in the Mansion House a few weeks ago and he clearly stated this legislation would be

on the floor of the Dáil during the first quarter of the year. It is March now and we need it to be brought to the floor of the Dáil before the end of March.

**Deputy Matt Carthy:** I have two further questions. Ms Brennan will probably be best placed to answer both of them. A €7 million package was announced for the pig sector, which will work out at approximately €20,000 per pig farmer. The Minister is on record as saying that is all he is allowed to give under the *de minimis* rules. What else is needed? Has the IFA a proposed avenue in order to support pig farmers who are still on their knees?

My second question relates to horticultural peat. The horticulture sector is dealing with the same challenges faced by every other sector with increased input costs and energy costs, in particular, and there is a matter of how we address that. Where does the threat of peat input fall in terms of the price crisis? Which is more important? Deputy Flaherty mentioned plots smaller than 30 ha. Have any statutory bodies engaged with the IFA to deal with the proposal in the working paper on this issue that will address how we can extract peat in a sustainable way on plots smaller than 30 ha?

**Mr. Tim Cullinan:** I will answer the question on the funding for the pig sector and Ms Brennan will address the horticulture issue. We are clearly stating and understand that any funding we get is taxpayers' money. We are conscious of that. We are trying to support a sector. Much of the money generated in this sector goes back into the local economy, which is important to remember too. The Minister can increase the funding above €7 million. I am acutely aware of that. More funding will be needed. We need everybody to sit down and negotiate how that will happen and to put in place structures around it. The Minister is not restricted to just €7 million. More funding can be provided. It is critical that we have a structure and a way to protect this sector until a time that the market starts to improve. The market will improve. The major concern is about where inputs are going. I mentioned the situation in Ukraine earlier. This is worrying. Will we be able to lower input costs again? There has to be more intervention in funding by the Minister and Government.

**Ms Niamh Brennan:** I will address the question on the horticulture sector. The peat issue has been overshadowed by the retail issue and the crisis in the horticultural sector in the last weeks. The issue is still to the fore. We are losing growers from the industry because they cannot continue to endure the measures. In the 1999 census, there were nearly 400 horticulture bed growers. In 2014, there were 150. It is now estimated that there are fewer than 100. Our critical mass has been eroded. It is feared that if we go below that, we will not have a core base to be able to re-establish the horticulture industry. There is no point in talking about any policy or specific strategy that is in place to try to expand or redevelop the sector if we do not have that core mass.

The availability and subsequently the cost of peat is a significant issue. We estimated before Christmas that the cost would have increased by over 40% because of the imports. There are also issues of the quality and availability of that peat. We are continuing to bang the drum about that. We recently engaged with the Department on this, especially with regard to the proposed action plan that was published alongside the final report. We did the final report. Members of the IFA were involved with it. There were 14 meetings to try to find alternatives to peat. It is evident that they are not available at the minute and it will take some years for them to be in place. Our main issue was the contradiction in that action plan, whereby it focuses on bogs smaller than 30 ha. That will not be sufficient in the short term for peat for the commercial horticultural sector. We need peat in substantial quantities for commercial matters, not just for the hobby market. A certain quality and quantity need to be available, especially in the current

market. We will come back to that. I welcomed the Deputy's earlier comment about ministerial engagement.

The two main positive points in the action plan are that two experts are to be appointed. One is to address legal aspects for anyone wishing to be involved with the bogs smaller than 30 ha, while the other is to find out the actual requirements of the Irish horticultural peat industry. We welcome that. We want those people to be appointed as soon as possible. There cannot be more delays. We have been waiting for this final report for more than a year, with many meetings. If there is to be the same scenario, waiting for those two experts to be appointed, we might as well put that to bed.

We will take the peat issue further in the next weeks. The issue of retailers and margins is to the fore. Import substitution is mentioned in various policies. In 2020, we imported more than €1.3 billion worth of fresh fruit and vegetables. Import substitution erodes the critical core mass of growers. Where is the opportunity? They will not be allowed an opportunity, not to mention the issues of peat and labour. We will not mention that today, but all of the issues that existed last year are still there. It is becoming more critical because the margins are eroding and we are losing growers.

**Deputy Matt Carthy:** I have to run to another meeting, but I will try to come back.

**Senator Tim Lombard:** It is great to see the president and members of the IFA. Much has been covered. We have representatives here from the pig, poultry and horticulture sectors. It is obvious that the system is broken and that is why the witnesses are before us. This can be compared with the dairy sector, where we have a co-operative movement, and there are not the same governance issues encountered by farmers. If Nigel has a problem with his milk price, he can go to the Bandon or Carbery co-operatives. There is a line of command all the way. In this scenario, farmers are very vulnerable when it comes to the retailer. Other members have mentioned where the processor fits into this sector. They are not co-operatives, but private industries in many ways themselves and they must make a buck too. Tying the farmer, the processor and the retailer in together to make sure that farming at the primary level can be supported is a significant issue. Do the witnesses believe the food ombudsman is the silver bullet to solve this? We need to progress legislation to have the capability to tie all three together.

The UK model has worked to a degree. It is not the success story that we have talked about here. I am concerned that the silver bullet that we have talked about, which is the ombudsman, and that person tying all three entities together within years will require a huge amount of work. We need a template of how that can help. I am interested in the witnesses' views. Is the ombudsman the silver bullet for the industry? Can it be legislated for appropriately and financed appropriately? What membership and workforce will the ombudsman's office have to deal with these substantial, complex issues? We have seen success with ombudsmen. Ms Dixon is in charge of data protection and is undoubtedly one of the most competent and capable people in Europe. There are issues with ombudsmen around Ireland. They have not been the success story that we have talked about before.

Will the president tell me his vision of what power the ombudsman would have? How would the ombudsman deal directly with all three entities that are being talked about? How does he believe that body can be funded appropriately? Who should fund it, so that it can deliver for farmers at the farm gate?

**Mr. Tim Cullinan:** That is an excellent question. We need a system that will work. There

are four sectors involved, because the potato sector is similar. It relies on the retail market. I spoke to people from the potato sector yesterday. They are in a similar situation to the one being discussed here. Last year, our concern was about liquid milk. It also relies on the retail sector. The Senator is right that the system is broken. We have to find a solution to that. The UTP directive in itself will not resolve this issue. I have been clear from the start that a number of things need to happen and the Minister bringing forward primary legislation relating to a regulator is one part of it. The UTP is a softer approach but we need the legislation, which is why I would like a commitment from this committee around that legislation and that this person will have the powers. The Senator is right. There are three actors in the chain - ourselves, the processors and the retailers. We need clarity once and for all. All of the people around this table this evening have been working to try to establish where the margin is for a long number of years and we have an opportunity now. We need the help of these Houses. The first thing we need is legislation around this regulator.

Regarding the second part of it, this has happened recently with the banning of below-cost selling of alcohol and using alcohol to get consumers into stores. We cannot and will not be allowed to continue with the practice because we will not survive. The sectors we represent will not survive if we continue with the practice of below-cost selling of our produce. From the day discounters came to this country, the practice of using our produce as a loss leader started. They put photographs of farmers inside shops and then discounted our produce.

The Senator mentioned funding. The Government must put funding in place. This funding will be used very well if we can get a solution to this and we do not end up in the current situation where pig farmers are losing anything up to €40 per pig and poultry farmers risk going out of business. We have already seen a mass exodus from the horticulture sector. We have to make this work for the survival of these sectors.

**Senator Tim Lombard:** I compliment Mr. Cullinan on his presentation regarding the pig industry. A package of somewhere in the region of €7 million was put in place for this industry. Mr. Cullinan mentioned that a Teagasc report put losses in the industry at €120 million in losses. I might be wrong. If so, please correct me. Given that the cost of energy, feed and labour is only going one way in the next 12 months and the cost of transport is a significant issue when it comes to getting products to market as it is only going one way as well, where do Mr. Cullinan and Mr. Sweetnam see the future when they look at the pig and poultry industries? These are not short-term issues. You could argue that the survival of these two industries in particular is a long-term issue at this stage when it comes to the projected price of energy, feed, labour and transportation.

**Mr. Tim Cullinan:** The Senator is right. We have massive concerns, one of which concerns feed. If we are going to survive, we are going to have to get a better return from the marketplace. There are two areas we can get that. I will speak about the pig one while Mr. Sweetnam will speak about the poultry one. Fifty percent of what pig farmers produce is sold here at retail level. It is paramount that we get regulation around this in order that we can see where the margin is and regulate so that we will get a fair price going forward. That is part of the solution.

We can look at energy as well. For years, we have been listening to the Government saying that farmers are part of the solution in respect of climate change. If the Government had a proper policy on renewable energy, we could become energy producers ourselves, which would alleviate part of the problem around energy, so there is more we can do. The Senator is right. We need to look at where our energy is coming from. The value of energy being imported into this country is in the region of €8 billion per year. We as farmers are willing and able and have

been asking the Government for support on this for a long number of years. It is high time Government took this issue seriously.

They are the areas we must work on. Inputs like feed are out of our control. It is about market forces and world market prices and we have to deal with those. The solution in the pig sector and other sectors is, first of all, about being able to get a proper price at retail level. Obviously, we will have to work on world markets as well. There is a job of work for Bord Bia to do to find and open up new markets. There are markets in regions of North America and we need more promotion. There is demand for pigmeat in California at present. These are areas we need to focus on. We all understand that the past two years were very difficult for our agencies, including Bord Bia. The Minister was on his first trade mission in Dubai only two weeks ago. We need to see more trade missions. We need to get out there and get a foothold in new markets. Mr. Sweetnam will give us an update on the poultry sector.

**Mr. Nigel Sweetnam:** There are three strands to us getting money back into the poultry industry. The first is the regulator to make sure we do not end up in this situation again. In the short term, we need a price increase for our product. I have seen 20 years of false dawns in renewables. I had one of the first biomass boilers that could actually burn poultry litter and produce energy. We could have a carbon-neutral chicken and produce electricity and heat from the litter under the chickens. Two thirds of the litter would produce enough energy to rear that chicken but that needs to be supported. It is being supported everywhere else in Europe. We are competing against chickens in Northern Ireland. Twenty years ago, I put a boiler into my farm. If I put in the same boiler in Northern Ireland, I would be getting £79,000 per year in a subsidy. Here, I got nothing. I had the first licence in Europe to burn poultry litter. We have spoken about renewables here but that is all we have done. We have just paid lip service to it. The only green measure we have had to date has been a carbon tax, which is another joke. Paying VAT on carbon tax is crippling us. It is a tax on a tax. This is one area we could look at immediately. Carbon tax could be suspended or at a minimum, we could ensure that no VAT is applied to it. To go back to electricity, every poultry house in Ireland should have solar panels on the roof. It is a no-brainer. There are huge sheds, the facility and usage are there and it is 24-7 so whatever power that is produced during the day will be used inside the poultry house and that can be supplemented. Reverse metering on electricity is not a big ask. The Minister announced targeted agricultural modernisation scheme, TAMS, funding in this regard but limited it to 5 kW or 12 kW. That is a domestic house, not a poultry farm.

Those are three areas. We need an immediate price increase to keep the show going. We have seen guys getting their returns back from the factories and because they are paid by the processor, their energy bills are double what they were this time last year. When we protested outside supermarkets, we saw there was a willingness on the part of the public to pay an additional 15 cent or an additional 2 cent for the egg guy. Some of the discounters were offering half of what we needed but that is just not an option. We have to get cost recovery and that is only to maintain our margin. We are not looking to improve our margin. In the long term, we are looking for the regulator in order that we are not in this situation. Another thing we are looking for is proper support in renewables, not just lip service.

**Senator Tim Lombard:** Ms Brennan might give me an outline of the timelines applicable to the harvesting of peat and where we are with regard to that issue. How serious are we now regarding having a Minister get involved directly in order that we can have peat harvesting at the appropriate time required this year? The clock is ticking. The need for peat to be extracted is very much required. The horticulture industry in particular needs it rather than for it hav-



ing to be imported directly from another country, which is slightly bizarre when we look at the carbon footprint involved. The IFA might give us its view regarding the timelines pertaining to when we potentially need to have licences in place in order that we can have the extraction of peat required to keep the industry alive.

**Ms Niamh Brennan:** I thank the Deputy. The answer is immediately. We are importing peat every week at the minute. The Minister told us a stockpile of 2,000 tonnes of peat was found when the final report was outlined but, unfortunately, he failed to mention that these 2,000 tonnes will not be of any use to the mushroom sector. We were not aware of the quality or availability of the 2,000 tonnes. That will go nowhere once the main season begins. That answer is that we need it in place immediately if the Government wants to put an end to this environmental hypocrisy whereby we are importing peat to keep the show on the road. Our main season is starting. The amenity sector will have an event next year to mark the beginning of the season. It is in place. The way the environment has gone, people want local fresh produce with a sustainable substrate in order to do that. My answer to that question is immediately.

**Senator Victor Boyhan:** One of the things about going last or waiting so long is that most of the questions have been asked. It gives me the opportunity not to repeat the questions already posed but to have a conversation with the witnesses. I want to start by welcoming the IFA. I was in the mart in Kilcullen last Tuesday and, over a cup of coffee, a number of people asked what the IFA was doing for them. We are talking about prosperous country that comprises Timolin, Moone and Ballitore, down into County Carlow, and Athy and Fontstown - great agricultural lands and communities. I was glad to say that the IFA is doing a hell of a lot. That is really important. I said it is in and out of these Houses at night working for and representing them. I want to acknowledge that.

As someone who has sat on this committee for two years, I see the work of the IFA. I see media coverage in the *Irish Farmers Journal*, *agriland.ie* and all other publications and provincial papers. We have them all upstairs in the library. They all come in here on a Thursday and I take the time to look, read and see the measure of the publicity.

I am not going to be critical but I will give the IFA a little bit of advice. The ask has to be very succinct. I sit and hear people around this table talking about being disappointed. The reality is that we have a national Government made up of Fine Gael, Fianna Fáil and the Green Party. The reality is that we have three Ministers in the Department of Agriculture, Food and the Marine, namely, the Minister, Deputy McConalogue, and the Ministers of State, Senator Hackett and Deputy Heydon, who is from County Kildare. I unable to square up why we are having these difficulties in agriculture when we have three Ministers. It has been ably demonstrated today when we have a situation whereby we cannot get the three Ministers to appear before this committee. Here we are; it is not the IFA's problem but our problem in these Houses. Yet they come in every week, eloquently read the IFA's statements and ask us to tell them what we think. There is a bit of a disconnect there. We need to sharpen up our messages. I sit on the Joint Committee on Housing, Local Government and Heritage and see how representatives from the construction industry come in. They do not make any secret of what they want. They spell it out crystal clear and make hard, sharp asks. I say that in a helpful way not to be too provocative. That is an important thing to say, however.

I acknowledge the enormous work done by the IFA. I think back on the great politics of agriculture and the witnesses' predecessors, who managed and leveraged that political power on politicians. We need to do something on that. I want to share that with the witnesses. I thank the IFA for its ongoing briefings. I read its statement today and there are two issues I wish to

take up.

I acknowledge the importance of the horticultural sector being the fourth largest after beef, dairy and pigs. I am really saddened and disappointed by what Ms Brennan said but she has given us a dose of reality today in terms of the horticultural sector and our growers dropping. I like to divide horticulture into ornamentals and crops, and then, of course, the mushroom sector on its own. What a wonderful industry we have had up until now. I think we are somehow failing to communicate the real challenges. Somehow, we cannot crack it. We had debates in the Dáil and Seanad on this issue and yet we have a national Government and three Ministers in the Department who are all based in rural constituencies representing rural communities. I do not understand that.

I would like Ms Brennan to provide some more detail to the committee although not necessarily today. I would like more detail with regard to the mushroom sector and the real prices. We need to be equipped with the knowledge the IFA has as professionals representing those sectors, be it poultry, pigs or horticulture, to continue to advance an argument. No one has taken this seriously to date. That is really disappointing. As I said, I think that is important. I understand that horticulture is not a big sector in terms of IFA representation. Yes, it has the horticultural sector and forestry and all the other bits but it is an area in which we have great opportunities. There is a demand for horticulture, food and so forth.

I also want to pick up what on someone said. If we look at all the multiples and advertising in all the papers, they have suddenly glamourised farming. Farmers now have designer boots, coats and jackets, and lovely orange carrots that are varnished. They are using this to sell produce. I will not name any of them. I will not give them that publicity. I bump into people and ask myself whether it is a real person or not. They are all dressed up in Hunter boots, cut-off jackets and designer hairdos with their family - Johnny and the designer sheepdog - telling us to buy Irish and wear Irish producers. It is a very nice image and I am impressed by it but we cannot be fooled by it. That is another concern. I see the concerns in terms of the multiples and the challenges the IFA has.

On page 4 of the IFA's submission, there is a reference to UTPs. Clearly, such practices are hugely challenging for the IFA. The Minister is undertaking a survey, which is to be completed by 15 March. Has any of the IFA's members engaged in that. Has the IFA encouraged them to engage in that? What is its view of the survey? It strikes me as yet another survey. Surely, the Minister and his officials know what the problems are. They do not need another survey of farmers. I do not know the uptake in respect of all of that. The IFA might share with us its knowledge of the survey, how it is going and what it thinks of it. Dare I ask if the IFA thinks it is even necessary. I do not necessarily think so but I would be interested to see the results of the survey.

The national food ombudsman's office is in the programme for Government, therefore, I presume this Government is going to implement this. Ultimately, the national food ombudsman will eventually take over the powers of the unfair trading practices enforcement authority. I would be interested in the witnesses' views on that.

As I said, I acknowledge the important work the IFA does on behalf of farmers across the country. They do not see it here tonight. It is not necessarily reported in all the media. The IFA provides a great service to agriculture and to the rural communities in this country. It is important to say that.

**Mr. Tim Cullinan:** I thank the Senator. I welcome his acknowledgement of the work the IFA does. He mentioned the horticulture sector and representation. I will be very clear on this. We represent a multitude of all farmers. We focus our attention, in particular at a time when any sector is in trouble or bother, by putting extra resources and time around that sector, which we are doing within the three or four sectors we are representing here this evening.

**Senator Victor Boyhan:** I acknowledge that.

**Mr. Tim Cullinan:** The Senator will also be aware of the campaigns we had last year regarding peat. We were all very disappointed with the reaction we got. The Senator is right; there are three Ministers in the Department of Agriculture, Food and the Marine. We probably should not have to be here. This is our job, however, and we must continue to highlight the concerns within our sector.

The Senator made one excellent point when he spoke about a national Government. We have the two main parties in government, but we also have the Green Party. I get confused. I cannot really understand the policy of one party in government, namely, the Green Party. It is important that we have an open debate when we are here.

**Senator Victor Boyhan:** A frank discussion. Hear, hear.

**Mr. Tim Cullinan:** The Green Party's policy is that we should all grow more vegetables, even in counties Cavan and Monaghan, which would be a challenge, to say the least. At the same time, we are now looking for support for those sectors and we do not seem to be getting it. There is a misdemeanour here somewhere. We have a party encouraging the growing of more horticulture and this serious situation where we are seeing a serious decline in that sector at present. I have to question the policies and how this will help the climate change debate, which we are engaging in and working on. Farmers have already done a lot around climate. I am confused regarding that.

The Senator spoke about getting the three Ministers in front of the committee but another group needs to appear, one we have been discussing for the past hour, which is retailers. It would be a very useful exercise to get the other side of the story as well. I am not telling the committee what to do, but if that could be facilitated, it would definitely be a very useful-----

**Senator Victor Boyhan:** Mr. Cullinan is giving us guidance.

**Mr. Tim Cullinan:** Yes.

**Senator Victor Boyhan:** Bring it on.

**Mr. Tim Cullinan:** We could give it guidance. The Senator mentioned farmers being dressed up and all of this that goes on. I will bring us back to June of last year when one of the discounters was using fake brands and fake creameries. The advertising was incorrect and when our association took a stand and highlighted this in the media, which was the proper thing to do, it did not go down very well with that particular discounter. It took a challenge against us, went all the way to the High Court and sought an injunction against our association, which was highlighting fake branding by that discounter. That was very concerning. The outcome was correct in that the judge saw that the discounter was incorrect in what it was doing. Not alone did he not grant the injunction, he granted us our costs on the day. We should not have to go to those lengths to try to protect our sectors. That is the length we had to go to last year. The reason I referred to that is the Senator asked me about a survey. I have not engaged in a survey.

Like him, I believe we need to sit around the table with these people and engage, as I said, with all the actors in the chain. That is the survey we need.

I will go back to what the Senator said, which is very important. The Seanad is a very useful part of the Houses of the Oireachtas. It goes back to us needing every bit of support we can get. He is correct about the food ombudsman. We need more around this legislation and around a regulator that will get in there and will see whether the margin is with the retailer or processor. The other side of it is that I am asking the Senator for the support of the Seanad tonight, in getting the legislation to stop, once and for all, this practice of below-cost selling.

**Senator Victor Boyhan:** I will reply to one or two points. The IFA has my support unequivocally. We have an agricultural panel in this Seanad, which always reminds me of how engaged our agricultural bodies are with that panel. It always strikes me. I acknowledge the enormous work of the agriculture members on the panel who are present, including Senators Tim Lombard, Paul Daly and others, who work exceptionally hard. I actively engage with them. They are representing agriculture in the Seanad on panels that the IFA has a major influence on. I believe it can use them.

I will make an ask of the IFA because it is important to make asks of all of us, to assist us in getting the three Ministers who represent three rural communities and the IFA's membership in those three constituencies in front of the committee. We are talking about Laois-Offaly, Donegal and Kildare. I ask the IFA to use its influence and, by Golly, it has influence in the media, including the *Irish Farmers Journal* and other publications. I would like it to use those publications; I understand the IFA is a stakeholder in the *Irish Farmers Journal*. It might use that influence to put pressure on the three Ministers to support us in our fight to support farmers. I look forward to running to the Oireachtas Library and Research Service next Thursday to see that. The deadline might be too tight for this week, but I want to see the IFA supporting us to get these Ministers in front of the committee so we can hold them to account for the IFA and the industry.

Ms Brennan might like to touch on the seriousness of the peat issue.

**Mr. Tim Cullinan:** Before Ms Brennan responds, the Senator will know that whatever support we can bring, we will.

**Senator Victor Boyhan:** Good. I appreciate that.

**Mr. Tim Cullinan:** I will speak to the three Ministers involved. It is critically important that they come before the committee. As I said, the horticulture situation is very serious. We do not want to see the demise of another industry. We saw the demise of the beet industry a number of years ago. Once an industry goes, we can never revitalise it again.

**Senator Victor Boyhan:** The pen is mightier than the sword. The IFA has significant editorial margins in publications, which could be helpful. Ms Brennan might talk about the seriousness of the peat issue.

**Ms Niamh Brennan:** Absolutely. It was at a critical point this time last year, let alone now. I will touch on the mushroom industry. A number of our members have been involved directly with the committee on this and they are happy to again meet anybody here at any opportunity in order to get across the exact criteria of the mushroom industry. Many of those in the mushroom industry in particular are very frustrated about the fact their exact requirements were not known by certain members of the Government or outlined in the final report. There could have been a

figure for the mushroom industry that was counterproductive to its requirements. In addition, there is 80% water in any mushroom peat that needs to be imported into the country. It is at a critical point. If the mushroom industry gets to a stage where it has to import a product that is 80% water into the country, we have to ask ourselves a big question about what we are doing.

**Deputy Martin Browne:** I will let Senator Boyhan know, it is not guidance. It is our Tipperary way of pointing someone in a different direction. The Chairman and the Senator would know that.

My question may have been answered. There seems to be a very relaxed attitude at departmental level to giving the unfair trading practice directive the teeth it is supposed to have. I do not understand why that is the case although maintaining the *status quo* seems to be the preferred option by the looks of it. Will the representatives give us the IFA's take on it?

**Mr. Robert Malone:** I will answer that. The unfair trading practices directive is a European directive. As Deputy Carthy outlined, he was involved in it a number of years ago. It goes not go far enough. If we go through it, there are 16 unfair trading practices that are banned by the directive and minimum requirements are to be enforced for all new contracts and existing contracts from 28 April this year. I have no doubt they will be but they do not go anywhere near far enough. The words "price recognition" of the cost of production are never mentioned in the context of an unfair trading practice. Terms and conditions of trading, terms of payment and those kind of things are mentioned as they relate to unfair trading practices. That is why we are here today.

To go back to the Senator's advice, we have a specific ask. When committee members get a chance to scrutinise this legislation, we want them to look for proper teeth in the powers of the food regulator or the ombudsperson, whatever it is termed, of engagement with retailers, investigation and enforcement in order to call out people who are not recognising the cost of production. Whether it is Mr. Cullinan as a pig farmer or Ms Brennan's horticulturist members, their costs of production are not recognised in those prices. That is ultimately where the problem is. If the price set by a retailer for a packer or processor is not enough, the farmer will ultimately lose.

**Mr. Tim Cullinan:** I will also answer that. We are at a critical juncture in all of this. The Deputy is correct that the UTPs will not do what we need done now. We need to strengthen the UTP and the only way we can do that is through legislation. Again, that legislation will be coming to the floor of the Dáil. As we said earlier, the Minister has committed to doing this, but the legislation must be strong and capable of giving a person the power to go along the food supply chain to see where the margin is. We saw this in 2018, when farmers protesting at the gates over beef prices led to the establishment of the beef task force. As we stated here earlier, Grant Thornton failed to find out where the margin was at the time. We now have an opportunity to protect all sectors in farming but the legislation needs to be strong. It will be scrutinised properly in the Dáil and by this committee, which is important. The legislation needs to have power. We need to go a step further than envisaged in that, as well as having a food regulator, we need a regulation to prevent the use of food as a loss leader within stores once and for all. Our real ask this evening is to have the legislation we require. It will protect a sector in rural Ireland. It will protect not just one sector but four or five whose only route to market is the retailer. We need protection from retailers. We never see the profits of many retailers. They are in this country but their headquarters are in other countries right across Europe. We just have to get the legislation to protect our sector.

**Mr. Nigel Sweetnam:** We do not want to be bringing fleets of tractors and big silage harvesters into supermarket car parks to block up everything. Ninety-five percent of the people we met in Dunnes Stores in Cork were supportive of the 15 cent increase per chicken that we were looking for. That was all we were looking for to cover our end and keep us profitable. We want support from the committee for the establishment of an ombudsman or regulator to do the job for us. We should not have to be doing what we did over the past two weeks. There should be a statutory approach. Supermarkets should not have the power basically to throw away our product to get footfall.

**Deputy Martin Browne:** I appreciate that. I support Senator Boyhan. I appreciate where the Chairman is coming from, in that two Ministers agreed to come, but the Ministers are like three children, in that we cannot get the three of them into the committee together. I encourage the IFA and other bodies to put pressure on the Department and Ministers so the latter will come in here, as Senator Boyhan requested, to help us to help the delegates. While they are dragging their feet, it is very hard to put any plan together. As Senator Boyhan said, the delegates need to start putting massive pressure on the three Ministers to stop this nonsense of saying one of them is not coming but that another is, or that they will appear only if all three are together. They should appear before this committee to start answering questions so we can start helping the sectors.

**Chairman:** That is it. Deputy Fitzmaurice has been on hold all day. It is not like him to be so quiet. I texted him but he does not seem to be available.

I thank the representatives of the IFA for attending. They have made an excellent presentation to the committee. The legislation is very important. We will write to the Minister and look for an exact timeframe as to when it will be before us. All stakeholders, including retailers, will be invited in to give their views on the legislation and how it will work in practice.

Below-cost selling of alcohol was mentioned already. The measures put in place have levelled the pitch. They were implemented on health grounds more than anything else but the matter under discussion is about the survival of important sectors in our economy. I assure the delegates that members will do their utmost to ensure the legislation introduced will have the teeth necessary to do what we want it to achieve, that is, to prohibit below-cost selling using loss leaders to attract footfall to stores at the expense of the primary producer, as mentioned by the IFA president on a few occasions. That practice has to stop. We need to get a fair price for our produce. A price that covers just the cost of production is a very fair ask. This committee will do all it can to get the legislation through as quickly as possible. It will be before us for pre-legislative scrutiny. The delegates will be here again at that stage to comment on it and to suggest amendments reflecting what they need to see done. As I stated, we will write to the Minister to look for an exact timeframe. All stakeholders will be involved when we get into the legislative process.

I thank the delegates. The next private meeting of this committee will take place on Tuesday, 8 March at 3.30 p.m. The next public meeting will take place on Wednesday, 9 March at 5.30 p.m., when we will be examining CRISPR-Cas9. The witnesses will be from State agencies and will be subject-matter experts.

The joint committee adjourned at 7.17 p.m. until 5.30 p.m. on Wednesday, 9 March 2022.