



**Press launch of
Irish Natura and Hill Farmers Association**

10-Point Plan

***For the future of suckler beef farming
and ensuring food security for
EU citizens and consumers***

July 11, 2019



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INHFA 10-Point Plan

For the future of suckler beef farming and ensuring food security for EU citizens and consumers

Introduction

The importance of our beef industry to the overall economy is a point that has been well documented. Its role in the direct provision of jobs and the knock on affect throughout rural Ireland is vital in sustaining many communities. However, any analysis of our beef industry needs to address the clear difference that arises from the two major components of this industry, those being the dairy produced beef and the suckler produced beef.

While both of these products are marketed as Irish beef through the Origin Green programme they are very different products as evident through a number of factors. The first factor that distinguishes suckler beef from dairy beef is its lower carbon footprint as outlined by Teagasc which has shown that “on a hectare basis the average beef farm produces less than half the Green House Gas (GHG) emissions of the average hectare on a dairy farm” (Teagasc National Farm Survey, 2017). In addition to this there are other environmental bonuses’ coming from the more extensive farming systems favoured by suckler farmers, especially in relation to water quality.

Another notable factor is that suckler produced cattle have higher beef efficiency levels and normally grades better than beef from the dairy cow. Finally, from a marketing viewpoint the fact that the calf is reared on the mother gives it a major advantage as we move into an era of increased awareness of animal husbandry.

Brexit, Mercosur & other challenges

Currently there are a number of very obvious threats most notably Brexit and the Mercosur Trade Deal that have the potential to devastate our beef sector. Of these two we believe Brexit is the largest and the most immediate threat. Whatever the outcome on the 1st November it is essential that we continue to have tariff free access to the UK market.



While we accept our Government are in a difficult position there is an expectation that any final deal will not sell out our farmers and rural Ireland.

The Mercosur Trade Deal while not as immediate as Brexit has in the coming years the potential to sink our beef industry. The concern we have is not just about the current proposal of 99,000t of prime cuts. This proposal is designed to open the doors and from once a supply line is in place the amount of beef will increase. There is justifiable concern across many farming organisations on this and we recognise the need for us all to work in conjunction with our public representatives to ensure this deal is not ratified.

While Brexit and Mercosur are two obvious threats there are others just as concerning coming from our EU Commissioner and from voices inside our farming industry in Ireland. These threats include the proposal by the EU Commission to reduce the suckler numbers as part of a support fund. This is unacceptable to the INHFA. We also see suggestions and encouragement for suckler farmers to consider the forestry option, or rear dairy beef, or a combination of both. The INHFA is of the opinion that if the dairy industry wants to continue with its expansion then fine, but it can't be done at the expense of our suckler farmers, otherwise their expansion is unsustainable and needs to be dealt with on that basis.

How our suckler farmers see the future

In this proposal the INHFA are putting forward a plan to develop and sustain our suckler and beef industry. It is our belief that, there is a future for our suckler and beef farmers who have the expertise and ambition to drive this industry on. Indeed, these farmers want this opportunity as testified in a survey of 406 suckler farmers conducted by the INHFA last Spring. In this survey only 14% indicated that they would reduce numbers while 12% stated how they plan to increase with a further 60% indicating how they plan to hold the numbers they currently have. The final 14% didn't indicate any preference. Therefore, when over 80% of farmers surveyed who indicated a preference, have expressed the intention to increase or to maintain cow numbers, there is a requirement on us as a farming organisation and on our public representatives to provide a pathway to follow and the support to deliver.

Importance of suckler sector to rural Ireland

Ireland's suckler beef sector is a critical component of our overall economy and a major asset in sustaining and developing our rural economies. With this in mind we believe that any plan

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for the future of our beef sector should also be mindful of the positive impacts that beef and in particular our suckler farmers have in delivering for rural towns and villages.

As outlined by Professor Michael Wallace of UCD our suckler herd is worth over €2.9bn to our economy and creating 52,000 full time jobs. In addition to this the 66,000 suckler farmers continue to spend and invest in their herds and local communities creating a much wider impact often in areas where economic activity outside of livestock farming is low or maybe non-existent.

Tackling climate change and biodiversity loss

With the ongoing debate around climate change we are concerned that the mistakes of the past as witnessed in the Burren could be made on a much larger scale. Cattle and in particular our suckler cows, as they were in the Burren are being seen as the problem. Indeed, almost every discussion around climate change cites the need to address our national herd as the top priority in meeting our climate change targets. For many, the solution is simple, replace our suckler cows with trees and we will go a long way in meeting our climate change targets.

Those adopting this approach give little regard to the negative impact of large scale afforestation that increases rural isolation, desolation and depopulation which undermines our rural communities. In addition to this they also fail to recognise how cattle like in the Burren can enhance biodiversity and reduce the impact of climate change.

On our hills and our High Nature Value Farmland cattle and our suckler cows through extensive grazing have a major role in improving biodiversity and managing higher vegetation which in turn reduces the risks of wildfires that emit carbon. Contrast this against widespread forestry and the associated fire risks or as some suggest the re-wilding of these lands absent of livestock and a major fire hazard.

In addition to this we need to recognise how cattle grazed in extensive farming systems have a much lower carbon footprint, resulting from the extensive land base that sequesters carbon through its grasses and other ecological features. Contrast this against zero grazing and the intensive farming practices carried out in other countries and in certain sectors here in Ireland.



INHFA 10-Point Plan

1. Rebranding of suckler beef

As we have already outlined beef produced from our suckler cows is a superior product to that produced from the dairy sector. Unfortunately, this difference is not adequately recognised in the price paid to farmers with those producing dairy beef continuing to be subsidised by suckler farmers which has to end.

In the INHFA we believe there is a story to tell about suckler beef that can help justify a much improved price. It will require the rebranding of our suckler beef to recognise the unique farming system that prioritises quality over quantity, an animal reared in nature by their mother and produced with a low or carbon neutral footprint. The development of PGI status for this beef is an option we are currently following. Through this model we are looking to ensure only naturally reared suckler beef produced through a verified non-intensive production system qualifies. PGI status would protect this beef and give it a major marketing advantage in mainland Europe which would attract a much higher price.

There can be a bright future for our extensive suckler farmers producing naturally reared suckler beef, provided we decouple and distinguish it from that produced from the dairy herd. It is a different product that needs to be marketed separately.

2. Market for naturally reared lighter carcass beef

In recognition of the unique rearing systems operated by our extensive suckler farmers, there is the potential to develop and supply the market with beef from a lighter carcass and a younger animal naturally reared by their mother. A system such as this will reduce the overall feeding requirement from grass and in particular meal which will reduce our GHG emissions. In developing a market for a new product one of the most important aspects is timing and we believe the time for a product like this could never be better. In the coming months we hope to be able to move this forward with a view to having substantial progress made for the autumn of 2020.



3. The 4 Movement Rule

The 4 movement rule is no longer justified. We would question if it ever was justified and should now be abolished. Currently this rule allows the processors to dictate price.

4. ICBF - Beef Data & Genomics Programme

The Beef Data & Genomics Programme (BDGP) and in particular the scoring matrix involved in deciding on the Eurostar ratings for cows and heifers is a major issue for many suckler farmers. The view expressed by most suckler farmers is of a scheme designed by the ICBF to favour the dairy industry whereby traits such as high milk yield and docility is favoured over traditional beef traits such as weight gain and beef conformation. The fact that a very high percentage of the Board of ICBF is involved with the dairy industry in one form or another has added to the mistrust of both the ICBF and the BDGP.

The INHFA are seeking an external review in relation to the Eurostar ratings as currently applied in the BDGP. We are also looking for changes to the make-up of the Board of the ICBF. These changes needs to ensure there are minimum quotas applied to ensure adequate representation from each sector. There should, we maintain be a minimum requirement of at least 30% representation from the suckler beef sector and board members representing this sector would need to prove that their main farming interest is suckler beef.

5. Live exports

One of the best ways of delivering a better price to our suckler farmers is through a vibrant live export trade. This has worked in the past and can deliver in the future but needs to be supported. While Turkey has been prominent in live exports most of our live exports have gone to other EU countries, most notably Spain, the Netherlands and Italy.

Another market that is seeking beef is the Iranian market. Here we understand 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.



We also support the recommendation from the Joint Oireachtas Committee on Agriculture for the establishment of an association by live exporters to represent their interests and enhance coordination in relation to the live export trade and for the Minister to offer all available support.

6. Mercosur Free Trade Agreement

The recent announcement of this trade deal which will see 99,000t of prime beef cuts enter the EU market each year is a hammer-blow that will directly affect our beef and suckler farmers. There is the added concern as already stated that it could open the door for a substantial increase from once supply lines are in operation.

One of the European main priorities since the establishment of the Common Market was ensuring an adequate and safe food supply for its citizens. Current proposals to increase food imports through deals such as this will undermine this priority and in the event of a food scare in a non EU market could in an extreme lead to food shortages in the EU. The importation of this beef could also create additional risks for European beef stocks through the possible spread of diseases such as blue tongue or foot and mouth.

While our Commissioner claims that this imported beef will meet the same standards of Irish and EU beef we question how such claims can be delivered. Will they apply full traceability from farm to fork and if so what role if any will the EU have on this. As regards environmental standards can they guarantee that the same standards demanded from Irish and European farmers in terms of protecting biodiversity, reducing GHG emissions and improving water quality will be adhered to? Can Europe ensure that the ongoing destruction of the rainforests will end? As the view of many is that this trade deal will encourage further deforestation which, at current rates is seeing Brazil clearing an area the equivalent size of a football field every minute of every day. Indeed, this scepticism isn't just confined to the rainforests. Any rational analysis of this trade deal will recognise that the EU will have little impact in ensuring similar standards on both sides of the Atlantic.

Ratifying this trade deal would be disastrous not just for Irish beef farmers but for the global environment which is why we are calling on the Irish Government to veto the deal and our MEPs to work inside their various groups in the European Parliament to ensure this deal does not get through the Parliament.



7. EU Temporary Exceptional Adjustment Aid

This aid package of €100m which is co-financed by Europe and Ireland is proposed to help Irish beef farmers resulting from market disturbance associated with uncertainty around Brexit. This is an emergency beef fund operational for one year only.

We are calling for all 78,000 specialist beef producers to be included in the exceptional aid measure, including suckler farmers and finishers, but it should not include factory owned or controlled feedlots.

Description of Measure

A Targeted Suckler Beef Cow Premium

Criteria for Payment

Be a participant of any of the following; BQAS, GLAS, BDGP, BEEP, OFS

Payment Structure

Front loaded payment targeted on the first 10 suckler cows with a degressive payment on the next 10 cows. There should be a ceiling cut off maximum payment per farm and we estimate the cost for the beef cow element to be €35m. The payment should be granted as a cumulated top up on the Basic Payment (BPS) as outlined in Article 1(5) of the draft EU Regulation.

Impact of Targeted Suckler Beef Cow Premium

To reinforce the resilience of small scale suckler herds in the poorer regions of the country where, alternative types of agricultural production are limited.

Any reduction measures of these small suckler herds would deteriorate the resilience and sustainability of the beef sector in naturally constrained regions.

Support would protect the long term viability of extensive grass based suckler production during times of downward price pressure of Irish beef.



8. Beef Cow/Calf Health Plan

Until such time as there is a better market return delivering an improved price there is the need to provide direct support to our suckler farmers. This support is needed to ensure we maintain the cow numbers and also the farmers who know and understand the stock and farming systems. With the possibility of the new CAP not commencing until 2023 there is the need to get direct support to farmers in the coming year with a view to rolling this into the new CAP, whenever it starts. INHFA are now calling for a nationally funded scheme to be piloted in 2020 and must include suckler farmers not in any of the current schemes. In order to ensure we maintain the maximum number of suckler farmers in the industry we are recommending a front-loaded payment model that will operate as follows:

- To reduce viral pneumonia and subsequent antibiotic usage, promotion of outdoor calving.
- Vaccination of calves prior to weaning to address pneumonia.
- Vaccination of the cow before calving in susceptible Herds where history of viral pneumonia exists.
- Meal feeding of calves prior to weaning.
- Mineral supplementation of cow or calf.
- Scanning.
- Faecal egg sampling for calves to ensure management of worm control.
- Choosing stock bull/AI for better maternal traits and reduction in calving difficulty and docility.
- Dehorning and castration in line with current animal welfare requirements. SMR's.
- Weaning nose pads and/or adjoining stock proof paddocks to reduce stress pre weaning.

Operation of Beef Cow/Calf Health Pilot Scheme

- Payment to be front loaded on the 1st 10 cows (200 euro) with a degressive payment on next 15 cows.
- A 20% replacement rate which would facilitate a payment for sustaining replacement heifers on the farm of origin in the second year as these home bred heifers have built up immune systems thus reducing antibiotic usage.
- Cows entered for the scheme would be required to calve within a 14-15-month time frame.
- Scheme to be an annual scheme where a farmer could opt out without penalty.

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Main Objectives

1. To reduce anti-biotic usage in Irish Suckler Beef
2. To improve animal welfare in Irish Suckler Beef

Present Underpinning EU Regulation

- EU One Health Action Plan for Antibiotic Resistance
- SMR 13 EU Reg 1307/2013

Future Underpinning EU Regulation

- CAP 2020
- SMR 5
- SMR 16
- Strategic Objective 9 of CAP Proposal (it should be noted here that SMR 5 is a new departure for EU Commission as it links food production to citizen health for the first time)

Objectives for Department

- Ensure simplification of Pilot to achieve full uptake by all Suckler farmers
- Full consultation with farmers and their representative bodies
- Sufficient budget to ensure full uptake by Sucker farmers nationally
- Annual scheme to reflect Suckler calving pattern
- Results, indicators and outputs to be monitored at national level

Actions for Farmers

Actions for farmers to be determined in consultation with the Department at second draft stage.



9. Targeted biodiversity grazing measure

We are recommending the inclusion of targeted grazing measure for bovines to aid biodiversity in the management of High Nature Value Farmland in the upcoming CAP. This payment would form part of any new Agri-Environmental Scheme and would pay up to €200 per livestock unit. The payment would apply to bovines that traditionally graze and manage these areas.

10. Rebalancing of CAP payments

The new CAP Programme is going to see a major move towards sustainable environmental objectives. As part of this we will see the Eco-scheme replace Greening and the Basic Payment being replaced by the Basic Income Support for Sustainability (BISS) with the focus being in helping farmers become sustainable.

In Ireland we have a clear conflict on this in relation to the 445,200ha of land that availed of a nitrates derogation in 2018. This was an increase of 113,000ha or 34% from 2014 and if this trend continues for the next five years we will reach 600,000ha or 12% of the total area claimed for Pillar 1 CAP payments.

In the INHFA we don't believe that farmers availing of these derogations should qualify for the BISS or any other Pillar 1 payment. Of course they should be given the choice to either cut back on their production or forgo their CAP payment. Where farmers choose the latter, then their payments should go into a central fund for redistribution. The size of this fund would depend on the number of farmers that choose to forgo the CAP payment and the size of their payment. But if we saw all farmers forgo the payment and assume an average payment of €255/ha then there would be a fund of €113m. This provides a number of interesting options such as follows:

- Flat rate payment per hectare on all other hectares which would come to €27/ha.
- It could form part of the new Complementary Redistributive Income Support for Sustainability (CRISS) which is a front-loaded payment option. This would deliver a payment of €95/ha on the first 10ha to all remaining farmers or almost €1,000 each.



- It could also deliver a coupled payment on the suckler cow of €120/cow or a front loaded payment of €200/cow on the first 10 cows with a degressive payment on all other cows.

Any of these options would provide valuable support to our suckler farmers and even if all farmers currently availing of these derogations decided to make the necessary adjustments so as to no longer need these derogations then suckler farmers would still benefit. This benefit would be seen through the reduction in the levels of beef coming through from the dairy herd and it would also send a positive message to consumers of Irish food in relation to our Origin Green labelling.

Summary

The coming months will provide us with a good indication on the future direction of our suckler industry. The threats posed by the Mercosur Trade deal and in particular Brexit will become clearer through this Autumn. With over 50% of our beef going to the United Kingdom a no deal Brexit would have immediate and dire consequences for our beef and suckler farmers. The need to ensure tariff free trade for Irish beef into the UK market after Brexit is essential and we need the EU and our Government to ensure this happens.

In relation to the Mercosur Trade Deal, the concerns we and many others have expressed needs to be recognised and acted on. We welcome the support made by all Political Parties and Independents to fight this deal and when the time comes we hope that this support will remain firm.

In the medium to long-term the threat posed by the expansion of our dairy industry could prove to be the greatest threat of all. For this expansion to continue there is a need to encourage suckler farmers to exit the industry and move into rearing dairy beef or planting trees. Already we are seeing a reduction in suckler cow numbers and the concern is that this could accelerate in the coming years. This reduction is being driven by lower returns on the back of falling beef prices as a result of increased beef output from the dairy sector and market concerns around Brexit.

In order to ensure the survival of our suckler sector we need to take action. The INHFA 10-Point Plan can if implemented provide a viable future for our suckler farmers.



In looking to rebrand our suckler produced beef and differentiate it from the dairy beef we believe that a premium price can be obtained. This rebranding can recognise the unique farming systems operated by our extensive suckler farmers, a system that prioritises quality over quantity, an animal reared in nature by their mother and produced with a low or carbon neutral footprint. In addition to the rebranding of our suckler beef there is also the opportunity to develop a market for a naturally reared lighter carcass beef product with a lower feeding requirement that will help reduce our GHG emissions. Both of these options the INHFA are currently pursuing.

Through this plan we see the need to end the four movement rule and work on developing and improving the live export markets currently there. There is also the need to recognise the obvious flaws in Eurostar ratings as operated through the BDGP and to address weakness in the board make-up of the ICBF to ensure a 30% minimum representation of suckler farmers.

This plan also outlines the direct supports needed by our suckler farmers in the coming months and years to ensure their future in the industry. The EU Temporary Exceptional Adjustment Aid of €100m which is designed to help Irish beef farmers resulting from market disturbance associated with uncertainty around Brexit can under this plan deliver immediate aid for suckler farmers. This support we maintain should be front-loaded on the first 10 cows with a degressive payment on the next 10 cows.

A second direct support measure and one that we would like to see become permanent is the Beef Cow/Calf Health Plan. This support will see farmers paid for carrying out specific measures in relation to animal health and needs to be up and running in the coming year. The scheme plans for the targeting of higher payments on the first 10 cows with a degressive payment model thereafter and we hope would also be included in the new CAP Programme.

The two final direct support measures covers the new CAP Programme with the first recommending the inclusion of a biodiversity grazing measure as part of a new Agri Environmental Scheme and the second recommending a rebalancing of CAP payments through the redistribution of Pillar 1 payments away from very intensive production systems currently requiring a nitrates derogation to more extensive sustainable farming systems. This could see a redistribution of over €100m and provide a front-loaded payment to smaller farm holdings or a coupled support measure to support the suckler cow which would be in excess of €100/cow.



Conclusion

With over 980,000 suckler cows in 2018 our suckler sector is still very strong. However, there has been a steady decline in numbers since its peak of 1.2m in 1997. The fear among many is that this decline will accelerate in the coming years, which is something that should concern everyone. Rural Ireland and especially many western seaboard counties are very dependent on the economic activity generated by our suckler farmers. In County Mayo of the 12,300 farmers 9,000 have suckler cows. In Roscommon, Galway and Mayo according to Michael Wallace of UCD sucklers are worth €700m a year and delivering 12,400 jobs while in the five North Western counties it generates €445m and 8,600 jobs.

The INHFA 10-Point Plan outlined here provides a pathway that can deliver a future for our suckler farmers that is sustainable at economic and environmental levels. What we need is the support of our Public Representatives, our Government and Department of Agriculture Officials to make this plan a reality.

Signed:

Colm O'Donnell
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