**Beef Taskforce**

**Minutes**

 **Thursday 17th December 2020**

 **Virtual**

 **9.30am – 1pm**

**Attendees:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Representing** |  | **Name** | **Representing** |
| Michael Dowling | Chair  | Aidan Murray | Teagasc |
| Sinead McPhillips | DAFM | Tim Cullinan  | IFA |
| Pat McCormack | ICMSA | Tomas Bourke | IFA |
| Ray Doyle | ICOS | Edmond Phelan  | ICSA |
| Thomas Duffy    | MACRA | Edmund Graham | ICSA |
| Derrie Dillon | MACRA | Colm O’Donnell | INHFA |
| Philip Carroll | MII | Joe Condon | INHFA |
| Cormac Healy | MII | Dermot O'Brien |  BPM |
| Joe Ryan | MII | Enda Fingleton  |  BPM |
| Padraig Brennan | Bord Bia | Sean Coughlan |  ICBF |
| Maria Dunne  | DAFM |  |  |
|  | Valerie Woods | DAFM Secretariat |
|  | Greg Murray | DAFM Secretariat |

Attendance for specific items: Brendan Foster, Padraig Ryan – Grant Thornton

Joe Burke - Bord Bia

# The Chairman made opening remarks and welcomed participants.

There was one change agreed to the minutes of the previous meeting on the wording of the section on the suckler brand promotion oversight group.

**Market Transparency Studies**

Grant Thornton made a presentation on the market transparency reports:

First report: a *literature review of competition law as it relates to the sector*, draft report issued in advance of the September taskforce meeting. This report is now finalised and will be published on the DAFM website.

Second report focuses on the *current in-spec bonus criteria and key customer and third country requirements*. The report identified market demand for the in-spec bonus criteria. None of the customers consulted identified any additional requirements to be placed on the animal above and beyond the current in-spec bonus criteria – however it was noted that there would likely be changes to the current market requirements in the future. There is significant variance in demand for the in-spec bonus criteria across the customers engaged with, however, based on consultations there is demand for all the criteria within the market.

Third Report:

To outline the distribution of price composition at key points along the supply chain. Data collection is currently being finalised and a draft report will issue in advance of the next meeting of the BTF.

**Main points of discussion:**

* Clarity sought in relation to residencies and movements. GT clarified that for the purposes of the report, the criteria of residencies was examined rather than movements.
* GT had outlined at the beginning of their presentation the rationale for the level of detail presented in the context of commercial sensitivity, however, additional detail on data collection and analysis for report 2 was requested by some BTF members. MII clarified that
* It was noted that solid references to data and sources of data would strengthen report.
* There was a call for the Food Ombudsman announced in in Programme for Government to be put in place as soon as possible as supply chain examination is essential. It was noted that this is an action under the programme for Government.
* The issue of the inclusion of consumer requirements for the criteria was raised, however, this is not within the scope of the studies as agreed by the BTF in 2019.
* It was clarified that reference to environmental benefits of under 30 months systems were mentioned by stakeholders in consultation and the reports do not make any claims on the impact of criteria, the report lays out the market requirement and rationale of customers for the requirement as outlined in the scope of the study.
* There was discussion on potential confusion between the 36-month requirement under the Grass Fed standard and the 30-month customer requirement. It was clarified that these are distinct requirements and the emphasis on the Grass fed standard is the level of grass input.
* The importance of maintaining competitiveness and the possibility of increasing market demands in the future was discussed, this is particularly important in the context of Brexit and other trade deals as well as changing consumer tastes.
* It was also noted that many of these requirements, particularly the under 30 months requirement, are prerequisites to gaining market access to some key 3rd countries.
* The report highlights that consumers tastes are changing and how it is changing and consequently how this will impact demand for beef.
* Wining markets a tough battle and they are easily lost e.g. Chinese market where we are locked out for 6 months.
* It was noted that consumption levels in Europe are in decline and that the highly resourced Vegan lobby is on the rise.
* It was pointed out that most customers may only purchase one or two cuts from the carcase, but will have a specification requirement, which means that the animal must meet that specification. This therefore increases the number of animals necessary to meet a particular customer order.
* It was also clarified that cut/portion size is extremely important in the marketplace and hence the relevance of carcase weight in meeting marketplace requirements.
* The chair requested written observations on the report to be submitted to the secretariat by 8th of Jan with a view to producing a finalised report for next meeting early in New Year.

**Bord Bia market update**

Bord Bia provided a market update (see presentation) outlining the situation in relation to imports and exports, national production and prices, live exports and consumption trends.

**Discussion on the market update**

* Farm organisations queried what has been done to gain entry to other markets in the event of no deal Brexit. It was clarified that there has been a drive to expand international markets since the Brexit vote, however this will not compensate for price losses in the event of a no-deal scenario. It was noted that competent authorities reluctant to engage virtually even though Bord Bia have facilitated virtual trade missions
* The issue of market access to China was discussed, it was agreed that regaining this market is a priority and that other Asian markets like the Philippines will also be key. DAFM assured the Taskforce that all possible political and diplomatic efforts were being made in this regard.
* DAFM noted in response to a call for increased resourcing of the DAFM market access team, that all active files are with the relevant 3rd country competent authorities and additional resourcing within DAFM will not impact on the turnaround time.
* The issue of who bears the brunt of tariffs (potentially up to 70% tariff on beef would be applicable) post Brexit, was discussed. It was clarified that technically the importer pays the tariff. To what extent they will pass this back to the exporter or forward to the customer is unknown.
* It was suggested that in line with the Green agenda that the EU should introduce an embargo on South American beef. It was clarified that all beef coming into the EU is required to reach the noted production standards.
* The quantity of Irish beef in UK cold stores was queried. Figures weren’t available, but MII confirmed that it was not a significant amount.
* It was noted that regardless of whether there was a deal, non-tariff barriers due to increased logistical and administrative burden as well as the cost of longer transport times will impact on trade.
* There was discussion on the appropriate channel for communicating allegations of potential breaches of competition law in relation to alleged market manipulation. It was clarified that allegations, with appropriate evidence, should be made directly to the CCPC.

**Progress Report**

* The progress report (published on website) was reviewed and the following was noted:
* Teagasc confirmed they can update the Taskforce on their scoping for an in-depth review of the QPS grid at the next meeting.
* It was confirmed that the PGI application was submitted to Brussels on 27 November and is now under consideration by the EU Commission.

**Suckler Brand promotion oversight group Update**

* An update on the initiation meeting of the ***naturally reared*** suckler brand promotion oversight group was given by the group Chair. The group met on 14th December to agree the Terms of reference of the group as well as the work programme for the brand development and KPIs. It was emphasised that farmers will be involved at every stage of development.
* The group will meet quarterly
* It was again clarified in relation to the grass-fed logo that it will be available for anyone who meets the grass-fed criteria and can be verified by SBLAS to use. It was clarified that Bord Bia own the logo. Other groups are free to develop a logo attached to their own standard.
* It was clarified that the TOR was for agreement by the oversight group who will report to the Taskforce. It was suggested that the language in the TOR around farmer involvement in the development of the brand be strengthened.

**Conclusion**

* Observations on GT reports should be submitted to the secretariat no later than 8th January
* The next meeting will be early 2021 and have a full day sitting to conclude the GT reports. As well as include the Teagasc update on the scoping of the QPS review.