

Beef Stakeholder Meeting 12 and 19/20/21 August 2019 Conclusions and next steps

This meeting was chaired by an independent chairperson, Mr. Michael Dowling, and facilitated by the Department of Agriculture, Food and the Marine (DAFM) supported by its state agencies Bord Bia (BB) and Teagasc.

The following stakeholder organisations (referred to as ‘stakeholders’ throughout the document) participated:

- Meat Industry Ireland (MII)
- Beef Plan Movement (BPM)
- Irish Farmers Association (IFA)
- Irish Natura and Hill Farmers Association (INHFA)
- Irish Creamery Milk Suppliers Association (ICMSA)
- (Irish Cattle and Sheep Farmers Association (ICSA)
- Macra na Feirme
- Irish Co-operative Organisation Society (ICOS).

At the outset of the meeting there was agreement among the stakeholders that the current market situation is extremely difficult. Other critical challenges facing the industry include Brexit, Mercosur, low farm incomes and climate action. The beef sector is facing a time of considerable uncertainty which is contributing to downward pressure on beef prices. With this in mind, the stakeholders agreed on the following proposals:

Suckler Cows

- Stakeholders agreed that additional funding for targeted direct support for suckler cows is required as a priority.

Brexit

- In recognition of the challenges already faced by the sector arising from Brexit uncertainty, €120m has been provided in additional support to the beef farming sector this year.
- Stakeholders agreed that in the context of Brexit, support is urgently required to ensure that effects on all farmers producing beef are mitigated.

CAP

- Stakeholders agreed on the need to fully fund CAP and protect its share of the EU Budget, and to ensure that the current level of direct payments to Irish beef farmers is protected.

Imports from outside EU

- There was a demand from the stakeholders that the Irish Government should seek the invocation by the EU of the WTO safeguard clause to reduce the level of beef imports from third countries. Furthermore, it should be ensured that imports which do not meet the same stringent standards as EU producers are banned.

Review of the grid:

- Teagasc is to revert by end August with specifications for a study, including a timeframe:
 - Short term – desktop analysis of differentiation between different conformation and score classes based on science and market returns.
 - Long term – scientific analysis to provide updated data set on which to base a full revision of the grid.
- Both stages require significant input from Industry and Bord Bia.
- Farmers and processors will then independently consider any revision of the grid.
- Review of hot/cold weighing system by Teagasc also included.

In Spec /QPS/ bonus issues:

- Base price – MII confirmed that the base price applies to all animals regardless of age.
- It is agreed that where processors apply carcass weight limits, they will give a minimum of 4 months' notice period for changing weight limits.
- An in-depth review of market and customer criteria, in relation to the 4 in-spec bonus criteria will be carried out, in response to farmer stakeholder concerns.

Aligned with the grid review being led by Teagasc (to be completed by end-September), the industry commits to:

- 70 days residency to be reduced to 60 days on the last farm;
- Broadening of the in-spec bonus criteria to increase the number of eligible animals.

Carcass classification

- **Carcass image.** There is agreement that farmers have the right to access their own carcass images. Meat industry and DAFM will agree, by mid

September, a system whereby images from carcass classification will be provided on request.

- **Live weights** - MII members commit to provide this lairage weighing service on request, which may incur a nominal charge. Introduction timelines will be decided locally based on individual member company operational and logistical considerations.
- DAFM agrees to introduce an appeal system for **carcass classification in manual grading factories**. Following an appeal to the factory in the first instance, a farmer may appeal to DAFM, which undertakes to ensure that there are sufficient resources for an efficient service. This system will be subject to review after 6 months in operation.
- An expert report on new technology **in mechanical carcass classification** will be considered by the Minister and published in the near future. This report will inform the future development of the system, including a review of current legislation. Included in that review would be consideration of whether there is justification for an appeals system.

Promotion

- BB will progress an application to secure EU funding for suckler beef promotion in key EU markets.
- BB to assist the development of a brand proposition for Irish suckler beef.
- DAFM and BB will progress engagement with EU Commission on the development of a PGI (Protected Geographical Indication) for Irish grass-fed beef.
- BB to investigate market opportunities for Irish grass-fed bull beef.

Market Transparency

- Stakeholders agreed on the need for greater transparency all along the beef supply chain. An independent study of price composition along the supply chain will be commissioned by DAFM.
- Price data: In addition to detailed information already published on the Beef Pricewatch App, DAFM agrees to publish maximum and minimum prices on a national basis.
- A regulation providing for more detailed price data under the EU Meat Market Observatory is currently being finalised. The Irish industry will introduce initiatives in this area in line with EU agreement on this regulation.

- EU officials will be invited to provide a briefing to beef stakeholders on the proposed EU Market Observatory system.
- Bord Bia will produce a paper outlining the potential development of a beef market price index model, by the end of August.
- The Unfair Trading Practices Directive was finalised earlier this year. A working group has been established between DAFM and DBEI to inform the transposition of the Directive. A consultation process will be launched in September on the Directive and the Working Group will report by the end of 2019.
- Stakeholders agreed on the requirement for an independent grocery regulator. This will be considered as part of the public consultation process.
- DAFM will commission a summary of relevant competition law issues.
- Retailers will be invited to a meeting with Stakeholders.

Producer organisations (POs)

- DAFM to engage with any interested potential POs to provide guidance on the application process.

Written confirmation

- Where agreement is finalised between the processor and individual supplier on the terms of sale, this can be confirmed in writing, where requested. The exact mechanism will be decided by individual processors.

Insurance costs for animals delivered to factories

- MII have provided details of their insurance scheme. Additional information on the specifics can be provided at local level.
- MII confirm that farmers can opt out of the scheme.

Live exports

- There is agreement that live exports are a critical part of the industry and that there should be a continued strategic focus on this area.

Agreed at Backweston, 21 August 2019

ENDS