

INAUGURAL ADDRESS OF IFA PRESIDENT EDDIE DOWNEY

Welcome

Ladies and Gentlemen,

I am greatly honoured to be elected the 14th President of the IFA.

MANDATE & PRIORITIES

Having spent the last 6 months meeting farmers and IFA officers in every corner of the country, **I am immensely proud** of the great grass roots organisation that IFA is.

I am acutely aware of the strong message coming from farm yards right across the country. **And that is:**

- **Farm Incomes must be improved** by securing premium prices for our top quality produce and by **reducing input costs**.
- And a new Charter of Farmers' Rights is required to remove the fear surrounding inspections and guarantee farmers **respect and fair play**.

To these concerns, I want to add two more that I see as crucial to the wellbeing of farm families.

- Irish agriculture **must not be sacrificed** in EU Trade deals that turn a blind eye to imports which fail to meet European standards, and
- In the review of tax treatments for agriculture, we must **hold** what we have and push for new measures that address farm investment, land mobility, income volatility and succession.

This is the clear mandate that I have received in the IFA elections and this is the strong message that I am sending to Government, processors and retailers today.

OUTGOING TEAM

Before going any further, I want to mention the huge effort put in by all the candidates and their families in the IFA Elections.

I want to pay particular tribute to Jer Bergin for his outstanding contribution to IFA at county and national level.

I also want to acknowledge the other candidates, JJ Kavanagh, Kevin Kiersey and Eddie Scanlan and to thank all of you for your hard work on behalf of farmers.

In taking over from John Bryan today, I want to acknowledge **the excellent job** he has done on behalf of Irish farmers over the past four years.

John, your term was dominated by the CAP Budget and CAP Reform negotiations. You showed **strong leadership** and worked tirelessly to deliver the best possible deal for Irish farmers.

I want to recognise the work and excellent contribution of the other outgoing national officers - Chris Hayes, John Waters and Padraic Divilly - and all the National Committee Chairmen and County Chairmen who finish their terms today. Thank you all.

NEW TEAM & RESPONSIBILITIES

I congratulate our newly elected team at national level.

Incoming Deputy President Tim O'Leary will have specific responsibilities for the Direct Payments and Protocol Project Team, Teagasc, discussion groups and as spokesman for IFA Countryside.

In our new structure, our four Regional Chairmen, James McCarthy in Munster, James Murphy in South Leinster, Bert Stewart in Ulster/Nth Leinster and Tom Turley in Connacht, will work closely with the County Chairmen and County Executives in their areas.

They will have specific responsibility within their regions for IFA Branch and County Officer recruitment, training and development.

I want to wish **all our National and County Chairmen** well, and especially our new officers taking up their positions today.

I look forward to working **with you, as a strong united team** to deliver on the issues of the day and improve the incomes and conditions of all farm families.

REVIEW OF 2013

PRICE & WEATHER VOLATILITY

Perhaps more than ever, the past year has highlighted the major challenges farmers face in dealing **with huge volatility** in both weather and product prices.

The first half of 2013 was dominated by the extended cold and wet weather conditions which caused **an unprecedented fodder crisis** with real hardship and rocketing costs on farms.

There was a terrific response from ordinary members in helping out their neighbours and from the Association in sourcing 30,000 tonnes of feed and fodder from Britain, France and the Netherlands.

I want to **sincerely thank** all the individuals and businesses involved in that effort.

However the real turn-around in farmers' fortunes came when the weather finally turned in mid-June and remained favourable right into the back end.

Lessons have to be learned and necessary actions taken.

IFA will be looking to Government, processors and financial institutions to put in place measures to deal with market volatility and weather extremes going forward.

The Government must look at the policy environment and develop a **more flexible** tax system. The industry must work with farmers on forward contracts for both products and inputs.

Banks must factor income volatility into their credit policies for farm enterprises.

IMPORTANCE OF AGRICULTURE TO THE ECONOMY

Despite the challenges faced in 2013, Agriculture continued to **drive growth in exports, in jobs and economic recovery.**

We delivered **record exports** estimated at €10b, with 25,000 extra jobs attributable to agriculture and food. However, farm incomes still compare unfavourably with other sectors.

And here I come back to some **key priorities for our Association** – Farm Incomes, Farmers' Rights, Trade Deals and the Farm Tax Review.

INCOMES

The average family farm income in 2013 was just €21,400 compared to €32,200 for average industrial earnings and €48,300 for average public sector earnings.

My message today to Government, processors and retailers is that farmers **must be properly and fairly rewarded for the job they do** in producing high quality food.

PRODUCT PRICES

IFA will continue to push for higher product prices across **all** commodities. Prices must reflect the cost of production and deliver a fair margin to **reward hard work and allow reinvestment**.

In Ireland, we produce food in an environmentally sustainable way, to the highest quality and safety standards, and with the best traceability in the world. Farmers are being asked to participate in quality assurance schemes and meet ever higher standards.

And we are prepared to do so.

We understand the importance of food safety, quality and provenance.

However, for this commitment farmers need to see a **real price and income dividend** from quality assurance and sustainability programmes such as Origin Green.

INPUT COSTS

Farmers are also being squeezed by high input costs. CSO figures show that since 2005 the cost of **fertiliser is up by 62%, and energy by 36%**.

Some of these increases are the result of over-concentration of market power in certain sectors. The EU must take steps to tackle the international price cartels openly operating in the fertiliser sector.

Minimising input costs is critical to improving farm incomes. IFA's Inputs Project Team will be headed by Munster Chairman James McCarthy and tasked with expanding its range of price surveys and activities in order to maximise input price transparency and competition.

Our Association will be directing **more resources** to challenging all providers of inputs and services to become more efficient and reduce their costs.

NEW CHARTER OF FARMERS' RIGHTS

The fear and stress on farm families, generated by the burden of compliance and inspections **is totally unacceptable.**

It doesn't have to be this way and **we are determined to change it.**

I am demanding a new Charter of Farmers' Rights that does away with the current Big Brother mentality and ensure farmers are treated with respect.

I will hold Minister Coveney to his commitment to open negotiations on a new and improved Charter **immediately** and I will personally lead the IFA team in these negotiations.

I will be reminding the Minister later today what is required:

- **Realistic notice** of all farm inspections.
- A reduction in the number of inspections and **NO duplication**.
- A yellow card system and **proper tolerances for minor infringements** before any penalties are imposed.
- The elimination of unnecessary and frustrating red tape.
- Delivery of payments **on time** to all farmers.
- And finally the unacceptable behaviour of the SIU must be addressed.

IFA has taken these concerns to Brussels and from our discussions, the Commission is open to movement. The Minister and his Department **must deliver**.

I acknowledge that the Department's overall record on payment delivery is very good. However, that is of no comfort to farm families who are left without vital income when payments are delayed for whatever reason.

ELIGIBLE LAND

Minister Coveney must take the Eligible Land issue **back to Brussels**.

It is unacceptable that farmers, who applied in **good faith**, are being hit with retrospective penalties.

It is unacceptable that the Department is using new satellite imagery to disallow land areas that were previously allowed and **understood by all** sides to be allowed.

This is an issue across several member states. For example, thousands of Austrian farmers are in the same position, with clawbacks being demanded.

Later this week, I will be meeting the President of the Austrian Farmers Association to see how we can jointly pursue this issue.

However, Minister Coveney is well aware of the problem and must work with other Ministers in Europe to resolve these issues.

TRADE NEGOTIATIONS

Irish farmers reject the way the European Commission is using agriculture **as its main bargaining chip in bilateral trade negotiations.**

As the largest net beef exporter in the Northern Hemisphere, the potential damage to the Irish beef sector, from the recent EU trade deal with Canada and the current negotiations with the US and Mercosor, **is real.**

Let me be very clear with the Irish Government and the European Commission.

The recent import concessions allowing 45,000 tonnes of Canadian steak cuts will damage the position of Irish beef on the European market.

A deal on the same basis with the US, given their magnitude, would have **a devastating impact on our livestock sector and cannot be allowed.**

Today I am calling on the Government, including Teagasc and Bord Bia, to undertake a full assessment of the potential damage from bilateral trade deals with the US and Mercosor on the Irish beef sector focusing on beef prices, farm incomes, jobs and exports.

Such an assessment must also include the impact on the white meat and dairy sectors.

On production standards, I want to **warn the EU Commission** that they are taking unacceptable risks by importing products which come nowhere near to meeting EU standards.

European producers and consumers will not accept food imports from countries where the use of hormones in beef, BST growth promoters in milk and beta-agonist drugs such as ractopamine in cattle and pigs is common practice. **These are all banned in Europe.**

IFA will be **demanding strict equivalence of standards** on the critical issues of food safety, traceability, environmental protection and animal welfare.

We must have robust testing and checks of all imports into the EU.

TAX REVIEW

I will immediately establish a Farm Taxation Project Team to defend the interests of farmers in the Review of farm taxation announced by Finance Minister Michael Noonan in the Budget last October.

I will chair this project team myself and work in conjunction with the Farm Business Chairman and his Management Committee to coordinate the IFA submission.

IFA has three priorities:

- **Firstly**, to ensure that valuable tax reliefs, which are critical to the development and growth of the agri sector, are maintained
- **Secondly**, to secure new tax incentives that are necessary to drive structural improvements by incentivising land transfer, mobility and investment and
- **Thirdly** to fully examine how the taxation system can better accommodate the extreme volatility in farm incomes.

The project team will also take this opportunity to look at the simplification of tax returns and how technology can be used **to drive down compliance costs** which in the last number of years have become excessive.

CAP

The Treaty of Rome set out that the purpose of the Common Agricultural Policy was to ensure **a fair standard of living for farmers** and that the people of Europe were provided with **a secure supply of quality food at reasonable prices**.

The direction of the most recent CAP Reform and of trade negotiations **runs counter** to these principles by putting European farm incomes and EU food security at risk.

A major objective of my Presidency will be to work in Europe to re-establish the original principles of the CAP in the mid-term review of 2016.

This will be **a key part** of the IFA manifesto, which will be put to the political parties in the European Parliament elections next May.

The IFA will remain vigilant to ensure the effective implementation of the new CAP so support is targeted at active productive farmers through both the Single Farm Payment and the Rural Development Programme.

As a priority, the Department must notify every farmer of the implications of the Pillar I reform including the details of their Single Payment entitlements for the next 7 years.

RURAL DEVELOPMENT PROGRAMME 2014-2020

Our Association has mounted the most intensive campaign to secure strong national co-financing of the Rural Development Programme 2014 – 2020.

I want to thank each and every one of you for your role in that campaign.

I expect the Minister to present details of the new Rural Development Programme and Pillar I implementation later today.

Resources **must be provided** for a meaningful programme including:

- **Strong support** for the Disadvantaged Areas Scheme
- A worthwhile agri-environment scheme for at least 50,000 farmers and
- **Farm investment support across all sectors** targeted at improving efficiency and infrastructure on farms, to help achieve the production targets set-out in Food Harvest 2020.

BEEF

The attack on bull beef prices in recent weeks by the factories is seriously eroding confidence among winter finishers and undermining the market.

Unless addressed, the factory bosses can say good bye to year round beef supplies.

Feeders are very frustrated and angry at the way the factories are changing the specification and using dual pricing, weight and age limits to undermine the bull beef price.

The factories and their retail supermarket and food service clients **cannot chop and change the specification just to suit themselves.**

Reasonable advance notice **must be provided** to farmers before any changes to livestock specifications.

Two years ago, factories pleaded with farmers not to export these calves live and promised positive market returns for producing bull beef. **These commitments must be honoured.**

With the planned expansion of the dairy sector and more dairy bred calves, livestock farmers need to be very careful. Expansion must be based on profit, rather than numbers just to supply cheap raw material for the factories.

Farmers have alternatives. There is vibrant market for male calves from dairy breeds in the veal units of Spain and Holland.

IFA led the way and did the heavy lifting in reopening the important live export trade to Libya last year.

With over half of all our beef exports now going to one of the highest priced beef markets in the world, the unacceptable gap between Irish and UK prices must be narrowed.

Opening the live trade to the UK and elsewhere is essential to bring more competition. Minister Coveney must do more to address market access issues in 2014.

SUCKLER PAYMENT

Falling numbers and low incomes have made our national suckler herd **seriously vulnerable.**

The Minister **made real progress** with the announcement of the €60 per cow genomic scheme in the October Budget.

The big decision now is for the Minister to build on this with a deliver a **worthwhile suckler payment** that will sustain the beef cow herd from 2015 onwards.

MILK

The increase in milk prices received by Dairy farmers in 2013 was badly needed to pay down bills after one of the most difficult periods on record.

There **are exciting opportunities** for our dairy industry to service fast growing demand from affluent populations in emerging countries and the sector **has real prospects to improve farm incomes, deliver extra export revenue and jobs for the Irish economy.**

However, prudent business planning at farm level is essential.

Farmers in all sectors must be given ready access, through Teagasc, agriculture colleges and other providers, to quality business and financial planning advice and skills building.

There has been impressive progress in dairy industry consolidation and development planning in the last four years, **but there is a lot more to do.**

SUPERLEVY

IFA has fought for the last four years to reduce the cost of superlevy in the lead up to 2015.

However there is more support in Europe for continued supply management than for any early loosening of quota.

IFA will continue to explore every avenue, but it is our responsibility to **urge farmers to plan to minimise their own exposure.**

The outlook for milk prices, costs and dairy incomes in 2014 is good, with high prices set to last for several months at least.

IFA is lobbying co-ops to pay a top-up for 2013 prices to reflect the market buoyancy not fully passed back to farmers last year, **and especially** to use reserves to hold current prices for at least the first half of 2014.

LIQUID MILK

Profitability in specialised, year-round liquid milk production **has been seriously undermined** in recent years.

I am telling the processors and retailers this issue **must be urgently addressed** if they want year round milk.

SHEEP

On sheep, we need **improved lamb prices**, if we are to build on the good work of recent years.

The difficult weather in 2013 saw the breeding flock drop slightly, and weaker market prices and higher input costs put unacceptable pressure on producers.

Lifting consumption is a challenge **that must be met with strong promotion** and a renewed focus on quality. Processors need to properly reward producers for quality product and quality assurance.

As part of the new CAP, the Sheep Grassland Payment **must be retained**.

The hill sheep sector requires a positive package of measures to re-grow numbers on a sustainable basis, as part of the review of the Commonage Framework Plan.

ANIMAL HEALTH

Ulster/North Leinster Chairman Bert Stewart will lead the Animal Health Project Team and **I expect the organisation** to build on the progress made in reducing costs and further improve the animal health status of our national herd.

Farmers need to see a **real return** from reduced TB incidence and the BVD programme, and costs – **whether they be veterinary costs or fallen animal disposal charges** - must be tackled head-on.

It is not acceptable that regulations or restrictions result in increased charges for farmers.

RENEWABLES

South Leinster Chairman James Murphy will head up the project team on Renewables and Alternative Land Use Policy.

In contrast to other European farmers, Irish farmers have experienced **nothing but frustration with the Government's inaction** in realising the opportunities in renewables.

James Murphy will also retain responsibility for issues relating to horses.

GRAIN

Despite a relatively good harvest in 2013, growers' prices were unacceptably low and many growers had carried forward significant losses from 2012.

Spreading risk is key to reducing growers' exposure to price volatility.

Merchants **must** respond to growers' demands for innovative mechanisms to reduce this exposure, in addition to the forward sale and buyback of contracts.

I am also asking our inputs team to address the excessively high interest charges for merchant credit.

The Ciolos CAP reforms have delivered **a serious body blow** to Europe's tillage sector.

Greening measures that impose a requirement to grow certain crops, rather than respond to market needs, **are flawed**.

The Department must allow farmers to use equivalent practices that are capable of delivering greater environmental benefits than the proposed greening measures.

PIGS & POULTRY

Profitability in the pigs and poultry sectors is unacceptably low and must be improved through reduced input costs and higher prices to ensure that farmers can reinvest and comply with onerous regulations.

IFA will continue to challenge imports and mislabelling through our DNA Traceability Scheme.

Pig and poultry farmers deserve fair play and the IFA will continue to expose retailers, secondary processors, butchers, and food service outlets **who mislead consumers.**

FORESTRY

The outbreak of ash dieback disease is a major concern for farmers.

The IFA is calling on the Minister to commit the necessary resources to **an eradication programme** which will also cover the re-establishment costs for growers affected by any spread of the disease going forward.

Farmers need to be given **reassurances** if they are to continue to make the long term commitment that forestry involves.

In recent years, cuts to premiums, changes in the tax status of forestry income, reductions in support and increased management costs have eroded confidence.

In addition, the decision by the Forest Service to restrict planting on unenclosed land has significantly reduced the land available to forestry.

These damaging moves **must be rolled back** to benefit farmers, the forestry industry and wider economy.

VEGETABLES & POTATOES

A Statutory Code of Practice for retailers, **with teeth**, is required in all sectors to address the concerns of Irish primary producers and in particular fruit, veg and potato growers.

In our supermarket protests before Christmas, we highlighted the unsustainable practices and imbalance of power between producers and retailers which is threatening the viability of primary production.

We will analyse the details of this retailer code and lobby hard to ensure the legislation is effective in bringing more equity into the food supply chain.

SACs

Our Connacht Chairman Tom Turley will lead our SACs Project Team.

I am particularly concerned that the Government is continually rowing back on previous agreements, where **our key priority** was that compensation would be paid where restrictions apply.

I am now calling on the Minister for Arts, Heritage & the Gaeltacht, Jimmy Deenihan, to instigate a review of the implementation of SACs with the key priorities of **proper consultation, an effective appeals system and compensation for restrictions imposed.**

The Minister **must** ensure that turf-cutting issues are resolved and that NHA areas are taken out of designation.

Tom Turley will also have responsibility for waterway management and flood prevention and here I want to thank Michael Silke for the Trojan work he put in.

COMMONAGE REVIEW

IFA has had discussions on the Commonage Review over the past number of years and succeeded in ensuring that the unfair stocking levels were not implemented at that time.

With the implementation of the new CAP, there is an opportunity to ensure **sustainable stocking levels** are introduced in hill areas.

This **must** be combined with an Upland Environmental Management Scheme specifically designed so that hill farmers can secure an income from both agriculture and the provision of public goods.

ENVIRONMENT

The current review of the nitrates regulations provides **a real opportunity to deliver** greater flexibility and address the alarming problem of falling levels of phosphorous in Irish soils.

Changes are required on soil P allowances, the assumed availability of P in concentrates, soiled water, the spreading of broiler litter on tillage ground and the removal of the ban on winter ploughing for spring crops.

The continuation of the nitrates derogation **is essential** but the imposition of calendar farming does not stand up.

SMART FARMING

In 2013 the Association launched an initiative called Smart Farming, which in conjunction with Teagasc, EPA, UCD and others **is seeking to improve** farm returns through better on-farm resource management in areas such as grassland, energy and feed.

This is a good initiative which is focused on reducing costs inside the farm gate and this year IFA has secured a budget of over €30,000 to support members seeking to reduce costs through better resource management.

INFRASTRUCTURE

Over many years, farmers have endured various infrastructure impositions, whether they be gas pipelines, new roads or presently electricity infrastructure.

IFA **recognise** the need for essential infrastructural improvements to facilitate economic development in all parts of the country.

Each time, IFA secured a robust package of measures which protected farmers' interests **and we will continue to do so.**

However, I want to speak directly on the issue of the high voltage power lines currently being proposed by EirGrid.

Preferred routes must be announced without delay and undergrounding must be fully considered as part of the planning and route design process.

CLIMATE CHANGE

This is an important year in the climate change debate, with Minister for the Environment Phil Hogan set to publish legislation.

I **welcome** his commitment and **that** of the Government **not** to introduce illogical sectoral emission reduction targets which will stifle the progress on our sector.

However, in welcoming progress made in Brussels for having agriculture treated separately from a climate change perspective this **must become policy** at both EU and UN level if food security concerns are to be addressed.

Irish legislation on climate change **cannot restrict Ireland's** capacity to increase output as we have one of the most sustainable models of food production in the world.

LAND USE & MOBILITY

I have identified Land Use Policy as a key area that needs to be reformed.

Efficient land and resource **use is vital** to expanding our sector.

A number of key areas that need to be addressed under Land Use Policy include: incentives for medium to long-term land leasing, security of tenure, more attractive Taxation policies, the promotion of timely and efficient land transfer, and share farming options.

IFA will be bringing policy proposals to Council in the spring.

CREDIT & BANKING

Access to credit at a competitive rate will be a critical component in the expansion of the agriculture sector.

The withdrawal of AccBank and Danske from retail banking is a **serious concern** for thousands of farming customers and is a further erosion of competition in the banking sector.

IFA will be demanding that the banking sector provides the necessary finance for expansion and will closely monitor interest rates and charges.

In addition, where EIB or other low cost finance is available from Europe, **it must be made accessible to farmers.**

Farmers must also be given access to working capital finance to reduce their reliance on expensive merchant credit.

TEAGASC

Our research, education and advisory services are critically important to the future development of our sector.

Our Association **will challenge inefficiencies and gaps in service provision and we expect** Teagasc and other agencies to drive the dissemination of timely technical and business information **so that all farm families can benefit.**

COUNTRYSIDE

In relation to the countryside and rural affairs, there is a raft of issues of major concern to farm families and rural dwellers.

I intend ensuring that issues such as the state of rural roads, rural security, the availability of rural broadband are properly addressed by state agencies and local authorities.

IFA will put these issues on the political agenda in the run up to the May local elections

AQUACULTURE

Fish farming is growing rapidly worldwide, overtaking wild fisheries to provide safe, managed seafood and reinvigorate rural coastal areas.

Ireland is perfectly placed to take advantage of the growing demand but we can only hit the Government's ambitious targets to double production if there is a complete overhaul of the licencing system and a serious reduction in bureaucracy.

FARM SAFETY

Farm safety and the mental wellbeing of our farmer members will continue to be a priority for our Association.

Our Farm Family Committee has linked up with Pieta House to provide a dedicated professional service to support farmers in stressful situations.

IFA will continue to encourage farmers and their families to "Think Safety and Farm Safely", **always**.

The Fair Deal Scheme needs to be reformed so that any liability on productive farm assets is capped regardless of the duration of care.

COMMITTEE WORK PROGRAMME & PRIORITIES

I want to say to all the Chairmen and Secretaries of our National Committees and Project Teams, I will be sitting down with you in the coming weeks to review work programmes and set priorities for 2014.

MEDIA

I want to welcome RTE's recent announcement to provide an agriculture and environment correspondent.

I look forward to working with the media and appreciate their support in communicating our message.

ORGANISATION

In IFA, **we have a great organisation** and key to our success is our unity of purpose and democratic structure in representing **all** farmers in **all** enterprises in **all** parts of the country.

Next January, we will celebrate an important milestone - the 60th anniversary of the foundation of NFA.

We have built a highly committed and dedicated professional management and staff in IFA.

I look forward to working closely with all our officers and staff to ensure that everything possible is done to deliver on the issues of the day.

I want to thank each and every member for their support and wish you and all our members' good health and every success in the year ahead.

Thank you.