

**INAUGURAL AGM ADDRESS OF IFA PRESIDENT JOE HEALY  
27<sup>th</sup> APRIL 2016**

**WELCOME**

Ladies and Gentlemen,

I am greatly honoured to be elected your President, the 15<sup>th</sup> President of NFA/IFA.

50 years after the Farmers Rights Campaign, IFA still has a really important job to do for farmers

That's fighting for Farm Incomes in every sector and every part of the country.

**ELECTION CAMPAIGN**

I want to acknowledge the huge efforts put in by all candidates and their families in the presidential elections.

It was a gruelling campaign for all concerned.

I wish to pay particular tribute to Henry Burns and Flor McCarthy.

You have both made outstanding contributions to IFA, and I wish you well in the future.

I also want to mention Nigel Reneghan and Pat Farrell and John O'Brien in Munster.

To all of you, I want to recognise your courage in standing for election and to thank you on behalf of all the members for putting your names forward.

I congratulate and look forward to working with our newly elected team at national level.

Our Deputy President, Richard Kennedy, our Regional Chairmen John Coughlan, James Murphy and Bert Stewart, and our new National Committee Chairmen.

I want to acknowledge the work done by the outgoing National Officers.

Our former president Eddie Downey, who made a massive contribution to the Association in his 25 years of service at national level

Our outgoing Deputy President, Tim O'Leary and our outgoing National Treasurer / Returning Officer Jer Bergin, who have both made substantial contributions to the Association.

I also want to thank our outgoing Munster Chairman James McCarthy for his hard work on behalf of farmers.

I want to acknowledge Tom Turley's contribution at national level and I am clear on the need to resolve the Connacht situation without delay.

At the AGM Dinner tonight, we will recognise all the outgoing National Committee Chairmen and County Chairmen.

**IFA RENEWAL**

This is a challenging time for IFA.

The events of the past six months have seen the organisation come under intense scrutiny.

Members have been let down by failures in transparency, governance and decision making.

Farmers need a strong IFA – a strong IFA to fight for viable farm incomes.

We must resolve the structural failures that led to recent events.

**Trust, transparency and credibility** must be at the heart of IFA going forward.

As your new President, I am determined to lead a united and strong organisation.

An organisation totally committed to putting farmers first.

I want to thank farmers for your support and am asking for your continued strong support of IFA

With the farm income challenge in every sector, farmers need a strong and adequately resourced IFA now more than ever.

### **Lucey report**

The Lucey report outlined a number of recommendations.

IFA governance will be strengthened

Transparency will be maximised

### **Income and expenditure**

Our full financial accounts will be placed before the AGM every year and put on the IFA website, for all members.

The Remuneration Committee will set the payment levels for the President and Director General and these will be made publicly available.

Neither the President nor Director General will be members of this committee.

I will start the process for the appointment of a new Director General and a review of the levy immediately.

This will be followed by a comprehensive review of all areas of income and expenditure.

As part of this, a review of pay and working conditions at all levels will be undertaken.

### **Governance**

On governance, every elected officer will have clear roles and responsibilities.

I want to see a reinvigorated and vibrant branch network, meeting more frequently and feeding into the County Executives.

The county representatives will bring the views forward into their National Committees, which are critical to developing and pursuing policy.

The IFA structure of voluntary leadership, backed by professional and dedicated staff, is a unique and powerful mix.

This teamwork gives the Association real strength in representing farmers at local, national and international level.

## **Representation**

IFA represents farmers across all sectors and all regions. Our structures must ensure that we fully represent the needs of all farmers.

Where there are specific issues affecting smaller groups of farmers, these will be taken on board.

I am taking two initiatives to strengthen representation:

1. I propose to re-establish the National Animal Health Committee with a broad brief to cover all areas of Animal Health and Welfare.

All Counties will be represented and the Chairman will have a full seat on Council.

2. I also propose to set up a full National Committee combining Hill and all other Designated Areas, with the Chairman having a full seat on Council.

Farmers who have their land sterilised and devalued absolutely deserve full representation on the Council of IFA

The recently launched IFA campaign for 'No Designation Without Compensation' will be stepped up

As regards IFA representatives on outside bodies, all newly elected National Committee Chairmen will succeed outgoing Chairmen.

Apart from these, I propose to discuss with the National Officers all other IFA positions on outside bodies, and bring the full list back to the next Council for approval.

## **TACKLING THE FARM INCOME CHALLENGE**

Ladies and Gentlemen, the single biggest challenge is Farm Income.

2016 is proving to be an extremely difficult year.

The reality is: Farm incomes are too low and unsustainable.

As your new President, I want to assure you that **Tackling the Farm Income Crisis** is my number one priority.

This will be top of my agenda when I meet the Minister for Agriculture.

Politicians need to get serious and recognise that there is a real income crisis on Irish farms

I want to see a dedicated Minister with sole responsibility for Agriculture and Food in the new Government.

## **Prices**

It is totally unacceptable that farmers, who do most of the work in producing high quality food, are receiving a price below the cost of production.

There is unrelenting downward pressure by powerful retailers and processors on farm prices.

This is not sustainable.

Based on what consumers are paying, farmers are entitled to more.

More means a viable price above the cost of production and a fair return on work and investment.

### **Retail regulation**

We need a rebalancing of power in the food supply chain.

The aggressive behaviour of dominant retailers towards smaller suppliers, particularly vegetable, fruit and potato growers must be stopped.

IFA is demanding the effective enforcement of the new Grocery Regulations.

Contracts must be effective, complaints must be investigated and offenders prosecuted.

IFA will continue to push for stronger legislation to include an independent ombudsman, and a ban on below cost selling.

In Brussels, the Irish Government must support the Commission proposal that all large multinationals, including retailers and processors, will be obliged to publish their profits in each member state.

### **Costs and Inputs**

High input costs are a major problem.

The cartel on fertiliser prices and the stranglehold of the banks on interest rates must be broken.

### **IFA Fertiliser campaign**

IFA's investigations and independent high-level report clearly show a failure of competition in the European fertiliser market.

Manufacturers are unfairly increasing their profits at farmers' expense.

The EU Commission must immediately abolish duties and tariffs on fertiliser imports.

This will deliver between €50m and €70m in savings for Irish farmers.

### **Banks & Borrowing**

The cost of bank borrowing remains unacceptably high.

Farmers need access to lower interest rates.

Irish farmers are paying an average of 2% more than our European counterparts.

The new Government must prioritise new sources of finance to increase competition and drive down borrowing costs.

IFA will continue to provide assistance for farmers in financial difficulty.

The banks have an obligation here to greatly improve their levels of communication, understanding and flexibility.

IFA will not tolerate genuine cases of farmers being left at the mercy of 'vulture funds'.

Across the board on input costs, IFA will work to drive competition through a comprehensive programme of input price surveys.

### **Smart Farming**

Within the farm-gate, the IFA Smart Farming initiative has delivered real cost savings of €5,000 per farm, and is being continued in 2016.

### **CAP**

With farm incomes under pressure in every sector, the role of the CAP and Direct Payments in supporting farm families was never more important.

There can be no further cuts to Direct Payments.

We recognise the need for a National Reserve for young farmers, and the Minister must find a way of delivering this without cutting payments further.

The focus of the CAP mid-term review must be to build on the simplification initiatives of Commissioner Hogan.

We need to simplify the inspection process, cross compliance and greening requirements.

There must be greater flexibility regarding the three crop rule.

The Commissioner must also start preparing the ground for the CAP post 2020.

The priorities for Irish farmers are a strong CAP budget, the maintenance of direct payments, and an effective response to market volatility.

### **Direct Payments**

Delivering Direct Payments on time is critically important.

While acknowledging that most payments were delivered within the deadlines last year, there were unacceptable delays for some farmers.

Delays will not be tolerated this year. This is a red line issue for IFA with the Minister for Agriculture.

That's what I mean by a robust and working Charter of Rights.

Under the Rural Development Programme, there is funding of €580m per annum available for farm schemes.

IFA will intensify our campaign for increased Direct Payments.

This means:

- Restoration of ANC payments to pre-2008 levels, worth €50m
- Improved GLAS payments, with over 50,000 participants
- A targeted sheep payment
- An increase in the suckler cow payment; and

- Increased grant aid under TAMS.

I will go into more detail on these later under the various sections

### **Volatility and taxation**

In last October's budget, IFA secured a tax credit for farmers and the self-employed.

I want to see this coming into line with the PAYE allowance no later than 2017.

Tax measures on land leasing, farm transfers and young farmers are beginning to have a positive impact.

Addressing volatility through the tax system is a new challenge. Farmers need new and improved measures to provide them with necessary flexibility.

The Agri-industry must also come forward with risk management measures, including contracts, to provide greater stability on supplies, prices and inputs.

### **BREXIT**

The outcome of the UK referendum on EU membership will have far reaching consequences for Ireland and our agri-food sector.

Irish agri-food and drinks exports to the UK totalled €4.4bn in 2015.

We have already seen the negative impact on exports from a weaker sterling.

A UK exit could see the return of tariffs, quotas and border controls.

Other threats include the CAP budget, Animal Health, and trade deals.

IFA has a very clear position on BREXIT.

Irish agriculture is stronger with the UK staying in the EU.

### **Trade**

The drive by the EU Commission on TTIP and Mercosur must be halted.

Trade Commissioner Cecilia Malmstrom cannot ignore the opposition from 20 EU Agriculture Ministers to her draft Mercosur trade offer.

This threatens the EU market with cheap South American beef.

Mercosur is unequivocally bad for Irish agriculture and particularly our important beef sector.

It is reckless for the Commission to propose a draft offer which would hand over 37% of the European steak market to the South Americans.

As a fundamental principle, the EU must insist on equivalence of standards.

The record shows that the Mercosur countries have consistently failed to meet EU standards on animal health and welfare, traceability, the environment and the ban on hormones.

Commissioner, Phil Hogan, must not allow agriculture to be the sacrificial lamb in these negotiations.

Now turning to the main farming sectors.

## **BEEF**

The lack of competition in the beef sector is a major problem.

Prices and incomes remain unacceptably low.

Clear evidence of this was the major gap of €300 between Irish and British beef prices for most of last year.

This must be confronted.

IFA has retained a competition economist to examine the proposed ABP investment in Slaney.

We will be making a strong case to Government and the Competition Authorities in both Dublin and Brussels, that effective competition in the beef sector is essential.

This also requires a strong live export trade. We need to see stock flowing to Turkey and Egypt.

The new Government must resolve the labelling issues, which are preventing us from maximising the potential of live trade to Northern Ireland and Britain.

IFA is totally opposed to carcase weight restrictions.

Weights were never part of the QPS.

These are being used to cut the price of our best quality stock from the suckler herd and would cost farmers over €10m in a full year.

We need a proper payment system based on quality, with specifications appropriate to Irish production. The QPS Grid must be reviewed on this basis.

The Bord Bia Quality Assurance scheme is essential, but it must be more practical and farmer friendly.

Farmers need a close out period to allow them remain in the scheme and trade, while addressing compliance issues.

All of these issues must be dealt with in an effective Beef Forum, led by the Minister, that works and delivers for farmers.

I am calling for the immediate reopening of the Beef Data and Genomic Scheme to allow new entrants in 2016.

The scheme needs to be simplified and made more farmer friendly.

IFA is targeting increased support for the suckler herd of €200 per cow.

## **DAIRY**

Dairy farmers are in a prolonged period of extremely low prices and reduced incomes.

The dairy industry cannot plan for the future based on farmers carrying most of the market risk

Co-ops require farmers to sign milk supply agreements.

In return, they must give stronger direction on the volume the market can support at a viable price.

The co-ops must stop cutting milk prices.

Farmers can take no more of the pain.

Co-op management and executives must find cost savings outside of the milk price.

Cash flow support is urgently required.

At national level the Government must use the EU concession on higher levels of state aid.

The EU Commission must commit to stronger market supports.

The banks must be proactive with farmers and fast-track overdraft and other facilities.

Longer term, flexible financial products such as the Glanbia package, must be offered across the sectors for all farmers.

Teagasc and the co-ops must help farmers with cash flow budgeting

## **Liquid Milk**

Liquid milk producers are also under pressure

In 2015 poor prices saw autumn calvings back 16%.

Producers are voting with their feet.

The result is a reduction in the availability of fresh milk over the winter months, with potential implications for consumers.

Retailers and dairies must return a fair price, which covers the additional costs of year round milk.

## **Grain**

Grain farmers are facing into a fourth difficult year, with prices totally out of line with the reality of fertiliser, chemicals, machinery and land rental costs.

3 years of falling harvest prices have left growers with an average price below €140/tonne.

The stark reality is that farmers were receiving higher prices 25 years ago.

With 6.5 million livestock, 1.5 million pigs and 12 million poultry, our agriculture sector consumes over 5 million tonnes of grain annually.

We need a vibrant tillage farming sector in Ireland

Forward contracts, increased farm-to-farm trading, higher incorporation of grain in rations and alternative market outlets for straw, all have an important role to play in the tillage sector

In addition, we need to see increased use of Irish malting barley in our growing whiskey industry

IFA has secured TAMS grant aid for storage facilities and processing equipment. This must be delivered when the next tranche opens in June.

I want to assure grain growers that I will actively pursue these issues with the Grain committee

## **Sheep**

With an average retail lamb price of €10.50 per kilo, the market is well capable of returning a farmer price of over €100 per head across the summer season.

The recent attack by the processors on lamb price is unjustified. Farmers must be properly rewarded for the production of high-cost quality spring lamb.

We are making progress on the IFA campaign for a targeted payment of €20 per breeding ewe, with commitments from both of the main political parties.

The new Government must now deliver on these commitments.

In Brussels, IFA will continue to strongly represent the sheep sector in the EU Sheep Reflection Group.

In 2016, IFA will have a strong focus on hill farming, and pursue:

- flexible implementation of commonage stocking rules,
- a Bord Bia marketing initiative for hill lamb,
- implementation of the proposed extension to the burning dates, and
- expansion of the walks scheme.

## **Pigmeat**

Pig farmers are going through a severe income crisis.

It is unacceptable that the EU has left farmers carrying the cost of the Russian ban, which arises from a geo-political dispute.

The EU Commission must support the sector through export credits, APS and market access.

Following last month's Farm Ministers meeting, the Department of Agriculture must deliver short-term financing solutions and the banks must play their part.

On the home market, we will pursue the extension of country of origin labelling and use the IFA DNA scheme to maximise the amount of Irish pigmeat sold

IFA is seeking the establishment of a Pigmeat Forum, chaired by the Minister, which will map out a sustainable and long-term strategy for the sector

## **Poultry**

For poultry farmers, IFA will continue to work to deliver sustainable payment terms.

With our high welfare standards and low disease status, the opportunity to break into export markets must be strongly supported.

IFA has secured the inclusion of poultry in the TAMS grant aid scheme and the Knowledge Transfer programme.

I strongly encourage farmers to take up these schemes and expand cautiously.

## **Animal Health**

Achieving the highest Animal Health status is of critical importance across all our livestock sectors.

While progress has been made on eradicating Brucellosis, and in most on TB, blackspot areas remain.

The Department must enforce stronger deer and badger controls.

TB compensation increases secured by IFA are a positive first step in reducing the cost burden on farmers.

However, the restrictions preventing farmers from buying back in stock and selling calves from dairy herds must be resolved.

The BVD programme has made progress in reducing disease, with real benefits for farmers.

Since 2013, the number of herds with PI animals has been reduced by half, with over 30,000 PI animals removed from the national herd.

We need a further reduction in testing costs and a deadline for the end of on-farm testing.

The failure of the Department to provide adequate compensation to match the efforts of farmers has damaged the scheme and delayed progress.

There will be a substantial work agenda for the new Animal Health Committee, including tackling IBR and Johnes, the new EU animal health regulations, and animal welfare.

### **Forestry and Bioenergy**

The ongoing forestry mapping issues are unacceptable

It is wrong that farmers, who planted their lands in good faith, are being hit with retrospective penalties

I am determined that these issues are resolved

Farmers must have confidence that forestry payments will be honoured in full.

The replanting obligation is a major deterrent to farmers who are considering forestry.

There must be greater flexibility if we are to achieve our planting targets.

Forestry policy must favour farmers over corporate investors.

### **Aquaculture**

The aquaculture sector supports 2,000 jobs and delivers €150m in output.

IFA believes that this important sector belongs firmly in the Department of Agriculture.

This is particularly important to ensure delivery on the commitment in *Foodwise 2025* for an urgent licence review

### **Farm Safety**

Making our farms safer is a real priority for IFA.

Low prices and income pressure are increasing the stress on farm families, and not helping the situation.

Through the SAVE LIVES campaign and the National Farm Safety Day, IFA is raising awareness and supporting farmers to reduce risk on their farms.

With our partners Agri-Aware, FBD and ESB, IFA has funded a DVD for primary schools highlighting farm safety risks for children.

Today, I am proposing the introduction of a PTO scrappage scheme to support farmers to replace old PTO shafts with new, safer, models.

## **Rural Crime**

Rural Crime and security are a major concern for farm families and other rural households

IFA has taken a lead role in this area, with the appointment of a Rural Crime Prevention Officer.

We are working with the Gardai on a number of initiatives including

- combating livestock theft,
- community text alerts; and
- Theft Stop for farm machinery and equipment.

## **Fair Deal**

The current rules of the Fair Deal Scheme have the potential to destroy the viability of the family farm business, by burdening families with excessive care costs.

The ongoing review of the scheme must address the issues of the treatment of productive assets, and the five year rule

## **Climate Change**

2016 is a very important year for agri-environment and Climate Change policy

At EU level, emission targets for greenhouse gases and ammonia up to 2030 are to be agreed

IFA has called on Commissioner Hogan to ensure that Ireland's sustainable model of food production is not damaged by the outcome of these discussions.

No other country in the world measures, monitors and manages carbon from farm-to-fork like Ireland.

Our leadership position as an efficient low carbon producer must be protected.

IFA is stepping up its campaign, and this year we will join the Global Alliance for Climate Smart Agriculture which is tackling the dual challenges of climate change and food security.

## **Renewable energy**

In the area of renewable energy, almost half of Ireland's targets for 2020 have yet to be reached.

A more inclusive energy policy is urgently required, which targets greater community participation.

## **Flooding**

The severe flooding of last winter brought home to us the absolute devastation and hardship caused to farms, farmyards and family homes.

It also highlighted the inaction of successive Governments in dealing with river maintenance.

We are demanding a Single Authority in charge of our rivers, with the power to carry out necessary works, including dredging and drainage, to protect people and their livelihoods

## **Rural Renewal**

The choice to live in rural Ireland remains a positive option.

IFA supports the **Social Farming** initiative, demonstrating the caring role farming can play.

However, there are many challenges.

**Farm Assist** is critical to ensuring the survival of many low income farm families.

The income disregards must be restored.

The eligibility criteria for the **Rural Social Scheme** must be expanded beyond Farm Assist beneficiaries only.

**LEADER** has an important role in supporting economic development both inside and outside the farm gate.

However the new structure, based within local authorities, is not in the best interests of rural development and risks losing local expertise, experience and knowledge.

A high quality fibre broadband network must be rolled out across rural Ireland, to support homes and businesses, job creation and investment.

## **CONCLUSION**

Ladies and Gentlemen, farming is facing many difficult challenges

Never was it more important to have a strong and united IFA

As your new President, I am confident we can tackle these challenges head-on and deliver real results for farm families

The history of IFA is the story of six decades of hard work, at home and abroad, delivering for farmers.

I am asking you today to get behind me, and get behind IFA

Together we can succeed.

**Thank you for your support**