

**IFA****IFA SUBMISSION ON THE DRAFT NATIONAL RISK ASSESSMENT 2016**

IFA welcomes the opportunity to input into the continued development of Ireland's National Risk Assessment. IFA represents farm families and enterprises across all sectors and in all parts of Ireland. Continued stakeholder engagement, and the formal input of stakeholder bodies into identification of risk mitigation strategies, updating of the national risk register and monitoring of outcomes will be necessary to ensure a comprehensive and representative Risk Assessment process.

The submission expands upon some of the risks already identified in the Draft National Risk Assessment 2016 and identifies additional risks we believe should be considered in the finalisation of the National Risk Assessment report.

Risks to agriculture and the agri-food sector arising from UK vote to leave the EU

- The key short term risk arising from the UK vote is the significant depreciation of sterling. We have seen sterling at this weakened level against the euro in the past. However, the sudden drop in sterling will impact negatively on the competitiveness of euro exports to the UK, with a potential fall in value.
- Longer term, the key risks are in relation to the future trading relationship between Ireland and the UK. The imposition of barriers to trade would all add to costs and undermine the competitiveness of our agri-food exports. In addition, there is a significant risk to the EU and CAP budget, which provides almost all of Ireland's revenue from the EU, from the withdrawal of the UK, a net contributor.

Risks to competitiveness of farm enterprises and other SMEs

- The costs of credit and lack of real competition within the banking sector provides a significant risk to the competitiveness of small businesses and farm enterprises.
- The continued disparity in borrowing costs for export-dependent enterprises in Ireland compared with competitors in the EU, and the costs of moving funding provider
- The depreciation of sterling against the euro, if sustained, provides a major risk to the competitiveness of export-dependent enterprises, and domestic enterprises competing with UK imports on the Irish market
- Inadequate and unnecessarily costly broadband services continue to undermine the enterprise potential of rural Ireland.

Climate change and the agri-economy

- The October 2014 statement from the European Council recognises the multiple roles of agriculture. These include the production of food, feed, raw materials and energy, enhancing the quality of the environment and contributing to climate mitigation and adaptations.
- The decision taken at the international climate talks in Paris in December 2015 that food production must not be impacted when addressing the climate challenge is in line with EU and Government policy.
- The climate change negotiations at EU level in 2016, which will set Member State targets to 2030 present a risk to the development of the agriculture sector. Balanced negotiations are required, which ensures that emission reduction targets for Ireland do not hinder the sustainable development of the sector or put a disproportionate burden on other sectors of the economy.
- There is a significant risk that the positive carbon sequestration contribution of agriculture is not fully recognised in the negotiations

- The ammonia reduction targets set out in the EU Emissions Ceiling Directive must not limit the potential of the sector to grow.

International trade

- There is a significant risk that the negotiation of EU-third country bilateral trade deals will be undertaken with insufficient regard paid to the negative elements of an overall deal for specific economic sectors, such as agriculture, and within different regions of the Irish economy
- The outcome of the UK vote to leave the EU increases the risk of the UK negotiating trade deals with third countries, displacing Irish produce on the UK market.

Food safety

- IFA supports the comments in the draft paper on the risks presented by a potential food safety breakdown or food scare.
- As a major agri-food exporter, the health status of our national herds/flocks is very important. An animal disease outbreak (e.g. FMD, Newcastle's disease, PED) would have a very negative economic impact through lost output, reputational damage and potential closure of markets.
- As the largest net beef exporter in the northern hemisphere there is a significant economic risk in the event of contamination (e.g. e coli 0157) of processed meat.
- Mitigation measures in this area should include investment in reputational damage control, planning and promotion of national quality schemes.

Anti-microbial resistance

- The consequences of reducing necessary antibiotic use in animals, which can have serious animal welfare and health implications must be considered very carefully, where there is potentially little if any benefit to reducing resistance in humans
- Solutions to address the issue of anti-microbial resistance at veterinary and farm level entail awareness, better diagnostic support and proven independent best practice advice on disease prevention and control.
- The risks presented by Antibiotic resistance will not be solved by simply reducing the volume of antibiotics used in agriculture. There must be a whole chain approach and all parties should work together to ensure that antibiotics remain an effective tool in the treatment of humans and animals so that they continue to be available and effective when needed.