



IFA

BEEF CRISIS

Income Difficulties on Livestock Farms

Livestock farmers are encountering severe income difficulties as a result of falling prices, increased costs and reduced direct payments. The situation is now a crisis due to the fall in cattle prices, the weakness of sterling and uncertainty around Brexit.

Teagasc data for 2018 shows farm incomes have fallen by 16%, with average incomes on cattle rearing farms at only €10,175 and €15,412 on other cattle farms.

Cattle Prices

Compared to this time last year, cattle prices are down by 20/25 c/kg or €100/head.

Cattle finishers with young bulls, are facing price cuts of 40c/kg or €200/head and finding it almost impossible to sell stock.

At €3.87/kg incl vat, Irish cattle prices are 5c/kg below the EU average and 42c/kg or €150/head below cattle prices in our main export market, the UK.

Beef and Brexit

The UK is Ireland's largest beef export market, accounting for 298,000t (52%) in 2018.

Brexit uncertainty and the weakness of sterling has already impacted negatively on market returns and Irish cattle prices.

IFA estimate a **hard Brexit** with the imposition of WTO tariffs, will cost the Irish beef sector up to **€800m p.a.**

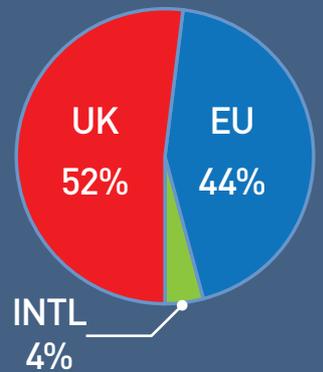
Farmers selling cattle last summer and this spring have already encountered severe Brexit related price losses.

Irish Beef Exports 2018

Value: €2.5 bn
Amount: 573,000t

Market Breakdown

UK: 298,000t
Cont. EU: 250,000t
International: 25,000t





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IFA Proposals to Government and the EU Commission

Urgent action is now required by Government and the EU Commission to address the Beef and Brexit issues, including the following measures:

EU Brexit Emergency Support Package

- A comprehensive package of market supports and direct aid for farmers from the EU to cover a hard Brexit and the losses already incurred.
- Current EU intervention and APS support measures are not fit for purpose.
- New emergency market disturbance measures under EU Reg. 1308/13, Article 219/221 are required.
- EU must provide support of €20/animal for each 5c/kg price drop.
- Vitally important that Irish beef holds its position in the UK market, there is no comparable alternative market.

State Aid Limits

- EU State Aid limits on Members States, currently at €15,000/farmer over 3 years, must be set-aside.

Meat Factories

- The Minister must challenge the meat factories to increase beef prices and prioritise the processing of young bulls.
- Department of Agriculture must increase controls, inspections and sanctions for the factories on carcass trim, classification and weights.
- To reward quality suckler stock, farmers need a significant price premium.

Live Exports

- Live exports provide essential price competition and alternative market outlets.
- Government must support live exports with no further restrictions on the trade.
- Full stakeholder engagement to increase the ferry and lairage capacity for live exports, especially calves.
- Ministerial and diplomatic initiative required to get the international live export trade operating at capacity.
- Resist EU proposals to impose a 30 day pre-movement TB test and tighter assembly periods for live exports.

Suckler Cows

- IFA encourages farmers to apply for the new BEEP (Beef Environmental and Efficiency Pilot Scheme) of €40/cow.
- Targeted direct support of €200/cow is required, funded from national resources and CAP Pillar II.

CAP Budget

- CAP direct payments and Farm Schemes are essential income supports on livestock farms.
- Government must reject the proposed €97m cut to the CAP Budget and secure a Budget increase to provide for inflation and new measures.

Mercosur

- Government must resist the flawed EU trade policy to increase beef imports from Mercosur countries.
- Mercosur countries (Brazil, Argentina, Uruguay and Paraguay) fail to meet EU standards on the key issues of animal health, food safety and the environment.
- Brazil has 4 times the carbon footprint of Irish beef, involving widespread destruction of Amazon rainforests.

Climate Change

- Ireland's grass based beef production is amongst the most carbon efficient food produced in the world.
- The Government's forthcoming Climate Action Plan and the recommendations from the Joint Oireachtas Committee on Climate Action must focus on the Teagasc Climate Roadmap.
- This includes incentives for changes to farm management practices, recognition of carbon sinks and supports for renewables.
- Government proposals cannot hinder the sector and must not include a carbon based quota on production.

Other Sectors

- IFA is seeking a Brexit support package for all farming sectors including dairying, sheep, pig meat, poultry, tillage, mushrooms, forestry and horticulture.