

Irish Beef Sector Agreement, 15th September 2019

This Agreement, reached on 15th September 2019, in Agriculture House, Kildare Street, Dublin 2, is in respect of the Irish Beef Sector. This agreement should be read in conjunction with the Backweston 'Conclusions and Next Steps' document dated 21 August.

Strand One: Immediate benefits for farmers

Strand One of the Agreement involves a number of interventions which will provide immediate benefit for beef producers. The following interventions were agreed:

- The **immediate introduction of a new bonus of 8c/kg for steers and heifers aged between 30 to 36 months**, which meet all non-age related existing in-spec criteria, and which up to now have not received any bonus.
- An immediate increase of two-thirds in the current in-spec bonus for steers and heifers, **from 12c/kg to 20c/kg**.
- The introduction of a **new in-spec bonus of 12c/kg for steers and heifers under 30 months in the categories of grade O- and fat score 4+**, which currently do not qualify for any bonus.
- The in-spec 70-day residency requirement will be reduced to 60 days on the last farm.
- Bord Bia will develop a beef market price index model based on 3 components: cattle price index, beef market price index (retail and wholesale) and an offal price indicator, which will be introduced week commencing 16 September.
- An immediate scientific review of the Quality Payment Grid by Teagasc; the first stage of the review, a desktop analysis of the pricing structure of the grid on the basis of meat yield/conformation, to be completed by end October.
- The establishment of a **Beef Market Taskforce**.

Strand Two: Strategic Structural Reforms:

Strand Two of the Agreement sets out the strategic measures which seek to address structural imbalances in the beef sector.

Market Scrutiny

Initiatives aimed at improving information along the supply chain will **include the immediate commissioning of the following reports, with a view to publishing before the end of 2019:**

- **an independent review of market and customer requirements**, specifically in relation to the four in-spec bonus criteria currently in operation in the Irish beef sector;
- **an independent examination of the price composition of the total value of the animal**, including the fifth quarter, along the supply chain. The results will inform future actions as necessary. The beef industry will co-operate in providing data; and
- **a summary of competition law issues** as relevant to the Irish beef sector.

Beef Market Taskforce

As part of Strand One and underpinning Strand Two, a Beef Market Task Force will be established to provide leadership to develop a sustainable pathway for the future of the beef sector in terms of economic, environmental and social sustainability. The Taskforce will be independently chaired by an appointee of the Minister, and will include DAFM, relevant State agencies and nominees from farm organisations and the meat industry. The Taskforce will provide for a robust implementation structure for commitments entered into in this Agreement, with timelines and stakeholder engagement. Furthermore, the Beef Market Taskforce will offer a suitable platform for strategic engagement with key stakeholders including retailers, regulatory authorities etc.

The Task Force will review and bring forward measures that can support farmers transitioning from lower grade animals towards higher-spec categories through innovation and new technologies.

Promotion

- **Bord Bia will further intensify promotional activity for Irish beef** across key EU markets and China.
- DAFM and Bord Bia are actively engaging with the EU Commission on the development of a **Protected Geographical Indication for Irish beef**.

Transparency

- In advance of the implementation of a new EU Regulation on price reporting across the EU, DAFM will provide **additional detailed price reporting on the Beef PriceWatch app**. EU experts will be invited to brief the Task Force on the expanded EU meat market observatory methodology.
- Key retail customers will be invited to brief the Task Force on their market requirements.
- The Task Force will examine transparency models in other jurisdictions.
- A consultation process will be launched shortly on the **transposition of the Unfair Trading Practices (UTP) Directive**, including consideration of the requirement for an independent regulator.
- DAFM will report its **carcass classification** inspection results on a regular basis. An expert report on mechanical carcass classification will be published in the near future. An appeals system for manual grading factories is being introduced.
- Teagasc will review the hot/cold weighing system.
- FSAI and DAFM will ensure strict enforcement of EU labelling laws.

Strengthening the position of the farmer in the supply chain

DAFM is proactively engaging with several potential **beef Producer Organisations** and providing guidance on the application process. The first beef PO was approved by DAFM this week.

Live exports are a critical outlet to improve competition in the sector. DAFM is committed to a continued strategic focus in facilitating and developing this trade on a sustainable basis, taking account of stringent animal health and welfare standards.

Miscellaneous industry commitments

- Meat industry confirmed that the base price at individual plant level applies to all steers and heifers regardless of age or breed.
- No change in weight limits without a minimum of four months notice to the farmer.
- Farmers have the right to access their carcass images.
- Lairage weighing services will be provided on request, which may incur a nominal charge.
- Written confirmation of terms of sale, where requested.
- Farmers can opt out of the insurance scheme for animals delivered to factories.

Resolution of dispute

All parties have entered into this agreement in good faith. The intention here is to resolve all outstanding issues between farmers and processors. We agree as follows:

- Blockades and protests will be removed immediately and all parties to this agreement will ensure that this happens.
- Thereafter, beef processors undertake that all legal proceedings against farm organisations and/or individual farmers will be withdrawn in relation to this matter.
- Parties agree that any future disputes that arise should, in the first instance, be brought before the Beef Market Taskforce, in order to maintain the integrity of the Agreement.
- If any party fails to comply with these provisions, the Agreement lapses.
- This Agreement enters into force following the cessation of all protests and blockades.

The parties to this agreement, which was facilitated by the Department of Agriculture, Food and the Marine, on 15 September 2019, are:

- Meat Industry Ireland
- Irish Cattle and Sheep Farmers Association
- Macra na Feirme
- Independent Farmers Organisation of Ireland
- Irish Creamery Milk Suppliers Association
- Beef Plan Movement
- Irish Farmers Association
- Irish Natura and Hill Farmers Association