



Irish Farmers' Association submission re the allocation of funds from the Brexit Adjustment Reserve to support Irish farmers in mitigating the adverse impact of Brexit (including anticipatory / potential implications not yet fully realised)

Executive Summary

- The Irish agriculture sector has been the foundation stone on which economic activity and employment (both upstream & downstream) has been built in towns, villages and surrounds throughout rural Ireland. The sector, and specifically its primary producers, are a critical part of the food supply chain, ensuring food security for Irish consumers, however now more than ever is facing into an increasingly uncertain future.
- The United Kingdom (UK) has, and will remain, a key strategic market for Irish Food & Drink exports, however Irish farmers have been forced to endure the adverse consequences of that unexpected Brexit vote in June 2016, operating often within the realm of negative market sentiment; currency fluctuation; protracted EU/UK negotiations; uncertainty and indeed a series of Hard Brexit cliff-edges, which unfortunately even today, remains a possible reality.
- Cost of production (particularly inputs sourced/diverted through the UK) has gone up post Brexit; while added uncertainty and challenge has impacted on-farm investment and succession, particularly among the traditionally low margin enterprises. The cost/inability to secure seed potatoes has been a particular challenge.
- The most immediate and direct consequence of the Brexit referendum was however a weakened sterling – wiping approximately €570m off the value of Irish Food & Drink exports in 2016, and an estimated €1.55bn since. Mushroom exporters, trading in sterling suffered an 18% cut to margins within weeks. Many ceased growing for a period; 40% exited completely. The industry impact of a weakened sterling alone relative to pre-Brexit levels for the Mushroom sector is estimated at c.€47m.
- Agri output prices took a hit too, with atypical seasonal market demand trends and stockpiling of product, aligned with cliff-edge EU/UK negotiations, continued sterling devaluation/fluctuations and the threat of a Hard Brexit, compounding matters, depressing output prices and consequently revenue returns received by Irish farmers. For example, spanning Sept 2018 – March 2019, estimated lost trade for the beef sector was c.€101m, with further revenue loss evident end 2019 (c.€8.3m) and early 2021 (c.€12.5m).
- Increased Agri-Food exports have been directed outside Great Britain (GB) since the Brexit vote, with a significant drop-off in the level & value of GB trade evident. Pigmeat exports to GB for example dropped almost 60% in value and volume terms in 2021 vs. 2020, with the GB market contributing only c.10% of total pigmeat exports (value & volume). This compares with almost one-quarter (26%) of Irish pigmeat exports destined to GB market in 2016, and contributing over one-third in value terms. While a prudent approach – similar unit margins are not always evident – an estimated differential of c.€26.8m exists in potential revenue purely by directing increased quantities to China rather than to GB markets.
- It is undeniable that Brexit has had a significant adverse impact on the Irish Agriculture Sector, spanning all sectors, with additional, even heightened risk of further disadvantage potentially still to come in the form of market displacement; regulatory divergence and even the implementation of crippling tariffs should a Hard Brexit arise.
- A series of targeted, wide-ranging, and innovative financial & support measures are required to promote increased resilience and the sustainability of Irish family farm operations into the future. Such supports, amongst others, span:
 - Direct, targeted financial aid, in the form of De Minimis aid, to compensate for lost income incurred as a result of the weakening of sterling; atypical seasonal demand and/or other direct Brexit related reasons;
 - Subventions on added cost of production;
 - Measures, including direct-aid to support improved performance, efficiency and/or sustainability of the agricultural holding and therein support improved income resilience;
 - Measures to reduce reliance on inputs by directly supporting farmers to implement measures that improve soil health and animal health leading to higher production efficiencies;
 - Measures to promote On-Farm Diversification;
 - Measures to support Intergenerational Renewal / Collaboration type supports/models;
 - Measures to attract, sustain & diversify skills/expertise in the Irish Agri sector;
 - Development of specific volatility and risk management measures.
- Farmers are continually been asked to focus and improve efficiencies to help sustain our businesses against Brexit and other negative external factors of influence, and while an essential practice, it in itself will not be enough. We need practical solutions and adequate supports too. The degree and depth of the support measures, including more broadly the allocation/distribution of BAR funding nationally received, must be proportionate to the fundamental risk involved. Farmers, as price takers, cannot be left carrying the can and absorbing the full cost of Brexit.
- It is important to note that documented financial implications throughout this submission cannot in any way be construed as a full or comprehensive assessment of the overall adverse financial impact of Brexit on Irish farms/farm sectors. They are to be used purely for indicative purposes only, and included solely to highlight the significant economic consequences incurred post-Brexit, spanning multiple perspectives.
- The true impact of Brexit is yet to be realised. IFA welcome the opportunity to contribute this submission, and would very much welcome the opportunity to engage and discuss further in the weeks and months ahead to develop and deliver a series of measures to support increased sustainability and on-farm resilience as negotiation & events begin to unfold.

1.0 Introduction

The Irish Farmers' Association is Ireland's largest farming organisation with approximately 72,000 members across all farm sectors in 940 branches nationwide. As the oldest and largest indigenous industry, the Irish agriculture sector has been the foundation stone on which economic activity and employment (both upstream & downstream) has been built in towns, villages and surrounds throughout rural Ireland. The sector, and specifically its primary producers, are a critical part of the food supply chain, ensuring food security for Irish consumers. Irish farmers, across all sectors, are however facing into an increasingly uncertain future. Record input prices (following the energy crisis and Russia/Ukraine conflict); increasing regulation and pressures to meet climate ambitions; along with substantial cuts in European Union (EU) direct payments as a result of new Common Agricultural Policy (CAP) reforms for many are creating huge levels of stress and complexity to normal day-to-day operations, not to mention making planning and future investments all the more difficult. These are all in addition to the significant challenge and new trade realities following Brexit, and the unexpected decision of the United Kingdom to leave the European Union in June 2016.

The United Kingdom officially left the European Union on 1st February 2020, however for years previous, Irish agri-businesses and farmers have been forced to endure the adverse consequences of that unexpected vote in June 2016, operating often within the realm of negative market sentiment; currency fluctuation; protracted EU/UK negotiations; uncertainty and indeed a series of Hard Brexit cliff-edges, which unfortunately even today, remains a possible reality – see appendix 1.

Given the longstanding history, trade arrangements and cultural ties between both nations, as demonstrated by the increased proportion of Brexit Adjustment Reserve (BAR) funding received, Ireland stands most at risk to the UK departure from Europe. It is the Irish agri-food sector, especially Irish farmers, that stand to lose most out of Brexit given they are price takers and unlike others within the value chain unable to pass on any additional cost incurred as a consequence of Brexit. In addition, given phenomenal inflationary pressures evident currently, consideration should be given to an upward review of existing BAR allocations across Member States to more fully ensure the adverse impact of Brexit is mitigated against.

Despite significant efforts of diversification by industry and State promotional agencies in the last number of years, many quite successful, the UK remains one of the most, if not the most, important trading partners across multiple agricultural commodities. In 2021, one-third, or €4.4bn worth of total Irish Food/Drink exports went to UK markets¹, comprising 42% of all our beef exports, 40% of our cheese exports, the quasi-totality of our mushroom exports, 58% of our poultry exports, and 16% of lamb exports.

It is logical and indeed imperative therefore that Irish farmers across all impacted sectors, receive the largest proportion of Irish allocated BAR funding, with a series of targeted support measures provided to preserve/sustain on-farm operations and mitigate the adverse impact of Brexit – both those encountered to date and those potentially yet to come - as provided for within Article 5 of the Regulations of the Brexit Adjustment Reserve (BAR), most specifically *'measures provided to support the economic sectors most adversely affected by the withdrawal of the United Kingdom from the Union'*.

1.1 Adverse impact of Brexit on Irish Agri Food Sector experienced to date

1.1.1 Lost revenue

The most immediate and direct consequence of the Brexit referendum in June 2016 was the phenomenal shock and uncertainty created, demonstrated by fluctuating exchange rates for much of the year. The underlying weakness and volatility of sterling negatively affected the competitiveness of Irish food and drink exports in our main export market, reducing the value of trade, as estimated by Bord Bia, by approximately €570 million². Given the relative weakening of the UK economy overall the weakness and volatility of sterling remains even today but at higher plateaux. IFA estimate that c.€1.55bn has been lost to Irish Food & Drink sector in subsequent years (2017-21) solely because of a weakened sterling – see Appendix 2 – highest among the beef and dairy sectors at €337m and €330m respectively.

The Mushroom sector was one of the most immediately impacted sectors following the Brexit vote, with exporters incurring price reductions of up to 18% within a few weeks as marketing companies, which sell Irish mushrooms on behalf of Irish growers, typically negotiate contracts in sterling. Many growers ceased trading in this period (see appendix 3), some exited, while others still struggle to offset the negative financial impacts incurred during this period. The industry impact of a weakened sterling alone relative to pre-Brexit levels for the Mushroom sector is estimated at c.€47m.

Elsewhere, output prices across most sectors fell almost immediately and failed to recover to similar pre-Brexit levels until only recently – Table 1 / 2 and appendix 4 – the decline particularly evident in the beef sector. Unit prices for calves and lighter type (300-350kg) beef animals have yet to fully recover. Aggregate beef prices were running 8-12% below pre-Brexit levels until 2021, with calf prices dipping c.10-40% below pre-Brexit levels. Spanning Sept 2018 – March 2019, the IFA estimate the cumulative impact of lost trade for the beef sector was c.€101m – see Appendix 5.

¹ Bord Bia Export Performance and Prospects 2021-2022

² Bord Bia Export Performance and Prospects 2016-2017

Table 1: Select Aggregate Annual Agricultural Output Price Index pre & post-Brexit vote (2015 = Base Year) (Source: CSO, 2022)

| | Cereals including seeds | Fruit and Vegetables | Potatoes including seeds | Cattle excluding calves | Calves | Pigs | Sheep | Poultry | Eggs | Base Milk Price |
|------|-------------------------|----------------------|--------------------------|-------------------------|--------|--------|--------|---------|--------|-----------------|
| 2015 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2016 | 101.35 | 101.46 | 128.5 | 93.03 | 90.48 | 102.6 | 99.92 | 99.48 | 97.56 | 93.89 |
| 2017 | 101.86 | 100.94 | 117.25 | 94.77 | 87.94 | 110.35 | 99.65 | 99.21 | 97.52 | 126.10 |
| 2018 | 123.92 | 106.88 | 140.44 | 93.46 | 76.17 | 96.48 | 105.06 | 99.5 | 98.85 | 118.98 |
| 2019 | 133.12 | 108.32 | 185.56 | 88.26 | 63.45 | 114.29 | 99.02 | 100.18 | 98.95 | 115.25 |
| 2020 | 111.63 | 105.86 | 139.96 | 92.71 | 70.35 | 118.2 | 109.44 | 100.26 | 99.11 | 117.29 |
| 2021 | 131.67 | 107.26 | 145.86 | 104.77 | 84.86 | 106.89 | 133.17 | 100.68 | 103.44 | 137.63 |

Table 2: Select Cattle Prices per 100kg (pre & post Brexit vote)

| Cattle price per 100kg | Bullock 300-349kg | Bullock 550+kg | Heifer 300-349kg | Heifer 400-449kg |
|------------------------|-------------------|----------------|------------------|------------------|
| 5yr Av pre-Brexit | 212.51 | 190.09 | 217.57 | 210.72 |
| 2016 | 212.99 | 188.83 | 219.62 | 209.26 |
| 2017 | 211.04 | 191.48 | 217.55 | 211.3 |
| 2018 | 196.84 | 189.8 | 199 | 203.35 |
| 2019 | 194.07 | 174.18 | 199.03 | 196.37 |
| 2020 | 200.62 | 183.53 | 203.39 | 201.27 |
| 2021 | 207.26 | 204.88 | 215.25 | 216.8 |

(Source: Central Statistics Office, 2022)

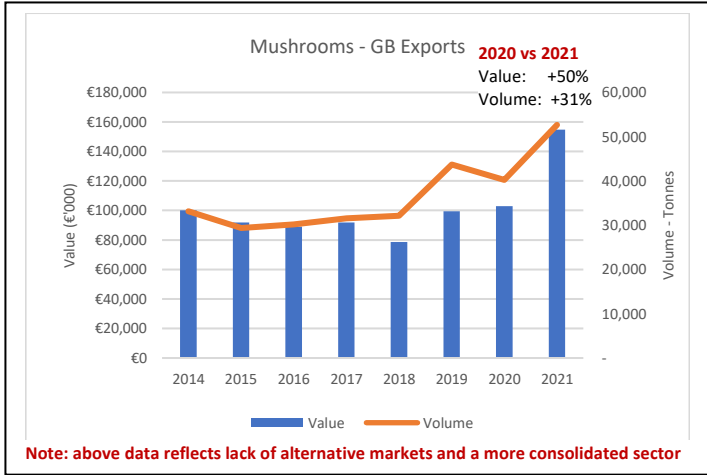
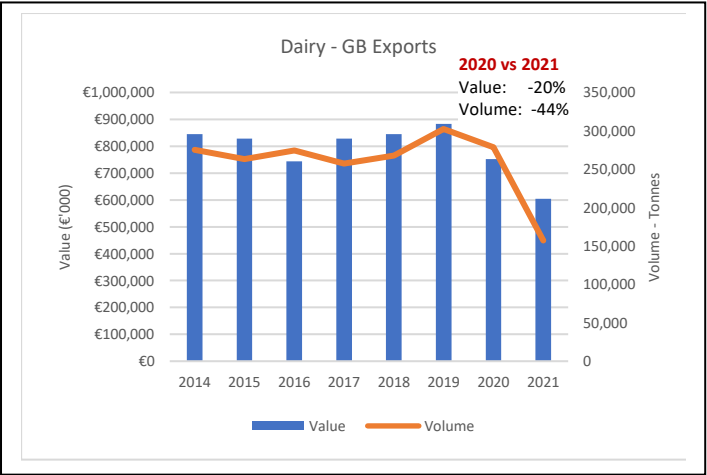
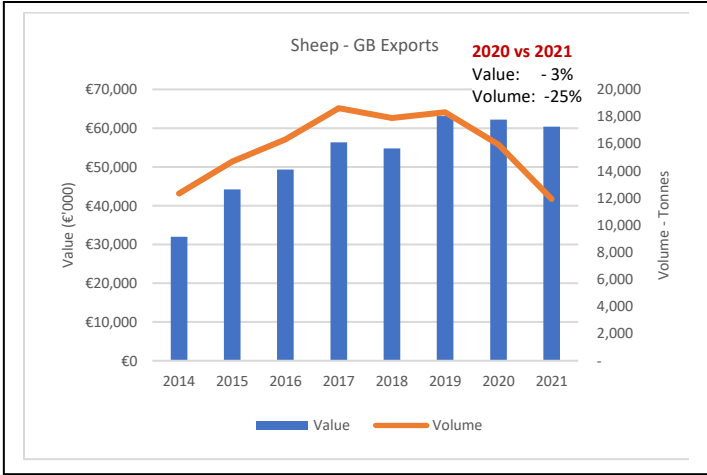
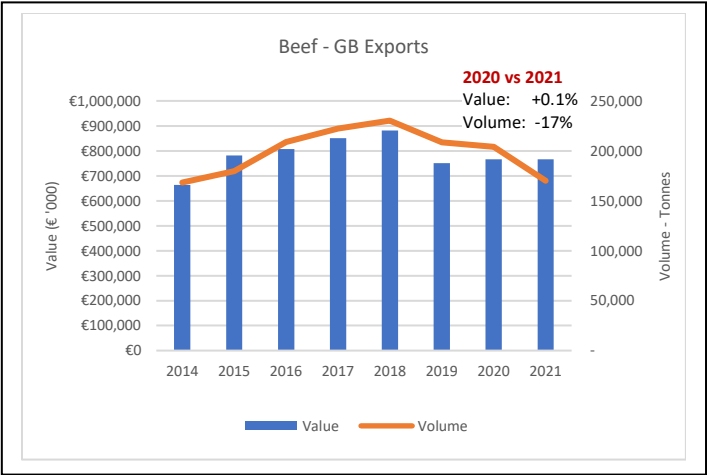
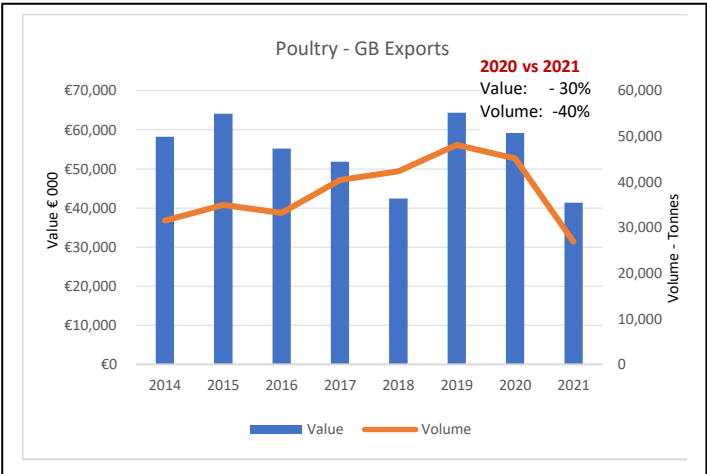
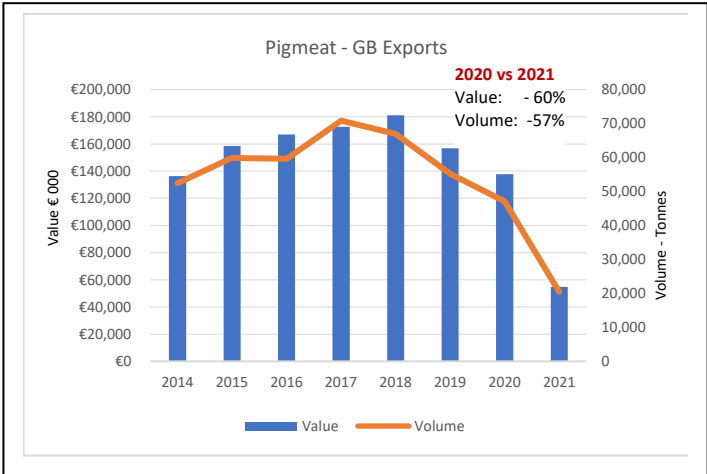
Atypical seasonal market demand trends and stockpiling of product, aligned with cliff-edge EU/UK negotiations, continued sterling devaluation/fluctuations and the threat of a Hard Brexit, have also impacted output prices and consequently revenue returns received by Irish farmers. For example, the Irish beef price end-2019, unlike the UK and EU price was somewhat depressed by the increased risk of a no-deal Brexit (Appendix 6), while the stockpiling of beef that took place in late 2020 prior to the 31st December deadline had very serious consequences for beef farmers between January and April 2021, with beef prices falling to €3.95/kg level for R3 steers. The estimated impact such stockpiling activity on beef prices during this period is estimated at c. €8.3m and c.€12.5m respectively, but fails to include or account for any impact on mart/trade prices during this period. Central Bank data suggests total food and drink exports to Britain fell 35%, from €641m to €418m, in the first two months of 2021, compared with the same period in 2018, in part as a consequence of stockpiling activity.

For end-of lay birds, a 30-day quarantine period is required before export to the UK, however doing same would mean birds would lose their 'free range' status and 10c/bird premium.

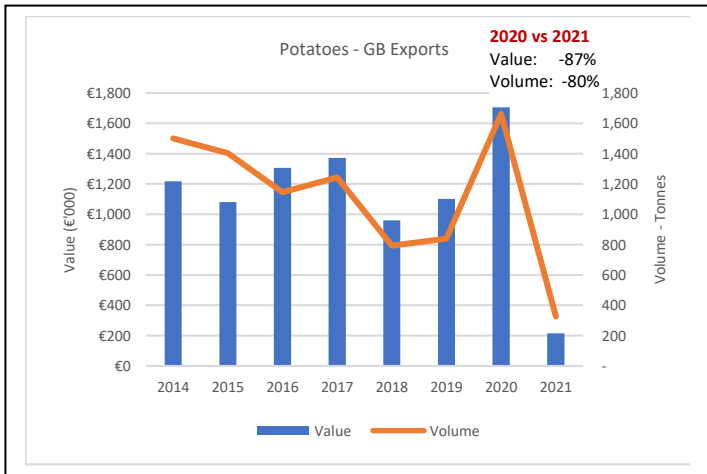
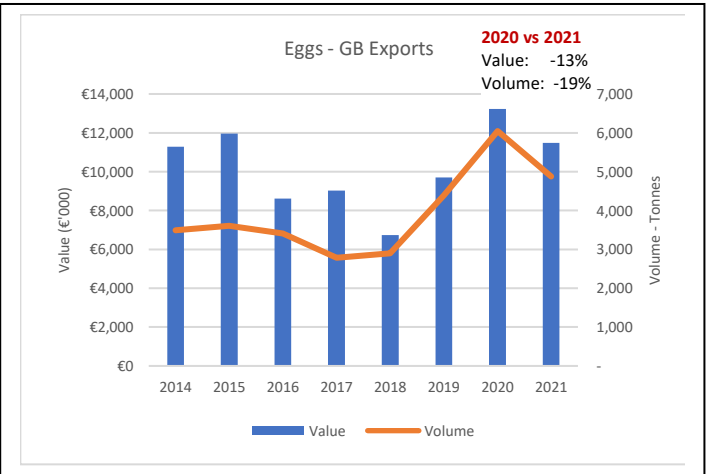
Increased Agri-Food exports have understandably been directed to non-GB markets since the Brexit vote, with a significant drop-off in the level of trade evident in 2021 – see below and appendix 7a and 7b. Compounded perhaps by Covid-19 restrictions, this reflects the first year of the new trading realities, and also increased stockpiling activity in 2020 as noted above. For example:

- Pigmeat exports to GB dropped almost 60% in value and volume terms in 2021 vs. 2020, with the GB market contributing only c.10% of total pigmeat exports (value & volume). This compares with almost one-quarter (26%) of Irish pigmeat exports destined to GB market in 2016, and contributing over one-third in value terms;
- Beef exports to GB declined 17% in 2021, with GB now accounting for 36% of Irish beef exports in volume terms vs. 48% in 2016 (36% vs. 45% in value terms);
- Similarly, sheepmeat exports to GB dropped 25% in 2021 vs. 2020, and have dropped from 26% to 17% in volume terms 2016 vs. 2021 (19% to 15% in value terms);
- Dairy exports to GB dropped 44% in 2021 vs. 2020 (-20% in value terms), with only 9% of Irish dairy exports destined for GB markets in 2021 (vs. 23% in 2016) – 12% vs. 19% in value terms;
- Similarly, Poultry exports to GB fell 40% in 2021 (-30% in value terms) vs. 2020 levels, with overall exports to GB having fallen from 43% to 36% in volume terms in 2021 vs. 2016 (54% to 33% in value terms).

While prudent, and an obvious mitigation strategy against the possibility of a Hard Brexit, many of these alternative markets fail to yield similar high unit value returns as the GB market, therein creating an opportunity cost and lost income potential for primary producers. Take for example the pigmeat sector – see appendix 8 – where a differential of c.€26.8m exists by directing increased quantities to China rather than to GB markets. It is imperative that similar high value/premium markets are secured to offset any lost GB market share to best protect on-farm output prices and therein the income resilience of farms post-Brexit.



Note: above data reflects lack of alternative markets and a more consolidated sector



1.1.2 Increased cost of production

The introduction of non-tariff administration/declarations has increased administration time, checks, paperwork and costs for trading businesses, which directly/indirectly has implications on agri machinery, machinery parts and input prices sourced directly from the UK or those from Continental Europe or elsewhere that use the UK as a landbridge.

Table 3: Select Aggregate Annual Agricultural Input Price Index pre & post-Brexit vote (2015 = Base Year)

| Row Labels | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|--------|--------|--------|--------|--------|--------|
| Seeds | 100 | 98.46 | 98.54 | 98.16 | 106.77 | 102 | 109.4 |
| Electricity | 100 | 96.47 | 95.53 | 102.23 | 105.51 | 105.84 | 118.97 |
| Motor fuel | 100 | 90.08 | 98.26 | 108.02 | 106.9 | 95.23 | 111.15 |
| Lubricants | 100 | 100.76 | 103.8 | 104.2 | 105.77 | 104.91 | 109.15 |
| Straight fertilisers | 100 | 82.26 | 77.93 | 84.09 | 88.63 | 77.22 | 102.07 |
| Compound fertilisers | 100 | 87.62 | 82.21 | 86.66 | 91.24 | 82.17 | 101.14 |
| Plant protection products | 100 | 102.28 | 103.09 | 103.93 | 103.83 | 104.07 | 104.94 |
| Veterinary expenses | 100 | 101.94 | 102.12 | 105.29 | 107.51 | 109.03 | 110.33 |
| Straight feeding stuffs | 100 | 97.12 | 100.51 | 111.8 | 115.32 | 111.08 | 128.16 |
| Compound feed for calves | 100 | 101.59 | 99.77 | 107.11 | 110.05 | 108.82 | 119.75 |
| Compound feed for cattle (excl calves) | 100 | 100.15 | 99.26 | 105.73 | 108.49 | 106.85 | 119.74 |
| Compound feed for pigs | 100 | 97.33 | 100.69 | 110.26 | 117.32 | 114.96 | 125.08 |
| Compound feed for poultry | 100 | 102.29 | 103.89 | 106.63 | 107.52 | 105.09 | 110.93 |
| Other compound feed | 100 | 101.65 | 101.88 | 107.02 | 108.48 | 106.33 | 117.89 |
| Materials & buildings maintenance | 100 | 104.38 | 105.33 | 104.36 | 104.71 | 105.7 | 106.33 |
| Other goods and services | 100 | 100.68 | 101.14 | 103.41 | 104.09 | 105.08 | 107.26 |

(Source: Central Statistics Office, 2022)

As seen in Table 3, this is particularly true for concentrate feed, where Ireland is particularly reliant on the UK market for key feed inputs. In 2021, Ireland secured 11% (128.8k tonne) of its maize imports from the UK; 41% (82.7k tonne) of its wheat imports; 89% (150.7k tonne) of its barley imports; and 97% (2.4k tonne) of oats imports from the UK (Source: International Trade Centre, 2022).

In the case of mushrooms, on average, it is estimated that each load is costing an additional €80/load to export out of Ireland, and import into the U.K. Heat treated pallets must also now be used instead of traditional pallets post Brexit, more than doubling the cost involved (i.e. €3.70/pallet vs. €1,70/pallet) and equating to c.€52 extra per load. Delays at ports & haulage/transport challenges since Brexit are also reducing an already short shelf life and increasing costs even further. A lot of packaging for the mushroom sector is sourced from the UK and is also affected by the above factors. Production efficiencies have been impacted by lower pack house throughput as Northern Ireland mushrooms can no longer be packed in RoI, therefore Irish mushrooms incur a higher cost per kg to process and pack. These costs are being passed on to farmers via increased service rates, reducing their margins and thus risking business viability and jobs in smaller more rural regions.

New regulations post Brexit prevent the return of 'day-old chick crates' to the UK, costing Irish producers an additional 7c/chick, but also the cost of disposing the non-recyclable crates.

In addition, the increased cost of production is eroding the competitiveness of Irish produce on UK markets, compounded by increased sense of nationalisation or 'Buy British' campaigns post Brexit which has resulted in many retailers preferring British product and/or stipulating British only produce.

1.1.3 Forced exit / loss of jobs, skills & expertise / dent to future Farm Succession

Given the low profitability levels typically reported across many farm sectors, Brexit, with all its associated uncertainty and challenges, particularly when combined with other catalysts of change (e.g. Climate Change; CAP Reform etc.), undoubtedly forced many to reconsider their future in farming. Such perspectives span both existing operators in terms of pursuing alternative business interests / potentially exiting earlier than anticipated, but also future farm successors and whether or not they wish to pursue a career in farming when operating within new operating realities. The latter, unless corrected, is of particular concern given the already challenged aging demographic trend, across all farm sectors, since the Brexit vote in 2016.

Table 4: Average Age of Holder by Farm System (2015-2020)

| | Dairy | Suckler Beef | Cattle Finishers | Sheep | Tillage | All Farms |
|------|-------|--------------|------------------|-------|---------|-----------|
| 2015 | 48.7 | 54.3 | 54.9 | 55.5 | 54.1 | 53.8 |
| 2016 | 50.6 | 54.8 | 56.8 | 58.4 | 58.4 | 55.6 |
| 2017 | 52.3 | 55.5 | 57.2 | 57.5 | 58.8 | 56.1 |
| 2018 | 53 | 58.8 | 59.2 | 59.5 | 60.3 | 58.1 |
| 2019 | 54 | 59.5 | 59.6 | 59.8 | 58.8 | 58.4 |
| 2020 | 54.2 | 58.1 | 61.4 | 60.8 | 59.8 | 59.0 |

(Source: Teagasc National Farm Survey, various years)

As already stated, one of the most impacted sectors following the Brexit vote was the Mushroom sector, where traders, typically trading in sterling negotiated contracts, suffered huge financial losses following the immediate sterling collapse. With few alternative markets for mushrooms given its very delicate & perishable nature, it is estimated that about 40% of mushroom growers have exited the industry after the Brexit vote, with only 34 mushroom growers³ remaining in 2021. In the context of promoting greater food security / food sovereignty, it is essential that the resilience and productivity of remaining producers are protected and supported in all and every way possible.

1.1.4 Reduced on-farm investment

The nature of farming is such that farmers are continually investing/re-investing in on-farm facilities, infrastructure, stock and/or machinery so to improve on-farm performance and/or efficiencies. Failing to do so, in the context of an ever-changing consumer, political and volatile market environment can quickly prove detrimental and to the disadvantage of the long-term sustainability of the farm business. Although aggregate on-farm investment per Central Bank statistics increased throughout much of the Brexit transition period, it appears based on Teagasc National Farm Survey data and indeed from engagement with the main Financial Institutions that this was not universally the case across all farm systems. Many of the more Brexit impacted sectors (in particular the Beef sector), as a result of associated market uncertainty or eroded margins, did not seem to have the same level of confidence or available finance to invest in / grow their businesses during this period.

Table 4: Average aggregate new money to Primary Agri Sector and Gross New Investment on-farm by farm system

| | Aggregate New money to Primary Agri Sector ('000) | Aggregate Average Gross New Investment On-Farm (€) | | | | | |
|------|---|--|--------------|------------------|-------|---------|-----------|
| | | Dairy | Suckler Beef | Cattle Finishers | Sheep | Tillage | All Farms |
| 2014 | 652 | | | | | | |
| 2015 | 734 | | | | | | |
| 2016 | 743 | 16,398 | 6,121 | 3,346 | 4,112 | 14,583 | 8,453 |
| 2017 | 863 | 25,172 | 5,002 | 5,309 | 5,794 | 9,312 | 9,867 |
| 2018 | 824 | 31,714 | 3,913 | 5,774 | 4,270 | 11,499 | 10,150 |
| 2019 | 779 | 34,221 | 3,489 | 5,287 | 3,803 | 18,337 | 10,764 |
| 2020 | 789 | 31,289 | 4,490 | 7,797 | 6,851 | 10,779 | 11,344 |
| 2021 | 757 | | | | | | |

(Source: Central Bank of Ireland, 2022)

(Source: Teagasc National Farm Survey, various years)

1.1.5 Loss of Seed Potato Market

Approximately 9,000 hectares of potatoes are sown each year. Ireland is heavily reliant on the United Kingdom (UK) market for seed potato. Ireland has been importing approximately 6,000t of seed potatoes from the UK each year, with 60% of the certified seed that is planted in Ireland coming from.

As a result of the UK's decision to leave the EU and following the end of the Brexit transition period on 1 January 2021, the import of seed potatoes from Britain for seed propagation purposes into the EU has been prohibited under EU plant health regulations.

While in the medium - long term, there is a real opportunity for the revival of domestic seed production in the absence of imported seed from the UK, it will take significant time (possibly years) and investment to achieve. In the short-term, it creates significant challenge for producers, who realistically will be forced either to bring in more continental seed potatoes which will prove more

³ <https://www.teagasc.ie/rural-economy/rural-development/diversification/mushroom-production/>

costly, both in terms of added transport costs and also the increased risk of importing diseases such as brown rot, which present in some European countries.

Table 5: Republic of Ireland potato seed imports (tonnes)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | To Oct 2020 |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| Britain | 3,705 | 4,656 | 1,618 | 5,880 | 5,076 | 3,094 | 3,360 | 4,232 | 3,781 | 7,330 | 5,529 |
| N.Ireland | 1,282 | 400 | 312 | 1,235 | 1,690 | 894 | 600 | 729 | 1,319 | 94 | 857 |
| Other EU | 223 | 0 | 57 | 170 | 10 | 246 | 730 | 493 | 301 | 299 | 133 |
| Total | 5,210 | 5,056 | 1,987 | 7,286 | 6,776 | 4,235 | 4,690 | 5,453 | 5,401 | 7,723 | 6,519 |

(Source: Irish Farmers Journal, 2021)

More generally, many potato growers are experiencing significant financial challenges currently with surplus product (c.15k tonne) on the domestic market and sales at depressed levels. As adopted in Northern Ireland in 2021 under similar circumstances, consideration should be given to the development of innovative support measures to support and help sustain impacted farm operations.

1.1.6 Increased bureaucracy for exporting operations

Since 1 January 2021, consignments of live animals and hatching eggs exported to Great Britain (GB) must be pre-notified to the new UK IT system - Import of Products, Animals, Food and Feed System IPAFFS and accompanied by an export health certificate (EHC) issued by the Department of Agriculture, Food and the Marine (DAFM). In addition, new regulations stipulate minimum pre-notification periods and defined residency periods pre-export (e.g. live animals minimum 40 days residency pre-dispatch; 30 days poultry for slaughter). In the case of equine, where a significant number of equine animals travel to and from the UK for breeding & racing purposes given its close proximity and strong cultural linkages, in the case of importing equine from non-EU countries (i.e. UK), there may be a requirement to hold a comprehensive guarantee – i.e. a form of security to cover potential or existing customs debt, typically in the form of a cash deposit or an undertaking from a financial institution. Given actual/estimated transactional fees involved, the level of comprehensive guarantees required can be significant, particularly for superior quality animals and those exporting large volumes.

1.1.7 Increased consumer prices

As reported earlier, Ireland is not self-sufficient in cereal production, with the UK market one of the most important sources of imported cereal/feed ingredients. Aligned, there is currently only a very limited capacity for industrial flour milling, with only one mill capable of resuming production in the Republic of Ireland. The percentage of flour requirements imported by the commercial baking sector now stands at over 80%, the vast majority of this sourced from the United Kingdom⁴. According to CSO data, flour imports from 2017 to 2021 have averaged 232,000T per annum, which represents a rise of 55% over the period 2010-2014. By comparison in 2003, only 25% of flour used in Ireland was imported. Today, approximately, 180,000T of this is British milled flour enters the Republic of Ireland annually.⁵

Since January 2021, the Rules of Origin criteria in the EU/UK Trade Cooperation agreement have applied a number of conditions to the import of flour and product failing to meet these standards are liable to a tariff of €172/tonne. The Rules of Origin protocols state that flour containing more than 15% wheat from third party countries (non-EU/UK) is liable for an export tariff of €172/tonne. Depending on the UK and European growing season, British milled flour often requires the inclusion of Canadian wheat at a level ≥15% to improve its quality and consistency (UK Flour Millers). According to the Agriculture and Horticulture Development Board (AHDB), the proportion of imported wheat used by British flour mills has averaged 16%.⁶ The ESRI estimates that the price of a loaf of bread has increased by 9% as a result of Brexit.

Since January 2021, the direct consequences of Brexit have been partially avoided by the Irish bakery sector sourcing its flour needs outside of the United Kingdom. UK Flour Millers estimates that 25% less flour was imported from Britain into Ireland in the first half of 2021⁷. However, in addition to Brexit induced costs, the Covid-19 pandemic has placed supply chains under pressure and both France and Germany are a greater distance away than Britain.

⁴ <https://www.ibec.ie/connect-and-learn/media/2021/01/25/fdi-highlights-tariff-and-costs-impact-of-rules-of-origin-on-the-irish-bakery-sector>

⁵ <https://www.ukflourmillers.org/importsexports#:~:text=Why%20import%20wheat%3F&text=Canadian%20wheat%20is%20generally%20imported,a%20blend%20with%20UK%20wheats.>

⁶ <https://bakeryinfo.co.uk/how-do-rules-of-origin-affect-the-uk-milling-sector/654868.article>

⁷ <https://www.irishtimes.com/business/agribusiness-and-food/brexit-irish-bakeries-turn-from-britain-and-look-to-eu-and-ni-1.4605986>

1.2 Potential adverse impact of Brexit on the Irish Agri Food sector

1.2.1 Further added cost and complexity

The UK exited the customs union on January 1st, 2021 and the terms of the withdrawal agreement – which removed the risk of tariffs but left in place the need for Sanitary and Phytosanitary (SPS) and customs checks – came into force. However, this agreement remains only partially implemented. The introduction of pre-notification and of physical check requirements on imports from Ireland has been delayed a number of times by the UK government, but will come into play by the end of 2023 as the UK concessions wear. Similar to that encountered with UK / EU trade (where total EU imports from the UK declined 16% on 2020 levels (€101.8bn vs. €121.2bn)⁸ as traders adapt to these new customs and SPS checks required under the TCA), it is very likely that there will be some trade disruption, initially at least, coupled with added cost, administration and bureaucracy for trading parties. Although farmers won't be unduly directly affected by the additional checks, the real impact to them will be the additional costs the regulations will incur, which will be pushed down the line on to the food producers. Industry estimates suggest that the costs associated with these as well as other non-tariff barriers arising from Brexit are equivalent to a 6-13% tariff. These costs are not limited to goods exported to Britain, but also to goods that use the UK as a land bridge. Meat Industry Ireland suggest the cost can be €500-€800 per truck.

1.2.2 Risk of a Hard Brexit still remains

Brexit is far from over. The recent UK action and announcement by UK Foreign Secretary to potentially, if passed, override agreed elements of the Northern Ireland protocol into domestic law bring added tension and frustration to an already volatile negotiating (or lack thereof) environment. There remain concerns of possible EU retaliatory measures, including under Article 770 the suspension/termination of the TCA entirely in response – meaning a return to deal / no-deal negotiations; the possibility of an EU/UK trade war and economic disadvantage where either side could impose tariffs and an end to the now seamless trade on the island of Ireland. The crippling tariffs on meat and dairy products would effectively make continued trade unsustainable. A Government report identified that import tariffs on Irish food into UK could cost €1.35bn to €1.5bn, based on value of 2019 Irish exports⁹.

A number of studies have been carried out since the June 2016 Brexit referendum by independent economic bodies to assess the impact of various Brexit scenarios on the Irish food sector. All agree, it will have a negative impact, particularly in a Hard Brexit scenario where, relative to a no-Brexit baseline:

- Beef exports to the UK could be more than halved (down 53%) by 2030¹⁰
- Dairy exports to the UK could be down almost 76%⁴

1.2.3 Market share displacement

More medium term, adopting similar fully liberalised agriculture trade to the UK market as in the framework of the UK-Australia Free Trade Agreement (FTA) and UK-New Zealand Free Trade agreement would lead potentially to major market displacement on the part of Irish Food/Drink exports. This is particularly true if the UK government achieves its stated ambition of joining the “Comprehensive and Progressive Agreement for Trans-Pacific Partnership” (CPTPP) by the end of 2022, with countries including Canada, Japan Mexico, Malaysia and Chile as well as Australia and New Zealand.

Looking specifically at the free-trade agreements with Australia and New Zealand, both envisage a completely duty-free and quota-free import regime once initial transition periods for the most sensitive products have run their course. For beef and sheep, this period extends for 15 years, while the transition period for most dairy products there is a six-year phase-in. Gradually increasing tariff rate quotas (TRQs) will apply during these periods.

The date of entry into force for the two agreements remains unclear, and their overall impact on displacing Irish produce will depend, of course, on the extent to which Australia and New Zealand take up the opportunities that the new FTAs offer them, but they are significant.

Taking the TRQ figures at face value, the quotas could theoretically lead to Australia and New Zealand between them supplying 25% of the UK market for beef by the late 2030s, and 100% of the UK market for sheepmeat. Just to emphasise, that's in reference to UK market in its entirety, not purely imported produce.

Although highly unlikely to reach such levels, with increases more incremental in nature, the FTA presents the UK as a convenient 'overflow' market for Australia and New Zealand if political tensions with Beijing were ever to lead to the loss of critical Chinese export markets, therein eradicating any opportunity for Irish producers.

⁸ https://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_151969.pdf

⁹ <https://www.gov.ie/en/publication/e10c9-trade-in-goods-brexit-readiness-action-plan/#agri-food-and-fisheries>

¹⁰ <https://dbei.gov.ie/en/Publications/Publication-files/Ireland-and-the-Impacts-of-Brexit.pdf>

Given the UK market is one of the more higher value markets, any market share displacement of Irish produce, in the absence of obvious alternatives of similar scale and value, would be detrimental to all stakeholders involved in the Irish Agri-Food sector, particularly when one considers this potential risk alongside the threat posed by the Mercosur agreement.

1.2.4 *Regulatory divergence*

In the medium-long term, there is a risk that the UK migrate from the significant regulatory regime that Irish agri-food producers have to comply with in areas such as pesticide regulation, animal health and welfare regulation, environmental regulation and consumer regulation, including food safety, packaging and labelling. In particular, animal health and welfare is a key area of cross-border co-operation between Ireland and Northern Ireland, enabling the free movement of animals throughout the island. Future divergences in these regulatory areas could negatively impact the competitiveness of Irish agricultural products in the UK and distort trade.

2.0 **Support Measures to Mitigate the Adverse Impact of Brexit on the Irish Agri Sector**

Taking the above into consideration, it is undeniable that Brexit has already had a significant adverse impact on the Irish Agriculture Sector, spanning all sectors, with additional, even heightened risk of further disadvantage potentially still to come in the form of market displacement; regulatory divergence and even the implementation of crippling tariffs should a Hard Brexit arise. To foster and better promote increased resilience and the sustainability of Irish family farm operations against such events, and therein protect also the broader rural economy and upstream/downstream industries that rely on a vibrant farming community, it is essential that a series of targeted, wide-ranging, and innovative support measures are provided directly to primary producers. It is important also that the degree and depth of financial support / allocation of BAR funding toward primary producers is proportionate to the risk involved, and the fact farmers are price takers and unlike others within the value chain unable to pass on any additional cost incurred as a consequence of Brexit. Outlined in subsequent sections are a number of targeted cross-sectoral and specific support measures for consideration.

2.1 *Proposed measures to mitigate Lost Revenue:*

- Direct, targeted financial aid, in the form of De Minimis aid, to compensate for lost income incurred as a result of the weakening of sterling; atypical seasonal demand and/or other direct Brexit related reasons as outlined above.
- Measures to secure/develop in the context of reduced UK market reliance new markets and/or viable niche/premium products across all impacted sectors to deliver highest possible on-farm output prices and increase operator resilience.

2.2 *Proposed measures to mitigate increased cost of production*

- Subventions on the cost of production at Producer Level, related to increased costs incurred due to Brexit
- Capital grants to improve on-farm efficiency; reduce the cost of production and increase operator resilience post-Brexit
- Most potato growers suppliers stocked up before the end of the Brexit transition period so they could plant their crops last spring (between Sept – Dec 2020, nearly 5,000 tonne of seed potatoes were imported). Naturally this brought with it added storage costs, which where evidenced, may be eligible for financial support under BAR where existing operations sourced seed potatoes from the Continent, or devoted increased native seed potato plantations. BAR may also finance the additional cost of securing Continental seed potatoes, again where evidenced, relative to past expenditure.
- The Department of Agriculture need to continue its efforts in promoting the advancement of the native seed potato, offering financial supports/incentives where possible. The area of seed potato crops for certification in Ireland increased to 299 hectares in 2021, helping to fill a gap left by a Brexit ban on imports from non-EU countries. This was a 29% increase in Irish seed potato production, over the previous five years, but is still considerably below past levels and indeed requirements. In 2000, over 2,000ha of seed potatoes were grown in the Republic of Ireland.

2.3 *Proposed measures to reduce the reliance on inputs by directly supporting farmers to implement measures that improve soil health and animal health leading to higher production and on-farm efficiencies:*

- A liming and soil structure support programme to include soil aeration equipment to maximise the agronomic and environmental benefits of good soil structures. Good soil fertility and structure is a fundamental requirement of resilient and sustainable production systems but only around 15% of Irish soils have good overall fertility. It should be a priority to address this issue as soils at optimum fertility and pH recycle nutrients more efficiently and should lead to a reduction in inputs for the same or increased levels of grass or crop production while also reducing nutrient loss.
- The introduction of a protected urea incentive scheme – boost uptake which will bring environmental benefits where conventional urea is displaced
- Supports for grass measuring equipment and paddock establishment – support better utilisation of grass and helps alleviate winter fodder costs through grass optimisation
- Reseeding and over-sowing supports

- Improved Animal Health and Performance measures such as supporting more targeted use of antibiotics and antiparasitics - better faecal egg sampling schemes to reduce anthelmintic use and farm cost on medicines
- Supports for animal performance measuring and recording leading to more efficient production systems
- Nationally funded genotyping programme of breeding livestock. Measure would also provide unique selling point and price premium on international markets (including UK) and support also environmental ambitions.

2.4 *Proposed measures to mitigate reduced on-farm investment:*

- In the context that improved on-farm efficiencies represents one of the greatest possible mitigants against Brexit, periods of low income and/or any other market volatility source, it is essential that a series of targeted support measures and low-cost financial products are provided to preserve and promote existing on-farm operations across all farm systems. Some examples might include:
 - Capital grants / the provision of low-cost term finance and working capital solutions to primary producers to support improved performance, efficiency and/or sustainability of the agricultural holding;
 - Capital grants to support the improvement of the natural environment, hygiene conditions or animal welfare standards, provided that the investment concerned goes beyond Union standards in force;
 - Capital grants to support the creation and improvement of infrastructure related to the development, adaptation and modernisation of agriculture, including access to farm land, land consolidation and improvement, water supply and energy-saving investments;

2.5 *Proposed measures to promote increased income diversification*

- Promotional campaigns and financial supports to preserve and grow the supply of native grain / cereal production
- Capital support to develop new farm enterprises and/or viable niche/premium products across all impacted sectors
- Scale up renewable energy (RE) sources and their adoption/application on smaller scaled farms – e.g. anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and grid access.
- The establishment of capital grants of approximately 50% for farmers to invest in microgeneration, with separate funding and investment thresholds to existing TAMS programme.
- On broiler farms, costing €20-€30/t to expose of litter. NI project ongoing, that by adding BioChar, makes litter suitable & more +200-300% more effective as a grassland fertiliser 10-12 days later. Creation of pelletisation plant in ROI may also be considered. 2 plants in NI currently

2.6 *Proposed measures to mitigate Intergenerational Renewal:*

- Measures to attract, sustain & diversify skills/expertise in the Irish Agriculture sector, across all farm sectors
- A State-funded mentorship type programme for new entrants involving some of the most progressive farm operators as active mentors
- An Installation-aid or similar type support measure should be made available for new entrants to support entry / transition into farming activity and to undertake required action to transform existing farm operations into more resilient models of production
- Educational, research & financial measures to support greater income diversification/ value-add opportunities on farm
- Funding to introduce a Sustainable Development Programme (SDP) to co-ordinate the delivery of price supports for farm-scale and community-based renewables and to ensure the maximum delivery of the Teagasc Marginal Abatement Cost Curve (MACC) climate roadmap
- Greater promotion and development of collaboration type arrangements involving single/multiple farm holdings within individual/multiple farm sectors

2.7 *Proposed measures to mitigate – increased consumer prices:*

- Establishment of a feasibility study on the full resumption of flour milling nationally
- Planning and construction of a new flour milling facility
- Modification of existing infrastructure to be repurposed for industrial flour milling.

Outlined below is a closer look at the adverse impact of Brexit experienced to date, and potential support measures to mitigate, by sub-sector.

Impact of Brexit on Irish Agri Sector

Bord Bia estimated €570m potential revenue lost in 2016 as a result of Brexit vote. In years since (2017-21) IFA estimate €1.55bn has been lost to Irish Food & Drink sector solely because of a weakened sterling. Overall, there has been a reduced reliance on the UK market since, however in 2021, one-third, or €4.4bn worth of total Irish Food/Drink exports went to UK markets¹¹. The UK will remain a strategically important market, but significant uncertainty and risk remain. Proactive measures to mitigate same required to protect primary producers and Irish market share.

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|----------------|--|--|---|---|
| Suckler & Beef | <p>High</p> <ul style="list-style-type: none"> - 42% Irish Beef Exports to UK (€880m in 2021) compared to 51% in 2016. - In volume terms, the UK accounted for 214,000 tonnes carcass weight equivalent (CWE) in 2021, representing a reduction of 15% on 2020 levels. - 36% Irish Beef Exports went to GB markets (€766m in 2021) in 2021 compared to 45% in 2016. - In volume terms, GB accounted for 170,000 tonnes, representing a reduction of 17% on 2020 levels. - High value market; similar alternatives not immediately obvious | <ul style="list-style-type: none"> - Lost revenues from periods of reduced output prices as a consequence of FX fluctuations and/or stockpiling activity - Estimated impact of weakened sterling 2017-2021 on beef sector c.€337.1m (Av.€67.4m/yr) - The stockpiling of beef that took place in late 2020 prior to the 31st December deadline had very serious consequences for beef farmers between January and April 2021, with beef prices falling to €3.95/kg level for R3 steers. - Aging demographic evident - Reduced on-farm investment evident - Increased concentrate feed costs - new trade relationship adding to overall cost of production in terms of added time and administration – in 2021 89% of Irish Barley imports & of 41% wheat imports were sourced from UK | <ul style="list-style-type: none"> - Tariffs on beef are high which would make this business unprofitable at farm level in Hard Brexit scenario. - Teagasc forecast -20% decline in R3 Steer prices by 2030 in Hard Brexit scenario - UK trade deals with NZ and AUS may bring added beef export volumes onto UK markets and displace Irish produce and market share. This is in addition to potential added volumes arising from Mercosur trade agreement. Re NZ deal, UK beef imports from NZ would be fully liberalised (i.e. tariff and quota free access) after 15yrs. - EU /international markets don't have capacity to absorb any significant loss of UK market share – reduced competitiveness at world market prices - Further erosion of already low profitability may force increased numbers to exit which will have significant economic consequences in rural areas and among reliance upstream/downstream industries | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost, paid direct to impacted farmers. €337m lost because of weakened sterling; C.€101m lost revenue Sept '18-Mar'19; €8.3m mid Oct-19 to end Jan '20; €12.5m end Jan '21-Apr '21 because of depressed prices - Subventions on added cost of production - Evidence of reduced capital investment on beef farms must be addressed. Measures, including direct-aid to support improved performance, efficiency and/or sustainability of the agricultural holding and therein support improved income resilience - Measures to reduce reliance on inputs by directly supporting farmers to implement measures that improve soil health and animal health leading to higher production efficiencies, recognising time, labour and management commitments of farmers to achieve same – e.g: <ul style="list-style-type: none"> • Soil Health programmes (incl incentives/supports for use of Lime / MSS etc) • Supports for grass measuring equipment - better utilisation of grass; helps alleviate winter fodder costs • Reseeding and oversowing supports • Improved Animal Health and Performance measures such as supporting more targeted use of antibiotics and antiparasitics • Better faecal egg sampling schemes to reduce anthelmintic use and farm cost on medicines • Supports for animal performance measuring and recording leading to more efficient beef production systems - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency / improved protein utilization) • Scale up renewable energy (RE) sources and adoption on smaller scaled farms – e.g. anaerobic digestion, biorefining, biomass supply, and solar PV; focus on energy efficiency; examine barriers to the roll-out of RE at farm level, including necessary support for microgeneration and grid access. • Agrotourism; farm building renewal, etc - Measures to secure/develop in the context of reduced UK market reliance new high value markets and/or viable niche/premium products to deliver the highest possible beef price and increase operator resilience - Measures to support Intergenerational Renewal / Collaboration type supports/models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in Irish beef sector • State-funded mentorship type programme • Measures to promote transitional arrangements involving new and experienced operators - Development of specific volatility and risk management measures |

¹¹ Bord Bia Export Performance and Prospects 2021-2022

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|--------|--|---|---|--|
| Dairy | <p>Medium</p> <ul style="list-style-type: none"> - A significant portion of dairy produced in Ireland is exported to the UK market – 20% by 2021 and valued at €926m¹² - Looking therein at GB markets specifically, c.157k tonne of dairy exports in 2021 went to GB, valued at c.€605m. This marks a 44% and 20% reduction on 2020 levels respectively. - Outside of cheddar cheese, the Irish dairy sector is quite diversified across products and markets. - Strategic Industry investments will mitigate risk further <p>High</p> <ul style="list-style-type: none"> - Cheddar Cheese Manufacturers - UK accounts for c.60% of Ireland's cheddar production. Ireland sells 90-100,000 tonnes of cheddar cheese into the British market each year | <ul style="list-style-type: none"> - Lost revenues from periods of reduced output prices as a consequence of FX fluctuations and/or stockpiling activity - Estimated impact of weakened sterling 2017-2021 on dairy sector c.€330.9m (Av.€66.1m/yr) - Lower milk-price: DII estimate new trade arrangements bring +1.58c/l extra cost to processors on the 2 billion litres of milk used in the cheddar industry, equivalent to c.0.4c/l on the full Irish milk pool of 8.2bn litres. - Increased concentrate feed - new trade relationship adding to overall cost of production in terms of added time and administration – in 2021 89% of Irish Barley imports & of 41% wheat imports were sourced from UK - Use of 'Mixed Milk' on International Markets prevented – about one-third of Northern Ireland's milk is processed in the South because they don't have the processing capacity in the North. - Irish dairy exports to the UK in 2021 lagged 2020 volumes, as the strategic movement of contingency stocks to mitigate against the ill-effects of a hard Brexit abated. This was exacerbated by less UK butter and cheese being exported. Higher inventories of dairy products in the UK meant that pull through was slow at the start of 2021, with overall import volumes of cheese from any origin back 18% into the autumn and butter back 32%. However, the second half of 2021 saw monthly demand return to more recognisable levels with full-year volume declines covered by value increases to deliver a YOY performance seeing the region grow by 1% to an estimated value of €926 million, or 18% of all dairy exports. | <ul style="list-style-type: none"> - Tariffs on cheese would make this trade uneconomic - Very limited market for cheddar cheese outside of the UK - Cheddar Cheese plants cannot easily manufacture other types of cheese - Whey by-product of Cheddar production is high value nutrition ingredient - Teagasc forecast -2% decline in milk prices by 2030 in Hard Brexit scenario - UK trade deals with NZ and AUS may bring progressively more dairy exports onto UK markets and displace Irish produce and market share. Re NZ deal, UK butter and cheese imports from NZ would be fully liberalised (i.e. tariff and quota free access) after 6yrs. This presents the NZ dairy industry with another global market option, and an added threat to the sector domestically. | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost - Subventions on added cost of production - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding and therein support improved income resilience - Measures to promote greater integration of the dairy and beef sectors, especially re the production of beef coming from the dairy sector - Measures to reduce reliance on Inputs by directly supporting farmers to implement measures that improve soil health and animal health leading to higher production efficiencies, recognising time, labour and management commitments of farmers to achieve same – e.g: <ul style="list-style-type: none"> • Soil Health programmes (incl incentives & supports for use of Lime / MSS etc) • Supports for grass measuring equipment - better utilisation of grass and helps alleviate winter fodder costs through grass optimisation • Reseeding and oversowing supports • Scheme to fully genotype existing dairy herd, focused on animal health and welfare, production efficiency; methane efficiency, and market suitability of all off-spring • Funding to genotype all future calves born into dairy herds • Improved Animal Health and Performance measures such as supporting more targeted use of antibiotics and antiparasitics • Better faecal egg sampling schemes to reduce anthelmintic use and farm cost on medicines • Supports for animal performance measuring and recording leading to more efficient production systems - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency) • Income diversification – renewables; energy efficiency; microgeneration etc • Agrotourism; farm building renewal; etc - Measures to support Intergenerational Renewal / Collaboration type supports/models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish dairy sector • State-funded mentorship type programme for new entrants • Measures to promote transitional arrangements involving new and experienced operators - Development of specific volatility and risk management measures |

¹² <https://www.dairyreporter.com/Article/2022/01/13/Irish-dairy-exports-to-UK-grow-despite-covid-and-Brexit#>

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|-----------------|--|---|--|---|
| Cereals | <p>Low</p> <ul style="list-style-type: none"> - Ireland's tillage sector principally serves the domestic market and is less reliant on exports to UK compared to the other main agricultural enterprises. | <ul style="list-style-type: none"> - Higher seed costs - Operations tend to have higher reliance of agri mechanisation to support operations – higher machinery costs (& associated parts when required, including added delays to receive same) | <ul style="list-style-type: none"> - Increased costs due to the reduced availability of plant protection products and re-sourcing of imports from the EU, with increased transport costs and/or bureaucracy - Products like malt and oats travel across the border and looking at the wider food chain malt, whiskey, beer and oat-based products are exported in significant amounts to the UK which is also important to consider as UK concessions wear | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost - Subventions on added cost of production - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding - Establishment of a feasibility study on the full resumption of flour milling nationally - Planning and construction of a new flour milling facility - Modification of existing infrastructure to be repurposed for industrial flour milling - Development of specific volatility and risk management measures - Measures to support investment in precision and other technologies - Measures to reduce reliance on Inputs – e.g: Soil Health programme (incl Lime) - Promotional campaigns and financial supports to preserve and grow the supply of native grain / cereal production - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency) • Income diversification – renewables; stocks for AD plants - Measures to support Intergenerational Renewal / Collaboration type supports / models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish tillage sector • State-funded mentorship type programme for new entrants |
| Forestry | <ul style="list-style-type: none"> - The UK is, by some distance, the largest importer of timber in Europe - The Irish timber industry is uniquely exposed to Brexit, with almost 80% of its output, and 100% of future growth, dependent on ongoing access to the UK. - Wood imports to the UK in 2020 included an estimated 7.2 million m3 of sawnwood (a 3% increase from 2019) and 3.3 million m3 of wood-based panels (10% decrease) | <ul style="list-style-type: none"> - Lost revenue for currency fluctuations - Increased transport & logistical costs - Annual planting has fallen to c.one-third 2016 levels (c.2k ha/yr) - Timber exports post Brexit are running relatively smoothly, but with additional administration costs. Exporters are required to declare goods traded between Ireland and Great Britain with a custom declaration form. Documentary identity and physical checks now form part of new regulations. | | <ul style="list-style-type: none"> - The lack of certification in the private sector is a potential future barrier to mobilisation and access to markets that require timber to be certified. Currently in the private sector only 4% of the private forest estate is certified. Financial costs associated with certification particularly for farm forests are the main barrier to certification. - The lack of certification in the private sector needs to be addressed if the investment in forestry is to be realised and in order to take advantage of new markets. A National Group Scheme is the only sustainable solution that adequately addresses the certification barriers. |

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures | | | | | | | | | | | | | | | | | | |
|-----------------|--|--|--------------------------|--|------|------|------|------|-----------------|----|----|----|----|---|---------|----|----|----|----|----|---|---|
| Pigs | <p>High</p> <ul style="list-style-type: none"> - The pig sector is reliant on the home market, predominantly the retail trade, for 50% of all sales - Circa. 500k pigs from ROI slaughtered in NI annually - Unlike most other sectors, do not receive any direct CAP funding | <ul style="list-style-type: none"> - Brexit has had a significant negative impact on pig price. Since the start of 2021, the volume and value of pig output exported to the UK has fallen by 50%. This output was sold onto other markets that were of lower value and incurred higher transport costs to access - Estimated impact of weakened sterling 2017-2021 on pig sector c.€60.6m (Av.€12.1m/yr) - Brexit has caused a shortage of labour in UK and NI pigmeat processing facilities, causing severe disruption to the Irish supply chain, with pigs retained on-farm for longer than anticipated in many instances, therein bringing added cost to the farmer. This affected ROI farms that sell their pigs to NI processors under the Bord Bia scheme, but also remaining ROI farms as in some cases, southern processing plants processed some of the backlog of those pigs to assist those farmers selling to the NI factory. This impacted farm efficiencies drastically. - Availability of work permits for NI processing plants caused major disruption. - Significant decline in % export volumes to GB in recent years, with higher volumes going to China (lower unit value) – estimated €26.8m lost revenue. <p>Export volume as a % of total exports</p> <table border="1" data-bbox="584 1174 996 1238"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Great Britain %</td> <td>30</td> <td>29</td> <td>24</td> <td>20</td> <td>9</td> </tr> <tr> <td>China %</td> <td>28</td> <td>26</td> <td>39</td> <td>40</td> <td>40</td> </tr> </tbody> </table> | | 2017 | 2018 | 2019 | 2020 | 2021 | Great Britain % | 30 | 29 | 24 | 20 | 9 | China % | 28 | 26 | 39 | 40 | 40 | <ul style="list-style-type: none"> - Tariffs would reduce the value of UK as a market for Irish Pig meat - Processing capacity is on all island basis which could be disrupted by hard border - Significant amount of product imported, packaged and then exported to UK - Teagasc estimate that up to 30% of existing pig producers could exit the sector as a consequence of Brexit and other significant challenges currently faced. If materialises, will result in producers only supplying the domestic market; significant lost revenue to the national exchequer; including direct & indirect loss of employment in rural areas | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost, paid direct to impacted farmers - Subventions on added cost of production - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding - Measures to reduce reliance on Inputs by directly supporting farmers to implement measures that improve animal health and performance leading to higher production efficiencies, recognising time, labour and management commitments of farmers to achieve same – e.g: <ul style="list-style-type: none"> • Improved Animal Health and Performance measures such as supporting more targeted use of antibiotics and anti-parasitics • Improved protein utilization on farms • Improved Animal Health measures – e.g. recording systems to optimise individual animal performance • Improved productivity in animal breeding and feed input - Measures to improve biosecurity, verify animal health and welfare standards and best practice - Measures to promote added-value and increased on-farm pig price. Currently only 20% of pigmeat is value-added, however yields export value €402m vs. €530m for remaining 80%. - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency) • Income diversification – Scale up renewable energy (RE) sources, especially anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and access to the grid. - Measures to support Intergenerational Renewal / Collaboration type supports / models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish pig sector • State-funded mentorship type programme - Measures to secure/develop in the context of reduced UK market reliance new high value markets and/or viable niche/premium products to deliver the highest possible pig price and increase operator resilience - Promotional campaigns and financial supports to preserve and grow the supply of pigmeat domestically and on international markets - Development of specific volatility and risk management measures |
| | 2017 | 2018 | 2019 | 2020 | 2021 | | | | | | | | | | | | | | | | | |
| Great Britain % | 30 | 29 | 24 | 20 | 9 | | | | | | | | | | | | | | | | | |
| China % | 28 | 26 | 39 | 40 | 40 | | | | | | | | | | | | | | | | | |

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|----------------|--|--|---|--|
| Poultry | <p>Medium</p> <ul style="list-style-type: none"> - Significant bilateral trade between Ireland and the UK. - Majority of fresh chicken meat grown in ROI is consumed within ROI - Exports to the UK valued at €74m in 2021 (c58% of all poultry exports from Ireland) | <ul style="list-style-type: none"> - Overall poultry exports to the UK have been in decline. Value of trade fell c.16% in 2021 to €74 million, reflecting the exposure to foodservice this category has, and the increased complexity of export particularly for smaller exporters due to Brexit. - Looking specifically at GB trade – comprised c. 33% value; 36% volume of total poultry exports in 2021, vs. 54% and 43% respectively in 2016. - GB market trend is markedly declined re eggs exports – falling from 65% overall value in 2016 (54% overall volume) to 31% in 2021 (47% in value terms) - Estimated impact of weakened sterling 2017-2021 on poultry sector c.€22m (Av.€4.4m/yr) - Day-old chick crates coming in cannot be returned. Extra 7c/chick cost charged plus farmer has to deal with disposal of crate also. Note crates themselves are non-recyclable - End-of-lay free range birds are required to quarantine for 30days pre-export to UK. However, by doing so birds lose their ‘Free range’ status thus losing c.10c/bird - Organic feed is imported largely from Scotland. Additional logistical costs have been incurred due to this, and organic feed for layer hens has increased by c.€350-€400/tonne. - Increased cost of birds sourced from NI since Brexit +€3/bird differential - On broiler farms, costing €20-€30/t to expose of litter. NI project ongoing, that by adding BioChar, makes litter suitable & more +200-300% more effective as a grassland fertiliser 10-12 days later. Creation of pelletisation plant in ROI may also be considered. 2 plants in NI currently - No ‘culling team’ or required equipment currently in ROI / NI to swiftly deal with impacted birds/flocks. Reliant on team from UK to come across which adds time and increased risk of further spreading of disease - Big gas users on-farm & in slaughtering plants. Being sourced via UK, added costs incurred | <ul style="list-style-type: none"> - Some individual companies have strong trading relationships with the UK, so farmers supplying them may be exposed - Broiler breeders purchase day old chicks from NI mainly and export end-of-lay hens to the UK for slaughter which may cause problems in a Hard Brexit scenario - Teagasc forecast -7% decline in Poultry prices by 2030 in Hard Brexit scenario - Shipping eggs and egg products into the UK was hindered by a lack of standardisation at UK Ports. | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost, paid direct to impacted farmers - Subventions on added cost of production - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding <ul style="list-style-type: none"> • E.g. At sector level support creation of ROI BioChar / pelletisation plant that would make chicken litter safe alternative to chemical fertiliser and provide alternative income source for farmer - Measures to reduce reliance on Inputs – e.g: <ul style="list-style-type: none"> • Improved protein utilization on farms • Improved Animal Health measures – e.g. recording systems to optimise individual animal performance • Improved productivity in animal breeding and feed input - Measures to improve biosecurity, verify animal health and welfare standards - Support to acquire required equipment and establish an ROI ‘culling team’ to swiftly deal with all infectious diseases - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency) • Income diversification – Scale up renewable energy (RE) sources, especially anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and access to the grid. - Measures to support Intergenerational Renewal / Collaboration type supports / models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish poultry sector • State-funded mentorship type programme - Promotional campaigns and financial supports to preserve and grow the supply of poultry meat domestically and on international markets - Development of specific volatility and risk management measures |

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|--------------|--|--|--|--|
| Sheep | <p>Medium</p> <ul style="list-style-type: none"> - 15% of exports to UK market (17% volume) in 2021 – down 3% and 25% on 2020 levels - Looking at GB specifically, value of exports declined from 19% total value (26% total volume) in 2016 to 15% total value (17% total volume) in 2021 - Wool washing/cleaning plant based in Bradford. Unviable to establish nationally. | <ul style="list-style-type: none"> - Lost revenues from periods of reduced output prices as a consequence of FX fluctuations and/or stockpiling activity - Estimated impact of weakened sterling 2017-2021 on sheep sector €25m (Av.€5m/yr) - Aging demographic - Increased concentrate feed - new trade relationship adding to overall cost of production in terms of added time and administration | <ul style="list-style-type: none"> - Key issue will be UK trade deals with 3rd nations (NZ/AUS in particular) and market displacement of Irish produce. Re NZ deal, UK sheep imports from NZ would be fully liberalised (i.e. tariff and quota free access) after 15yrs. - The division of the large TRQ for New Zealand lamb – any displacement of NZ lamb imports, which currently go to the UK market, could have a negative impact on the overall value of the EU lamb market - Added cost / requirements in sending wool to Bradford based washing/cleaning plant. In Hard Brexit scenario, as category C waste, risk product may not be sought at all. - Opportunity: The UK is the third-largest exporter of sheepmeat in the world with its main customer continental Europe (Irish competitor in EU) | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost, paid direct to impacted farmers - Subventions on added cost of production - Measures to explore the alternative use of wool (e.g. insulation; renewables; etc.) - Support paid direct to farmer to cover shearing expenses and present wool at highest possible standard to minimise washing/cleaning requirements = c.€8/ewe - Measures, including direct-aid to support improved performance, efficiency and/or sustainability of the agricultural holding to support improved income resilience - Measures to reduce reliance on inputs by directly supporting farmers to implement measures that improve soil health and animal health leading to higher production efficiencies, recognising time, labour and management commitments of farmers to achieve same – e.g: <ul style="list-style-type: none"> • Soil Health programmes (incl incentives & supports for use of Lime / MSS etc) • Supports for grass measuring equipment - better utilisation of grass and helps alleviate winter fodder costs through grass optimisation • Reseeding and oversowing supports • Improved Animal Health and Performance measures such as supporting more targeted use of antibiotics and antiparasitics • Better faecal egg sampling schemes to reduce anthelmintic use and farm cost on medicines • Supports for animal performance measuring and recording leading to more efficient sheep production systems - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Grow your own inputs (self-sufficiency / improved protein utilization on farms) • Scale up renewable energy (RE) sources and application for smaller scaled farms – e.g. anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and grid access. • Agrotourism; farm building renewal, etc - Measures to support Intergenerational Renewal / Collaboration type supports/models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish sheep sector • State-funded mentorship type programme - Measures to secure/develop in the context of reduced UK market reliance new high value markets and/or viable niche/premium products to deliver the highest possible sheep price and increase operator resilience - Development of specific volatility and risk management measures |

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|------------------|--|--|--------------------------|--|
| Mushrooms | <p>High</p> <ul style="list-style-type: none"> - Mushroom exports were valued at €151m in 2021 - UK is the quasi-totality of our mushroom exports - Irish-controlled mushroom companies supply about 60% of the UK supermarket mushroom trade - Given perishable and delicate nature of product, few alternative large-scale markets | <ul style="list-style-type: none"> - Operating in state of total uncertainty - Swift, stark and unexpected decline in the value of sterling had a huge impact on profitability and viability in the sector. C.€47m industry projected loss - Irish exporters incurred price reductions of up to 18% within a few weeks. - Many growers ceased trading in this period while others still struggle to offset the negative financial impact incurred. - c.40% of operators exited the business entirely since the Brexit vote - Lack of confidence; market uncertainty and available finance for reinvestment stifled business investment - Customs documentation has increased administration time and costs daily. - Delays at ports since Brexit are reducing already short shelf life. Customers require maximum life on delivery of produce. - Lack of truck drivers operating in the UK since Brexit has led to a lack of availability and increased cost of haulage to and from the UK. - A lot of packaging is sourced from the UK and is also affected by the above factors - It is estimated that each load is costing an additional €80/load to export out of Ireland, and import into the U.K. - Heat treated pallets must also now be used instead of traditional pallets post Brexit, more than doubling the cost involved (i.e. €3.70/pallet vs. €1,70/pallet) and equating to c.€52 extra per load. - Production efficiencies have been impacted by lower pack house throughput as Northern Ireland mushrooms can no longer be packed in Rol, therefore Irish mushrooms incur a higher cost per kg to process and pack. These costs are being passed on to farmers via increased service rates. - Increased sense of nationalisation or 'Buy British' campaigns post Brexit. Many retailers preferring British product and/or stipulating British only produce. | | <ul style="list-style-type: none"> - Direct / compensatory aid for revenue lost, paid direct to impacted farmers - Subventions on added cost of production - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding - Measures to reduce reliance on Inputs - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Income diversification – Scale up renewable energy (RE) sources, especially anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and access to the grid. - Measures to support Intergenerational Renewal / Collaboration type supports / models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish Mushroom sector • State-funded mentorship type programme - Promotional campaigns to increase consumption & demand for Irish mushroom in Ireland, UK and international markets - Development of specific volatility and risk management measures |

| Sector | Relative Brexit Impact Level | Impact on the sector to date | Key potential Challenges | Potential Mitigants / Support measures |
|---|--|---|---|---|
| Horticulture (Edible Horticulture & Cereals) | <p>High</p> <ul style="list-style-type: none"> - Valued at €271m in 2021 (inc mushrooms) - 95% of horticulture exports were destined UK market. - Cereals accounted for €61.8m in exports - Exports are primarily to Northern Ireland. <p>High – potato growers; loss of access to seed potatoes</p> | <ul style="list-style-type: none"> - Estimated impact of weakened sterling 2017-2021 on Horticulture & Cereal sector €56m (Av.€11.2m/yr) - Loss of seed potato from UK markets - Most suppliers stocked up seed potato before the end of the Brexit transition period so they could plant their crops last spring (between Sept – Dec 2020, nearly 5,000 tonne of seed potatoes were imported). Naturally this brought with it added storage costs - More generally, many potato growers are experiencing significant financial challenges currently with surplus product (c.15k tonne) on the domestic market and sales at depressed levels. As adopted in Northern Ireland in 2021 under similar circumstances, consideration should be given to the development of innovative support measures to support and help sustain impacted farm operations. | <ul style="list-style-type: none"> - Increased costs due to the reduced availability of plant protection products and re-sourcing of imports from the EU, with increased transport costs | <ul style="list-style-type: none"> - Measures to promote the advancement of the native seed potato, offering financial supports/incentives where possible. - Direct / compensatory aid for revenue lost, paid direct to impacted farmers - Subventions on added cost of production - Financial support for acquisition of seed potatoes from the Continent; storage of increased seed potato against Hard Brexit scenario; and those that devoted increased native seed potato plantations as mitigant measure. - Measures, including Capital grants, to support improved performance, efficiency and/or sustainability of the agricultural holding - Measures to reduce reliance on Inputs - Measures to promote On-Farm Diversification <ul style="list-style-type: none"> • Income diversification – Scale up renewable energy (RE) sources, especially anaerobic digestion, biorefining and biomass supply, and solar PV; focus on energy efficiency; and examine potential barriers to the roll-out of RE at farm level, including necessary support for microgeneration and access to the grid. - Measures to support Intergenerational Renewal / Collaboration type supports / models <ul style="list-style-type: none"> • Measures to attract, sustain & diversify skills/expertise in the Irish Horticulture sector • State-funded mentorship type programme - Promotional campaigns to increase consumption & demand for Irish horticulture in Ireland, UK and international markets - Development of specific volatility and risk management measures |

3.0 Conclusion

When you think of Brexit you immediately think of added cost, complexity and uncertainty – attributes Irish farmers and agri-food businesses certainly would rather do without, but none the less are the realities we now regularly face and endure in the aftermath of that unexpected Brexit vote end June 2016. Brexit is far from over, and indeed its full impact is not yet felt. Even now, mid-2022, there remain concerns, following unilateral action being taken by the UK, of possible EU retaliatory measures, including under Article 770 the suspension/termination of the Trade and Co-Operation Agreement entirely in response. If pursued, this could mean a return to deal / no-deal negotiations; an EU/UK trade war and further economic disadvantage on top of successive energy and input price crisis, where either side could impose crippling tariffs; and an end to the now seamless trade on the island of Ireland. This needs to be avoided at all costs. But that is all prospective thinking. As outlined above the negative impact of Brexit has already been experienced across all farm sectors. To foster and better promote increased resilience and the sustainability of Irish family farm operations, a series of targeted financial and innovative support measures are needed quickly. The degree and depth of same, and indeed the allocation/distribution of BAR funding nationally received must be proportionate to the risk involved. Farmers, as price takers, cannot be left carrying the can and absorbing the full cost of Brexit. We are continually been asked to focus and improve efficiencies to help sustain our businesses, and while an essential practice, it in itself will not be enough, particularly when you consider the other headwinds at play including Russia/Ukraine conflict; Input Price crisis; CAP Reform, and our climate change ambitions. We need practical solutions and adequate supports as well, and we need them sooner rather than later.

Appendix 1: Potted history of key events in EU/UK negotiations since UK Brexit vote June 2016¹³

| | |
|------------|---|
| 23-Jun-16 | Brexit Vote. UK to leave the EU |
| 29-Mar-17 | UK trigger Article 50 of Lisbon Treaty. 2yr transition period begins where UK remains part of EU Single Market & Customs Union |
| 08-Jun-17 | Teresa May loses Parliamentary majority after snap election. Forced to make a deal with DUP to stay in power |
| 08-Dec-17 | UK and EU agree 'Divorce Bill' covering EU and UK citizens rights and Northern Ireland 'backstop' |
| 06-Jul-18 | EU (Withdrawal Bill) becomes law end June. Teresa May & cabinet go to Chequers to sign off collective position and rest of Brexit negotiations with the EU. Brexit Secretary David Davis resigns over Teresa May's new plans; Foreign Secretary Boris Johnson follows |
| 25-Nov-18 | Revised Withdrawal Agreement published, fleshing out Northern Ireland Backstop that would see whole of UK very closely aligned with EU custom rules, some regulatory differences between Northern Ireland and the rest of the UK |
| 15-Jan-19 | Teresa May tries to get her deal ratified by Parliament but suffers heavy defeat |
| Mar-19 | Teresa May suffers another heavy defeat over EU legal assurances about temporary nature of Backstop |
| End Mar-19 | End original transition period |
| 12-Apr-19 | UK deadline for leaving the EU pushed back to 31st October |
| 07-Jun-19 | Teresa May resigns |
| 24-Jul-19 | Boris Johnson (BJ) appointed UK Prime Minister |
| 28-Aug-19 | Reports BJ asked Queen to suspend Parliament for 5 weeks in run-up to Oct 31st Brexit deadline. Viewed as move to give MP's less time to derive a deal |
| 04-Sep-19 | British MP's back a Bill blocking a 31-Oct no-deal Brexit, meaning BJ would have to ask for a Brexit extension beyond 31st Oct deadline if a deal with EU wasn't secured. BJ calls for general election but opposition parties collectively refused until the legislation to block a no-deal Brexit had passed into law and the EU agreed the extension |
| 24-Sep-19 | UK Supreme Court ruled that BJ 5-week suspension of Parliament request was 'unlawful' |
| 02-Oct-19 | BJ unexpectedly from EU perspective sets out his 'reasonable compromise' Brexit deal, including alternative to Irish backstop |
| 06-Oct-19 | Increased media commentary re protracted negotiations and reaching a deal essentially impossible |
| 19-Oct-19 | BJ legally obliged by the Bern Act to send letter to EU requesting 3mth Brexit extension after Parliament refused to pass his deal |
| 28-Oct-19 | EU agree to extension of transition period to 31st January 2020. UK Labour party back Government Bill enabling a general election. Parliament dissolved 6th Nov |
| 31-Jan-20 | UK depart the EU |
| 01-Feb-20 | 11mth transitional period to 31 Dec 2020 begins |
| 30-Jun-20 | UK decline opportunity for further extension to Transition period. Increased pressure on EU and UK to reach a deal |
| | Protracted negotiations continue - key issues re fishing rights & level playing field emerges |
| 07-Sep-20 | UK give ultimatum to negotiators of deal by 15 Oct or else UK will walk away without a deal. On the same day, BJ announces UK's own Internal Market Bill which seeks to override parts of the previously agreed Brexit Withdrawal Agreement. Trust & International Law 'broken'. |
| 01-Oct-20 | EU Legal Action against UK re Internal Markets Bill |
| | Protracted negotiations continue - key issues remain, with little progress. Prospect of a No-Deal Brexit increases |
| 07-Nov-20 | Joe Biden wins US Presidential election. Clearly states any US/UK agreement will be contingent on respect for agreement and preventing a return to a Hard Border on the island of Ireland |
| 09-Nov-20 | Internal Markets Bill suffers a heavy defeat in the House of Lords, mainly due to inclusion of clauses that note breaking International Law from actions taken |
| 07-Dec-20 | UK MP's vote to re-instate the law-breaking clauses of the Internal Market Bill |
| 10-Dec-20 | Final European Council summit of the year. No deal reached |
| 18-Dec-20 | Talks continue. Issues remain. New deadline 20 Dec set |
| 20-Dec-20 | Deadline missed. No deal agreed |
| 24-Dec-20 | EU and UK announce agreement on a trade deal, coming into effect on 1st Jan 2021. Deal replaces existing arrangements under transition period |
| 31-Dec-20 | 2yr transition period ends. |

¹³ <https://www.theweek.co.uk/100284/brexit-timeline-key-dates-in-the-uk-s-break-up-with-the-eu>

Appendix 2: Euro/Sterling Currency Fluctuations Jan 2015 – May 2022

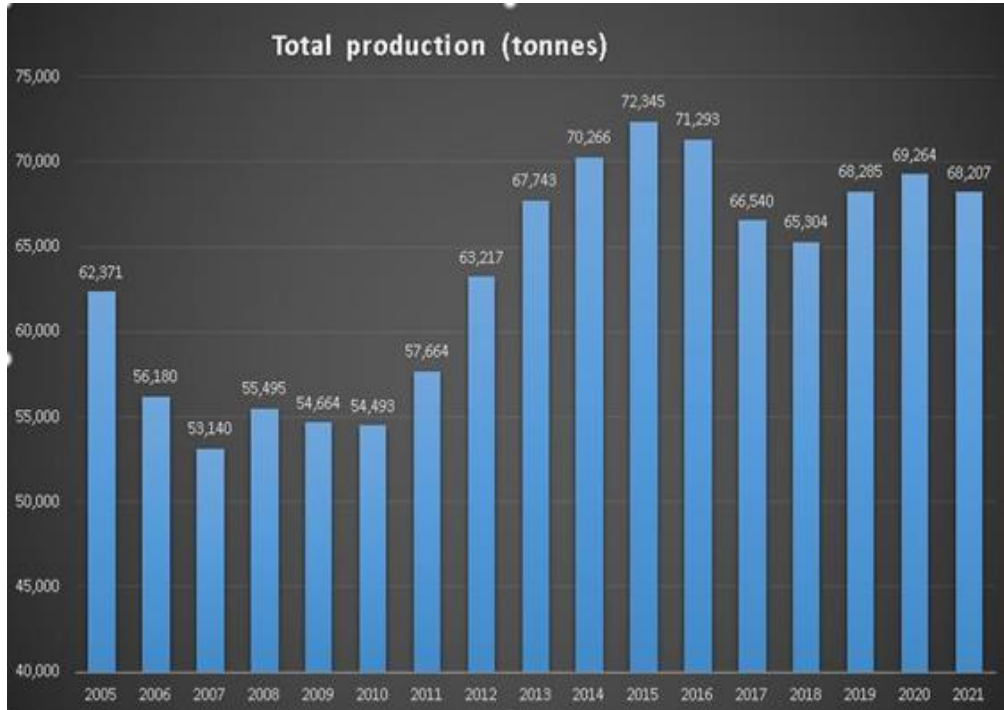


Estimated loss to Irish Food & Drink export revenues 2017 – 2021 as a result of weakened Sterling post Brexit (Base Euro : Sterling rate = Av. 2013/14/15)

| | Beef | Dairy | Drinks | Horticulture + cereals | Other meat / meat products | PCF | Pigmeat | Poultry | Seafood | Sheep | Total |
|---|--------------------|--------------------|-------------------|------------------------|----------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| | € | € | € | € | € | € | € | € | € | € | € |
| 2017 | 70,659,964 | 68,715,094 | 11,346,888 | 10,786,999 | 533,781 | 125,167,913 | 14,322,186 | 4,303,008 | 2,566,951 | 4,678,541 | 316,590,557 |
| 2018 | 79,304,686 | 76,011,861 | 12,670,230 | 9,710,901 | 327,354 | 137,350,815 | 16,304,141 | 3,814,732 | 2,564,397 | 4,928,326 | 347,982,041 |
| 2019 | 63,038,776 | 74,125,377 | 13,412,063 | 11,312,943 | 528,057 | 131,920,239 | 13,182,988 | 5,406,350 | 2,271,765 | 5,297,969 | 324,719,970 |
| 2020 | 73,525,946 | 72,170,343 | 14,510,852 | 13,060,047 | 502,070 | 139,728,196 | 13,221,198 | 5,702,652 | 2,265,235 | 5,968,462 | 345,569,356 |
| 2021 | 50,578,299 | 39,904,668 | 13,199,866 | 11,250,276 | 146,945 | 88,036,785 | 3,615,077 | 2,731,262 | 1,466,430 | 3,983,435 | 215,672,989 |
| Total estimated loss (2017-2021) | 337,107,671 | 330,927,343 | 65,139,899 | 56,121,166 | 2,038,207 | 622,203,948 | 60,645,590 | 21,958,004 | 11,134,778 | 24,856,733 | 1,550,534,913 |
| Average loss/yr post-Brexit vote (2017-21) | 67,421,534 | 66,185,469 | 13,027,980 | 11,224,233 | 407,641 | 124,440,790 | 12,129,118 | 4,391,601 | 2,226,956 | 4,971,347 | 310,106,983 |

(Source: Adapted from <https://www.prepareforbrexit.com/currency-impact-calculator/> using Annual Export Values to Great Britain sourced from Bord Bia Export Performance & Prospects)

Appendix 3: Irish mushroom production (tonnes) 2005 – 2021 and estimated Revenue loss as a consequence of weakened sterling vs. pre-Brexit levels



| Annual Average Euro: Sterling rate ¹ | | | | | |
|--|--------------|------|--|---|-------------------|
| 2013 | 0.849 | | | | |
| 2014 | 0.806 | | | | |
| 2015 | 0.726 | | | | |
| Base Measure | 0.794 | | Total Value of Mushroom exports (€) ² | Predicted FX loss vs. Base ³ | |
| 2016 | 0.819 | 2016 | 96,776,214 | 2,419,405 | |
| 2017 | 0.877 | 2017 | 91,890,564 | 7,626,917 | |
| 2018 | 0.884 | 2018 | 78,689,366 | 7,072,043 | |
| 2019 | 0.878 | 2019 | 101,877,271 | 8,557,691 | |
| 2020 | 0.89 | 2020 | 116,344,826 | 11,169,103 | |
| 2021 | 0.86 | 2021 | 161,063,034 | 10,630,160 | 47,475,319 |
| 1. Source: https://www.ofx.com/en-ie/forex-news/historical-exchange-rates/yearly-average-rates/ | | | | | |
| 2. Source: Bord Bia | | | | | |
| 3. Source: https://www.prepareforbrexit.com/currency-impact-calculator/ | | | | | |

Appendix 4: Index for Select Agricultural Output prices 2015 – 2021 (Base 2015 = 100)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cattle ex Calves - 2014 | 93.52 | 91.81 | 91.15 | 91.67 | 92.97 | 89.56 | 89.05 | 87.52 | 87.04 | 88.65 | 90.58 | 93.29 |
| 2015 | 98.36 | 101.58 | 101.24 | 103.2 | 102.44 | 104.98 | 105.56 | 100.68 | 97.72 | 95.87 | 94.5 | 93.29 |
| 2016 | 94.48 | 95.05 | 95.34 | 96.21 | 98.17 | 98.5 | 93.22 | 92.42 | 90.8 | 88.23 | 87.38 | 89.05 |
| 2017 | 91.92 | 92.42 | 94.42 | 97.87 | 100.14 | 99.61 | 97.84 | 94.71 | 92.53 | 91.14 | 91.52 | 94.51 |
| 2018 | 96.49 | 95.82 | 97.36 | 98.24 | 101.1 | 100.41 | 93.35 | 87.92 | 89.81 | 89.08 | 87.84 | 87.17 |
| 2019 | 88.3 | 88.73 | 88.7 | 89.31 | 94.4 | 92.58 | 86.92 | 84.4 | 84.59 | 86.84 | 85.81 | 88.11 |
| 2020 | 91.93 | 94.47 | 93.7 | 87.43 | 92 | 91.66 | 94.48 | 94.18 | 92.65 | 92.22 | 91.82 | 95.69 |
| 2021 | 97.81 | 96.79 | 98.72 | 103.22 | 105.4 | 107.01 | 109.17 | 107 | 107.54 | 106.83 | 106.16 | |
| Fruit & VEG - 2014 | 99.06 | 99.13 | 99.47 | 99.49 | 99.87 | 100.15 | 100.11 | 99.6 | 99.55 | 99.31 | 98.95 | 98.71 |
| 2015 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2016 | 101.44 | 101.54 | 102 | 101.84 | 101.91 | 102.08 | 101.63 | 101.16 | 101.3 | 101.01 | 101.06 | 100.97 |
| 2017 | 100.32 | 100.35 | 100.8 | 100.84 | 101.45 | 101.5 | 101.42 | 101.32 | 101.22 | 100.9 | 100.57 | 100.45 |
| 2018 | 100.63 | 100.76 | 101.38 | 105.56 | 109.79 | 110.26 | 109.76 | 109.18 | 108.35 | 107.82 | 104.97 | 100.37 |
| 2019 | 102.61 | 102.61 | 102.36 | 106.16 | 109.79 | 110.08 | 110.22 | 110.66 | 110.07 | 110.13 | 107.75 | 103.88 |
| 2020 | 100.23 | 100.19 | 99.79 | 104.18 | 107.9 | 107.81 | 107.28 | 107.76 | 107.51 | 108.91 | 108.2 | 101.96 |
| 2021 | 102.01 | 101.89 | 101.21 | 105.26 | 108.56 | 108.33 | 108.15 | 108.98 | 108.92 | 111 | 110.98 | |
| Potatoes (incl Seeds) 2014 | 91.51 | 88.18 | 78.16 | 71.8 | 70.41 | 70.85 | 68.1 | 43.84 | 112.41 | 98.04 | 87.11 | 78.36 |
| 2015 | 78.11 | 78.03 | 77.5 | 77.33 | 76.6 | 77.99 | 118.39 | 78.77 | 153.72 | 139.37 | 127.51 | 121.9 |
| 2016 | 120.42 | 125.97 | 126.29 | 126.85 | 131.24 | 140.6 | 119.18 | 56.99 | 139.94 | 117.36 | 109.81 | 105.45 |
| 2017 | 105.42 | 110.82 | 114.51 | 117.18 | 121.41 | 127.21 | 99.95 | 52.74 | 127.19 | 111.34 | 96.84 | 89.72 |
| 2018 | 91.65 | 107.53 | 85.8 | 85.8 | 84.12 | 87.97 | 225.32 | 123.29 | 172.86 | 201.51 | 206.98 | 201.13 |
| 2019 | 200.65 | 200.65 | 200.36 | 199.47 | 200.22 | 199.25 | 127.85 | 80.82 | 149.72 | 140.55 | 137.09 | 137.25 |
| 2020 | 133.57 | 122.91 | 122.91 | 122.91 | 121.68 | 121.56 | 115.83 | 95.89 | 180.31 | 145.8 | 130.11 | 121.94 |
| 2021 | 124.61 | 124.61 | 124.61 | 125.94 | 123.39 | 127.94 | 115.38 | 87.33 | 185.43 | 160.86 | 150.96 | |
| Sheep - 2014 | 85.45 | 88.43 | 97.37 | 108.34 | 112.92 | 113.9 | 97.17 | 93.18 | 92.2 | 94.07 | 100 | 103.5 |
| 2015 | 95.34 | 98.34 | 106.88 | 107.04 | 110.85 | 106.17 | 96.4 | 95.57 | 95.7 | 93.31 | 96.62 | 101.18 |
| 2016 | 95.88 | 101.1 | 103.78 | 101.57 | 107.41 | 106.18 | 102 | 99.24 | 98.93 | 94.25 | 93.45 | 95.78 |
| 2017 | 84.09 | 85.41 | 92.07 | 96.03 | 113.29 | 116.79 | 109.15 | 102.56 | 96.84 | 94.56 | 98.43 | 100.58 |
| 2018 | 90.75 | 95.16 | 109.67 | 117.44 | 128.35 | 121.11 | 105.38 | 102.67 | 97.14 | 95.75 | 96.82 | 102.13 |
| 2019 | 94.55 | 96.95 | 96.1 | 105.31 | 109.96 | 109.93 | 99.7 | 95.07 | 91.92 | 91.23 | 97.13 | 102.54 |
| 2020 | 97.41 | 103.09 | 104.71 | 108.56 | 116.89 | 114.52 | 113.37 | 107.19 | 109.67 | 107.79 | 111.72 | 115.75 |
| 2021 | 112.11 | 115.51 | 131.2 | 141.78 | 151.75 | 142.76 | 129.33 | 126.37 | 126.75 | 130.85 | 142.2 | |

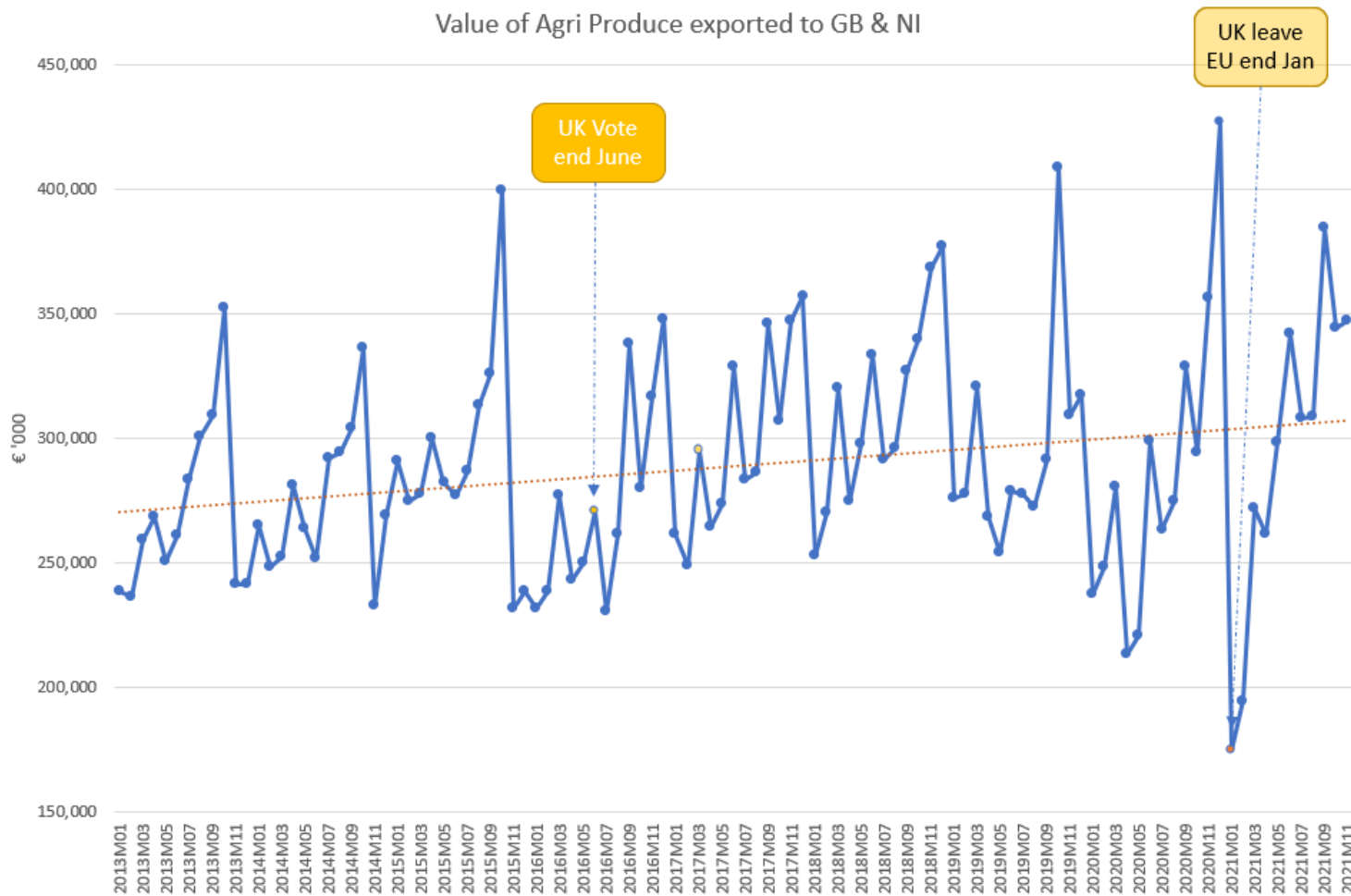
Appendix 5: Estimated Cattle price loss Sept 2018 – Mar 2019

| CATTLE PRICE LOSS BASED ON 2015 - v - 2018/2019 | | | |
|--|-------------------|--------------------|--------------------|
| | 2018 | 2019 | |
| | Sept - Dec | Jan - March | Total |
| Steers | 13,172,686 | 14,509,717 | 27,682,402 |
| Heifers | 9,008,027 | 13,133,895 | 22,141,922 |
| Y Bulls | 3,451,165 | 11,568,767 | 15,019,931 |
| Cows | 15,090,477 | 16,683,660 | 31,774,137 |
| TOTAL | | | 96,618,392 |
| TOTAL INCLUDING 5.4% VAT | | | 101,835,785 |

Methodology:

- **Losses based on the price difference between 2015 (pre-Brexit) compared to 2018 and 2019**
- **Based on the number of cattle slaughtered at meat plants during the periods Sept 1st to Dec 31st 2018 and Jan 1st to Mar 23rd 2019**
- **Bord Bia R3 reported prices for steers, heifers, young bulls and O3 prices for cows**
- **Average weights as published by DAFM for 2018/2019**
- **Cattle numbers based on DAFM weekly data**

Appendix 7a: Value of Agri Produce exported to GB and NI 2013-2021



| | Peak | Trough | Difference |
|------|---------------|----------------|------------|
| 2013 | Oct €352m | Feb €236m | €116k |
| 2014 | Oct €336m | Nov €233m | €103m |
| 2015 | Oct €400m | Nov €232m | €168m |
| 2016 | Dec €348m | July €230m | €118m |
| 2017 | Dec €357m | Feb €248m | €109m |
| 2018 | Dec €377m | Jan €253m | €124m |
| 2019 | Oct €409m | May €254m | €155m |
| 2020 | Dec €427m | April €213m | €196m |
| 2021 | Sept €384m | Jan €175m | €209m |

| Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 (to Nov) |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| € '000 | 3,241,200 | 3,289,000 | 3,497,200 | 3,284,051 | 3,597,758 | 3,747,968 | 3,550,142 | 3,441,941 | 3,234,361 |

(Source: Central Statistics Office)

Appendix 7b: Evolution of Irish exports by value and volume across select commodity type to Great Britain (2015 – 2021)

| | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Dairy | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 23% | 22% | 19% | 18% | 19% | 17% | 15% | 12% |
| % Total Volume exported to Great Britain | 25% | 23% | 23% | 19% | 19% | 19% | 16% | 9% |
| | | | | | | | | |
| Beef | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 40% | 44% | 45% | 44% | 45% | 39% | 40% | 36% |
| % Total Volume exported to Great Britain | 42% | 45% | 48% | 48% | 50% | 43% | 42% | 36% |
| | | | | | | | | |
| Sheep | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 16% | 19% | 19% | 18% | 17% | 20% | 17% | 15% |
| % Total Volume exported to Great Britain | 26% | 26% | 26% | 25% | 25% | 25% | 21% | 17% |
| | | | | | | | | |
| Pigmeat | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 36% | 39% | 36% | 36% | 39% | 30% | 25% | 10% |
| % Total Volume exported to Great Britain | 28% | 28% | 26% | 30% | 29% | 24% | 20% | 9% |
| | | | | | | | | |
| Poultry (incl Eggs) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 60% | 57% | 54% | 44% | 38% | 41% | 39% | 33% |
| % Total Volume exported to Great Britain | 49% | 47% | 43% | 44% | 44% | 40% | 39% | 36% |
| | | | | | | | | |
| Eggs | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 77% | 72% | 65% | 53% | 47% | 48% | 62% | 31% |
| % Total Volume exported to Great Britain | 68% | 59% | 54% | 44% | 44% | 45% | 65% | 47% |
| | | | | | | | | |
| Mushrooms | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 96% | 91% | 92% | 100% | 100% | 98% | 89% | 96% |
| % Total Volume exported to Great Britain | 96% | 91% | 92% | 100% | 100% | 98% | 89% | 94% |
| | | | | | | | | |
| Cereals | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 10% | 14% | 17% | 24% | 20% | 23% | 18% | 9% |
| % Total Volume exported to Great Britain | 8% | 9% | 11% | 19% | 14% | 14% | 13% | 5% |
| | | | | | | | | |
| Potatoes | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| % of Total Export Value from Great Britain | 61% | 53% | 41% | 57% | 45% | 24% | 40% | 5% |
| % Total Volume exported to Great Britain | 25% | 49% | 7% | 15% | 31% | 14% | 31% | 7% |

(Source: Bord Bia)

