# Beef Taskforce
# Minutes
# Fourth Meeting, Wednesday 23rd September 2020
# Virtual
# 2.30pm

**Attendees:**

| Name | Representing | Name | Representing |
|---|---|---|---|
| Michael Dowling | Chair | Aidan Murray | Teagasc |
| Sinead McPhillips | DAFM | Tim Cullinane | IFA |
| Maria Dunne | DAFM | Tomas Bourke | IFA |
| Pat McCormack | ICMSA | Edmond Phelan | ICSA |
| Des Morrison | ICMSA | Edmund Graham | ICSA |
| Thomas Duffy | MACRA | Colm O'Donnell | INHFA |
| Derrie Dillon | MACRA | Joe Condon | INHFA |
| Philip Carroll | MII | TJ Flannagan | ICOS |
| Cormac Healy | MII | Dermot O'Brien | BPM |
| Joe Ryan | MII | Enda Fingleton | BPM |
| Padraig Brennan | Bord Bia | Sean Coughlin | ICBF |

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| Valerie Woods | DAFM Secretariat |
| Greg Murray | DAFM Secretariat |

**Attendance for specific items:**

Minister for Agriculture, Food and the Marine: Charlie McConalogue (opening remarks only)

Brendan Fraser, Padraig Ryan, Aisling O'Sullivan, Gillian Smith – Grant Thornton

Joe Burke - Bord Bia

**Minister Opening Remarks:**

The Minister made an opening address in which he thanked Chairman and taskforce members for the work which has been done to date on progressing the implementation of the actions under the Beef sector agreement. He emphasized the wider value of the Taskforce in providing an important vehicle for strategic engagement with key sector stakeholders and the importance of constructive and meaningful engagement across this group.

The Minister also noted the challenges of the sector including changing consumer tastes, the ongoing situation around Brexit and the new challenge of a pandemic. The Minister stressed the unique opportunity available now to progress an application for PGI status for Irish Grass Fed Beef, and to take full advantage of Ireland's reputation in this regard which is fully deserved and hard won.

Minister McConalogue also stressed that he was keen to further promote collaboration among farmers through producer organisations. He acknowledged the importance of transparency in building the necessary trust to maintain and develop the sector. He noted that the Grant Thornton studies, enhancement of the EU price reporting mechanisms, the transposition of the UTP directive, and the establishment of the new office of the National Food Ombudsman will also be important in terms of transparency.

**Grant Thornton update**

Grant Thornton provided a progress update on the three market transparency reports:

- Report 1: A literature review of competition law as it relates to the beef sector
- Report 2: Focuses on the current in-spec bonus criteria and key customer and third country requirements.
- Report 3: Distribution of price composition at key points along the supply chain

Key points:

- Report 1 has been circulated to the group for information and comment.
- Report 2, is scheduled for completion within the next month.
- Report 3, is dependent on availability of stakeholders, but will be progressed with data available in the coming weeks.
- A meeting will be scheduled to discuss the 3 reports on completion of the 2nd report.

**<u>Tour de Table</u>**

- Some members expressed frustration at how long it wastaking to complete the reports.
- Many stated the overall objective was to get a better price and margin for farmers.
- A Taskforce meeting specifically on Brexit was requested.
- The lack of transparency on the in-spec bonus requirements by end customers was commented on.
- The difference between the enforcement powers of the CCPC and similar organisations in Europe was raised. The chair noted the request for the CCPC to be invited to attend the Taskforce but stated that a specific reason for the invitation would be necessary.
- A request for the appointment of an independent beef regulator was made.

**<u>Bord Bia – Market Update</u>**

**<u>Bord Bia provided an overview of the market situation for the year to date with the following key points noted:</u>**

- Decline in Irish cattle price, 1.5% lower on average than last year YTD
- Cattle throughput saw some reduction at the start of the Pandemic but has recovered more recently to 35K per week on average.
- There has been strong live export recovery to Northern Ireland and some continental markets such as Spain and Italy. With increases to some 3rd country markets such as Turkey
- International beef exports have increased by + 44% while there has been a reduction to the main markets in the UK and EU of 13% and 14% respectively
- Retail sales up but this doesn't fully compensate for closure of Food Service which is the outlet for 70% of steak sales.
- Food service recovery has been slow, and burger chains are trying to stimulate sales with promotions driving demand for beef.

**Brexit**

- Outline of the UK Global Tariff which would apply in a no Deal Brexit scenario . Based on Irish beef exports in 2019, this would result in a tariff cost of €724m, or 72% tariff rate equivalent.

**MII market update – Key points raised:**

- Cattle price is currently 20% above this time last year
- It is important in the current context to position Irish Beef strongly in the international market by promoting the Grass Fed standard.
- Farmers have made good progress in developing conditions for quality which should be now put to the best use possible in the market.
- Meat consumption is under pressure Retail has improved during Covid, efforts to promote steak in retail have been successful.
- Food service has recovered but only to about 70% of pre- Covid levels.
- Recovery is contingent on restrictions not being put back in place
- EU imports of beef from South America have seen an increase of 17%. Product is primarily entering the food service market.
- Seasonal market impacts– move from steaks to stewing and minced products.
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**DAFM Update**

**re *Tariffs***

- Irish beef and Seafood uniquely affected which has been acknowledged by Michel Barnier
- Ireland will be looking for significant share of EU BREXIT contingency fund.

**<u>MII provided an update on the COVID situation in meat plants – Key points raised</u>**

- Priority is to keep people safe and maintain continuity
- Public health advice and specific HSE advice on meat plants is being implemented
- Community transmission and asymptomatic presentation are complicating factors.
- 18,000 workers swabbed in last few weeks less than 0.3% positivity rate.

**Bord Bia Presentation re PGI draft application**

There was lengthy discussion on the draft PGI application for Irish Grass Fed beef, Main points raised by Bord Bia:

- In terms of promotional activity, Bord Bia cannot currently call out Irishness of product. A PGI allows BB to brand beef as Irish Grass Fed Beef.
- Bord Bia stressed the value of being able to use this promotional tool in the context of all the current challenges to the sector including changing consumption trends.
- Covid has reinforced preference for local in key markets; PGI status would be a valuable marker of premium quality product in this context.

**Key points raised in PGI discussion**

- a need to move forward with PGI and with proposals for suckler beef promotion and branding in tandem.
- It was suggested that ownership and application characteristics need further discussion. It was clarified that there is no specific ownership of the PGI label and any beef meeting the criteria may apply it.
- All beef farmers should benefit, there is a need to create a differential which will help suckler beef
- More time is needed to consider and consult with members and gain buy in.
- Bord Bia outlined the consultative process to date which began in early 2019 with a workshop by officials from the EU commission in Dublin which was attended by the main stakeholder representative organisations. Bord Bia are sending a comprehensive explainer to all SBLAS members in their October newsletter
- DAFM noted the recent national opposition procedure over a 4-week period and bilateral meetings with the farm representative bodies.
- The chair reminded farmer representative organisations of their role in promotion and dissemination of information to their members and that it is assumed that as members of the taskforce, they speak on behalf of farmers and consultation with them is consultation with farmers.
- Some Farmer Representative Organisations still considered that the current PGI application is too broad.
- It was clarified that the process at EU level could take up to 6 months.
- Need for Monitoring Group with a full board for oversight of the PGI Bonus was raised
- Northern Ireland stakeholders are interested in joining the PGI but their lack of an equivalent verification system to verify grass-fed credentials presents a technical difficulty.

MII noted that Grass Fed has resonance with consumers in their experience and there is a need to put forward the application and take advantage of all possible marketing tools as our competition are doing. This is especially important in the current context in countering the existing negative narrative around meat production and in the context of changing consumer behaviour. The Irish beef sector has an opportunity now which may not be open to later and should be taken advantage of

DAFM emphasised the urgency of proceeding with the application.

**Suckler promotion and brand development proposition – key points of discussion:**

- There was acknowledgement of the €3 million that Bord Bia have committed for suckler brand development, which will be committed from Bord Bia's funds in the event that the current EU application for promotional funding is unsuccessful.
- Brands cannot be created overnight and are complex to develop and implement successfully. Bord Bia will draft a timeline on developing a brand proposition for stakeholders.
- Less than 9% of EU consumers understood the term 'suckler' but 2 in 3 claimed they would pay more for Grass Fed Beef.

**Conclusion:**
**In concluding the meeting, the chair noted the following:**

- There is an agreement in principal to submit an application for PGI status
- There is a need to work out some details; some organisations need to discuss further
- There is agreement that there is a need to devote funding to suckler beef promotion and work to develop a brand for sucklers
- Need to conclude PGI discussions with a view to making a decision at the next meeting.

**Next meeting:**

12th October – single item agenda – signoff of PGI application