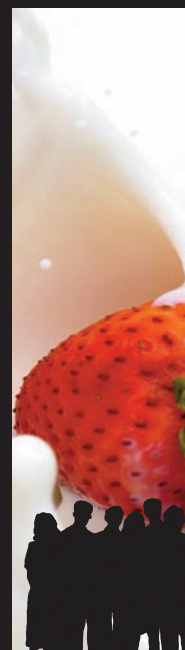
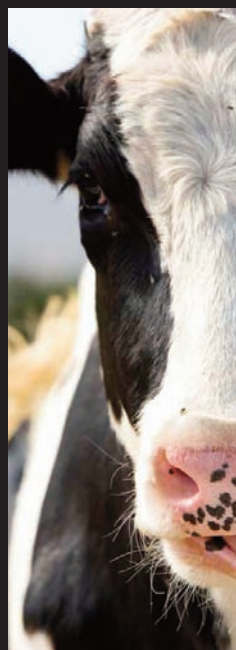
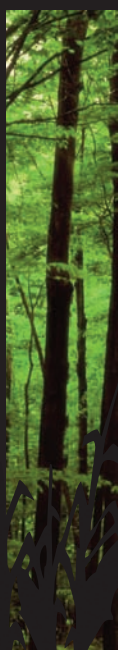


Annual Report 2010





Mission Statement

“To lead the sustainable development of a competitive, innovative, consumer focussed agriculture, food, fishery and forestry sector and contribute to a vibrant rural and coastal economy and society.”

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Review of 2010

The food and drink sector was a major contributor to the national economy in 2010 with export sales rising by 11%, faster than many other sectors, to reach €7.9 billion. This increase of €800 million on the previous year demonstrates the ability of the sector to adapt to market needs and to compete on a global scale. It is also a good marker of the underlying potential of indigenous industries to contribute to an export led national recovery.

There were also positive developments at farm level. Albeit from a low level, aggregate farm income increased by 31.5% in 2010 compared to 2009. Cereals and dairy enterprises showed the greatest operating surplus based on improved prices and increased productivity. The livestock sector also showed strong increases in output value. The beef sector increased by 12.2% , pigmeat by 7.8% while sheepmeat increased by 7.6%.

A major initiative this year was the development and publication of Food Harvest 2020, the strategic roadmap for the agri-food and fishing sector for the next decade. This industry-led report set growth targets for the various sectors which included increasing the value of primary output from the sector by 33%, increasing value-added by 40% and increasing exports by 42%. To set the framework for achieving these ambitious targets, Minister Brendan Smith T.D. established and chaired a high level implementation committee. This committee, consisting of the CEOs of the major State Agencies, has been tasked with driving the implementation process, achieving integrated State action and facilitating industry involvement.

The Department continued to operate a wide range of schemes and initiatives which are of direct benefit to farmers and which also contributed to the development of a vibrant agricultural sector. Over €1.64 billion was paid to farmers in 2010 under the Single Payment, Disadvantaged Areas and the Rural Environmental Protection (REP) schemes and around 95% of these payments were made within the service delivery targets of the Farmers Charter and Action Plan.

A number of new on-farm initiatives commenced in 2010. An Agri Environment Options Scheme (AEOS) was launched in March. This more targeted environmental scheme is designed to promote biodiversity, encourage water management and combat climate change. The scheme offers an opportunity to those leaving REPS to continue to adopt environmental actions on specific parts of the farm. A range of Targeted Agricultural Modernisation Schemes (TAMS), aimed at addressing some of the new challenges identified in the EU Health Check was also launched. Elements included a bio-energy scheme for willow and miscanthus to encourage uptake of the scheme ahead of the planting season. That scheme was launched in February while other elements of TAMS were the welfare schemes for pigs and poultry, introduced in June, and the Sheep Fencing/Mobile Handling Equipment Scheme introduced in November to assist the sheep sector.

Discussion continued in 2010 between the Department and EU bodies on both the broad outline and principles of the future CAP and the reform of the Common Fisheries Policy. The Commission produced policy papers on both these issues which will be the subject of intensive negotiations during 2011 and 2012. At the Agriculture and Fisheries Council in December, agreement was reached on TACs and on quotas for 2011 which were valued at €223 million for Irish fishermen.

Agreement was also reached with the European Commission on Ireland's second Nitrates Action Programme (NAP). The review of outcomes under the first action plan and the enhanced actions contained in the second plan, greatly strengthened Ireland's application for a renewal of its derogation under the Nitrates Directive which it secured in 2010.

Throughout 2010 there was a growing awareness of the intrinsic high value of the agri-food and fisheries sector to the economy and of its ability to contribute to national development. This is reflected in the Government's commitment to pursue its development to the optimum level possible within the constraints of the public finances.

2010 Main Achievements

- Food and drink exports increased by 11% to reach €7.88 billion
- Food Harvest 2020 launched, an industry-led strategy for the sector for the coming decade
- 97% of SPS applicants received payments totalling €1.14 billion within the targets set out in the Customer Charter
- Staffing reduction targets were exceeded as staff numbers fell by a further 249
- €8.58m was spent on fishery harbors and coastal infrastructural improvements
- Responsibility for the horse and greyhound industries assigned to DAFF
- A new Research Call, valued at €10 million, reflected FH2020 priorities
- The Department participated in the pilot Programme Budgeting project to strengthen the focus of public funds delivery
- Continued negotiations at EU and WTO level to secure an appropriate CAP policy and EU budget framework post 2013
- 40% increase in membership of dairy discussion groups
- The Food Competitiveness Fund was used for company LEAN manufacturing projects and marketing initiatives
- Ireland retained its Brucellosis-free status, the incidence of TB fell from 5.09% to 4.65% and our high animal health status facilitated market access
- Over 25,000 food samples were tested for residues and microbiological contamination under DAFF's food safety control programme
- 47 further tests were accredited enhancing our National Reference Laboratory status.
- 39 Farmers Markets were awarded the Good Practice Banner



2010 Main Achievements

- Bord Bia/UCD Fellows progressed over 100 industry driven market development projects.
- The 145 Innovation Vouchers awarded allowed SMEs use 3rd level research institutes to find commercial solutions
- Increased transfer of technology through BETTER farms and the Greenfield Dairy Project.
- A new Agri-Environment Options Scheme (AEOS) prioritised options on biodiversity, water quality/management and climate change
- Animal Health Ireland developed pilot BVD and Mastitis programmes to minimise economic loss through animal diseases
- Ireland's high plant status was maintained through a comprehensive action programme of inspection and controls
- Training and Development Unit was awarded the ISO 9001 Quality Management Certification, the 8th unit to achieve ISO certification
- New TAMS programme for pigs and poultry welfare, fencing and handling equipment for sheep
- A new Inheritance Enquiry Unit assisted legal representatives to secure outstanding payments of €6.4m
- Forestry planting levels rose 25% from 6,648 to 8,314 hectares
- Ireland secured an extension of the nitrates derogation to 2013 following good outcomes from the 1st Nitrates Action Programme
- SPS online applications increased by 27% while 56% of overall customers signed up for online services
- Further rationalisation took place with the closure of 27 smaller local offices
- A new Customer Snapshot Application was introduced to improve customer dealings



Organisation of the Department

At 31 December 2010, the Department employed a total of 3,632 full-time equivalents staff.

The senior management team, is the Management Advisory Committee (MAC), headed by Mr. Tom Moran, Secretary General and is comprised of seven Assistant Secretaries General/Director, the Chief Veterinary Officer, the Chief Inspector and the Director of Laboratory Services. Their responsibilities are as follows:

Tom Moran Secretary General

| MAC | Deputy | Function | Head of Division |
|--|--------|---|---|
| Martin Heraghty <i>Livestock Products, Corporate Affairs, Food Safety, State Body Coordination</i> | | Meat & Milk Policy Milk, Meat Hygiene & Animal By-Products Food Safety Liaison, Teagasc and Equines Dairy Controls and Certification Corporate Affairs, FOI | Brendan Gleeson Tom Loftus Vacancy Vacancy Vacancy |
| Aidan O'Driscoll <i>International, Economics, Food, Rural Development and Sustainability</i> | | Food Industry Development Rural Development EU, Trade Embassies Economics, Planning & Development Aid Sustainability (climate change, air/water quality, nitrates, biofuels) | Marian Byrne Patricia Cannon Brid Cannon Jarleth Coleman Ann Derwin Paul Dillon |
| Philip Carroll <i>Animal Health & Welfare Human Resources Management Services</i> | | ERAD, Veterinary Medicines, DVO Operations Animal Health and Welfare Management Service Animal Health and Welfare Accommodation, ISO and Health & Safety Personnel | Richard Healy Breffini Carpenter Stephen Fitzpatrick Danny Carrol Bert O'Reilly |
| Mick Bunyan <i>Information Management & Technology</i> | | IT- Direct Payments Systems (IACS) IT- Fisheries & Forestry Systems IT- Infrastructure and Operations IT- Customer, Financial & Online Services IT- Animal Health & Traceability Systems Bovine traceability and animal transport | Sean Keevey Vacancy Robert Butler Joe Hanly Vacancy Martin Farrell |

| MAC | Deputy | Function | Head of Division |
|--|---|---|--|
| Tony Burke Finance, Accounts, Audit, Governance and Agri-environment (incl. REPS) | | Finance Accounts Internal Audit Legal Services Agriculture Structures Agriculture Environment and Structures | Herber McMahon Geraldine Mullen Tom Medlycott Randall Plunkett Gordon Conroy Liam Fahey |
| Kevin Smyth Direct Payments inc. Suckler Cow Forestry, Market Supports | | Single Payment & Suckler Cow Disadvantaged Areas Direct Payment Inspection Controls Market Supports, OFI Forest Service Inspectorate Forest Service | Paud Evans Andy McGarrigle Al Grogan Vacancy Seamus Dunne Bridgeena Nolan |
| Cecil Beamish Fisheries and Coastal Zone | | Seafood Policy & Development Sea Fisheries Administration Coastal Zone Management Engineering | Josephine Kelly Paschal Hayes John Quinlan Gerard Farrell |
| Dave Beehan Chief Inspector | Dermot A Ryan Deputy Chief Inspector | Pesticides Evaluations and Controls Feedingstuffs, Fertilisers, Pigs & Poultry Livestock Breeding, Production and Trade Crop Evaluation and Certification Horticulture & Plant Health Research and Codex Environment & Engineering Services Crop Policy, Production & Safety | Dermot Sheridan Liam Hyde Vacancy Donal Coleman Gabriel Roe Richard Howell Bill Callanan Kevin Cassidy |
| Paddy Rogan Chief Veterinary Officer | Martin Blake Michael Sheridan Deputy Chief Veterinary Officers | Animal Health and Welfare Delivery Animal Health and Welfare Delivery Animal Health and Welfare Delivery Veterinary Service Audit Unit ERAD – Brucellosis, Animal Welfare ERAD – TSE eradication, Animal Identification Veterinary Public Health – (Beef, Sheepmeat, Dairy, NBAS, Labelling and Traceability) Veterinary Public Health – (Pigmeat, Poultrymeat, Petfood and Zoonoses) International Trade, Class A Contingency, Class B Diseases, TSE & Animal By-Products Veterinary Medicines and SIU | Oliver McDonagh Vacancy Vacancy Pat Flanagan Garry O'Hagan Margaret Good Paula Barry Walsh Dave Nolan Billy McAteer John Griffin Pat Brangan |
| Michael Gunn Director of Laboratories | Dan O'Sullivan Head of Agriculture Laboratories Donal Sammin Head of Veterinary Laboratories | Plant Health, Pesticides and Seed Testing Laboratories Dairy Sciences Laboratories Veterinary Public Health Regulatory Laboratory Regional Veterinary Laboratories Bacteriology/Parasitology Pathology Virology | Michael Hickey Nicholas Finnerty Paula Barry Walsh Micheal Casey John Egan Paul Collery Pat Lenihan |



GOAL 1

Our Policy and Operational Framework

Annual Output Statement for Goal 1

EU Interaction

International Interaction

National Policy Framework

Innovation

Food Sector

Primary Production



Annual Output Statement:

GOAL
1

Inputs

“Provide an appropriate policy framework to support the development of an internationally competitive, innovative and consumer-focused sector”

| Programme 1 | 2010 Budget € million | 2010 Outturn € million | 2011 Budget € million |
|--|--------------------------|------------------------------|-----------------------------|
| Programme Expenditure | 356.775 | 331.215 | 364.232 |
| - Current | 297.965 | 287.535 | 307.250 |
| - Capital | 58.810 | 43.680 | 56.982 |
| Programme Administration | 16,185 | 15,537 | 15,391 |
| - Pay | 13,004 | 12,730 | 12,330 |
| - Non-Pay | 3,181 | 2,807 | 3,061 |
| Support Expenditure | 4,090 | 3,508 | 4,019 |
| Total Gross Programme Expenditure | 377.050 | 350.260 | 383.642 |
| Number of staff (FTE) as at 31 December 2010 | 238 | | |

Outputs

2010 Output Target

- 1.1. Increase policy analysis and level of engagement (meetings) with OMS, Commission and European Parliament to advance Irish policy position on CAP after 2013 and negotiations on the EU budget review.

2010 Output achieved

- 1.1. A comprehensive range of analytical papers produced and significant body of analysis conducted on various policy scenarios including distribution of pillar 1 and pillar 2 funds
- Substantial increase achieved in the level of engagement with EP, Commission and OMS including
- 65 written briefings and 2 formal oral briefings for MEPs on agricultural dossiers, as well as the designation of a dedicated liaison officer to improve engagement with the EP
 - 15 meetings at Ministerial level
 - 12 meetings at official level
 - 3 meetings of the consultative committee on the CAP after 2013
 - numerous informal contacts at all levels

GOAL 1

Outputs

2010 Output Target

- 1.2 Defend Ireland's priorities during the negotiation of key EU fisheries measures in 2010, including:
- The setting of TACs and quotas and fishing effort allocations for 2011.
 - Negotiations with third countries on long-term management arrangements for mackerel stocks.

2010 Output achieved

- 1.2 At the December 2010 Agriculture and Fisheries Council agreement was secured on TACs and quotas for 2011 valued at €223 Million.

- 1.3 Develop and publish a new national strategy for the development of the agri-food, forestry and fisheries sectors to 2020.

- 1.3 The new strategy, Food Harvest 2020, was published in July and its implementation is being progressed by the High Level Implementation Committee (HLIC) chaired by Minister Smith.

- 1.4 Maintain and build exports to €7.5 billion, a 5% increase in value by end 2010.

- 1.4 Exports of food and drink increased by 11% in 2010 to reach €7.88 billion.

- 1.5 Ensure effective departmental contribution to the Cabinet Committee on Economic Recovery by the timely provision of briefs which results in recognition and support for the agri-food sector.

- 1.5 Issues supporting the agri-food industry which were progressed by the Cabinet Sub-Committee on Economic Recovery included Food Harvest 2020, Competitiveness, Credit and Enterprise.

EU and International Interactions



EU INTERACTION

The main issues to dominate EU agriculture policy discussions in 2010 were the continued discussions on the future of the CAP. Also to the fore were debates on the competitiveness of the EU Agri-Food model, how the food supply chain could function to greater effect and the publication of the report of the Commission's High Level Group on Milk

Future of the CAP

Policy analysis and debates on the broad outline and general principles of future EU agriculture policy continued in 2010. Ireland participated actively in this process through meetings and informal contacts at official and political level with the EU Commission, the European Parliament and other Member States. Domestically, the Minister for Agriculture, Fisheries and Food established a consultative committee to obtain the advice of stakeholders on the most appropriate policies to be pursued by Ireland in the negotiations.

Arising from these debates and from stakeholder consultations, the EU Commission brought forward a communication in mid November setting out a number of policy options for the future direction of the CAP.

The communication advocated a strong future CAP based on two complementary pillars with three strategic aims of preserving food production potential in the EU, sustainable management of natural resources and maintaining viable rural areas. Pillar 1 would be greener, with more equitable distribution of funds between Member States, sectors and farmers and would cover annual payments to farmers. Pillar 2 would have a greater focus on competitiveness, innovation, climate change and the environment and would cover multi-annual programmes. The aim would be to target support to active farmers only. The communication favoured the continuation of decoupled direct payments and the retention of market management measures at safety-net level, with some enhancement.

This communication will be discussed by the EU Council of Agriculture Ministers and the European Parliament in the first months of 2011 with formal legal proposals expected in the second half of 2011.

Competitiveness of the Food Supply Chain

Following on from the 2009 multi-stakeholder *High Level Group on the Agri-food industry* (which had presented 30 recommendations to improve the competitiveness of the sector) and the Commission's Communication on a '*Better functioning food supply chain in Europe*', in 2010, the Commission established a High Level Forum on the agri-food industry. The forum, of which the Minister for Agriculture, Fisheries and Food is a member, held its first meeting in November.

Dairy Sector

A High Level Group (HLG) on Milk was established by the Agriculture Commissioner in late 2009 to examine a series of mid and long-term issues in the dairy sector arising from the expiry of milk quotas. Ireland participated in this group which delivered its report in June 2010. The report contained seven main recommendations concerning contractual relations, bargaining power of producers, inter-branch organisations, transparency, market management measures, marketing standards/labelling and innovation/research. In December, the Commission presented a proposal to address a number of the recommendations and stated its intention to address all outstanding recommendations in the context of negotiations on the future of the CAP after 2013.

The Minister established a Dairy Consultative Group to advise on the work of the HLG. This Group is representative of all the main stakeholders. The first meeting of the group took place on 2 November

Maintaining Effective Partnerships

The Department maintained effective relationships with the EU institutions and ministries in other Member States through our diplomatic officers abroad, through bilateral contacts with EU institutions and with Ministries of Agriculture in other Member States. The Department maintained its diplomatic representation at Counsellor/Attaché level in France, Germany, Italy, Poland, UK, Brussels (EU), Geneva (WTO) and Washington. As part of their responsibilities, these staff service international organisations such as FAO, WFP, OECD.

In 2010, the Department hosted a number of Ministerial and senior official visits from Germany, France, Denmark and the Netherlands and a visit from Commissioner Ciolos. Visits at both Ministerial and Secretary General level were undertaken to Hungary, Poland, Germany, France and Italy. A number of Ministerial meetings also took place in Brussels and Dublin with UK Minister Paice, Commissioners Damanaki, Ciolos, de Gucht and Geoghegan Quinn and with Members of the European Parliament.

North-South Co-operation

There were two North South Ministerial Council (NSMC) agriculture sectoral meetings held during 2010, one was hosted in Farmleigh, Dublin and the other in Agri-Food and Bioscience Institute, Hillsborough, Co. Down.

INTERNATIONAL INTERACTION

WTO

A stock taking exercise held in Geneva at official level at the end of March 2010 failed to provide an impetus for renewed negotiations. Throughout the year, work continued to progress technical issues and to move the talks forward politically. However, the OECD meeting in May and the G20 in June failed to provide the political impetus necessary. At the end of 2010 and in the lead up to the Davos Economic Forum, there was some renewed optimism that there may be a possibility of concluding these talks in 2011.

EU MERCOSUR NEGOTIATIONS

At the initiative of both the Spanish Presidency of the EU and the Argentinean Presidency of MERCOSUR, the EU took a decision in May 2010 to re-launch negotiations for a Free Trade Agreement with the MERCOSUR group of South American countries (Brazil, Argentina, Paraguay and Uruguay). Three negotiating rounds took place in the second half of 2010 focusing on process and texts. A number of Member States are supportive of the launch of the negotiations. However, Ireland and some other Member States have raised serious reservations concerning the re-launch of the talks. Ireland's principal concern is with the impact of additional import quotas on the EU and Irish beef sector. Ireland has been very active in highlighting its concerns and in pursuing the issue of mitigating measures in relation to the beef sector with the Commission.

FOOD SECURITY

Food Aid Committee

The 1999 Food Aid Convention (FAC) is the main international agreement on the provision of food aid. It works both as a code of conduct regarding best practice, and as a commitment to provide a certain minimum level of food aid annually. Ireland's national position has been to focus on the provision of cash for the delivery of humanitarian untied food aid and, where possible, using the cash to purchase surplus food from within the affected region. This is in line with best international practise as recognised by the OECD. Since July 2009, FAC Members have been considering the possible renegotiation of the Convention and in December 2010 members agreed to formally launch renegotiations. The re-negotiation of the FAC will allow the donor members to modernise the Convention and to expand the range of tools that can be used to provide greater access to and consumption of food.

UN- World Food Programme (WFP)

During 2010 the Department continued its support for the vital work of the United Nations World Food Programme (WFP) with a total contribution of €9.96 million. This was Ireland's core multilateral funding as part of our overall support to the WFP.

UN- Food and Agriculture Organisation (FAO)

The Department ensured Ireland's position on agricultural and development matters was well represented at various Food and Agriculture Organisation (FAO) meetings throughout the year. During 2010, FAO continued its work on the ongoing process of reform of FAO's work and processes. In October the first meeting of the reformed FAO Committee on Food Security (CFS) was held. The CFS, which is the main global forum for discussion and policy coherence on food security issues, has now been expanded to include representation from all stakeholders including civil society representatives. CFS members called for action on land tenure with an agreement to continue the development of international voluntary guidelines on responsible tenure of land. CFS asked the new High Level Panel

of Experts to examine the issues surrounding price volatility and to review existing assessments and initiatives on the effect of climate change on food security. During the CFS meeting, Ireland, in conjunction with the US, held a well attended side event to inform CFS delegates about the launch of the Sun Nutrition Initiative at the Millenium Development Goals (MDG) Summit in New York.

In addition to paying Ireland's subscription of some €1.5 million to FAO, extra budgetary funding of €0.5m was provided to the Benefit Sharing Fund of the International Treaty for Plant Genetic Resources for Food and Agriculture. This fund focuses on the sustainable use of in-situ crops and specifically supports high impact projects supporting smallholder farmers in developing countries. A further donation of €305,025 was made to support the FAO's activities in post earthquake agricultural recovery in Haiti.

UN- High Level Task Force (UNHLTF)

The UN High Level Task Force (UNHLTF) continued its work during 2010. It was set up by Secretary General Ban Ki Moon, as the UN system response to increasing food prices. The Task Force's aim is to develop an international response to the food prices crisis and fuel crisis. The task force has recently revised the Comprehensive Framework for Action (CFA) which is a strategy document offering guidance on the realisation of Millennium Development Goal 1. A major part of this process was the inclusion of a Civil Society Perspective and in May 2010 Ireland cohosted with Concern Worldwide and the HLTF an international consultation with civil society.

Hunger Taskforce

The Minister of Foreign Affairs Micheál Martin and the US Secretary of State Hillary Rodham Clinton co-hosted an event to highlight action to reduce child undernutrition at the MGD Summit in New York in September. The event focused on the 1000 day window of opportunity (the period beginning with a woman's pregnancy and ending when the child is two years old) to improve nutritional status and is known as the Sun initiative (Scaling up Nutrition).

The Government is committed to the key recommendations of the Hunger Task Force. The issue of hunger is now a key component of Ireland's foreign policy and overseas aid programme. Mr Kevin Farrell was appointed the Special Envoy for Hunger and produced a report in 2010 on Ireland's progress towards implementing the recommendations of the Hunger Task Force Report. Mr Farrell noted Ireland's political leadership on hunger and its prioritisation of hunger within the aid programme.



goal **1**



NATIONAL POLICY FRAMEWORK

Food Harvest 2020

Food Harvest 2020 (FH2020) a strategy to chart the direction of agri-food, forestry and fisheries for the next decade, was published in July 2010. This strategy, which is primarily industry-led, was underpinned by a comprehensive range of analytical papers prepared by the Department and relevant State Bodies, by views received from the public consultation process, and input from the Harvard Business School and from senior farming and food industry figures.

The detailed report contains 215 recommendations and suggestions towards which Government and industry should work. It also sets clear and ambitious targets to be achieved by 2020. These include;

- Increasing the value of primary output of the agriculture, fisheries and forestry sector by €1.5billion (a 33% increase compared to the 2007-2009 average.)
- Improving the value added in the sector by €3 billion.
- Achieving an export target of €12 billion for the sector which is a 42% increase on the 2007-2009 average,
- Increasing milk production by 50%;
- Adding 20% to the value of the beef sector.

In addition the report points out the necessity of improving cost competitiveness by 20%, relative to our competitors, and of doubling the industry spend on R&D.

Its implementation is being driven by the High Level Implementation Committee (HLIC). This is chaired by the Minister and comprises the CEOs of Bord Bia, Enterprise Ireland, BIM, Teagasc, the Environmental Protection Agency and senior officials. The HLIC met twice in 2010 and to date progress has been made on progressing the dairy sector, scoping a credible sustainable agenda, including Brand Ireland and prioritising a research call which focused on the priorities outlined in FH2020. The first progress report on implementation will be published in July 2011.

Legislation

In 2010, the Department published the Welfare of Greyhounds Bill 2010 (available on www.Oireachtas.ie) but this had not been passed before the Dail was dissolved. The Minister and Minister of State made 70 statutory Instruments covering a wide range of subjects. Full information is on the Department's website under the heading "Legislation".

Statistical and Analytical Reports

■ *Annual Review and Outlook for Agriculture and Food 2010/2011.*

This contained a broad range of analysis and commentary relating to the performance of farm income and the agri-food sector in 2010.

■ *Schemes and Services 2010-2011*

A comprehensive outline of all services and supports available for farming, fishing and wider rural communities.

■ *Irish Success in the EU 7th Framework Programme 2005-2007*

A summary of successful Irish participation in the EU research and technological development programme for food, agriculture, fisheries and biotechnology.

■ *Fact Sheet on Irish Agriculture.*

This was reviewed, up-dated and disseminated widely in 2010.

Aggregate Farm Income

Table 1.1 Overview of 2010 Agricultural Output

| Output, Input & Income in Agriculture, 2010 | 2010 |
|--|---------|
| Goods Output at Producer Prices (Euro Million) | 5,348.0 |
| Plus Contract Work (Euro Million) | 268.7 |
| Plus Contract Work (Euro Million) | 17.0 |
| Agricultural Output at Basic Prices (Euro Million) | 5,633.7 |
| Less Intermediate Consumption (Euro Million) | 4,104.6 |
| Gross Value Added at Basic Prices (Euro Million) | 1,529.0 |
| Less Fixed Capital Consumption (Euro Million) | 744.5 |
| Plus Other Subsidies Less Taxes on Production (Euro Million) | 1,710.2 |
| Less Compensation of Employees (Euro Million) | 423.9 |
| Operating Surplus (Euro Million) | 2,070.8 |

CSO - Output, Input & Income in Agriculture. 2010 - Preliminary Estimates

The CSO's preliminary estimate of Output, Input & Income in Agriculture in 2010 shows that operating surplus increased by 31.5% over 2009. The value of goods output at producer prices increased by 13.1% while intermediate consumption was up just 0.8%. The value of output for cereals (+88.8%), milk (+39.6%), pigs (+8.6%) and sheep (+6%) were among the increases year-on-year.

A map of Ireland is shown, filled with a collage of agricultural and food-related images: a green field with a white fence, a golden wheat field, and a close-up of a plant. The text is overlaid on this map.

Irish Success in the EU 7th Framework Programme 2007-2009

Food, Agriculture and Fisheries, and Biotechnology

A summary of successful Irish participation
in Theme 2 of the EU 7th Framework Programme
for Research and Technological Development



INNOVATION

2010 Research Call

Allied to the priorities and growth targets in Food Harvest 2020, a Call for research proposals under the three public good research programmes [FIRM, COFORD and the Research Stimulus Fund (RSF)] was launched in October 2010 with an overall value of approximately €10 million over four years.

Two new initiatives entitled 'FIRM+' and 'Network of Excellence in Sensory Food Science' formed part of Call 2010, as well as proposals to support a dairy research programme. In addition, a joint FIRM-RSF for desk based research proposals identifying the issues that may restrict or enhance the sustainable growth of the primary and processing sectors of the agri-food industry over the next ten years.

Under the RSF/COFORD area, proposals were invited for a "Network on Gaseous Emissions – Agriculture and Land Use", to develop a network that will bring together all researchers in the agriculture and forestry areas to address Ireland's commitments to reduce its greenhouse gas emissions. COFORD proposals were also invited under the Forest Genetic Resources and Forest Health and Protection thematic areas.

Food Institutional Research Measure (FIRM)

Significant work on projects funded under previous Calls continued, including monitoring the existing 106 projects using assessments and on-site inspections, with a total annual spend of €13.45m. FIRM, through the RELAY project, managed the findings of the research projects so as to realise maximum commercial potential.

Work on the EU Joint Programme Initiative (JPI) in Food & Health progressed during 2010. The Department actively ensured that the JPI reflected the research strengths of Irish research organisations, particularly in the area of food for health and functional food research. The 3rd meeting of the Management Board of this JPI was hosted by DAFF at the Backweston campus and DAFF is now leading this JPI.

Work continued on developing a National Strategic Research Agenda for the Food Industry (i.e. the National Food Research Plan) under the remit of the Food Research Expert Advisory Group (FREA) chaired by Dan Browne. A steering group was set up and the plan is expected to be finalised early in 2011.

Research Stimulus Fund (RSF)

During 2010, routine monitoring of 74 ongoing projects, via progress report and on site inspections continued to ensure maximum return for tax payers' investment.

In June 2010 DAFF set up an information stand at the Climate Change Conference organised by the EPA at the new Aviva Stadium. The information on display highlighted DAFF's investment through RSF in agricultural climate change research in Ireland. DAFF is represented on the interim governing boards of both the Joint Programming Initiative (JPI) on 'Agriculture, Food Security & Climate Change' and on the New Zealand led Global Research Alliance on Agricultural Greenhouse Gases. Involvement in these international initiatives will influence the nature of future Irish research in this area and, more importantly, can leverage knowledge and technologies developed in other countries to deal with the challenges of climate change, energy supply and food security in Ireland.

COFORD

Awards on 6 new projects arising from the 2008 COFORD Call were made during the year. The projects selected for funding included the Silviculture and Forest Energy themes. Silviculture projects included broadleaves, riparian zones and low impact systems, while forest energy was mostly concerned with supply chain issues, wood ash and short rotation coppice.

DAFF continued to be involved in the WoodWisdom II ERA-NET. The transnational funding programme in the field of wood material science and engineering currently has 19 partners from 12 European countries. DAFF participated in its 3rd research Call during 2010 and will fund any successful Irish projects that emerge from the process.

EU 7th Framework for Research & Technological Development (FP7)

The European 7th Framework Programme for Research and Technological Development is the EU's vehicle for research funding. DAFF continued to provide the National Delegate and National Contact Point for the Theme Area 2 concerning Food, Agriculture & Fisheries, and Biotechnology. In April 2010 DAFF held a conference in Backweston on 'Strengthening Ireland's F7 Involvement'. The purpose of the conference was two-fold: firstly, to promote Theme Area 2 of FP7; secondly, to launch a booklet detailing Irish success in the first three years of the programme. The attendance of over 130 delegates was reflective of the interest in FP7 funding opportunities.

Irish researchers were extremely successful in the 2009 call, helped by the efforts of the national delegate and contact point, the economic climate and the limitations on national research funding. In 2010, Ireland achieved 2.8% of the available budget from Call 4 and Irish researchers are co-ordinating 2 projects funded from this Call, one of which is in the Biotechnology area. Interest and activity was maintained in Call 5, the results of which will be expected in mid 2011. Irish researchers are also attracting funding from other FP7 Programmes, such as the Capacities and Infrastructures Programmes.

The importance of international collaboration in developing a knowledge economy cannot be overstated and these activities develop Ireland's reputation for research excellence, as espoused in the Strategy for Science Technology and Innovation.

Codex Alimentarius

DAFF operates the Codex Contact Point for Ireland. During 2010, 10 Codex Alimentarius Sessions and 17 EU Council Codex preparatory meetings were attended by Ireland to ensure that the Codex sessions were representative of our particular needs.



Overview

Some of the difficulties and challenges faced by the agri-food industry in 2009, including the value of sterling, consumer sentiment and competitiveness issues ameliorated in 2010. Irish food and drink was a major contributor to the economy's strong export performance during the year, with export sales expanding by 11% to reach €7.9 billion. This increase of €800 million on the previous year demonstrates a significant improvement in the sector and underpins the initiatives set out in Food Harvest 2020 to achieve the target of €12 billion in exports by 2020.

Food Dude Programme/ EU School Fruit Scheme

The national rollout of the Food Dude Programme passed the half-way mark in 2010. During the year 387 primary schools and 62,313 children participated in the programme which was managed by Bord Bia with €2 million in Department funding and €500,000 in funding under the EU School Fruit Scheme. The Food Dude Programme was developed by Professor Fergus Lowe of Bangor University and aims to increase fruit and vegetable consumption through repeat tasting of fruit and vegetables over a 16 day intervention period, small rewards and role models (Food Dudes heroes). A survey of teachers and parents showed that 95% of parents provided one or more additional portions of fruit in the lunch box while 91% provided one or more extra portions of vegetables.

Quality Assurance Schemes

Bord Bia Quality Assurance Schemes (QAS) for beef, lamb, pigmeat, poultry, eggs and horticultural produce promote high standards at producer and processor level. The schemes are independently verified and accredited to international standards. During 2010 Bord Bia worked with Teagasc and the Carbon Trust on developing a carbon labelling model for QA beef and achieved accreditation to the international specification, PAS 2050. This will enable the tracking of the environmental performance of farms in the beef QA scheme on a ongoing basis and will demonstrate objectively the green credentials of Irish beef production. It is understood to be the QAS to incorporate an objective assessment of its carbon footprint.

Artisan, Local and Speciality Food

The promotion of artisan, local and speciality food was advanced through the DAFF/Bord Bia Farmers Markets' Good Practice Standard and regionally focused research and initiatives. The voluntary Standard signifies that Farmers Markets displaying the banner have undertaken to hold markets regularly; to source a substantial proportion, (ideally 50%), of local produce from the county or neighbouring counties; to accommodate seasonal and local garden/allotment produce and to comply with food safety/labelling rules and criteria on good governance. Following assessment of applications, the number of markets awarded the Good Practice Banner reached 39 by end 2010.

EU Co-Funded Promotion Programmes

The Department is the accredited paying agency for EU co-funded promotion programmes. Three programmes were underway in 2010 :

- **Beef, Pork and Offal promotion in China and Japan**

This three-year programme run by Bord Bia will run to spring 2012. It aims to increase consumer awareness and consumption of quality EU beef, pork and offal products and to communicate that the EU is committed to exports in this area. The €470,000 programme is co-funded by the EU (50%), industry levy income (30%) and the Department (20%) and is targeted at meat importers, opinion informers, food service and retail operators and final consumers.

- **Milk promotion – ‘ Milk in Action ‘**

A €1.5 million campaign co-ordinated by the National Dairy Council commenced in April 2010. The three year programme, run in co-operation with dairy trade bodies in Northern Ireland, England and Wales, promotes the nutritional benefits and consumption of milk and dairy produce. The EU funds 50%, industry 30% and the Department 20%. The specific aims are to increase milk consumption in the 11 to 20 age group by linking milk with sport and physical activity and to promote women's awareness of the nutritional benefits of cheese and yoghurt.

- **Mushroom promotion – ‘ There's More to Mushrooms ‘**

A 3-year €2.6 million programme to promote mushrooms on the UK market commenced in 2010. Co-ordinated by Bord Bia and funded by the EU (50%) and Irish and UK mushroom producers (50%), the campaign aims to communicate the nutritional and culinary benefits of mushrooms to younger households, health professionals and mass caterers. There are two themes - nutrition and taste, and versatility, which are delivered via women's magazines, digital advertising, PR and educational measures. The campaign aims to address the decline in mushroom sales and increase consumption by over 23,800 tonnes over 3 years.

Bord Bia

Bord Bia received continued support from the Department throughout 2010 to champion awareness of Irish food and drink nationally and internationally. Bord Bia developed and sustained EU and Third country markets through participation in major international trade fairs and the Bord Bia/Smurfit UCD Fellowship Programme. The 2nd Fellowship programme was launched in July 2010 and 25 Fellows will complete up to 100 assignments requested by Irish companies to identify opportunities and build relationships in 12 overseas markets. The programme attracts some of the best business graduate talent to the agri-food and horticulture sectors.

Bord Bia also supported dynamic and growth orientated small businesses through its Vantage Programme (www.bordbiavantage.ie). Support included a dedicated small-business website, seminars, advice on branding and distribution and a mentoring programme for high-performance companies. A business development programme was held over 12 months to facilitate small businesses to achieve a new level of growth. Seafood was promoted through a series of advertising campaigns promoting awareness of different species and providing innovative menus.

Food Industry Investment

Food Competitiveness Fund

The Food Competitiveness Fund was approved by Government in 2009 to provide additional support for the food industry. The fund is operated by Enterprise Ireland (EI) and Bord Bia and is administered by the Department. Over the period 2010-2014 this funding will support business transformation, lean business process initiatives, management development and leadership initiatives, in-company R&D and strategic industry-led R&D centres in third level institutions.

Expenditure in 2010 amounted to €4 million, comprising €1.5 m. to EI mainly for LEAN manufacturing, and €2.5 m. for marketing initiatives undertaken by Bord Bia.

Innovation Vouchers

Enterprise Ireland invited small food companies to apply for an Innovation Voucher funded by the Department. Companies could apply for a voucher worth €5,000 in order to obtain an innovative solution to a technical or business challenge from a Higher Education Institute in Ireland or Northern Ireland. In all, 145 Innovation Vouchers were approved, these partnerships with a research bodies enabled some SMEs to move their businesses onto the next level and to add value to their products.

Dairy Investment Fund

Investment continued under the Department's Dairy Investment Fund, which is managed by E.I. The primary purpose of this fund is to increase the efficiency of the main dairy companies by supporting the upgrading of existing plant and buildings to capture new business and to develop value-added products. DAFF contributed €8.8 million towards 10 projects in 2010.

Beef and Sheepmeat Capital Investment Scheme

This fund forms part of the Department's strategy to ensure the long-term competitiveness of the industry through supporting investment in scale and efficiency in primary processing, and added value in further processing for retail, food service and manufacturing outlets. €8.1 million was drawn down in 2010.

Marketing & Processing

The Department operates a Capital Investment Scheme for near-farm enterprises. Payments amounting to €2.5 million were made during 2010.



Minister Smith T.D.
enjoying food stands
at BLOOM 2010.

MEAT

Overview

Beef Production and Trade

Total cattle slaughterings in 2010 amounted to almost 1.64 million head, an increase of 8% on the figure for 2009. Beef exports at 505,000 tonnes were valued at €1.51 billion as trade was boosted by strong indigenous cattle supplies, stable prices and improving demand in our main markets. Export volumes to the United Kingdom increased by 7% to 260,000 tonnes, while those to Continental Europe, increased by 12% to reach 237,000 tonnes. Overall these higher value EU markets account for some 98% of all Irish beef exports in volume terms. Efforts to gain access to third country markets continued in 2010 and saw the reopening of the Moroccan and Tunisian markets to Irish beef.

Live cattle exports were a prominent feature of the beef trade in 2010. Live exports totalled almost 340,000 head last year, the highest level recorded since 2000. All categories of stock experienced increases but calf exports rose most markedly. At 159,000 head, calf shipments reached record levels with Italy, the Netherlands and Spain being the main destinations. The other major component of the live trade was the export of forward stores and finished cattle to the UK, particularly Northern Ireland. The outlook for 2011 will depend largely on prices and transportation costs to those markets.

Beef Policy Initiatives

Premiumisation

During 2010, Bord Bia's ongoing marketing strategy of creating a premium image for Irish beef product on retail shelves continued to bear fruit. The success of the Irish beef industry in developing high value markets over the past 3 years is evidenced by growth of approximately 9,000t cwe (5%) to standard retail, 6,800t (64%) to premium retail and 4,800t (36%) to premium foodservice, between 2007 and 2010. Across Europe Irish beef is now stocked in 3 or more of the top 10 retailers in each major market and in over 70 retailers in total.

Food Harvest 2020

Launched in July 2010, Food Harvest 2020 sets out a development strategy for the beef industry over the next decade and targets a 20% growth in output value by 2020. The report makes a series of recommendations focussed on enhancing farm competitiveness, improving technological upskilling and knowledge transfer within enterprises at all levels. Beef animal production systems must simultaneously optimise productivity while minimising greenhouse gas emissions and develop an 'Ireland' brand image to attract a price premium for Ireland's natural, grass-fed, product, as recommended by Food Harvest 2020.

Sheepmeat

The average factory price increased by approximately 17%, reflecting the increased competition for scarce supplies. The sheep sector experienced a further contraction in throughput in 2010. Slaughtering at export plants declined by approximately 13%, reflecting the decline in the national breeding flock in recent years. There was a sharp drop of almost 12% in the consumption of sheepmeat on the home market in 2010, while quantities exported were also lower by about 11%. The reduction in home consumption can be attributed to a switch to cheaper proteins, while the reduction in exports is a consequence of the lower availability of supplies. There was increased demand from industry for access to third country markets and 2010 saw the opening of the Tunisian market to Irish sheepmeat. Exports of live sheep were down more than 50%, from 97,229 head in 2009 to 46,587 head in 2010.

Pigmeat

Irish pig production recovered during 2010 following the pigmeat recall of the previous year. Slaughtering increased by over 10% and reached over 2.6 million. Producer prices improved and ended the year over 8% ahead. Pig producers have been particularly affected by the significant increase in cereal prices, up over 30% since June 2010. There has been downward pressure on margins as a result and this, coupled with difficulties for some producers in accessing credit, is putting the sector under considerable pressure. Pigmeat remains however the most consumed meat worldwide and this will continue to present opportunities for Irish producers, given our self-sufficiency.

Exports of pigmeat amounted to some €317 million, a 10% increase on 2009, with amounts to international markets growing considerably. The programmes launched in the wake of the dioxin outbreak; the Pigmeat Recall Scheme and the Pig and Cattle Disposal Scheme, were managed successfully during the year with significant claims settled. There was progress in reopening remaining markets closed following the dioxin incident, namely Russia and China and trade recovered in both these countries

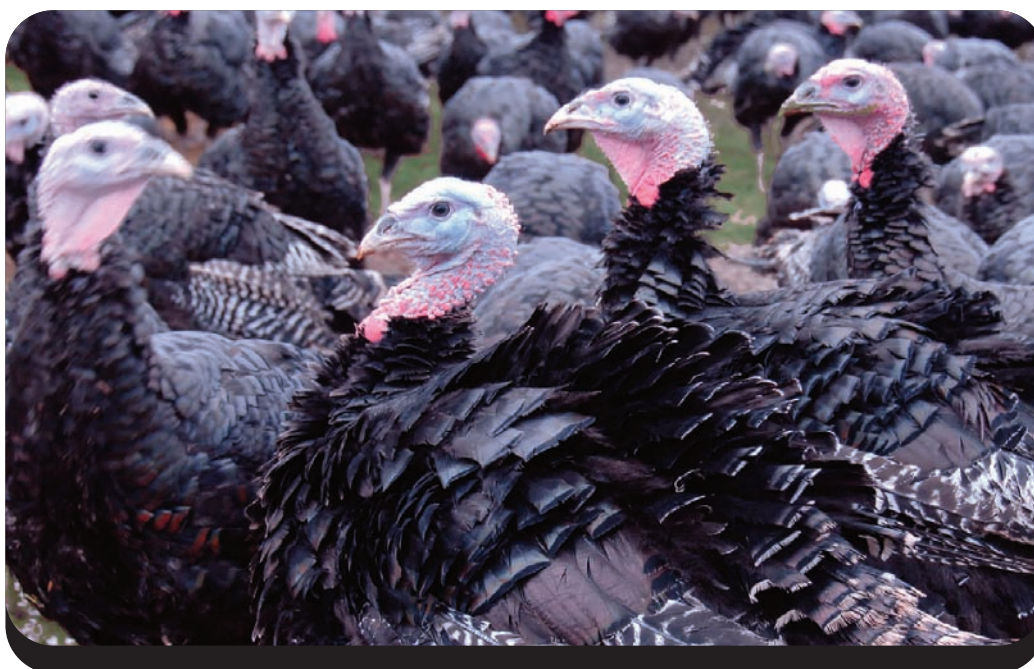
Pig Salmonella Control Programme

A revised Pig Salmonella Control Programme (PSCP) was launched in January 2010. This involves monthly rather than quarterly samples being taken at factories from all producers who supply more than 200 pigs for slaughter per annum. These samples are tested at the CVRL and salmonella prevalence is calculated in respect of each individual herd. During 2010, almost 21,000 samples were taken and tested from 373 herds. The revised scheme is more reflective of changes in prevalence and provides more up-to-date results for both producers and processors.

A budget of €100,000 has been set aside to cover the cost of the programme and this is co-funded between industry (€60,000) and the Department (€40,000).

Poultry and Eggs

The poultry sector continued to face considerable challenges during 2010. Chief among these were the continued increase in cereal and feed costs and significant pressure from imports. In the current economic climate consumers regard poultry as a value-for-money food and this has been reflected in a small increase in consumption. In addition, export value grew and now amounts to almost €200 million. Poultry is normally reared under contract to processors, for a pre-agreed price, and therefore poultry producers are not subject to the same price fluctuations as other farmers. The forthcoming ban on unenriched cages resulted in uncertainty in the caged egg sector, however the introduction of a poultry welfare grant scheme for enriched cages was a significant support for the sector.

**MILK****Dairy Markets and Trade**

During 2010 international dairy markets recovered from the 2009 downturn and EU dairy commodity prices increased during the year. The market measures that were activated in 2009 and helped to stabilise the situation were not required in 2010, as exports increased without refunds and intervention buy-in was not required. Milk prices increased across the EU reflecting the market upturn. In Ireland the average milk price was over 30 cent/litre, 25% above the 2009 price of 24c/litre. Exports of Irish dairy products and ingredients were valued at some €2.3 billion in 2010, an increase of 17% from 2009.

Milk Policy Initiatives

Implementation of Food Harvest 2020

Food Harvest 2020 was published in mid-2010 and set the ambitious target for the dairy sector of increasing milk production by 50% over the next decade. A Dairy Expansion Activation Group was established in the second half of 2010 and by the end of the year had produced a Road Map setting out 55 actions that will need to be delivered by the relevant stakeholders in order to achieve the 50% target. The implementation of these actions is now under way at all levels of the industry.

Milk Quota Trading Scheme

The Milk Quota Trading Scheme continued to be implemented successfully in 2010. The much improved market conditions compared to 2009 were reflected in the increased volumes traded, up from 40 million litres in 2009 to 74 million litres in 2010. Prices also rose significantly, from 12 cent or less per litre at the end of 2009 to 25 cent per litre at the end of 2010. The Scheme continued to contribute to producer consolidation, with the number of active milk producers falling from 18,929 in 2009, to 18,295 in 2010.

New Entrants to Dairying

The second of five annual increases of 1% in national milk quota agreed under the Health Check became available on 1 April 2010. As in 2009, three-quarters of the increase was allocated as a top-up to the quotas of all active producers, and the remaining 0.25% was distributed to 74 new entrants to dairying under the New Entrants Scheme. Allocations of between 180,000 and 200,000 litres of quota were made to each successful applicant, who must commence production by 1 April 2012.

Support for Dairy Research

The first in a series of milk quota allocations aimed at assisting the development of profitable, expanding dairy farms was made in 2010 to the Greenfield Dairy Project, which is a collaboration between Teagasc Moorepark, the Agricultural Trust, AIB Bank and Glanbia. It consists of three dairy farms, one of which is a large farm developed on a greenfield site, and the other two family farms of different sizes with potential to expand. The information and management data being generated is being made available to all Irish dairy farmers through Teagasc's advisory network and the BETTER farm programme. The quota requirements will run from over 125,000 litres in 2010 to just under 3 million litres in 2014/2015.

Dairy Efficiency Programme

A new three-year Dairy Efficiency Programme commenced in 2010. Under the programme €18 million of unspent Single Payment Scheme funds will be spent from 2010 to 2012 to encourage significant efficiency gains on Irish dairy farms. The funding will support participation in discussion groups. These groups, which are formed and assisted by facilitators who have been trained by Teagasc to a FETAC-accredited standard, place particular emphasis on the adoption of best practice in grassland management, breeding and financial management. Participants in the programme have their progress monitored by their facilitator, and they are required to meet certain standards on attendance and project completion. In return they receive a payment at the end of each year, with the level of payment determined by the participation rate in the programme. In 2010 almost 7,000 participants, or 40% of all dairy farmers in the country, signed up to the programme.

CROPS

Cereals

Overall cereal area was down 16% from 2009. The area under winter crops in 2010 was down by 1.5% while the area of spring crops decreased by 22%. Cereal yields in 2010 were above average due to good weather conditions during grain fill and excellent harvest conditions. The overall production of cereals for the country in 2010 is estimated to be back 2.7% on 2009 at 1.93 million tonnes (*ref. Teagasc Harvest Report*). There was a significant increase in prices in 2010 in the order of 50%, mainly due to weather extremes in different parts of the world and particularly in Russia.

TABLE 1.2 : Cereal Production Area (ha) 2009-2010

| | 2009 | | 2010 | | |
|--------------|----------------|---------|----------------|---------|--|
| | Winter | Spring | Winter | Spring | |
| Barley | 19,128 | 170,947 | 25,912 | 132,010 | |
| Wheat | 63,122 | 19,815 | 54,910 | 15,939 | |
| Oats | 9,004 | 10,945 | 9,067 | 8,590 | |
| Total | 91,254 | 201,707 | 89,889 | 156,539 | |
| Total | 292,961 | | 246,428 | | |

Source: DAFF Area Aid

Crop Variety Evaluation

Overall conditions for sowing winter trials in the autumn of 2009 were most difficult whilst sowing and harvesting conditions for spring trials were excellent. Almost 400 varieties of grass, clover, barley, wheat, oats, forage maize, oilseed rape and potatoes were evaluated in National, Recommended List and other trials in 2010. The varieties, of each species, considered most suitable for Irish producers, given our environment and range of soil types, were selected from these trials and published in *Recommended List Booklets* and on the Department's website; www.agriculture.gov.ie. The *National Catalogue of Agricultural Plant Varieties* (NCAPV) and the National Journal of Plant Variety Rights (PVR) were also compiled and published.

TABLE 1.3: Number of Varieties Evaluated in 2010

| Crop | Number |
|--------------|--------|
| Cereals | 189 |
| Grass | 115 |
| Forage Maize | 33 |
| Oilseed Rape | 21 |
| Clover | 21 |
| Potatoes | 12 |



A most successful Open Day was held in July for the Irish Seed Trade Association at the National Crop Variety Evaluation Centre, Backweston, Co. Kildare. An open day in conjunction with Teagasc was also held at Kildalton Evaluation Centre, Co Kilkenny. The Department collaborated closely with Teagasc in the sowing of cereal trials on the 3 Teagasc Better Farms and in the organisation and participation in

the Better Farm open days. Trial inspections and information visits for interested groups of breeders, agents, consultants and farmers were also hosted at the three DAFF centres and at other outside trial locations. A two day 'Grasses for the Future', conference held in October in Cork included an afternoon information session at the Department's Crops Evaluation Centre, Ballyderown.

Seed Certification

For the main agricultural crops, the only seeds that may be marketed in Ireland are of those varieties listed on the *Irish National Catalogue of Agricultural Plant Varieties*, or the *EU Common Catalogue of Varieties of Agricultural Plant Species*. Seed must be certified to meet certain minimum quality standards for varietal identity, purity, germination capacity and disease levels. Certification involves inspection of growing crops, harvested seed or tubers, identity preservation during processing and official labeling.

Table 1.4: Area and Variety of Seed Certification Crops

| | Area of Crops Inspected for Seed Certification in 2010 (Ha) | Area of Crops Approved for Seed Certification in 2010 (Ha) | |
|-----------------------|---|--|--|
| Cereals | 7,323 | 6,775 | |
| Pulses | 30 | 30 | |
| Potatoes ¹ | 704 | 660 | |
| Grasses ² | 0 | 0 | |
| Oilseed Rape | 206 | 180 | |

¹Arising from a change in legislation, seed potato certification in 2010 was confined to crops destined for marketing – resulting in a 50% decrease in the area certified compared to 2009.

²In 2010, all grass seed was imported as certified seed and the Department oversaw the formulation and labeling of grass seed mixtures.

Seed Potato Laboratory

During 2010, 414 varieties were maintained in vitro at the Potato Laboratories, Tops, Raphoe, Co. Donegal. Approximately 45,000 potato mini-tubers from 24 different potato varieties were produced in virus proof tunnels. Five new potato seedlings were tested for distinctness, uniformity and stability as prescribed by the International Union for the Protection of New Varieties of Plants (UPOV). A reference collection of 452 potato varieties was also maintained

Horticulture

In 2010 the output value of the horticulture, including potato sector was estimated at €362.7* million.

Table 1.5. Horticulture Output Value

| Product | 2009 | 2010 | % change |
|---|--------------|---------------|----------|
| Mushrooms | 98.8 | 98.5 | -0.3 |
| Field Vegetables | 71.4 | 59.9 | -16.1 |
| Protected Crops | 70.6 | 71.6 | +1.4 |
| Outdoor Fruit Crops | 5.5 | 7.8 | +41.8 |
| Potatoes* | 82.4 | 82.4* | |
| Bulbs, outdoor flowers, foliage | 3.4 | 2.9 | -14.7 |
| Hardy nursery crops, Christmas trees and honey | 41.7 | 39.6 | -5.0 |
| Total | 373.8 | 362.7* | |

* Potato values based on CSO estimates. Final estimate for 2010 not yet published by CSO

Weather conditions meant 2010 was a very difficult year for many sectors within the horticultural industry. While the summer weather provided much more favourable growing conditions than recent years, the severe weather at the start and the end of 2010 significantly reduced the value of output as frost damage rendered produce un-saleable. Losses were so severe that a Frost Damage Compensation Scheme was provided for potato and vegetable producers that had losses of over 30% of their annual production. 180 growers received almost €4 million in compensation. Given the scale of the losses, this scheme was essential to preserve Ireland's horticultural and potato production capacity as well as its food security.

The sector continued to face downward pressure from the retail multiples as competition within the retail trade increased in response to the economic downturn. Cash flow and restricted availability of credit also impacted on investment at grower level with the result that less than 50% of the investment approved for the sector under the National Development Plan actually went ahead. In total 74 growers received almost €2.0m in grant aid during 2010. This facilitated capital investment of almost €5.0m in specialist plant and equipment. In addition €5.7 m were provided to 3 Producer Organisations under the EU Scheme operating in the sector.

LIVESTOCK

Cattle

The Irish Cattle Breeding Federation (ICBF) made excellent progress in 2010 towards optimising genetic gain for our national dairy and beef herd.

Funding of €1.8m, in the form of grant assistance and under the National Development Plan (NDP), was provided for a range of measures designed to improve profitability for Irish livestock farmers. The NDP funding was allocated to activities such as bull progeny testing, breeding information campaigns, research on genetic evaluations, improvements to data collection facilities, hardware upgrades, and enhancements to information distribution facilities.

Highlights for ICBF in 2010 included;

- The third year of the Animal Welfare Recording & Breeding Scheme (Suckler Scheme) collected breeding and performance data from over 50,000 commercial Suckler Beef herds around the country.
- The ancestry and performance data collected from this scheme is incorporated into Genetic Evaluations, leading to an improvement in the accuracy and quality of the Beef euro-Star indexes.
- Further improvements to the Economic Breeding Index (EBI), the average EBI of dairy bulls on the ICBF Active bull list for Spring 2010 was €196, up from €157 in 2009. A total of 27 bulls on the Active bull list were bred in Ireland.
- Irish cattle breeding is a world leader in genomics technology, which has facilitated a rapid increase in the genetic gain of the dairy herd especially.
- Improved availability of the ICBF cattle-breeding database to herd owners, breed associations, A.I companies and milk recording companies.

PIGS

Exports of porcine semen to China.

In 2010 the Department continued to work towards securing access to the Chinese market for Irish porcine semen.

Sheep

Sheep Ireland, which is associated with the ICBF, continued to make improvements to the national sheep breeding infrastructure. Funding of €0.7m, in the form of grant assistance and under the National Development Plan (NDP), was provided for a range of measures designed to improve profitability for Irish sheep farmers. Working with all stakeholders in the Industry, it made significant progress during 2010 in setting up the necessary sheep breeding infrastructure, such as:

- Continued work in populating the sheep-breeding database, along with data recording and capture systems.
- Collection of ancestry and performance data from farms for use in genetic evaluations.
- Operation of Maternal Lamb Producer (MALP) flocks and Central Progeny Test (CPT) flocks around the country as breeding and demonstration schemes.
- Generation of breeding information for flockowners through the Lambplus service.

Horse Industry

Responsibility for the horse and greyhound racing industries transferred, on 1st May 2010, to this Department from the Department of Arts Sport and Tourism, in accordance with the provisions of S.I. No. 179 of 2010, Horse and Greyhound Racing (Transfer of Departmental Administration and Ministerial Functions) Order 2010.

Support for the non-thoroughbred horse industry

The Department recognises the very important contribution of the non-thoroughbred horse industry to the economy and to the social fabric of many communities throughout the country. The sector contributes substantially to the generation of income from a valuable alternative farm enterprise, to employment, tourism, rural development and the social community and cultural life of the country and the economy as a whole. In 2010, the Department provided €1.38m to this sector by way of grant aid to Horse Sport Ireland for activities aimed at improving the quality of the Irish Sport Horse and developing the sector.

National Development Plan (NDP)

In 2010, a total of €1.4m was provided by the Department under equine related NDP measures as outlined below.

- Access to quality diagnostic and research services into equine diseases is very important to breeders of thoroughbred and sport horses. The Department provided grant aid to the Irish Equine Centre to assist it in providing enhanced services to meet these needs.
- A variety of equine schemes were administered in conjunction with Horse Sport Ireland with the specific aim of improving equine quality. These included aid for the formulation of genetic indexes, DNA testing to verify pedigree, studbook establishment and development, performance testing and promotion of equines.
- The Irish Thoroughbred Breeders Association (ITBA) and the Racing Academy and Centre of Education (RACE) also received NDP funding from the Department to assist in the delivery of training courses to breeders.
- The Department provided funding to the International Equine Institute, situated in the University of Limerick, towards the cost of developing and delivering third level non-degree courses in equine science to meet the needs of the horse industry.



GOAL 2

Ensuring a Secure and Safe Food Chain

Annual Output Statement for Goal 2

Food Safety

Animal Health

Animal Welfare

Plant Health

Laboratory Service

- Veterinary Laboratories
- Agriculture Laboratories



Annual Output Statement:

GOAL 2

Inputs

“Ensure the highest possible standards of food safety, consumer protection, animal health and welfare, fish and plant health including appropriate bio-security measures”.

| Programme 1 | 2010 Budget € million | 2010 Outturn € million | 2011 Budget € million |
|--|--------------------------|------------------------------|-----------------------------|
| Programme Expenditure | 155.423 | 128.409 | 175.915 |
| - Current | 152.653 | 127.724 | 174.415 |
| - Capital | 2.770 | 0.685 | 1.500 |
| Programme Administration | 118.302 | 113.844 | 113.220 |
| - Pay | 90.048 | 88.836 | 86.041 |
| - Non-Pay | 28.253 | 25.008 | 27.178 |
| Support Expenditure | 28.627 | 24.556 | 27.994 |
| Total Gross Programme Expenditure | 302.352 | 266.809 | 317.129 |
| Number of staff (FTE) as at 31 December 2010 | 1,652 | | |

Outputs

2010 Output Target

- 2.1. Maintain high standards of food safety and consumer protection by
- implementing the service contract with FSAI,
 - Submitting Annual Report on the Multi Annual Control Plan to the FVO,
 - Implementing the recommendations of the dioxin contamination Review Group

2010 Output achieved

- 2.1. i. The inspection and surveillance aspects of the FSAI contract were discharged. The food and feed safety and hygiene control systems were both implemented and the Multi-Annual National Control Plan was put in place.
- ii. The Dept's annual report on its implementation of Ireland's Multi Annual Control Plan was submitted to the FVO in 2010.
- iii. In line with the recommendations of the Dioxin review group, the supply of surplus food as feedstuffs have been re-categorised as a higher risk, with consequent increased inspections and audits at recycling plants.

Revised control procedures and instructions have issued to Feed Business Operators (FBO) regarding feed drying and greater emphasis placed on FBOs HACCP feed safety management plans.

GOAL 2

Outputs

2010 Output Target

iv. Achievement of high standards will be verified by compliance with FSAI contract and satisfactory outcomes from FVO and other internal and external audits

2.2. Maintain Ireland's high animal and plant health status by

- achieving a further 5% decline in incidence of TB,
- retaining brucellosis-free status for Ireland and reducing the level of testing,
- maintaining access to export markets,
- implementing effective controls to meet the threats or minimise the impact of exotic diseases in Ireland

2.3. Submit the proposed heads of the Animal Health and Welfare Bill to Government

2.4. Improve DAFF Laboratory Service standards by retaining its existing NRL status, its current level of tests accredited to internationally recognised standards, and working towards achieving accreditation for 14 further tests

2010 Output achieved

iv. There were no FVO Missions on the 96/23 Plan during 2010 and no adverse reports have been received from the FSAI on DAFF's implementation of its contractual obligations

2.2

- The incidence of TB, as measured by reactors numbers, fell by c. 15% in 2010 compared with 2009. This result followed 8.3m animal tests (97% of the national herd)
- Officially Brucellosis free status, obtained in July 2009 was retained in 2010. The controlled reduction in this testing programme continued to generate exchequer savings from reduced testing costs.
- On an ongoing basis, the Market Access Group ensures that our high animal health standards are used to maximise market access.
- Contingency plans are in place for foot and mouth disease, avian influenza, bluetongue and classical swine fever. These are based on existing EU legislation and criteria identified during outbreaks of such diseases in Europe.

2.3 The Heads of the Bill have been submitted for drafting to the Office of Parliamentary Counsel.

2.4 Retained and enhanced NRL functions by achieving accreditation of a further 15 tests (Virology -9, Bacteriology- 4, TSE/ Pathology-2). In addition the Meat Control Laboratory was also accredited for 32 tests.

FOOD SAFETY**Food Safety and Hygiene Controls**

Food safety and hygiene standards continued to be guaranteed in 2010 through the implementation by the Department of its Service Contract with the FSAI. The contract came into force on 31st March 2010, and will run until 31st December 2015. The Service Contract covers controls on

- Meat hygiene,
- Milk and milk products
- Egg and egg products
- Pesticides
- Border Inspection Posts
- Residues
- Zoonoses Directive
- Food labelling

The Department held scheduled meetings with the FSAI during 2010 to review progress and provides quarterly and annual reports to the FSAI as required by the contract. It liaises closely with them on the investigation and close out of food incidents notified on the Rapid Alert System for Food and Feed (RASFF) as well as food safety complaints. The Department and the FSAI jointly cooperated with the European Commission's Food and Veterinary Office (FVO) audits during 2010, including a mission on traceability and labelling of beef and beef products.

Milk and Meat Hygiene

The Department continued to monitor and verify that approved dairy and meat establishments were compliant with the requirements of the European Food Hygiene Regulations (the "Hygiene Package"). These regulations are based on the fundamental principle that each food and feed business operator (FBO) is responsible for the safety of the food/feed they produce. FBOs must adhere to the internationally accepted HACCP (hazard analysis and critical control point) principles, which give FBOs

the flexibility to adapt control systems to the specific requirements of their operation. A list of approved and registered food establishments is published on the Department's website.

The Department also carries out its own risk-based inspections at establishments under its supervision. Almost 9,000 inspections were carried out on meat establishments in 2010 to verify that the relevant legislative requirements are being fulfilled at all stages of production, processing and distribution. The corresponding number of inspections in dairy establishments was approximately 5,000. 108 legal notices were served on meat FBOs and 40 on dairy FBOs, notifying them of infringements under the Hygiene Regulations; and follow up action was taken as necessary. In addition, 1,800 inspections were carried out on feed business operators in 2010, and 2,200 samples were sent for various analysis. Details on the food safety testing and monitoring programme conducted by the Department's Laboratory Service are on pages 44 following.

Multi-Annual National Control Plan

A further element of the Hygiene Package is the implementation of the Multi-Annual National Control Plan (MANCP). In 2010, the Department contributed to the annual report on the implementation of the controls and processes for the EU Food and Veterinary Organisation (FVO). As required under the Multi-Annual Control Plan, the Department has in place a system of internal audit on the controls carried out by the agricultural and veterinary inspectorate. These audits are carried out in accordance with the guidelines contained in Commission Decision 677/2006 EC. During 2010, the units put in place risk based audit programmes and the outcomes of these audits were reported to senior management in the Department.

Residues Surveillance in Food

The Department implements a comprehensive National Residue Plan designed to protect consumers from illegal residues in food. During 2010, in excess of 22,000 samples were taken from eleven food producing species and tested for a range of substances that fall into 4 broad categories: banned substances such as growth-promoting hormones, approved veterinary medicines, animal feed additives and environmental contaminants. Samples are taken on farms, at slaughter plants and at primary processing plants and packing plants and are analysed at officially approved laboratories. Analytical capability is continuously updated in order to enhance consumer protection through extension of the range of substances monitored and improvements in the sensitivity of analytical methods. All positive results are followed by an investigation on the farm of origin with a view to taking the necessary enforcement measures up to and including legal action.

Official testing on animal and animal products is complemented by a statutorily based regime under which primary processors are obliged to implement residue-monitoring measures. This regime, which involves annual submission to the Department of individual residue testing plans, makes it mandatory for processors to subject suppliers, whose animals or animal products test positive, to significantly intensified monitoring. This regime of self-monitoring is subject to Department scrutiny.

Veterinary Medicines and Residue Surveillance.

Legal and proper use of approved veterinary medicines (including vaccines) plays an important part in ensuring the continued high animal health status of our national herd and the health of consumers. The Department, in co-operation with the Food Safety Authority of Ireland and the Irish Medicines Board, oversees and implements controls in these areas which deal with the approval and distribution of veterinary medicines, implementation of residue surveillance measures (e.g. National Residue Plan) and follow-up enforcement activities.

Pesticide Residues

In addition to the residue testing on food of animal origin, a comprehensive pesticide residue monitoring programme is undertaken by the Department. These tests are conducted primarily on cereals and horticultural products and also incorporate the EU coordinated programme; see Agricultural Laboratories for details.

Approval, Inspection and Control of Plant Protection and Biocidal Products

Only Plant Protection and Biocidal products which are included in the Official Register may be placed on the market. Comprehensive scientific risk assessments for the consumer, the worker and the environment are carried out by this Department on products and active substances prior to product authorisation and inclusion in the Official Register.

Some 951 plant protection products containing 220 active substances were included on the Register at the end of 2010. Details may be found on the Department's website: <http://www.agriculture.gov.ie/farmingsectors/crops/> (follow the link to the Pesticide Control Service (PCS). The website may be interrogated by product name, by active substance or by function and crop.

Worksharing activities continued with other EU Member States on the re-registration of plant protection products. This type of collaboration ensured no duplication of effort between the Member States involved and contributed to efficient product registration. Projects involving multiple OECD partners for the evaluation of active substances were explored and planned.

The Biocidal Product Register contained 2,411 products notified for use in Ireland at the end of 2010. While the authorisation process for biocidal products is still in its infancy, systems are under development so that the Department remains well placed to face the future challenges in this area. Participation in the Standing Committee on Biocidal Products and at Council Working Group level ensures that the Department continues to strive for sensible and practical regulation in this area.

The Department also carries out follow up actions in relation to breaches of Maximum Residue Levels (MRL) and unauthorised uses identified by the Pesticide Control Laboratory. In 2010, risk assessments of MRL breaches were carried out following the detection of pesticide residues in 22 (2%) of the 873 (fruit & vegetables, cereals & wine) samples taken. Sixteen of these breaches related to produce not of Irish origin. In each instance, warning letters were issued advising the wholesaler and officials in the country of origin that the produce would be subjected to statutory action if a repeat infringement were detected. As a follow-on to the Rapid Alert System for Foods & Feed (RASFF), a sample of apples from Chile was found to pose unacceptable risk to consumers. Appropriate action was taken. Of the 6 MRL breaches relating to produce of Irish origin, no unacceptable risks to consumers were detected, and so there was no requirement to issue a RASFF alert. All such breaches were investigated and appropriate action taken. In the case of unauthorised uses of Plant Protection Products, all instances were investigated and follow-up action initiated, including targeting of produce for future sampling.

New controls on the importation into the EU of food of non animal origin (FNOA) came into effect on 25 January, 2010. From this date, importers of certain produce, identified as 'at risk' from a pesticide residue perspective, are required to complete additional documentation prior to gaining entry into the jurisdiction. Additionally this produce is sampled according to a frequency determined by the European

Commission and analysed for the presence of specified pesticide substances. The list of produce 'at risk' is revised quarterly. New produce may also be added to the list, the frequency of sampling may be reduced or increased, or the produce may be delisted, depending on the results obtained from the control programme and from audits conducted by the Food & Veterinary Office in the interim. No samples analysed in 2010, as consequence of these increased levels of control, were found to contain pesticide levels above legal standards.

Import Controls on Animal Products

During 2010, imports of animal products, including fish for food, comprising 16.3m kg (20.7m kg in 2009) and involving 1,150 consignments, were approved for entry into the EU through the BIPs. 25 consignments (16 in 2009) were rejected. In addition, 674 consignments of animal by-products for the manufacture of technical products were presented for entry into the EU through Irish BIPs (675 during 2009).

To reduce risks to public and animal health, EU regulations also provide for the banning of the personal importation from most third countries of products of animal origin for own consumption. Travellers to this country are advised not to bring such products in personal luggage and checks are carried out at airports and ports as well as on postal packages. During 2010 a total of 2,294kgs of illegal animal products were confiscated.

Licences are issued for importation of samples of animal products used for trade exhibition purposes or for research as well for importation of non-harmonised animal products. They are also issued for the re-importation of exported consignments for Trade or Food Safety purposes in accordance with national rules. Details as follows:

| | 2010 | 2009 |
|---------------------------|------|------|
| Trade & Research Samples: | 356 | 390 |
| Non-harmonised products: | 67 | 63 |
| Re-imported consignments | 10 | 154 |

Where an outbreak of animal disease occurs in an approved third country or where a public health risk is identified, the EU may invoke safeguard measures controlling or banning import until any risks to public health and to EU economic production have been removed. During 2010 safeguard measures affecting animal product imports were applied in many areas including:

- (a) Banning import of untreated poultry products for human consumption because of risk of high pathogenic avian influenza in the case of Thailand, the Peoples Republic of China, including Hong Kong;
- (b) Banning imports of meat and milk products from the Peoples Republic of China owing to risk of chemical residues, also restricting importation of consignments of certain other animal and aquaculture products to those for which favourable results for analysis of samples drawn from the consignments is provided;
- (c) Banning import of fishery products, snails and guano from Madagascar for food safety and public health reasons;
- (d) Restricting imports of consignments of fish and fishery products from Albania to those for which favourable results for analysis of samples drawn from the consignments for histamine is provided; – Commission Decision No 2007/642/EC

- (e) Setting a residue sampling plan for imports of fish products from Indonesia requiring consignments from which samples are withdrawn by the BIP to be held until favourable results for analysis for chemical residues are received; – Commission Decision No 2010/220/EC
- (f) Restricting imports of equine meat from Mexico to that certified as having been tested and free of chemical residues; – Commission Decision No 2006/27/EC
- (g) Restricting imports of milk powder and artificial milk replacer made from milk powder, intended for animal nutrition, from Ukraine to that free from chemical residues. – Commission Decision No 2002/805/EC.

There are 916 importers of products of animal origin registered with this Department.

Animal By-Products

Animal by-products (ABP) are defined as the parts of animals or animal products which are not intended for human consumption. The slaughter of animals in meat plants and from on-farm deaths result in approximately 500,000 tonnes of raw ABP per year. Food waste is also classified as ABP. To protect both human and animal health, EU and national regulations are in place to ensure that ABP is disposed of safely and controls are implemented to ensure this material is not illegally diverted back into the human food chain.

As animals that die on-farm are an important source of ABP, the Department has approved 40 knackeries under the ABP regulations for the proper disposal of these fallen animals. The Department provides financial support for the collection of certain fallen animals, in particular bovines over 48 months of age, for sampling as required under the ongoing national BSE surveillance programme. Selected numbers of sheep (10,000 pa) and goats (500 pa) are also being TSE tested under the new arrangements,

The Department, following extensive consultation with the trade and other stakeholders, has over time revised the national regulations relating to ABP in order to allow a wider range of safe disposal outlets for ABP. This includes use of ABP (excluding raw material) as feedstock by the compost and biogas industries; and use of organic fertilisers and soil improvers containing ABP on agricultural land. It is recognised that the composting/biogas sector has the potential to play a significant role in achieving EU and national targets to divert waste from landfill.

Animal Identification and Movement (AIM) System

Comprehensive traceability systems underpin product safety, quality assurance systems and are vital for consumer confidence. In 2010, there were a number of developments on the AIM (Animal Identification and Movement) system which is replacing a number of current systems, including the cattle movement monitoring system (CMMS). These included:

- An online application was developed for bovine dealers.
- New menu and help facilities for AIM users.
- Farm to Farm Movement module, including web service processing facilities for the Cattle Movement Agency and an online facility for keepers/third parties to obtain a Certificate of Compliance prior to movement of animal(s).
- Provision of new facilities to local offices for the ordering of replacement passports and the amendment of calf birth registration details.
- Decommissioning of CMMS (the former traceability system for bovines) and the transfer of all required data from CMMS to AIM.
- Electronic herd register facility for keepers that use electronic services.



ANIMAL HEALTH & WELFARE

Class A Diseases

In recent years, outbreaks of diseases such as foot and mouth disease, avian influenza, bluetongue and African swine fever within or close to Europe have clearly illustrated the increasing threat posed from such diseases. Bluetongue for example, once considered the disease of the southern member states, has proven it can move northwards. However despite the presence of bluetongue in Western Europe since 2006, Ireland remains a country “bluetongue free without vaccination”. Vigilance against disease introduction is a priority for the Department. An outbreak of these diseases could have severe implications for the export driven Irish agri-food sector.

BSE

The rate and level of BSE continues to fall in recent years with 2 cases confirmed in 2010 down from 10 in 2009. Under OIE rules Ireland remains a “controlled risk for BSE” a status achieved in May 2008. A total of 393,031 animals were tested for BSE in 2010.

Scrapie

Scrapie is a compulsorily notifiable disease in Ireland. In accordance with EU legislation positive flocks are genotyped and the susceptible sheep are removed for slaughter outside the food chain. Compensation payable includes live valuation of breeding animals, a rate for factory lambs based on the average factory price up to maximum weight of 20kgs. A “hardship” payment of €84 per susceptible breeding ewe disposed is also payable. Additionally, the Department genotypes a limited number of replacement rams, free of charge.

Overall, a total of 140 flocks were restricted for scrapie from October 2003 to the end of December 2010 with 115 flocks de-restricted at the end of 2010. In recent years restrictions have declined with only 5 new flocks identified and restricted in 2010.

In 2010 under the Active Surveillance Programme 11,615 sheep over 18 months of age were tested at slaughter plants and 10,408 fallen sheep were tested at knackerries.

Contingency Planning

Contingency plans are in place for foot and mouth disease, avian influenza, bluetongue and classical swine fever. These are based on existing EU legislation and criteria identified during outbreaks of such diseases in Europe. The plans aim to mitigate the risk of the introduction of these diseases into Ireland and to control and eradicate them quickly if outbreaks occur.

Experiences of disease outbreaks have demonstrated the absolute necessity of properly regulating trade and of having high levels of biosecurity, continued vigilance, contingency arrangements and robust legislation in place to deal speedily and effectively with disease threats and outbreaks.

The continued focus of the Department is on constantly reviewing, refining and updating our various contingency plans and arrangements and ensuring that we have all of the necessary measures in place and tools available to us to deal with any suspect or outbreak of these diseases.

National Genotype Programme – NGP

A National Genotype Programme (NGP) was launched in April, 2004, to encourage sheep breeders to raise genetic resistance to Scrapie in the National Flock. This is a voluntary programme and since its introduction, a total of 83,674 sheep have been genotyped up to the end of 2010. However due to financial constraints the Department’s subvention towards the laboratory testing cost of each blood sample has been discontinued. The Department is still committed to maintaining all of the administration functions associated with the scheme.

CLASS B DISEASES**Bovine Brucellosis**

Ireland is free of Brucellosis in sheep, pigs and cattle. There has been no outbreak of Brucellosis in cattle in Ireland since April 2006 and Ireland obtained Official Brucellosis Free status in July 2009, following which a controlled reduction in Brucellosis testing requirements is being implemented. The main changes made to the testing regime since the attainment of Brucellosis free status are as follows:

- the age threshold for annual round testing has been increased from 12 to 24 months;
- all herds are to be tested every second year in the annual round
- the validity period of the pre-movement test has been increased from 30 days to 60 days; and
- the age-limit for the pre-movement test for female animals has been increased from 12 to 18 months and, in view of the lower risk attached to their movement, to 24 months for bulls.

These changes are estimated to reduce the cost of testing to farmers by approximately €7 million per annum compared with the position prior to the attainment of officially Brucellosis free status.

These on-farm blood testing regime is supplemented by monthly Bulk Milk Testing from each dairy herd and blood sampling of cows in slaughter plants.

Table 2.1: Incidence of Brucellosis

| | 1999 | 2001 | 2002 | 2004 | 2003 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|-------|-------|-------|------|------|------|------|------|------|------|------|
| Number of Reactors | 4,545 | 3,112 | 1,530 | 664 | 900 | 228 | 212 | 243* | 243* | 328* | 252* |
| Number of Newly Restricted Herds | 875 | 553 | 430 | 283 | 324 | 144 | 132 | 161* | 111* | 100* | *36 |

* the numbers of reactors (252) and herds restricted (36) as a result of a brucellosis test in 2010 were, on the basis of further investigation, considered to be due to false positive reactions.

Bovine Tuberculosis

Approximately 98% of the national herd was tested for bovine TB in the course of the year. The herd incidence of bovine Tuberculosis decreased by 15% in 2010 compared with 2009. The APT (*number of reactors per thousand cattle tested*) and the herd incidence were, at 2.4 and 4.6%, also significantly lower than in 2009 and, indeed, were the lowest recorded for many years. Trends in the incidence are set out in the table below

Table 2.2: Incidence of Bovine Tuberculosis

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|-------|--------|-------|--------|-------|--------|--------|--------|--------|-------|-------|
| Incidence | 7.53% | 7.12% | 6.38% | 6.37% | 5.86% | 5.54% | 5.37% | 6.02% | 5.88% | 5.09% | 4.65% |
| Number of Reactors | 39847 | 33,702 | 28930 | 27,978 | 22967 | 25,884 | 24,173 | 27,711 | 29,901 | 23805 | 20211 |
| Number of Newly Restricted Herds | 10785 | 9,195 | 8338 | 7,771 | 6682 | 6,647 | 6,386 | 7,046 | 6,837 | 5860 | 5304 |

Bovine TB is a much more intractable disease than Brucellosis, mainly because of the presence of infection in wildlife (badgers) which seeds infection into the cattle population. It is generally accepted that eradication is not a practicable proposition until this source of infection is removed. The eradication

programme includes a badger removal strategy aimed at reducing both the incidence of TB in wildlife and the opportunities for contact between cattle and wildlife. However, the long-term objective of the Department is to develop a vaccine for badgers and considerable research has been conducted in collaboration with UCD and DEFRA in the UK on the development of such a vaccine. The Department commenced preliminary work on a three-year badger vaccination trial in late 2008, the objective of which is to provide information on the efficacy of the oral vaccine in reducing the level of TB infection in the badger population under study. Further field trials are being rolled out in 2010. If the field trials are successful, the introduction of a national badger vaccination strategy will reduce the need to remove TB infected badgers as TB levels fall in both cattle and badgers. It will be some years, however, before any vaccine is available and, in the meantime, existing strategies, adjusted as appropriate, in light of disease trends, will be broadly maintained.

Bovine Diseases Levies

Receipts from Bovine Diseases Levies amounted to €5.539m in 2010 compared to €5.241m in 2009.

Compensation Schemes

The On-Farm Market Valuation Scheme is the main measure for compensating farmers for the removal of reactors. Other schemes (Depopulation Grants, Income Supplement and Hardship Grants) are also available to compensate for income losses due to restriction. Approximately €15.853 million was spent during 2010 on all compensation elements of the TB and Brucellosis Eradication Schemes. This represented a 29% reduction on 2009 expenditure and resulted mainly from a reduction in TB reactor numbers.

Prosecutions

In 2010, the Special Investigation Unit and the District Veterinary Offices continued their investigations of irregularities in the Bovine TB and Brucellosis Eradication Schemes and into bovine identification and registration. Resulting from those investigations, there were 5 successful prosecutions during the year and eight further cases were submitted for prosecution.

Animal Health Ireland (AHI)

AHI was launched in 2009 and is a private company limited by guarantee. Its establishment gives effect to a commitment in the Programme for Government to introduce a new herd health initiative to deal with non-regulated diseases. The Department is committed to providing funding up to a maximum of €0.5m per annum, for a period of 5 years, to AHI subject to matching contributions being provided by the industry. The Department's commitment to funding is conditional on the funds being used to improve the profitability, sustainability and competitiveness of livestock farmers and related industries. The Department has no direct responsibility for the day to day activities of AHI.

AHI seeks to complement the existing animal health programmes for regulated diseases and to focus on non-regulatory animal health issues – including Johnes, Infectious Bovine Rhinotracheitis (IBR), Bovine Viral Diarrhoea (BVD), lameness, mastitis and infertility. Animal diseases that are already subject to regulation such as Tuberculosis and Brucellosis are specifically excluded from AHI's remit.

AHI was involved with many initiatives in 2010, including the launch in November of a national consultation process on an industry-led national BVD eradication programme. This programme builds on work AHI has been carrying out on BVD since 2009, focusing on increasing education and awareness of the disease. AHI also held information nights on calf health, and has launched 'CellCheck' a national mastitis control initiative in conjunction with the Department, Teagasc, UCD, Veterinary Ireland, ICBF, and national dairy processors.

Further information is available on the website www.animalhealthireland.ie

Animal Health and Welfare Bill

The Government approved the drafting of the Animal Health and Welfare Bill in 2010. The Bill proposes to amend, consolidate and update legislation in the area of animal health and welfare, particularly to reflect the changed disease status of our animals and to ensure that the welfare of all animals, including non-farm animals is properly protected. In addition the new Bill proposes to increase both the powers of authorized officers and the level of penalties to be imposed. There will also be provisions for powers of intervention where an animal is deemed to be at risk of being welfare compromised. The Heads of the Bill have been submitted for drafting to the Office of Parliamentary Counsel.

Farm Animal Welfare Advisory Council (FAWAC)

FAWAC is an independent advisory body to the Minister with a wide representative base. Since it was established in 2002, FAWAC has become recognised for its crucial role in promoting animal welfare. In February 2010 a booklet on “Code of Practice for the Welfare of Pigs” was launched. The code encourages all those who care for pigs to follow the highest standards of pig husbandry and continue to practice responsible management in farms. In 2010 work commenced on the production of guidelines on a “Code of Practice for the Welfare of Laying Hens” which is due to be published in 2011. In September 2010 FAWAC offered advice relating to welfare of horses. The advice outlined the legal requirement and necessity for proper horse identification and also dealt with issues relating to responsible horse ownership and advice on humane disposal of unwanted horses

The Early Warning/Intervention System (EWS)

The EWS for animal welfare continued to operate successfully throughout the country in 2010. The objective of the system, which operates under FAWAC, is to provide a framework within which animal welfare problems can be identified and dealt with before they become critical. Animal welfare cases can sometimes arise as a result of issues relating to the health of the herdowner and following agreement with the Health Service Executive (HSE), the EWS continue to work on an initiative developed in 2009, in which HSE representatives are available if requested by Department staff and with the agreement of the herdowner in question, to provide assistance on human health issues to the herdowner.

Animal Welfare Organisations

The Department has since 1995 made payments to a number of animal welfare organisations involved in the direct delivery of animal care and welfare services. In 2010, 121 animal welfare organisations throughout the country were assisted with payments amounting to €1.210 million.

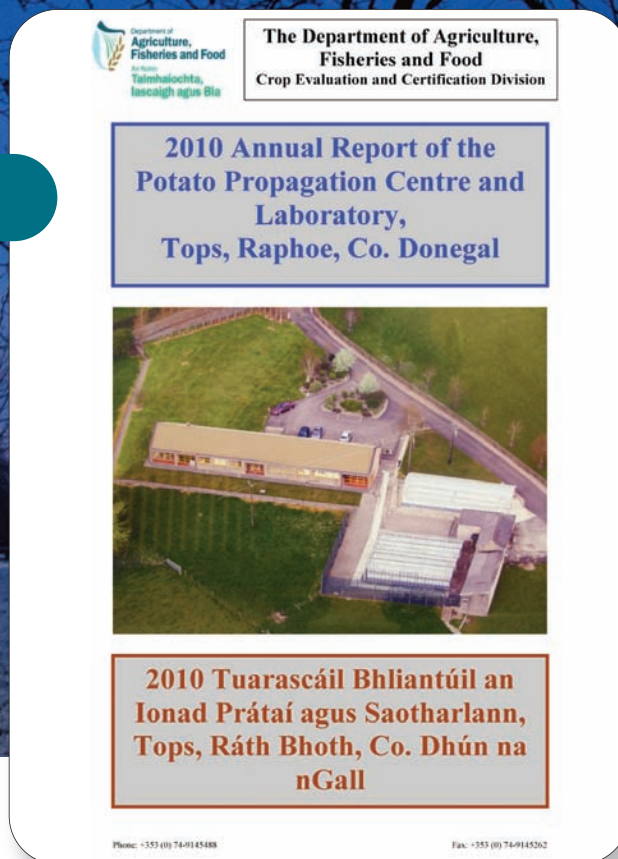
Control of Horses

In 2010, the Department provided funding of over €2million to Local Authorities towards expenses incurred by them under the Control of Horses Act, 1996. The Department is currently working with Local Authority representatives with a view to devising a strategy to bring greater uniformity to the implementation of the Control of Horses Act throughout the different Local Authority areas.

Plant Health

goal

2



Plant Protection and Health

In order to maintain Ireland's high plant health status, in 2010, the Department carried out an action programme involving the following activities:

- Intensive inspection of nurseries and garden centres for quarantine pests and harmful organisms eradicated.
- Surveys were carried out in public parks, private gardens and the wider environment for harmful organisms according to several European Commission emergency decisions.
- Farms producing potatoes, tomatoes, maize and beet were inspected for specific harmful organisms.
- Mandatory inspections were carried out on relevant plants and plant products imported directly into Ireland from third countries. Quarantine and harmful organisms were intercepted on a number of occasions. None of these became established in the country due to successful interception measures.
- On-going measures to prevent the spread of the disease commonly referred to as 'Sudden Oak Death', caused by the fungus-like organism *Phytophthora ramorum* were undertaken at nurseries, garden centres, public parks and private gardens. Eradication measures were undertaken at a significant outbreak of the disease in a historical garden.
- The plant health contingency plan was activated to deal with the detection of the quarantine disease *Phytophthora ramorum* in Japanese larch. This involved carrying out a national survey of Japanese larch forests to identify potentially infected sites, de-listing Japanese larch, introducing quarantine controls and issuing legal Disposal Notices to landowners.
- The annual survey for the bacterium *Erwinia amylovora*, that causes fireblight, was conducted, eradication measures were employed for all findings including a large outbreak at a nursery.
- No further finding of the brown rot disease of potatoes were detected following ongoing intensive testing of seed and ware potatoes.
- Inspections were undertaken on plant propagating material at several locations to ensure disease free material was available.
- Over 13,000 tonnes of potatoes exported to Russia were inspected and certified.
- Advice was given to control various outbreaks of pests and diseases that occurred during the year, including Horse chestnut bleeding canker.

Laboratory Service

goal

2

Veterinary Laboratories

Virology

Virology is an EU National Reference Laboratory (NRL) for eight Class A and 5 other OIE Listed Diseases, and is required to have a diagnostic capacity, perform surveillance, and participate in proficiency trials for these diseases. In addition, it is responsible for the supervision of other laboratories performing official testing for these diseases. In 2010, the Division participated in proficiency trials organized by European Union Reference Laboratories for foot & mouth disease, swine vesicular disease, bluetongue, classical swine fever, African swine fever, avian influenza, Newcastle disease, African horse sickness, equine infectious anemia, and West Nile disease. Virology also took part in ring trials for infectious bovine rhinotracheitis, bovine virus diarrhoea, enzootic bovine leucosis, maedi visna and porcine reproductive and respiratory syndrome.

In its role as NRL for Aujeszky's disease, Virology performed additional ELISA serological tests on 10,409 sera, from 55 herds, as part of the national surveillance and eradication programme which is nearing completion.

Work continued on test accreditation to standard ISO 17025 for the OIE Listed Diseases as follows

- achieving the RT-PCR accreditation by INAB for the diagnosis of bluetongue; classical and African swine fevers; African horse sickness and for subtypes of avian influenza virus
- the haemagglutination inhibition and agar gel immunodiffusion tests were accredited for the detection of antibodies to avian influenza
- Working to expand the scope of accreditation to include RT-PCRs for foot and mouth disease and swine vesicular disease; as well as tests for bovine virus diarrhoea, infectious bovine rhinotracheitis and enzootic bovine leucosis
- PCRs were introduced for the first time for West Nile disease virus and for genotype 1 of rabies virus. The latter was evaluated using a number of different lyssavirus antigens from different species.

Bluetongue

Virology Division tested all imported cattle and sheep for bluetongue, continued to survey the national bovine population, and investigated suspect cases. A total of 1,392 sera were examined by ELISA for bluetongue antibodies and the rtRT-PCR was done on 1,221 blood samples. Analysis of the results demonstrated that none of the sampled animals were infectious thus confirming “country freedom” from the disease. The experimental trial using a number of bluetongue vaccines in cattle and sheep was concluded.

Bovine Leucosis

Sera from 6,1274 cattle in 2,300 herds, were examined by ELISA for antibodies to the Bovine Leucosis virus to comply with the EU Directive. All the samples were negative confirming Ireland’s “country-free” status for the disease.

Avian Influenza and Newcastle Disease

A total of 285 specimens from wild birds and 384 specimens from commercial flocks were tested by real time RT-PCR, and/or virus isolation, for avian influenza virus and the results were reported “online” as required by the EU Commission. In addition, 22,364 samples from commercial poultry flocks were serologically examined for avian influenza as part of two major national surveys and to satisfy requirements for movement and trade.

Some 247 samples were tested by real time RT-PCR and 384 by virus isolation for Newcastle disease, and 1,297 sera were examined for antibodies to the virus. As part of the national antibody surveillance programmes for *Mycoplasma* species and for trade purposes: 36,044 sera were tested for *M. gallisepticum*, 12,090 sera were examined for *M. synoviae* and 1,951 sera screened for *M. meleagridis*.

Equine Viral Arteritis

The equine viral arteritis (EVA) vaccine “Artervac” was again licensed by the Department for restricted use in 259 stallions.

Viral Diagnostic Service

The provision of a comprehensive virological, serological and molecular diagnostic service formed a major part of the laboratory’s workload. The samples, collected from horses, cattle, pigs, sheep, and goats, were submitted by private veterinary practitioners, Regional Veterinary Laboratories, and District Veterinary Offices. There was a substantial increase in the number of submissions received in 2010 with a grand total of some 140,000 tests performed using a panel of more than 50 different techniques. The tests included 1,100 PCRs for viral respiratory viruses; as well as 19,000 antibody and virus tests for infectious bovine rhinotracheitis. Including pooled samples, 65,500 animals were examined for bovine virus diarrhoea virus. For export purposes, horses were tested for equine infectious anaemia and Equine viral arteritis antibodies, and sera from pigs being exported to UK, Russia and Ukraine were examined by ELISA for antibodies to a number of porcine viruses. Serological screening was also done on pigs before entry to an AI station to comply with EU legislation.

The testing programme for IBR and BVD on herds and their progeny for entry to the Irish Cattle Breeding Station at Tully continued and diagnostic tests for IBR and BVD were also performed for the “High Herd Health” status programme.

Fuller details on operations is available at <http://www.agriculture.gov.ie/virology>

Bacteriology/Parasitology

The Division hosts a number of EU National Reference Laboratory functions for zoonotic pathogens of food, feed and animal origin. These include *Salmonella*, *Campylobacter*, *Escherichia coli*, *Mycobacteria*, Antimicrobial Resistance and Parasites. Completion of all proficiency trials organised by the EU

Community Reference Laboratories was achieved. The Division also provides diagnostic supports to the Regional Veterinary Laboratories for a number of bacterial diseases.

Over 2661 official samples were cultured for *Salmonella* and a further 188 samples cultured for *Campylobacter* during 2010. In addition a further 631 *Salmonella* isolates recovered from food business operator food safety controls were serotyped. A representative selection of isolates was screened for antimicrobial resistance to a panel of up to 13 antibiotics and results submitted to an EU database. The Division participated in a number of research projects on antimicrobial resistance and collated microbiological test data from 22 laboratories providing testing for food business operators.

Antibodies were detected in 3,922 (17.2%) of the 22,769 muscle juice samples from slaughtered pigs tested under the *Salmonella* National Control Programme for pigs.

New molecular typing technologies were introduced through a FIRM-funded project with UCD to allow more effective tracking of any pathogens along the food chain. Included in these were MLVA (Multiple locus variable number tandem repeat analysis) for typing *S. Typhimurium*. MLVA was used to identify potential sources of *Salmonella* contamination of pigs from their farms of origin. MLVA and other typing methods were also used to characterise *S. Typhimurium* isolates of porcine origin from farms, slaughterhouses and pork meat producing plants in Ireland over a four-year period. Results of both studies will be used to enhance food safety controls in the sector.

A new more rapid molecular method for the detection and serotyping of *Salmonella* spp. in carcase swabs was developed in association with UCD. This procedure could be particularly useful for surveillance and any outbreak investigations thus improving *Salmonella* control activities.

Cultures for Enterobacteriaceae or *E. coli* were undertaken on over 500 official samples for monitoring animal by-product controls. Molecular techniques were also used to monitor strains of verotoxigenic *E. coli* found in cattle, sheep and their carcasses in the country's largest beef and sheep slaughter plants. Results showed that verotoxigenic *E. coli* levels in cattle and sheep presented for slaughter are low and that controls to minimise carcase contamination are highly effective.

The laboratory, as the NRL for parasites, is also working with UCD and EPA to address gaps in the national diagnostic and typing services required for controlling *Cryptosporidium*. This protozoan parasite of animals, humans, fish and birds has been implicated in many waterborne outbreaks of enteric disease. A pilot Reference Facility is being developed to provide rapid and reliable genotyping information on isolates from various sources and facilitate the development of an epidemiological map of the occurrence of cryptosporidiosis in Ireland.

A major study of foxes was undertaken in 2010 and showed Ireland free of *Echinococcus multilocularis*, one of the most lethal parasitic zoonoses in temperate and arctic regions of the Northern Hemisphere. Intestines recovered from 494 foxes were individually processed and contents examined microscopically for evidence of the parasite.

Diagnostic and export related testing undertaken for animal diseases included 624 cultures for *Mycoplasma*, 1115 Microscopic Agglutination or Fluorescent Antibody tests for *Leptospira* spp., 2,692 serological tests for *Salmonella* as well as over 4,200 tests for various parasitological diseases. A total of 11,707 bovine serum samples were tested for antibodies to *Mycobacterium avium* subsp. *paratuberculosis* (MAP), the causal agent of Johne's disease and 618 (5.3%) samples were antibody-positive. MAP was isolated from 106 (22%) of 482 samples cultured. An ELISA test for tuberculosis was undertaken on 1977 bovine samples from herds under investigation for the disease. The Division undertakes the genotyping of scrapie positive and cohort animals for the National Genotype Programme. In 2010 a total of 2,570 bloods and 25 muscle samples were tested.

In support of the TB programme a total of 6,338 bovine tissue samples were processed with lesions detected in 5,103, of which 2,646 were tuberculous. *M. bovis* was isolated from 91 (7.4%) of 1,235 submissions without lesions. *M. bovis* was also isolated from tissues of 96 of the 139 deer samples submitted.

Pathology

Pathology Division comprises three Sections – Histopathology Section (incorporating the TSE national Reference Laboratory), Dublin Regional Veterinary Laboratory, and Clinical Chemistry Section. The primary role of the Division is to provide diagnostic pathology expertise and resources in support of the Department's responsibilities in relation to animal health. It also provides project management for the Veterinary Laboratory Service LIMS - which is networked throughout the Department's veterinary laboratories. The Division has a Quality Management System based on the ISO17025:2005 standard that meets the requirements of the National Accreditation Board (INAB) and other relevant regulatory requirements. The scope of accreditation currently covers two molecular biology tests for TSE confirmatory diagnosis. Work is ongoing to extend the scope of accreditation to other testing activities in the Division.

Histopathology Section is responsible for the histological processing of all animal tissue sections within the Veterinary Laboratory Service. In 2010, it processed over 23,000 slides with standard staining methods, and a further 1,400 using special staining techniques including immuno-histochemistry. As the NRL for TSEs, it is also responsible for the confirmatory diagnosis of all suspect TSE cases identified in the state. In 2010, confirmatory diagnosis was carried out on samples from 37 bovines. BSE was confirmed in two animals. Both were from the active surveillance program of rapid-testing. Twenty four cases of Scrapie were confirmed and of these, 22 were classified as Classical Scrapie, and two were classified as Atypical Scrapie.

The TSE NRL is also responsible for the approval and monitoring of private rapid-testing laboratories (RTLs) carrying out screening tests for TSEs. Two approvals were undertaken in 2010. All aspects of the NRL annual monitoring plan, including unannounced inspection visits of the six RTLs, were completed.

Dublin Regional Veterinary Laboratory is part of the Department's national network of Regional Veterinary Laboratories - providing a diagnostic pathology service to the agriculture industry. Submission numbers continued to increase in almost every category during 2010. It also provided support for the Department's statutory disease control and eradication schemes, including TSEs, tuberculosis, and brucellosis in 2010. This included a collaboration with Dublin-Wicklow DVO in the investigation of tuberculosis in East Wicklow and South County Dublin. Dublin RVL also undertook investigations of suspected exotic OIE listed disease in 2010. These included ruling out foot and mouth infection as a cause of lesions in a heifer submitted for post mortem examination. Dublin was one of the RVLs where the emerging disease of calves, Bovine Neonatal Pancytopenia (BNP), was diagnosed.

Clinical Chemistry Section performs metal, metabolite, and enzyme analyses on animal blood and tissues to diagnose animal diseases. In 2010, it performed over 6,000 tests on blood and tissue samples.

Fuller details on activities are available on

<http://www.agriculture.gov.ie/media/migration/animalhealthwelfare/labservice/cvrl/pathology/Pat hDivAnnrep2010310511.pdf>.

Veterinary Public Health Regulatory Laboratory

The VPHRL is the National Reference Laboratory for 7 groups of residue tests (Thyrostats (A2), β -Agonists (A5), Chloramphenicol, Chlorpromazine and Dapsone (A6), Antibacterials (B1), Sedatives (B2d), Chemical elements (B3c), Carbadox (B2f) and for Trichinella testing. During 2010, in excess of 12,000 samples from food of animal origin were tested in VPHRL under the National Residue Plan. The majority of these samples are taken on the basis of standard targeting criteria, however, samples are also taken where a residue positive outcome is suspected, in such cases the animals concerned are withheld from the food chain, pending the outcome of the test.

National Residue Plan

The testing under the NRP covers 18 distinct residue groups (each residue group is in turn comprised of a number of sub-groups) which fall into three broad categories: banned substances such as growth-promoting hormones and beta-agonists, approved veterinary medicines and finally, environmental contaminants.

In 2010, the level of non-compliant samples that were tested in VPHRL was 28. This outcome continues the trend of low levels of residues in Irish produced food of animal origin over the past number of years. No residues of growth promoters covered by the EU hormone ban were found in 2010. Of the samples tested in VPHRL as part of the NRP, 11 were confirmed non-compliant for antibiotics, 13 for Thyrostats (Thiouracil) and 4 for lead.

The total number of samples analysed under the National Residue Plan were as follows

| Species/Animal Produce | No of samples analysed |
|------------------------|------------------------|
| Bovine | 4406 |
| Porcine | 1046 |
| Ovine | 1241 |
| Poultry | 245 |
| Equine | 110 |
| Farmed Deer | 66 |
| Wild Deer | 103 |
| Eggs | 5 |
| Wild Birds | 10 |
| Caprine | 2 |
| Milk | 385 |
| Honey | 16 |
| Water | 19 |
| Suspect Antibiotics | 3141 |
| BIP (antibiotics) | 17 |

Ireland's Residue Plan for 2010 and results for 2009 were submitted to and approved by the relevant European Commission services within the deadlines specified in Council Directive 96/23/EC.

Microbiology

The following Official Control tests were carried out in this area on 1,656 'Open-Pack' or ready to eat products. Of these samples, 49 were unsatisfactory, 28 had high TVC's, 3 were positive for Salmonella, 8 were positive for E coli, 4 were positive for Clostridia, 8 were Coag + Staph positive and 1 were positive for Listeria.

572 Water samples were tested for Physico-chemical properties, Conductivity, TVC, Faecal Enterococci, E. coli and Coliforms. Of these 51 were unsatisfactory. 18 were unsatisfactory based on physiochemical properties or appearance. There were 12 samples with Faecal Enterococci, 9 with E. coli, 7 with Clostridia and 26 with Coliforms. Rationalisation of the water-testing programme was also carried out. The sampling frequency for all slaughter and meat production plants is one sample every 3 months with all water samples being sent to the VPHRL.

Trichinella

Testing on 3476 samples of Pork and 125 Horsemeat samples were carried this year, as part of the Official monitoring Programme. There were no positive results.

Accreditation, Auditing and Quality Control

A process is in place to upgrade all laboratory procedures (analytical methods, sample control, documentation, and result reporting) to meet the requirements of the Irish National Accreditation Board (INAB) and EU requirements.

In October, INAB assessors carried out a five year review of the laboratory's quality system. This comprehensive review covered all aspects of the system including Management Review, Document Control, Customer Contracts, Subcontracting, Suppliers, Non-conformances, Audits, Improvements and Corrective Actions. The sections focused on were Microbiology, Immuno-assay, Administration and Liquid Chromatography (Chrom-LC). Overall the audit went well and the INAB assessors recommended the renewal of our Accreditation Certification.

Following the five year annual accreditation review, 2 further methods were added to the scope of accreditation. There are currently 30 test methods included in the laboratories scope of accreditation and all methods submitted for accreditation to date have retained accreditation. Revision of the Quality Manual continued in 2010 in line with management policy with the re issuing of 60 revised documents. There were 48 internal audits and 3 external (2 INAB and 1 FSAI) audits carried out in 2010.

The VPHRL also successfully completed collaborative studies and proficiency tests with the European Community Reference Laboratories and other external laboratories, specifically ISS Rome, AFSA Fourgeres and Progetto Triestes .

National Reference Laboratory (NRL)

The NRL responsibilities for the VPHRL are Thyrostats (A2), β -Agonists (A5), Chloramphenicol, Chlorpromazine and Dapsone (A6), Antibacterials (B1), Sedatives (B2d), Chemical elements (B3c), Carbadox (B2f) and Trichinella. VPHRL's NRL duties include collaboration with CRL, coordinating for their area of competence, the activities of official laboratories, the organisation of comparative tests, the dissemination of information to Competent Authorities (CA) official laboratories and the provision of technical assistance. It is the intention to focus on VPHRL's role as an NRL and to provide additional resources in this area. This process has commenced in 2010 and will continue in 2011 where more attention will be given to areas including the review of official laboratory methods, ensuring all laboratories are compliant with the requirements of current regulation such as (EC) 882/2004. Assistance will be given to laboratories not yet accredited due to derogation where appropriate. The review of ring trial and proficiency test results from laboratories will also be carried out. VPHRL will forge closer links with official laboratories and maintain contact with the Competent Authority on relevant issues.

Regional Veterinary Laboratories

The six regional veterinary laboratories in Dublin, Athlone, Sligo, Limerick, Kilkenny and Cork, provide specialist diagnostic pathology, investigative and advisory services to private veterinary practitioners and farmers. This passive surveillance gives a continuing assessment on exotic and endemic disease conditions in Irish livestock. Real time data on the results of the clinical samples submitted is available through the Laboratory Information Management System (LIMS)- the centralised data base. The RVL 2009/2010 Surveillance Report, which is the analytic review of the main samples submitted that year is available on the Department website, see <http://www.agriculture.gov.ie/rvlreport/>

Agriculture Laboratories

Dairy Sciences Laboratory

The Dairy Science Laboratory service comprises three laboratories, located at Backweston, Cork and Limerick. The laboratories provide a food safety testing service, including microbiological surveillance for milk and milk products, from samples taken from dairy food business operators. The work of the laboratories also underpins the certification of dairy products for export.

In 2010, the laboratory carried out microbiological analysis on 7,365 dairy products and as a result issued:

- 13 Food Safety hazard notifications
- 71 Process Hygiene criteria non-conformances
- 48 non-conformance reports in relation to 181 water samples
- 4 non-conformances reports in relation to animal-by-products samples.

Testing of 1,044 samples was also undertaken for market support schemes.

The Backweston Dairy Science Laboratory also operates as the National Reference Laboratory (NRL) for *Listeria monocytogenes*, coagulase positive *Staphylococci* in food products and Total Bacterial Count and Somatic Cells in raw milk.

Plant Health, Seed Testing and Pesticide Laboratory

Plant Health

Horticultural pathology includes tests for quarantine organisms as detailed in Commission Directive 2000/29/EC. The main test conducted was for *Phytophthora* spp. (750) on woody ornamentals and tree species, of which 65 tested positive for *P. ramorum*. *Phytophthora kernoviae*, which was detected on samples submitted for testing in 2009, was not detected in 2010. Although formerly confined to woody ornamentals, 2010 saw an increase in tree species infected with *P. ramorum* including beech, Spanish chestnut, noble fir and larch. Tests of rivers at infected sites has also revealed the presence of *P. ramorum*, leading to concern as to the possibility of future outbreaks. The Plant Health Laboratory, increased the amount of testing done for viral pathogens in 2010 to include beet necrotic yellow vein virus (BNYVV) and pepino mosaic virus. The laboratory was also involved in 2010 in the first finding in Ireland of bleeding canker of horse chestnut (*Pseudomonas syringae* pv. *aesculi*) a bacterial disease which has been responsible for significant losses of horse chestnut in the UK in recent years.

Seed Testing

The Seed Testing Laboratory provides a seed testing service to the Department, seed merchants, farmers, and growers and forest nurseries. It is accredited by the International Seed Testing Association (ISTA). In order to be marketed all agricultural and horticultural seeds, are required to be officially tested for purity and germination to ensure compliance with EU regulations. Over 10,000 tests, on cereals, grasses, pulses, forage crops, vegetables, trees, etc were completed in 2010. Approximately 62% of these tests were for germination, 19% for purity, 6% for seed viability (tetrazolium), and 6% seed pathology with the remaining 7% divided across advisory tests such as moisture, other seed determination, thousand seed weight, etc.

During 2010, 489 cereal samples were tested for Total *Fusarium* spp. and *Microdochium nivale*, with barley samples also tested for leaf stripe and net blotch as appropriate. This represented a 35% increase compared to 2009. Approximately 47% of pathology tests were carried out on barley, 47% on wheat and 6% on oats. In addition, over 180 tests were conducted on barley for the presence of loose smut, representing an 80% increase over 2009. Approximately 80% of these tests were carried out on spring barley, with the remaining 20% on winter barley. Relatively low levels of loose smut were detected in barley. Overall, levels of *Fusarium* were lower than 2009, with infection levels higher in winter wheat seed than spring barley seed. Low levels of leaf stripe/net blotch were detected in some varieties of spring barley. A small number of bean samples were submitted for *Ascochyta* and *Botrytis* spp. testing.

Feedingstuff Microscopy Laboratory

The Feedingstuff Microscopy Laboratory is the National Reference Laboratory (NRL) for Animal Protein (AP) detection and in 2010, it analysed circa 200 samples for AP. It participated successfully in three international proficiency test schemes in 2010 and also assisted the Community Reference Laboratory in a number of method validation projects. Following Commission recommendations to the NRL, the laboratory is currently developing a molecular based AP identification service to compliment its standard microscopy test.

Pesticide Laboratories

The pesticide laboratories are the accredited National Reference Laboratories for pesticides in fruit and vegetables, cereals, food with high fat content and for single residue methods.

Residues

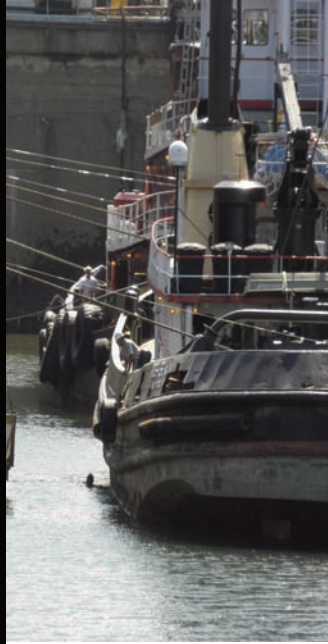
In 2010, the pesticide laboratories carried out the testing required under the pesticide residue monitoring programme agreed under the DAFF/FSAI service contract. This involved analysing 905 samples of fruit, vegetables and cereals for residues of up to 330 pesticides and metabolites and 406 samples of food of animal origin for residues of up to 70 different pesticides and marker PCB's. The Maximum Residues Level (MRLs) for pesticide residues in food were exceeded in 21 samples and action taken. 210 samples of animal feed were analysed for seven PCB's used as markers for the presence of dioxins on behalf of the Department. 30 samples of animal feed were analysed for pesticide residues during 2010. 150 samples of fruit and vegetables were analysed for residues of chlormequat and mepiquat during 2010.

Formulation

The Pesticide Formulation Laboratory provides the analytical support necessary to assure the quality of plant protection products on the Irish market. In 2010, the laboratory participated successfully in 3 collaborative studies with a view to developing and validating methods for the analysis of plant protection products.

161 samples of plant protection products were analysed to check that the composition of these products complied with the authorised product specifications. Of the samples analysed, some 5 (3.3%) were out of specification.





GOAL 3

Promoting Sustainable Agriculture and Fishing

Annual Output Statement for Goal 3

Promoting Sustainable Farming and Rural Development

Climate Change

Bioenergy

Seafood

Fisheries Management and Conservation

Fishery Harbour and Infrastructure Development programme

Annual Output Statement:

GOAL
3

“Promote economic, social, environmental sustainability, and appropriate structural change in the agriculture, forestry, fisheries, bio-energy and food production sectors”

| Programme 3 | 2010 Budget € million | 2010 Outturn € million | 2011 Budget € million |
|--|--------------------------|------------------------------|-----------------------------|
| Programme Expenditure | 757.309 | 1817.824 | 595.966 |
| - Current | 387,101 | 373,016 | 388,839 |
| - Capital | 370,208 | 444,808 | 207,127 |
| Programme Administration | 42,909 | 42,097 | 41,055 |
| - Pay | 34,964 | 34,494 | 33,409 |
| - Non-Pay | 7,945 | 7,603 | 7,646 |
| Support Expenditure | 11.125 | 9.543 | 10.864 |
| Total Gross Programme Expenditure | 811.343 | 869.464 | 647.884 |
| Number of staff (FTE) as at 31 December 2010 | 642 | | |

Outputs

2010 Output Target

- 3.1. Improve the effective implementation of the Rural development Programme
- Obtain EU approval to revised RDP by end January 2010.
 - Implement any new schemes in revised RDP on a phased basis in 2010 while ensuring full draw down of EU funding.
 - EU approval to be obtained for annual report, controls report and progress report on RD Strategy by end 2010.
 - Mid term evaluation of Programme to be completed and submitted to Commission by end 2010.
 - Successful closure of Structural Funds to be achieved by September 2010.

2010 Output achieved

- 3.1. • RD Management Committee approval of revised RDP obtained in January and formal approval issued in March 2010.
- EU funds fully drawn down in 2010. Bio energy, sow welfare, poultry welfare and sheep handling schemes launched in 2010
 - EU approval pending for these reports
 - Mid term evaluation completed and submitted to the Commission on 23 Dec. 2010
 - All closure documentation lodged with the Commission on 30 September 2010.

GOAL 3

Outputs

2010 Output Target

3.2 In 2010 undertake the following works under the Fishery Harbour & Coastal Infrastructure Development Programme :

- Maintenance of the six fishery harbour centres
- Completion of civil contract works at Dinish Wharf, Castletownbere
- Completion of the pontoons project at Rossaveel
- Cleanup of TBT contamination at synchrolifts at Castletownbere, Dunmore East, Howth and Killybegs

3.3 Improve environmental sustainability

- Within the funding allocated, maximise interest in, with the aim of exceeding 8,000 participants, in the new Agri-Environment Options Scheme.
- Increase acreage farmed using organic methods by a further 5% over 2008 levels
- Increase afforestation by 5% over 2009 levels.
- Complete all 2010 environmental cross compliance inspections within the set time frame and ensure through general meetings and information releases that Farm Advisory System advisors, whether employed privately or by Teagasc, are kept informed of environmental requirements and any changes to those requirements.
- Defend Ireland's Biological Sensitive Area (BSA) as part of the Western Waters directive review
- Continue working with DEHLG to ensure that wild fisheries are managed in compliance with the EU Birds and Habitats directives
- Continue to contribute to the development of Good Environmental Standards (GES) required under the Marine Strategy Framework Directive (MSFD) being co-ordinated at the cross-departmental group headed by DEHLG

2010 Output achieved

3.2 €8.56m was spent on the Fishery harbour & Coastal Infrastructure Development Programme in 2010.

- €2.05 was spent on safety and maintenance which includes essential works at each of the harbours.
- The Dinish Wharf Extension works are nearing completion and it is expected that the development will be officially opened in early March 2011. A total of €4.04m was expended on this project in 2010.
- A total of €1.15m was spent in 2010 on the Rossaveel Ferry Pontoon Project. Final checks are being carried out for the anticipated March operational date.
- Laboratory analysis have been completed on the TBT projects at each of the harbours involved, ie. Howth, Dunmore East, Castletownbere and Killybegs. Results are currently being examined by the consultants, with a view to determining how best to tackle the contamination.

- 3.3
- AEOS attracted 9,236 applicants in 2010 and will be reopened in 2011.
 - The area of organic farming has increased by 18% from 44,751 hectares in 2008 to 52,821 hectares in 2010.
 - Payment in respect of 8,314 hectares of new planting was made in 2010, an increase of 25% on 2009.
 - Cross Compliance inspections for 2010 completed and full follow-up action taken on all reports received. Analysis of 2010 inspections showed a substantial increase in the number of cases penalised in the area of Nitrates (SMR 4). This increase was due to the Department carrying out an additional 1,650 inspections for water quality on behalf of Local Authorities. Discussions are on-going with the EPA and LA's regarding this system

Promoting sustainable farming and rural development



Rural Development Programme (RDP) 2007 – 2013

Since the introduction of the RDP in 2007 almost €2.7 billion has been spent on rural development measures. This includes REPS (€1,300m), Installation Aid (€12m), Early Retirement (€178m), On-Farm Investment (€54m) and Disadvantaged areas (€957m).

Rural Environment Management Scheme (REPS)

REPS is an agri-environment measure to encourage farmers to go beyond basic good farming practices and to farm in a way that benefits the landscape, biodiversity and water quality. Participants must comply with 11 basic compulsory measures and they also engage in at least two out of a range of 25 undertakings designed to increase biodiversity at farm level. Farmers can also choose up to two supplementary measures targeted at enhancing the environment. These measures cover a range of activities such as conservation of wild bird habitats, planting of traditional Irish orchards, riparian zones, minimum tillage, sustainable grazing.

REPS also includes a traditional farm buildings measure which helps to preserve building heritage by ensuring that a number of buildings of historical and architectural value will be maintained into the future. The Heritage Council administers the measure on behalf of the Department.

About 1.25 million hectares, or 29%, of Ireland's agricultural area is being farmed to REPS standard of which 169,133 hectares is Natura or commonage land. More than half of all REPS participants are located in counties along the western seaboard with 21% located in counties Galway.

In 2010, the Department continued to run two REPS Schemes – REPS 3 and REPS 4. Presently there are approximately 22,000 farmers remaining in REPS 3, with this scheme finishing at the end of 2011, while a further 30,000 farmers participated in REPS 4. In 2010, €321m was paid to 48,048 REPS participants, with €166.7 m of this paid to REPS 4 participants. The average REPS payment is €6,500.

A major revision of the programme, which involved the closure of REPS to new applicants and the introduction of a number of new schemes, was formally approved by the European Commission in 2010. The new schemes are aimed at addressing the new challenges identified in the EU Health Check and European Economic Recovery Plan (EERP) agreements which were climate change adaptation and mitigation, renewable energies, water management, biodiversity, innovation relating to the previous four measures, restructuring of the dairy sector and broadband internet infrastructure in rural areas.

Agri Environment Options Scheme (AEOS)

A new targeted agri-environment scheme, the Agri Environment Options Scheme (AEOS) was launched in March 2010. Its priority objectives are to promote biodiversity, encourage water quality/management, combat climate change and to contribute to positive environmental management of farmed Natura 2000 sites and river catchments. The scheme offers an opportunity to those leaving the REPS to continue to adopt environmental actions. AEOS offers farmers a selection of actions which can be carried out on part of the farm, rather than the whole farm approach as was the case in REPS.

Targeted Agricultural Modernisation Scheme (TAMS)

A number of new On-Farm Investment schemes comprising the Targeted Agricultural Modernisation Scheme (TAMS) and aimed at addressing some of the new challenges identified in the EU Health Check were also launched in 2010.

The bio-energy scheme for willow and miscanthus was launched in February to encourage uptake of the scheme ahead of the planting season. The welfare schemes for pigs and poultry were introduced in June for investment in sow housing and laying hen facilities which will meet the standards laid down in the relevant EU Directives on animal welfare. In November, the Sheep Fencing/Mobile Handling Equipment Scheme was launched to assist the sheep sector.

Nitrates Directive

Following stakeholder submissions and examination by the Nitrates Review Expert Advisory Group, agreement was reached with the European Commission in November on the content of Ireland's second National Action Programme (NAP). The new Programme was given legal effect through the SI No. 610 of 2010, introduced by the Minister for Environment, Heritage and Local Government in December.

Ireland's application for a renewal of its derogation under the Nitrates Directive was also approved in 2010. This decision allows more intensive farmers to operate at higher stocking levels subject to adherence to stricter rules. The new derogation will run to the end of 2013, coinciding with the expiry of the second NAP.

The overall package of measures for nitrates contained in the new NAP, in tandem with the renewal of the derogation will, in this economically challenging climate, assist Ireland's agri-food sector meet its targets under the Food Harvest 2020 strategy on the basis of sustainable farming practices.

Cross Compliance Checks

EU cross compliance means that farmers must comply with 18 Statutory Management Requirements (SMRs) on the Environment, Public Good, Animal and Plant health, and Animal Welfare as well as maintaining their land in good agricultural and environmental condition (GAEC). These requirements are monitored by mandatory inspections on between 1-5% of farms annually and are an effective means of protecting the environment and ensuring that farmers implement a wide range of public good regulations.

The areas of poor non-compliance in 2010 were as follows:

Table 3.1 Main Cross Compliance Irregularities

| Area | Overall Non-Compliance | Irregularities |
|--------------|------------------------|---|
| Cattle | 41% | CMMS(37%), Tagging (27%), Passport(21%), Herd Register (15%) |
| Nitrates | 19% | Poor manure collection (40%), poor manure storage (20%), structural storage defects (16%), failure to minimise soiled water (14%), stockpiling of manure (6%) |
| Sheep | 14% | Census returns (45%), Tagging (21%), Flock Register (34%) |
| GAEC | 11% | Invasive species (44%), Noxious weeds (30%), Pasture poaching (11%), stock proof boundaries (4%). |
| Pesticides | 8% | Unregistered products (58%), Register (12%), Inadequate/poor chemical storage (13%) |
| Food Hygiene | 2% | Dairy hygiene (23%), withdrawal periods (20%), contamination risks (23%), vermin(10%), waste/hazardous substances (10%) |

Fertiliser Usage

Following 20 years of a steady decline in fertiliser use, 2010 saw a 21% increase in fertiliser sales primarily as a result of lower fertiliser prices. Fertiliser sales are still some 35% lower than peak fertiliser usage in 1989-1990 as a result of better correlation between rates of application and crop requirements and reduced commodity returns.

Table 3.2 Fertiliser Consumption

| | 2009-2010 | 2008 - 2009 | Peak Annual Use | (Since 1989-90) |
|--------------------------------|------------------|------------------|------------------|------------------|
| | Tonnes | Tonnes | Tonnes | (Year) |
| Nitrogen (N) | 362,395 | 306,806 | 442,916 | (1998-99) |
| Phosphorus (P) | 29,339 | 20,231 | 64,573 | (1989-90) |
| Potassium (K) | 74,899 | 52,403 | 158,432 | (1989-90) |
| Total (All Fertilisers) | 1,423,824 | 1,172,424 | 1,921,038 | (1994-95) |

Ground Limestone

Agricultural grade ground limestone use in 2010 amounted to 972,577 tonnes compared to 698,460 tonnes in 2009, an increase of 39% on 2009 levels. The use of lime in 2010 is higher than average use over the past ten years of approximately 700,000 tonnes per annum.

Fertiliser and Limestone Compliance Inspections

There were 218 samples taken from fertiliser manufacturing/importer premises and 99 samples taken at ground limestone manufacturing premises and analysed for compliance with quality and formulation standards. Analysis is carried out by the State Laboratory. All instances of non-compliance are notified to suppliers and companies with non-compliant products are targeted for increased inspection in the following years

Forestry

Forest cover in Ireland is over 11% of the land area. This is one of the lowest covers in Europe where the average cover is closer to 40%.



Table 3.3
New Planting
Levels (hectares)

| 2007 | 2008 | 2009 | 2010 |
|-------|-------|-------|-------|
| 6,947 | 6,249 | 6,648 | 8,300 |

Overall forest cover in Ireland has increased from over 480,000 hectares in 1990 to approximately 745,000 hectares in 2010. The maintenance of funding for forestry in 2011 at just under its 2010 level is expected to provide for a similar level of planting in 2011.

The planting and growing sectors have been supported by the various grant and premiums schemes to the value of €669 million during the period 2005 to 2010. These various schemes have aided the establishment of a network of over 13,500 private plantation owners, mostly farmers, who have begun the process of entering the forest economy. Forestry activity enhances the rural environment and offers employment in areas where there are often very few alternatives. Forests generate an estimated €268 million generated annually in local communities by 18 million visitors to Irish forests.

Trade

In 2010, 2.7 million m³ of roundwood was processed, a 12% increase over 2009. Due to very high levels of demand, private forest harvest was 3.7 times over the 2009 level. In value terms, exports of wood products grew by 18% in 2010 to reach €286 million, €179 million of which comprised wood-based panel exports. This was a 10% increase over 2009. In 2010, export volumes of wood-based panels and sawn timber rose by 14% and 10% respectively.

Table 3. 4: Timber trade (2007-2010).

| | Imports | | | | | | | |
|------------------------------------|-----------------------|------|------|------|------------|------------|------------|------------|
| | 2007 | 2008 | 2009 | 2010 | 2007 | 2008 | 2009 | 2010 |
| | 000 m ³ UB | | | | € million | | | |
| Sawn timber | 724 | 412 | 232 | 242 | 251 | 141 | 66 | 74 |
| Wood-based panels | 358 | 264 | 181 | 166 | 146 | 108 | 68 | 65 |
| | Pulp products | | | | 000 tonnes | | | |
| | 31 | 29 | 32 | 41 | 22 | 20 | 22 | 31 |
| Paper and paper- board products | 546 | 526 | 379 | 370 | 467 | 520 | 308 | 313 |
| TOTAL | | | | | 886 | 789 | 464 | 483 |
| | Exports | | | | | | | |
| | 000 m ³ UB | | | | € million | | | |
| Sawn timber | 381 | 389 | 564 | 621 | 71 | 54 | 51 | 63 |
| Wood-based panels | 757 | 614 | 580 | 660 | 262 | 195 | 147 | 179 |
| | 000 tonnes | | | | | | | |
| Pulp products | 0 | 2 | 0 | 1 | 0 | 0 | 0 | 0 |
| Paper and paper- board products | 85 | 77 | 45 | 33 | 92 | 69 | 45 | 44 |
| TOTAL | | | | | 425 | 318 | 243 | 286 |

Since 2007, the trend has been for Ireland to become of net exporter of sawn timber, due largely to the collapse of the domestic construction market and increased levels of exports to the UK. The value of wood-based panel exports (a net export category for some time) rose by over 40% in 2010.

Review of Forest Policy

The Renewed Programme for Government included a commitment that State policy on forestry should be reviewed to take account of its role in relation to climate change, construction, bio-energy, bio-diversity and its potential to deliver long-term employment in other downstream industries. This review, which included the role, function and operations, of Coillte Teoranta, was undertaken during 2010 with a view to completion in 2011.

Changes to Grants and Premiums

A number of changes to grants and premiums were announced in late December 2010 and were applied to financial approvals issued from 1 January 2011. The principal changes included an average 13% reduction in grant rates; a reduction in planting densities for certain broadleaf plantations; the removal of the area based differential for payment of premium; the reduction by 30% of the premium rate for unenclosed land; and planting of unenclosed land limited to 20% of the total area in any application for financial approval.

Land and Forest Fires

The Land and Forest Fire Working Group was established by the Department in June 2010 in response to a spate of fires in the early part of the year. This Group included representatives from the Forest Industry, Fire Service, Gardai, Defence Forces, Coillte, Teagasc and National Parks and Wildlife Service. It was charged with making recommendations, with a view to tackling the problem of illegal and uncontrolled burning. The Group produced 10 recommendations, which include an extensive nationwide publicity campaign, due to begin in 2011, to alert farmers and landowners to the dangers of uncontrolled burning of agricultural land.

Forestry Producer Groups

The organisation of individual forestry owners into forestry producer groups continued to be supported and facilitated during 2010. At end 2010, there were 18 Farm Forest Producer Groups involving Teagasc. A National Forestry Producer Group Conference and Demonstration was held in Callan, Co. Kilkenny, on 21st October 2010 which speakers from Denmark and Belgium attended to give a wider view on forestry owner cooperation. The support and facilitation of such groups will remain a major focus of Teagasc during 2011. The importance of such groups was noted in Food Harvest 2020 which recommended that "Industry should promote producer groups in order to reduce management costs and increase the marketability of timber from private forests".

COFORD

COFORD was established in 1993 with responsibility for the national forest research and development policy and priorities. Its functions were re-incorporated into the Department in 2009. Its research functions are dealt with in Goal 1 under the innovation section. The COFORD council met 4 times in 2010 and continued its work on roundwood supply and demand dynamics under two groups chaired by council members. Work on roundwood supply was well advanced by end of 2010, with the intention of issuing an all island roundwood forecast to 2028 early in 2011. On the roundwood demand side, the group has also largely finished its work which it plans to publish in early 2011.

COFORD published a wide range of useful reports and reviews in 2010. Copies of its publications listed can be downloaded free-of-charge from www.coford.ie

Organic Farming

While showing a steady growth over the past five years, at the end of 2010, the land area under organic production methods equated to just under 1.2 % of agricultural land which is considerably less than the Programme for Government's target of 5% by the end of 2012. The Irish organic retail market was estimated to be worth €100 million in 2010.

Table 3.5. Organic Farming Operators and Acreage

| 2006 | 2007 | 2008 | 2009 | 2010 | |
|----------------------|----------------------|----------------------|-----------------------|---------------------|----------------------|
| 1,270 (40,000ha.) | 1,334 (41,122ha.) | 1,450 (44,571ha.) | 1,548 (49,165 ha.) | 1,622 (52,370ha) | Operators Acreage |

A range of organic events took place in 2010 to raise awareness on organic farming. In February, 2010 Bord Bia and BIM co-ordinated Ireland's participation at Biofach. Biofach is an most important international trade event for organic food industry professionals and companies. Those attending the event, both from Europe and further afield, are predominantly purchasing decision-makers from the retail, foodservice and distribution sectors, seeking business partners.

Other events included the National Organic Week and presentation of the National Organic Awards in September. In 2010, demonstration organic farms continued to attract interest and the numbers of farms involved expanded to 21.

Organic capital grant schemes under the RDP continued to provide grant aid for investments by farmers and processors in facilities and equipment. Grant aid of 40% of the cost up to a maximum of €60,000 in the case of on-farm investments and €0.5m. for investments off-farm is available. Grant aid amounting to just under €1m. was awarded in 2010.

Genetic Resources

The National Advisory Committee for Genetic Resources in Food and Agriculture publishes an annual call for proposals in relation to the conservation of both plant and animal genetic resources and allocates funding to successful projects from a budget provided by DAFF. The Advisory Committee consists of members from DAFF, Teagasc, The National Parks and Wildlife Service, ICMSA, IFA, UCD, Genetic Heritage Ireland and the Irish Seed Savers Association. In 2010, 12 projects received a total of 150,000 euro in support.

CLIMATE CHANGE

The natural processes associated with food production lead to emissions of methane, mainly from enteric fermentation in ruminant animals and nitrous oxide from the use of manure on soils. Carbon stored in trees, soils and wood products is another important natural process in the carbon cycle and an important reservoir at the global level.

In 1990, agriculture produced 35.9% of Ireland's total emissions. This level has declined both in real terms and as a proportion of Ireland's total emissions. By 2009, the proportion of emissions from the sector had fallen to 29% due mainly to improvements in production efficiency which enabled a reduction in livestock numbers and a decline in fertiliser use. The increase in afforestation since 1990 has resulted in the level of compliance-eligible carbon sequestration reaching 2.32 million tonnes¹ in 2009

In addition to the carbon sequestered by forests, there is research indicating that there is substantial carbon sequestered in Irish soils. This arises due to the good management of Irish grassland soils and contributes to the low carbon footprint of food produced in Ireland. However, as Ireland has not elected cropland or grazing land management over the 2008-2012 commitment period, any increases in soil carbon are not currently accounted for. DAFF, in conjunction with other agencies, is examining the scientific and technical feasibility of electing to account for such activities.

The National Climate Change Strategy (2007) published by the Department of the Environment, Heritage and Local Government sets out measures to enable Ireland to meet its legally binding commitments for 2008-2012 under the Kyoto Protocol. In parallel, the EU has agreed an overall 20% greenhouse gas emissions reduction target (compared to 1990 levels) by 2020. This is reflected in the Climate Change and Energy Security Package 2008 which includes new rules governing the EU Emissions Trading Scheme and the Effort Sharing Decision under which Ireland must reduce greenhouse gas emissions from the areas of the economy not covered by the ETS by 20% (compared to 2005 levels) by 2020. Achieving these targets presents a challenge to all sectors of the economy including the agriculture sector.

DAFF, in conjunction with other relevant Departments, is engaged in an analysis to review all measures available to the sector to reduce emissions, along with their impacts and costs. This Department has committed €15.5m to climate change research projects since 2005 under the Research Stimulus Fund and an additional €5 m under the COFORD forest research programme, and continues to monitor ongoing research both nationally and internationally.

DAFF also collaborating with international efforts to deal with these issues as indicated by the following collaborative initiatives.

- Ireland was a founding member of the Global Research Alliance on Agricultural Greenhouse Gas Emissions, established in December 2009. DAFF and other Irish agricultural scientists are playing a central role in a worldwide assessment of current research and technologies and defining the most promising pathways for future research.

¹ Ireland Greenhouse Gas Emissions 2009 (EPA, October 2010)

- DAFF has a significant involvement in an EU Joint Programming research initiative on Agriculture, Climate Change and Food Security.
- DAFF is involved in the international negotiations on climate change under the UNFCCC (United Nations Framework Convention on Climate Change). It aims to develop an approach to agriculture that will enable the sector to contribute to climate change mitigation while at the same time ensuring that worldwide food security can be realised.
- DAFF is involved in the negotiations on new rules for the treatment of land use, land use change and forestry activities (LULUCF). The EU, assisted by data supplied by DAFF, has made a number of submissions to UNFCCC on forestry rules. Good progress was made on the forestry text at the UNFCCC Conference of the Parties (COP 16) in Cancún, Mexico, in December 2010 and work will continue in 2011 in the lead up to the UNFCCC COP 17 in Durban in December.



**Minister Smith T.D.
at willow farm**

Bioenergy

Bioenergy is the term used to describe renewable energy derived from biomass, (the biodegradable fraction of products and residues from agriculture), forestry and related industries. Ireland's agriculture sector can provide significant quantities of biomass materials that can be utilised to meet the EU 2020 targets. Sources include dedicated energy crops such as miscanthus, willow and oilseed rape as well as forest residues and thinnings. Agriculture residues, principally manures, straw, poultry litter and mushroom compost can also be used for energy production through combustion or anaerobic digestion. DAFF, SEAI and Teagasc collaborated in organising Bioenergy 2010, held in June at the Carlton hotel, Tralee, Co Kerry.

Bioenergy use in Ireland is dominated by wood biomass, due primarily to the extensive use of wood processing residues to produce thermal energy in the wood processing sectors and the increased use of wood fuels for heat in industrial, commercial and residential buildings as a result of Government grants for the installation of renewable energy heating systems.

In May 2010, the Minister for Communications, Energy and Natural Resources announced new price supports for bioenergy under REFIT. The technologies supported include Anaerobic Digestion CHP, Biomass CHP and Biomass Combustion including provision for 30% co-firing of biomass at the three

State owned peat power stations. The increased demand for bioenergy resulting from these support measures offers significant opportunities for the agriculture sector by providing long term sustainable markets for bioenergy crops, forest thinnings and residues from agriculture and forest harvesting operations.

It is estimated that the total demand for energy wood in 2011 will be in the region of 1.0 million m³, increasing to c. 1.7m³ by 2020. The actual demand by 2020 will depend largely on the level of co-firing of wood biomass for electricity generation, installed biomass-based CHP capacity, and the impact of any new measures aimed at stimulating the increased use of energy wood. A growing international trade in wood fuels is also likely to impact on demand for locally produced fuels.

On the supply side, COFORD estimates that up to 1.5 million m³ of wood fibre could potentially be available for the renewable energy sector by 2020, increasing to 1.81 million m³ by 2027. The bulk of this material will come from privately-owned farm forests.

Energy Crops

In 2010, the Department continued to support increased production of bioenergy from agriculture raw materials. The Bioenergy Scheme 2010-2012, which is 50% co-funded under the Rural Development Programme of Ireland, was launched in 2010 to build on the progress made in the Exchequer funded pilot Bioenergy Scheme 2007-2009. In the region of €0.6m in establishment grants was paid to farmers under the Bioenergy Schemes in 2010. This relates to first installment payments for successful establishment of miscanthus and willow crops under the 2010 Scheme and also some payments related to the successful establishment of crops under the 2007-2009 Exchequer funded Schemes. In excess of 350 hectares of crops were established under the 2010 Scheme.

Animal By-Products (ABP)

The Department's policy is to encourage the development of safe alternative methods of ABP disposal which can also generate added value. In that context, most of the ABP from the meat sector is rendered to produce tallow and meat and bonemeal (MBM). The 9 approved rendering plants, which operate under the supervision of DAFF, produced 135,000 tonnes of MBM and 72,000 tonnes of tallow in 2010. Tallow is used as boiler fuel and in the manufacture of bio-diesel, both of which help reduce dependence on imported fuels. Significant amounts of MBM were used as a co-fuel in the Irish cement industry and the proportion of MBM being sent abroad for incineration is declining. The Department is also aware of commercial proposals to use MBM as a co-fuel in power plants.



The Irish seafood industry makes a significant contribution to the national economy in terms of output, employment and exports. Generating approximately 11,000 jobs in rural coastal regions, BIM estimated that the industry contributed around €713 million to the economy in 2010.

Seafood operated in two very differently performing markets in 2010, a buoyant export markets and a difficult home market. Together they were worth €719m in 2010. The export markets grew to an estimated €379M for 2010, up by 15% on 2009 with salmon (predominantly organic) and shellfish performing particularly well - up 33% and 24% in value respectively compared to 2009. The EU remained the main export destination (79%) with France accounting for 25%.

The Irish market had a difficult year in 2010 with total sales of €333 million, down 11.6% on 2009. The economic situation, declining consumer purchasing power and bad weather over festive time impacted heavily on both retail and food service sectors. During 2010, there was a shift from salmon and prawns to cheaper cod, coley and haddock with continued growth in pre-packs.

The prospects for seafood, both at a global and European level, are very favourable, especially in the medium to long term. The world's population is growing strongly and by 2050 there will be more than nine billion people on the planet. The additional 4.5 billion people, on top of the current population, represent a massive new market for food. As a consequence, it is inevitable that demand for seafood will continue to grow for the foreseeable future with estimates suggesting that an extra 40 million tonnes of seafood will be required annually by 2030.

From an EU perspective, the issue of seafood supply is already acute. Current market demand in Europe is of the order of 12 million tonnes per annum, valued at approximately €60billion. The amount of seafood produced within the European Union, to meet local market demand, has declined substantially over the last two decades. In the 1990's, imports accounted for approximately 40% of demand, whereas today that figure is closer to 65% and is showing no sign of falling.

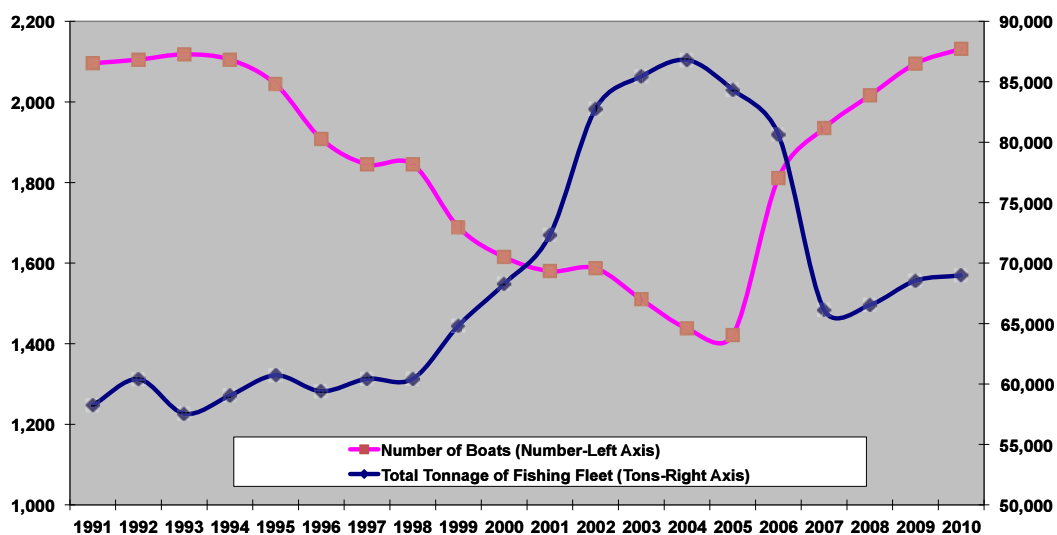
Ireland has the potential to capitalise on this rapid growth and this is reflected in the 78% aquaculture growth targets set out in Food Harvest 2020. FH 2020 sets out a roadmap for growth in the seafood sector and the delivery of the 16 recommendations specifically directed at the seafood sector are critical for delivering on its potential.

Bord Iascaigh Mhara (BIM) has identified a number of key challenges to be overcome if the potential inherent in the Irish seafood sector is to be realised. These include:

- Recessionary effects – reduced prices for seafood, difficulties in obtaining working capital, increasing interest rates;
- Access to the resource – a stronger emphasis on environmental protection and conservation;
- Lack of scale and inefficient logistics chain;
- The growth of low cost imports from countries operating from significantly lower cost bases and a lack of differentiation of Irish seafood;
- Changing consumer preferences – a premium on convenience, versatility and price.

Following extensive engagement with all the key stakeholders, BIM formulated a new three year strategic plan ‘Strategy 2010 – 2012 Transforming Bord Iascaigh Mhara and delivering on the potential of Irish seafood ‘ to respond to the challenges and opportunities facing the industry.

Table 3.4: CHANGES IN FISHING FLEET STRUCTURE



Source: CSO and DAFF



Ministers Connick and Smith with Newfoundland Ministry

Fisheries Management and Conservation

The ten yearly review of the Common Fisheries Policy (CFP) is scheduled for 2012. Following a nationwide consultation process, Ireland submitted its views and recommendations on the Commission Green Paper on the reform of the CFP. These covered:

- A strategic focus on addressing discarding fish at sea and a complete ban for depleted stocks
- The retention of a management system based on national quotas
- A rejection of the mandatory privatisation of fish quotas or the introduction of international trading of fish quotas,
- New measures to strengthen the market for EU producers and increase quay side prices;
- Reinvigoration of European aquaculture with increased structural support and a route for growth in harmony with environmental law.
- New regional structure to decision making at EU level with increasing industry responsibility and the development of a culture of compliance.

Under the planned EU timetable for the review, a CFP package with legislative proposals is expected to be adopted mid 2011 following the Agriculture and Fisheries Council but it is most likely that intensive negotiations will continue until the entry into force of the proposal on 1 January 2013

In December, the EU and Norway signed an agreement on mutual fishing arrangements, whereby Norway and the Community swap fishing opportunities in each others waters. Historically, Ireland has been a net contributor to this exchange but this year our contribution to the exchange has been substantially reduced, as the transfers to Norway do not come from western waters stocks, a key Irish fishing ground. Iceland walked away from the talks on mackerel management and set a unilateral TAC for mackerel of 138,000 tonnes for 2011, an unsustainable level.

Total Allowable Catches (TACs)

The annual Total Allowable Catches (TACs) and quotas for 2011 were agreed at the December Agriculture and Fisheries Council. The final agreement delivered whitefish quotas worth some €116 million, including the protection of Ireland's €54 million prawn fishery. There will be a 10% increase in quota for Ireland's €75 million mackerel industry and a two thirds share, worth approximately €4 million, for Irish fishermen of the new boarfish industry.

There was a 15% increase in haddock and whiting stocks in the Celtic Sea. Cod quotas for the North West and the Irish Sea were reduced by 25% in line with the Recovery Plan for these stocks, while the quota level for Celtic Sea cod was maintained for 2011 on the basis of new survey results from the State's Research Vessel "Celtic Explorer". The Commission had originally proposed a 17% cut for the prawn catch but, following a strong scientific case by Ireland, this was reduced to a 3% decrease. The quota for mackerel will be increased by 10%, worth up to €75m in 2011. There were also increases in the quota for Celtic Sea herring of 30%, although there were cuts in the North West stock reflecting concerns about the state of those stocks.

Finally, Ireland secured the largest share in an important new fishery for boarfish that will be worth just under €4 million in 2011. The Irish fishing industry has been working with the scientific community to develop a management plan for boarfish, a mid-water shoaling species, now found in large volumes off the South West coast. The agreement provides for a total allowable catch of some 33,000 tonnes, with two thirds going to Ireland.

Aquaculture Licencing

The licensing of aquaculture is currently being updated to meet the challenges and opportunities facing the industry in the medium and long term including environmental protection legislation, advancing technologies and market opportunities. The core elements of this are:-

- Aquaculture licensing in Natura 2000 sites.
- New Licence Templates
- Monitoring & Compliance
- Co-ordination with the Department of Environment, Heritage and Local Government on Foreshore Licensing
- Legislative Review.

Aquaculture licensing in Natura 2000 sites

Aquaculture is the farming of aquatic organisms, including fish, molluscs, crustaceans and aquatic plants. A licence for aquaculture development can only be issued after the potential ecological consequences have been assessed. This is a detailed process which requires inter-agency collaboration. A significant backlog of applications has been developing in recent years owing in part to the increasing complexity of coastal development and regulatory requirements, particularly the conservation status of sites.

In excess of 80% of aquaculture sites are located in Natura 2000 areas which are protected under the EU Habitats and/or EU Birds Directive. This means an appropriate assessment will have to be carried out before determinations can be made on applications for aquaculture licences in these areas.

This Department in conjunction with the Marine Institute and the National Parks and Wildlife Service (NPWS) of the Department of the Environment, Heritage and Local Government is engaged in a comprehensive programme to gather the necessary baseline data appropriate to the conservation objectives of these areas. This process is ongoing and significant progress has been made. This comprehensive data collection programme, together with the setting of appropriate conservation

objectives by the NPWS, will enable all new, renewal and review aquaculture applications to be appropriately assessed to ensure compliance with the EU Birds and Habitats Directives. This work represents a significant financial, administrative and scientific investment by the State in resolving this issue. The appropriate assessment of aquaculture applications is being dealt with on a bay-by-bay basis.

New Licence Templates

In 2010, a Licence Template Working Group was formed to produce more effective and user-friendly aquaculture licences, whilst also addressing the recommendations for an efficient licensing regime contained in the Report of the Seafood Industry Strategy Review Group. This process is nearing completion and new templates are expected to be available for issue during the second half of 2011.

Monitoring & Compliance

A Monitoring and Compliance Unit (MCU), was established within the Department during 2010. This Unit actively monitors adherence by the industry to the terms & conditions of all aquaculture Licences. Key actions during 2010 included the following;

- A review of the aquaculture licence fees regime. This resulted in a more streamlined system of fee regulation and collection effecting a 20% increase in the rate of fee collection.
- Introduction of “cross compliance” procedures with BIM and Udarás na Gaeltachta which again resulted in an increase in the rate of fee collection.
- The establishment of a Licence Compliance Group (LCG), consisting of DAFF, MI, BIM and the Engineering Division. Nominated members from each of the above will form the basis for audit teams that will examine the terms and conditions of new and existing licences and undertake spot audits to ensure compliance with these terms and conditions during 2011.

Fishery Harbour and Coastal Infrastructure Development Programme

The National Development Plan 2007-2013 provides for an investment of €203m under the Fisheries & Coastal Infrastructure sub-programme over its 7-year duration. The strategic objective of this Sub-Programme is to ensure the future viability of the fishing industry, to bring the Fishery Harbour Centres (FHCs) up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

In 2010, the total expenditure on this Programme was €8.585 million, of which over €8.135 million was spent on the FHCs. The significant investment on FHCs is project managed by the Department's Engineering Division which also provides technical support, advisory and inspectorial services on all fishery harbour developments.

In addition, in 2010 all coastal Local Authorities were invited to submit applications in respect of harbour development projects for inclusion in the 2010 Fishery Harbour and Coastal Infrastructure Development Programme. Funding was approved for qualifying projects that had been identified as priorities by the Local Authorities

Table 3.5 : Fishery Harbour and Coastal Infrastructure Development Programme 2010

| County | Location | Project | € 2010 Outturn |
|-----------|--------------------------|---|----------------|
| Cork | Cape Clear | Safety and Maintenance | 28,209 |
| Cork | Cape Clear | Bull Nose Design study for Pier | 20,570 |
| Cork | Castletownbere | Safety and Maintenance, Disability Access, Dinish Wharf Extension, Effluent Treatment upgrade, etc. | 4,515,186 |
| Donegal | Killybegs | Disability Access, Safety and Maintenance, Syncrolift Carriages, Site Levelling Works | 558,024 |
| Donegal | Greencastle | Harbour Works | 84,106 |
| Dublin | Howth | Safety and Maintenance | 253,688 |
| Kerry | Dingle | Safety and Maintenance, Marina Piles, Disability Access. | 1,048,817 |
| Waterford | Dunmore East | Safety and Maintenance, Disability Access, repairs to East Pier, | 281,781 |
| Galway | Ros An Mhíl | Safety & Maintenance, Disability Access, Ferry Pontoons, Wind Monitoring Study, etc. | 1,476,058 |
| | Miscellaneous | Piers, lights and beacons etc. | 27,321 |
| | Local Authority Projects | Upgrade and maintenance works at Local Authority owned harbours and piers | 291,800 |

Transfer of Functions

Following the enactment of the Foreshore and Dumping at Sea (Amendment) Act 2009, responsibility for certain foreshore functions were transferred to the Department of Environment, Heritage and Local Government on 15 January 2010. The foreshore functions transferred include:

- All energy-related developments (including oil, gas, wind, wave and tidal energy) on the foreshore;
- Aggregate and mineral extraction developments on the foreshore;
- Foreshore projects in respect of port companies and harbour authorities governed by the Harbours Acts, 1946, 1996, and 2000, and foreshore projects in respect of any other harbour and harbour-related developments intended for commercial trade;
- All other foreshore projects, other than those relating to aquaculture, fishery harbour centres and sea fisheries.

The Minister for Agriculture, Fisheries and Food retained responsibility for foreshore licensing in respect of aquaculture, fishery harbour centres and sea fishing. As two Ministers have responsibility for different aspects of foreshore licensing, a statutory provision requires both Ministers to consult each other in respect of foreshore applications received. A Foreshore Coordination Unit (FCU) has been established at the Department's offices in Clonakilty. The unit's purpose is to manage and co-ordinate this consultative process.

Fishery Harbour Centres (FHC)

The Department has responsibility for the management and development of the six Fishery Harbour Centres, located at Killybegs, Castletownbere, Dunmore East, Howth, An Daingean and Ros an Mhíl. Located strategically around the coast of Ireland, each of the Fishery Harbour Centres provide an essential service for our fishing fleet and its fishermen.

In addition they

- Accommodate various fishing related industries which generate local employment,
- Provide facilities for the repair and maintenance of the shipping fleet,
- Provide facilities for the support of passenger and cargo ferries to the islands,
- Play an important role in the Irish tourist and marine leisure industry

Killybegs

Killybegs FHC is Ireland's premier fishing port and provides services for the fishing industry, aquaculture industry, fish processors and ancillary service providers. It accounts for a significant share of all the registered fish landings in the country and contributes significantly to the local and national economies.

Over €50m has been invested in Killybegs FHC in recent years and this represents the largest single investment by the State in a Fishery Harbour Centre. The project involved the reclamation of 28 acres of foreshore, the construction of 450 metres of new quay, cargo sheds, a boat repair building and 1,400 sq metres of harbour offices.

Castletownbere

Castletownbere enjoys the benefit of being a natural harbour and is the second busiest of the six Departments owned FHC.

The Castletownbere Harbour development project, which commenced in 2004, consists of two phases, firstly dredging the approach channel and berthing quay at Dinish Island, and secondly the construction of a 210 metre length of quay (comprising 120 metre of new quay and 90 metre replacement of the existing quay), and associated infrastructure. The dredging and disposal works were completed in 2007. The second phase is nearing completion.

The 2010 investment was in the order of €4m and when completed in 2011, the development will provide a deepened navigation approach channel to the harbour, a new berthing basin, and a new 210 metre length quay wall at Dinish Island. The development works at this FHC will represent an overall investment of €35m

Ros an Mhíl

Ros an Mhíl FHC, located on the west coast of Ireland, provides a valuable and essential service to fishermen. Its proximity to the Aran Islands makes it invaluable to the residents of these islands and acts as a catalyst for the development of island based tourism industry. There were in excess of 400,000 passenger movements at the harbour in 2010.

As part of the ongoing development of the harbour, the construction and installation of ferry pontoons was completed in 2010. When commissioned these will separate fishing and ferry activities at the harbour, improve safety and reduce congestion. In addition they will facilitate the relocation of the cargo service to the Aran Islands from its current location in Galway. The total investment at Ros an Mhíl FHC in 2010 was in excess of €1.4 million.



GOAL 4

Improving Customer Service and Scheme Operations

Annual Output Statement for Goal 4

- Scheme Operations
- Customer Service

Annual Output Statement:

GOAL
4

Inputs

“Operate all our schemes and programmes in an efficient, effective and customer focused manner, improve the quality of service delivery and simplify the regulatory burden on our clients”

| Programme 4 | 2010 Budget € million | 2010 Outturn € million | 2011 Budget € million |
|---|--------------------------|------------------------------|-----------------------------|
| Programme Expenditure | 290.987 | 242.488 | 263.959 |
| - Current | 290.987 | 242.488 | 263.959 |
| - Capital | 0 | 0 | 0 |
| Programme Administration | 28.853 | 28.332 | 27.570 |
| - Pay | 23.531 | 23.215 | 22.484 |
| - Non-Pay | 5.322 | 5.117 | 5.085 |
| Support Expenditure | 7.486 | 6.422 | 7.322 |
| Total Gross Programme Expenditure | 327.326 | 277.241 | 298.851 |
| Non Voted Expenditure (mainly Single Farm Payment). | 1,288.5 | 1,286.5 | 1,283.0 |
| Total Programme 4 (Voted and Non Voted) | 1,615.286 | 1,563.741 | 1,581.851 |
| Number of staff (FTE) as at 31 December 2010 | 642 | | |

Outputs

2010 Output Target

4.1. Complete 95% of direct payments in 2010 and within the service delivery targets of the Farmers Charter and Action Plan Agree 2009-2011 Charter of Rights for Farmers

4.2. For all other schemes, achieve the payment and service delivery targets set out in the Farmers Charter and Action Plan.

2010 Output achieved

4.1. By end 2010, €1.130 billion had been paid to 97% of SPS applicants and approx €205m to 95% of DAS applicants. These payments met the Charter service delivery targets.

4.2. The Charter payment and service delivery targets were met in between 90-100% of all other schemes.

GOAL 4

Outputs

2010 Output Target

4.3. Improve the quality of service delivery to external customers by achieving the following targets

- 60% of customers registered for Agfood online services
- 30% (over 43,500) of SPS applications received electronically
- Introduce a new facility to allow customers to apply online for Cattle Movement Permits
- Improved aquaculture licensing system in operation

2010 Output achieved

- 4.3. • 58.6% of customers signed up for an online services in 2010.
- 36% of SPS applications received online in 2010.
 - Online Cattle Movements Permits facility introduced July 2010.
 - Licensing template is being updated to take account of complexities of foreshore activities

4.4. Assess and improve service delivery satisfaction levels for the internal customer

- 4.4. A new widely constituted Internal Customer Panel, representative of staff across all streams was established in November 2009 to improve internal satisfaction levels. The Panel sought information from management on issues outstanding from the report of the previous Panel and has conducted a survey of staff for input into the Panel discussions. The Panel first report to management is expected in the first half of 2011.



Scheme Operations

Launch of new 2010/2011 Schemes and Services at 2010 National Ploughing Championship

Table 4.1 and 4.2 beneath gives operational details on the main schemes operated by the Department in 2010.

Table 4.1 : 2010 Payments to Farmers

| Scheme | Applications received in 2010 | Applications processed | Payments made* € M |
|--|-------------------------------|------------------------|--------------------|
| Single Payment | 132,674 | 142,324 | 1,140.7 |
| Disadvantaged Areas | 100,257 | 98,428 | 208.4 |
| Rural Environmental Protection | - | - | 320.9 |
| Farm Waste Management | - | 16,332 | 298.14 |
| Dairy Hygiene | - | 35 | 0.38 |
| Afforestation Grant | 1,180 | 1,173 | 27.53 |
| Forestry Premium | 20,610 | 20,498 | 72.47 |
| Early Retirement | 33 | 128 | 32.8 |
| Installation Aid | - | 177 | 2.52 |
| Alternative Enterprise | | 9 | 0.08 |
| Pig welfare | | 9 | 0.68 |
| TB and Brucellosis Compensation | 5,144 | 5,228 | 15.85 |
| BSE Compensation | | 65 | 0.119 |
| Scrapie Compensation | | 14 | 0.151 |
| Suckler Welfare Scheme | | 53,954 | 31.4 |
| Farm Improvement | | 841 | 12.40 |
| Pilot Waste Facilities | | 1 | 0.40 |
| Investment Aid for Commercial Horticulture | 121 | 69 | 2.00 |
| Scheme of Organic Grant Aid | 185 | 204 | 0.70 |

Table 4.2 : Trader Payments in 2010

| Scheme | Applications processed | Payments made* € M |
|------------------------|------------------------|--------------------|
| Marketing & Processing | 25 | 2.5 |
| Food Competitiveness | - | 4.0 |
| Food Investment Scheme | | |
| • Beef/Sheepmeat | 11 | 10.3 |
| • Dairy | 7 | 8.8 |
| Pigmeat Recall | - | 14.4 |

*This column refers to all payments made in 2010 which can involve commitments over and above applications processed in that year.

Direct Payments

Annual expenditure of over €1.67 billion, on the Single Payment, Disadvantaged Areas and REP schemes, was made by this Department to help achieve the objective of protecting farmers' incomes and of maintaining the optimal number of family farms. Over €1,140 million were paid to around 121,000 farmers under the 2010 Single Payment Scheme. These direct payments to farmers in 2010 were paid within the service delivery targets of the Farmers Charter and Action Plan.

Suckler Welfare Scheme

Approximately 45,000 farmers continued to participate in the Animal Welfare, Recording and Breeding Scheme for Suckler Herds during 2010, representing some 840,000 animals. This is a five-year scheme, fully funded by the Exchequer, and is expected to continue for animals born up until the end of 2012. Since the beginning of the scheme, €93 million has been paid for animals born during 2008, 2009 and 2010.

The scheme's main objectives are to underpin the adoption of high standards of animal welfare in suckler herds while also recording essential breeding data. This will lead to a reduction in the incidence of disease and weight loss at weaning in the animals. Furthermore, the creation of a comprehensive database to allow farmers identify the best breeding stock will lead to an overall improvement in the quality of the national beef herd.

The scheme will also be used as a marketing tool when selling Irish beef into newer higher value markets, where consumers are seeking assurances about the standards of animal welfare and husbandry on farms.

Mandatory training for applicants is a feature of the scheme. The course lays emphasis on best practice in animal husbandry and breeding improvement. It also provides farmers with practical information regarding the completion of paperwork, as well as the day-to-day management of their suckler herds. The final round of training courses was carried out in late 2010. Alternative arrangements are being put in place for new applicants to the scheme during 2011 and 2012.

CUSTOMER SERVICE

Farmers Charter and Action Plan

The Farmers Charter and Action Plan 2009-2011, agreed with the farm organisations in 2009, contained specific commitments on service delivery targets for farmers. The independent chairman of the Charter Monitoring Committee was appointed in May. Two meetings of the Monitoring Committee were held in 2010.

Table 4.3 following indicates the progress achieved on the targets specified in the Customer Service Action Plan. Achievement of service delivery targets is predicated on correct scheme requirements and documentation being available.

Table 4.3: 2010 Performance on Customer Service Delivery Targets

| SERVICE | TARGET DELIVERY TIME | 2010 PERFORMANCE |
|--|--|---|
| Single Payment Scheme | EU Regulations provide that payments shall be made once a year within the period 1 December to 30 June of the following year. However, EU agreement was obtained which allowed for 70% advance payments from 16/10/2010. Balancing payments commenced on 1/12/2010. | Advance payments commenced on 18/10/2010 with balancing payments on 1 December. By end 2010 €1.140 billion had been paid to 97% of applicants |
| Disadvantaged Area Compensatory Allowances | Agreement was reached with the farming organisations that payments in all eligible cases would commence in September. | Payments commenced on 22 September and approx €208m was paid to 95% of all valid applicants by 31 December 2010. |
| Suckler Welfare Scheme | The Department will endeavour to make payments to applicants as quickly as possible, while taking into account the requirement to complete all eligibility checks before the commencement of payments. Payments will be made on an ongoing basis, as animals become eligible i.e. when weaning is completed and all animal events information is in order. | Payments commenced in December 2010 for 2010 born animals and €7.48m in respect of 187,000 animals issued by 31st December 2010. |
| Rural Environment Protection Scheme Application for admission to scheme | Processing of valid application to scheduling for payment:- Applications not selected for pre-payment inspection within 10 weeks Applications selected for pre-payment inspection within 12 weeks Issuing of payment following approval within 1 month | N/A N/A N/A |
| Application for annual payment | Processing of valid application to scheduling for payment within 8 weeks Issue of payment following approval within 1 month | 85% 100% |
| Farm Waste Management Scheme | Issue of approval following receipt of valid application within 3 months Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months Issue of payment following approval for payment within 6 weeks | 100% |

| SERVICE | TARGET DELIVERY TIME | 2010 PERFORMANCE |
|--|--|------------------|
| Dairy Hygiene Scheme | Issue of approval following receipt of valid application within 3 months Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months Issue of payment following approval for payment within 6 weeks | 100% |
| Alternative Enterprise Scheme Installation Aid | Issue of approval following receipt of valid application within 3 months Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months Issue of payment following approval for payment within 6 weeks | 100% |
| Improvement in Animal Welfare Standards (Sow Housing) | Processing of valid application to scheduling for payment stage:- Applications not selected for pre-payment inspection within 10 weeks Applications selected for pre-payment inspection within 12 weeks Issue of payment following approval within 6 weeks | 100% |
| Farm Improvement Scheme | Issue of approval following receipt of valid application within 3 months Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months Issue of payment following approval for payment within 6 months. | 100% |
| Young Farmers Installation Scheme | Issue of approval following receipt of valid application within 3 months Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months Issue of payment following approval for payment within 6 months. | 100% |

| SERVICE | TARGET DELIVERY TIME | 2010 PERFORMANCE |
|---|--|---|
| Early Retirement Scheme | Issue of payment following approval within 6 weeks | 96.55% |
| Forest Service Grant Schemes Forestry Premium Scheme | Approvals within 10 weeks of application except where public consultation is required under statute. 40% inspection level within 4 weeks of receipt of application. Payment within 6 weeks for non inspection cases or 10 weeks where inspection is required. Annual bulk run carried out during March but payments will continue throughout the year. | Over 90% of all valid applications for approval and payment are within the targets as set out in the Charter. Over 90% of premium commitments relating to valid applications received were paid before the end of April 2010. Annual Premium (bulk) Payment Run: 52.6m |
| TB Brucellosis | TB and Brucellosis compensation to be paid within 3 weeks of the date of receipt of the required correct documentation or of eligibility as per terms and conditions. | 96.5% was paid within the protocol period of 3 weeks during 2010 for all TB and Brucellosis compensation schemes. |
| BSE Scrapie | BSE Compensation paid within 21 days of receipt of completed documentation Scrapie Compensation -100%- paid within 14 days of receipt of final documents | All applicants paid within the required time-frame All applicants paid within the required time-frame |

Complaints Procedure

The Department continued to operate a formalised complaints procedure in 2010. The 20 complaints received in 2010, were investigated by the Quality Service Unit and settled in accordance with the Ombudsman's guidelines on principles of good practice in public administration.

Office of the Ombudsman

The Office of the Ombudsman received a total of 60 complaints relating to the Department in 2010. The Department met the statutory deadlines for reply in all cases.

Freedom of Information (FOI)

A total of 193 FOI applications were received during 2010 of which 51% were for personal information. The remaining 49% were from a number of different sources including the media, business and interest groups. 26 requests in total were received from journalists. A total of 27 requests have proceeded to internal review, with 17 being appealed to the Information Commissioner.

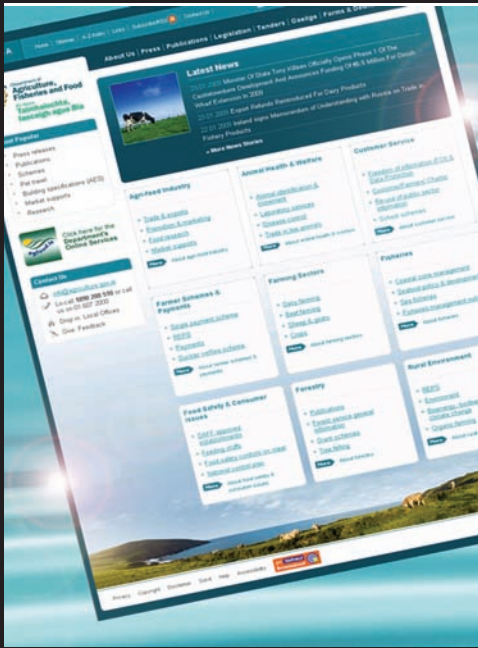
The Agriculture Appeals Office

The Agriculture Appeals Office provides a statutory appeals service to farmers who are dissatisfied with financial penalty decisions on their entitlements under the schemes set out in the Schedule to the Agriculture Appeals Act, 2001. The Agriculture Appeals Office Annual Report for 2009 is available on the Office's website; www.agriappeals.gov.ie

In 2010, the office received 832 appeals, an increase of 20% on 2009 figures. 452 cases were closed at the year-end. A summary of the outcome of the cases closed is set out below.

| Summary | % |
|---|-----|
| Appeals Allowed, Partially Allowed or Revised by the Department | 47% |
| Appeals Withdrawn, Not Valid or Out of Time | 14% |
| Appeals Disallowed | 39% |

In addition to its statutory functions, the Single Payment Appeals Committee, which comprises 4 Appeals Officers and an Independent Chairman, examined appeals in relation to various facets of the Single Payment Scheme, particularly the National Reserve. In 2010, this Committee held 3 meetings and issued recommendations on 69 cases.



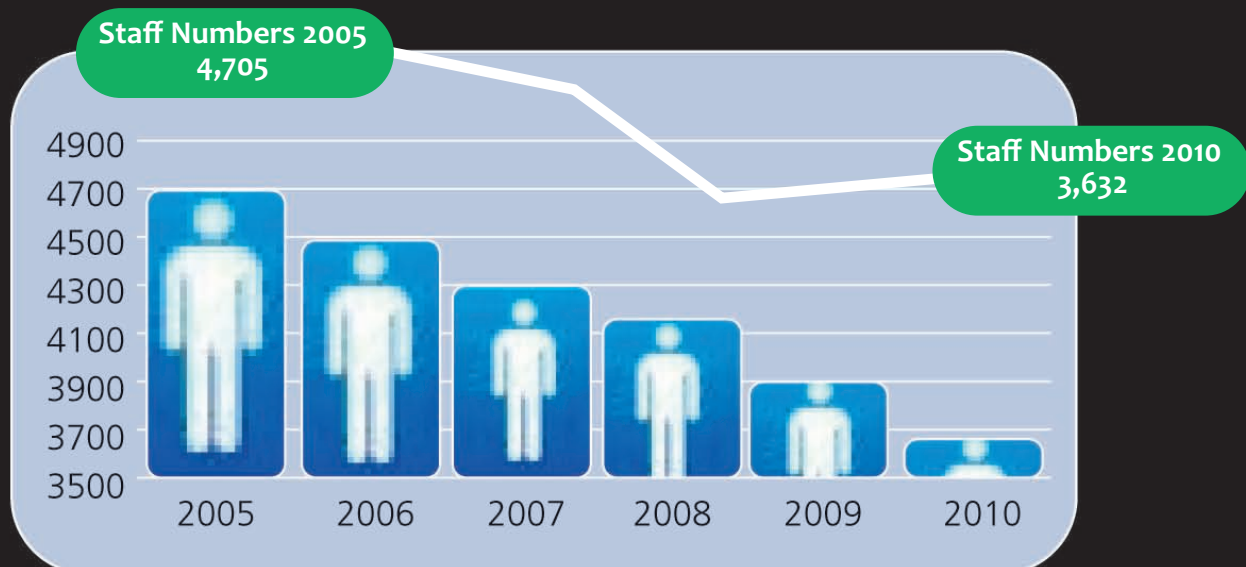
Award of ISO 9001 to staff in Training and Development Unit.

GOAL 5

Enhancing our Human, Financial and Operational Resource

Annual Output Statement for Goal 5

- Financial Management
- Staff and Organisational Management
- Developing IT Capability



Annual Output Statement:

GOAL
5

Inputs

“Continually enhance our capability by developing our people and systems, maintain the highest standards of corporate governance, and implement the decentralisation programme and public service modernisation”.

| Programme 5 | 2010 Budget € million | 2010 Outturn € million * | 2011 Budget € million * |
|-----------------|--------------------------|--------------------------------|-------------------------------|
| Pay | 36.012 | 35.611 | 34.410 |
| Non pay current | 14.919 | 8.246 | 15.576 |
| Capital | 0.397 | 0.172 | 0.212 |
| Total | 51.328 | 44.029 | 50.198 |

Number of staff (FTE) as at 31 December 2010 642

*All resources (financial and staffing) associated with Programme 5 have been redistributed across Programmes 1-4 on a pro-rata basis and shown as support expenditure. The totals are shown above.

Outputs

2010 Output Target

- 5.1. Ensure a high standard of financial management, as verified by reports of monitoring authorities (Audit Committee, EU Certifying Body, EU Commission and Court of Auditors and C & AG).

Remain in bottom quartile of EU Member States in terms of EU disallowances.

2010 Output achieved

- 5.1. The DAFF external auditors certified the EAGF and EAFRD annual accounts and had no major or intermediate findings. The accounts were subsequently cleared by EU Commission.

DAFF calculations show that between 1999-2008 inclusive, Ireland had the 2nd lowest level of disallowances of EAG(G)F / EAFRD monies of the EU-15 Member States at 0.13%. This compared with a total EU-15 percentage of 1.38% disallowed.

Annual Output Statement:

GOAL
5

Outputs

2010 Output Target

5.2. Improved use of ICT facilities as evidenced by increased proportion of business processes underpinned by ICT applications

5.3. Reviewed and updated Human Resource Strategy delivered

5.4. Continue the process of reducing and redeploying staff with the aim of achieving a staffing complement target of 3,793 by end 2010.

5.5. Contribute effectively to the development and implementation of Government measures on economic recovery and public service modernisation within reduced budgetary allocation.

2010 Output achieved

5.2. In 2010 the Department has enhanced its ICT facilities by underpinning the following processes:

- Extending the Generic Claim Processing System (GCPS) to cater for new agri-measure investment schemes (AEOS, Sows, Poultry & Sheep).
- Extending the Agriculture Field Inspection Testing (AFIT) system to cater for new agri-measure investment schemes and also additional medicines inspections.
- Rolling out the Customer “Snapshot” application (in conjunction with the local office reorganisation plan) to new users.

5.3. The review of the HR strategy was completed in 2009. A draft strategy and implementation plan was prepared but was reviewed in the light of the Transforming Public Services Programme.

5.4. The 2010 staff target reduction was exceeded. The overall staffing complement had fallen to 3,632 by end December. Overall numbers reduced by 249 in 2010.

5.5. Active engagement with Government measures on economic recovery as exemplified by involvement with Cabinet Ctte. on Economic Recovery, the Food Harvest 2020 initiative, reduction in staffing numbers and streamlining organisational structures and participation in the Estimates pilot programme budgeting project.

FINANCIAL MANAGEMENT



Overall Expenditure

The Department was responsible for Voted expenditure of over €1,730 million in 2010. In addition to voted expenditure, the Department spent €1,157 million in EU funded schemes, bringing total expenditure to €2.8 billion (see table 5.1 for details).

Table 5.1 Expenditure on Irish Agriculture, 2010

| | €m | | |
|---|--------|-----------------|--|
| EAGF Guarantee direct expenditure | | 1157.01 | |
| Single Farm Payment | 1144.9 | | |
| Premia/area Aid | 0.09 | | |
| Export Refunds | 8.86 | | |
| Pork Dioxin | 0 | | |
| Sugar Restructuring | 0.19 | | |
| Other Market Supports | 2.97 | | |
| Intervention Purchases | | 0.048 | |
| Voted Expenditure (excluding Administration) | | 1486.98 | |
| Rural Development | 567.14 | | |
| Structural Measures | 341.59 | | |
| State Bodies | 195.63 | | |
| Animal Health | 143.71 | | |
| Research and Training | 35.45 | | |
| Market Support Costs | 13.11 | | |
| Forestry and Bio-Fuels | 120.61 | | |
| Fisheries | 11.94 | | |
| Food Aid | 9.9 | | |
| Other | 47.9 | | |
| Administration | | 243.8 | |
| Total Voted Expenditure | | 1,730.83 | |
| Total Expenditure | | 2,887.84 | |

EU Receipts

The Department claimed and received funding from the EU in 2010 in respect of measures financed from the following EU Funds:

- EAGF (European Agriculture Guarantee Fund)
- EAFRD (European Agricultural Fund for Rural Development)
- Veterinary Fund and
- Fisheries Funds.

See Table 5.2 following for summary of EU receipts in 2009 and 2010.

EAGF : EU fully financed CAP expenditure on direct payments to farmers and certain market supports. A detailed breakdown of funded measures is set out in Appendix B.

EAFRD co-finances a range of agricultural policies on rural development and environmental protection measures under Ireland's 2007- 2013 Rural Development Programme (RDP). The RDP is operated by this Department and the Department of Community, Rural and Gaeltacht Affairs.

The European Commission contributes, through the Veterinary Fund, towards the cost of measures to monitor and eradicate certain animal diseases and zoonoses. This funding is provided as part of the approved eradication and monitoring programmes operated by the Department.

Fisheries measures include the European Fisheries Fund (EFF) which finances measures under the Sea Food Development Operational Programme for the period 2007-2013 as well as programmes for fisheries conservation and market support.

Table 5.2: Summary of EU Receipts

| | 2009 €m | 2010 €m |
|--|----------------|-----------------|
| EAGF Guarantee – Agriculture | 1,318.99 | 1,306.00 |
| EAFRD Rural Development 2007-2013 | 329.17 | 326.1 |
| Veterinary Fund | 6.4 | 14.01 |
| Other | | 3 |
| Fisheries - EFF, EAGF fish markets and Conservation and Management | 6.1 | 23 |
| Total | 1661.36 | 1,672.11 |

EAGF Guarantee Receipts are the amounts received in calendar year. These are received in arrears in respect of claims in EAGF year -Oct to Oct. and thus do not directly relate to expenditure claims in a given calendar year.

The EAFRD Rural Development receipts are the total calendar year receipts for Ireland. They relate to
2009 - DAFF (€ 323.7m) and the Department of Community, Rural and Gaeltacht Affairs (€5.4 m).
2010 - DAFF (€306m) and the Department of Community, Rural and Gaeltacht Affairs (€20.1).

Financial Controls

The Department operates a comprehensive range of financial management, control and accounting systems to comply with EU and national accounting and governance requirements.

In accordance with stringent EU accreditation requirements, the Department submitted its independently certified annual accounts of expenditure to the EU Commission. The Department's performance as a national paying agency continued to be monitored in 2010 by the Accreditation Review Group (ARG). The Secretary General chaired this group which includes representatives from the Department of Finance and the Revenue Commissioners. It met on five occasions during 2010. One of the Group's key duties is to ensure that the recommendations of the Certification Body for the previous year are implemented and that all EU audit findings are followed up appropriately.

External Audit Committee

The Department's longstanding External Audit Committee, currently consists of Helen Nolan, (Chair) Group Secretary of Bank of Ireland, Bill Cunningham, former partner of PricewaterhouseCoopers Ireland, Claire O'Connor, EAA Bank Ireland plc, Gráinne McGuckin, Department of Finance, Paddy O'Shaughnessy, Revenue Commissioners, and Martin Heraghty of this Department.

The External Audit Committee advises on the operation of the internal audit function and examines and monitors the implementation of the Department's risk management strategy.

The Committee met five times in 2010 and the Chairman met regularly with the Secretary General. Its Annual Report for 2009, which was issued in April 2010, expressed satisfaction with the controls operated by the Department. The Chairman went on to indicate that "the Internal Audit Unit is making a significant contribution to the evaluation and improvement of controls in the Department".

Internal Audit

The Internal Audit Unit completed a substantial body of internal and scrutiny audit work during 2010 to help maintain the highest standards of corporate and financial management and accountability. The Department's activities were subjected to a total of 2,156 audit person days while a further 269 audit person days were directed to post factum scrutiny auditing of companies in receipt of EAGF funding. 21 internal audit reports and 10 scrutiny audit reports were completed and issued during the year. All regulatory requirements on audit and control were completed in accordance with the prescribed timescales of the EU Scrutiny and Structural Fund Regulations. The IT audit group, assisted by specialist external consultants, completed a significant amount of audit coverage. Staff of the IAU also undertook 112 training days as part of their continuous upskilling programme.

Risk Management

The Risk Management Committee, chaired by the Secretary General, met on three occasions during 2010. At these meetings, the Committee identified and assessed the key risks (strategic, operational, financial, reputational) facing the Department and outlined measures to address them.

CAP Beneficiaries Website

In April the Department published details on its website of all payments received under the EAGF and the EAFRD. This requirement is part of the European transparency initiative intended to increase

transparency and accountability. In November the European Court of Justice ruled that the EU regulations requiring publication were invalid in so far as they concerned natural persons. At that stage the Department removed the entire publication from its website. Until such time as new EU legislation on this subject is drawn up the Department will publish only information on legal persons.

Prompt Payment

In 2010 a total of 99 invoices, of which 91 were valued in excess of €317.44 (the prescribed threshold), incurred late payment penalties. The total interest paid during 2010 resulting from late payments amounted to €2,442. The value of all invoices that were paid late amounted to €585,620, which represents 0.42 % of the almost €140million total payments falling within the terms of the Regulations. The average payment delay in excess of 30 days, (late payment period) was 6 days.

There is also a requirement for all Departments to pay Irish suppliers within 15 days following the Government Decision No. S29296 of 19 May 2009. Details of this Department's compliance with the government decision in 2010 are set out in the following table:

| 2010 Payments made | Number | Value € | Percentage of total | |
|-----------------------|---------------|-----------------------|------------------------|--|
| Within 15 days | 38,942 | 89,954,469.35 | 81.87 | |
| Within 16 to 30 days | 6,445 | 19,109,356.40 | 13.55 | |
| In excess of 30 days | 2,176 | 2,029,000.25 | 4.58 | |
| Total | 47,563 | 111,092,826.00 | | |
| Disputed invoices* | 28 | 238,909.43 | | |

*All paid and included in relevant category

STAFF & ORGANISATIONAL MANAGEMENT

Local Office Reorganisation

The 2009 Local Office Reorganisation Plan, to provide an enhanced service to the Department's customers, involved the closure of forty two offices and the retention and expansion of sixteen regional offices. It also involved a reduction of around 400 staff members in local offices.

Thirteen of these sixteen regional offices were established at Castlebar, Clonakilty, Cork City, Drumshanbo, Enniscorthy, Galway, Navan, Limerick, Raphoe, Roscommon town, Tipperary Town, Tralee and Waterford City during 2010. The establishment of these regional offices facilitated the closure to the public of twenty seven local offices. Coupled with the restructuring of the regional office network is a business improvement process which was substantially progressed during 2010.

During 2010 there was a reduction in local office staff numbers of 145, due to retirements and redeployment to other Departments. To reach the staff reduction target of 400, staff numbers must reduce by a further 150 much of which it is planned to achieve during 2011.

The reduction in staff numbers, the completion of the business improvement process, the establishment of the three remaining enhanced regional offices and the closure of a further 15 local offices during 2011 will complete the Plan.

Internal Reviews:

Management Services Division continued to undertake reviews across all streams and work areas to assess how the Department, as an organisation, can operate more efficiently and effectively. The Review of the Inspectorate Staff in Agricultural Environment and Structures Division and Integrated Controls Division was approved by the MAC in March 2010.

During the course of the year the following reviews were progressed:

- Review of the Veterinary Inspectorate in District Veterinary Offices
- Review of Single Payment Unit
- Review of the Forest Service Inspectorate

In addition the following reviews were commenced in 2010:

- Review of Animal Health Divisions
- Review of Accounts Division
- Review of the Dairy Inspectorate

Implementation Steering Group on MSD and VFM Reviews

A steering group, chaired by the Secretary General, to oversee the implementation of the recommendations of MSD and VFM Reviews was established in early 2010. The group held three meetings during 2010 to monitor the implementation of the recommendations in completed reviews.

Management Seminar

A MAC/Heads of Division Seminar was held in November to discuss the Public Service (Croke Park) Agreement 2010 to 2014 and to identify how the Department could operate as a leaner, more efficient, citizen-focused organisation

Training and Development

In addition to the considerable amount of on-the job training provided across the Department in 2010, the Department provided a wide range of formal training and development opportunities for staff. These included management, interpersonal and communication skills training, grade development programmes, equality and diversity awareness as well as communication and language training. Training programmes were also provided in IT, Law, Health and Safety, Food Safety, and Finance.

Both the Training and Development Unit and a number of individual Divisions provided a variety of tailored training for the Department's Technical, Veterinary, Engineering and Scientific staff.

In 2010 the Training and Development Unit was awarded ISO 9001 Quality Management System certification, a very significant achievement, demonstrating a firm commitment in the training area to continuous improvement in service delivery.

In 2010, a total of 7,495 days training (excluding on-the-job training) were delivered at a cost, including overheads, of over €3.3 million.

Performance Management & Development (PMDS)

The Department continued to monitor compliance with, and rating distributions of the PMDS. The internal Departmental PMDS Committee, a sub-committee of Partnership, met on a number of occasions to review progress. The Department also engaged with and supported initiatives arising from the outcome of the central civil service-wide review of the PMDS system

Equality and Diversity

The Department actively supports and promotes equality in all aspects of its activities. In 2010, the Department exceeded the statutory 3% employment target for people with disabilities and it has also provided work experience placements for them.

HR Strategy

The Department worked on revising its draft HR strategy during the year to reflect the evolving operating environment and take account of developments during the year, including the Public Service Agreement and the National Recovery Plan.

Library and Information Service

The Department's Library and Information Service continued to provide a wide range of services to the staff of the Department including :

- Access to a wide range of electronic information resources via the Department's Ezone (Intranet)
- Subject information research and advice service
- Cataloguing of a wide range of material
- Access to a large subject collection of publications, both hardcopy and electronic
- Access to external libraries and information services.

In 2010, it continued to provide real time updates of relevant news to all internal customers. Another important service provided was the maintenance of the database on the current status of the Department's legislation. A new development in 2010 was a new indexing system which simultaneously searches the Library section of the Ezone and the Library Catalogue. Due to staff shortages some projects were not progressed to the extent they might have been, in particular, there were no formal information skills courses.

Health and Safety Section

During 2010, over 600 staff attended health and safety training, which covered 10 different courses ranging from ½ day to 3 days. The courses covered such topics as first aid, manual handling and fire safety. This equates to nearly 6,000 hours of health and safety training attended in 2010.

Work continued in 2010 on the implementation of a Safety Management System. Noise surveys were completed for 9 sample locations in the Department and from these, Noise Action Plans were completed for various locations across the Department to be progressed in 2011. Risk assessments were completed for staff involved in field duties and for staff with specialist control functions on plant health, animal health or food safety.

Health and safety issues were identified in some offices and some work practices required a visit and subsequent report. These included a review of department activities and facilities at Shannon Airport and a review of seed sampling stations with regard to minimum specifications, risk assessment and selection of PPE.

ISO 9001:2008

The ISO 9001 quality management systems established in Veterinary Medicines Section, Backweston; Beef Export Refunds Division, Wexford; Livestock Production and Trade, Cavan; Asset Management Unit, Portlaoise; and the Input Section, Cash Office and Payments Sections of Accounts Division, Cavan all retained certification to the standard in 2010.

The Department's Training and Development Unit also achieved certification to the standard for the first time in 2010. This was the largest single ISO 9001 project undertaken by the Department to date.

Accommodation

During 2010 the reorganisation of the Department's local office network continued. This was the main focus of the Department's accommodation brief in 2010.

Energy Efficiency

Regular energy audits were carried out during 2010 in Departments offices as part of the *Optimising Power at Work* programme. Arising from changes made on foot of these audits to date, there has been an average decrease of around 10% in energy usage in these offices.

Asset and Procurement Management

Work on developing the updated Corporate Procurement Plan continued during 2010 with the formation of the Procurement Review Group. Its final report is scheduled for presentation to MAC in 2011. The improved procurement management processes of the Department continued to bed-in around the country during 2010 and the direct delivery of stationery continued to yield efficiencies and financial savings.

The Local Office reorganisation programme allowed for the continued streamlining and upgrading of multi-function copier and printing devices and other equipment in the larger enhanced regional offices. More than 25 locations were visited countrywide in 2010 including a large number of meat plants, to verify and update the historical asset information. This coincided with a photocopier and software upgrade in these facilities. A full inventory of their assets was recorded.

Developing IT Capability



Valerie Woods, Minister Smith T.D. and Dr. Regina Connolly with survey on farmer usage of technology.

Major ICT developments in 2010

The Department is critically dependent on IT for the operation of its schemes and services. The major IT developments in 2010 included the following:

Committee for the Uptake of IT in Agriculture (CUITA)

This Committee included representatives of the main farming organisations, the agrifood industry and agricultural education and was established to accelerate the adoption of information technology by the farming sector and to make the farm business an integral part of the knowledge economy. To progress its work, in February, CUITA commissioned Dublin City University to conduct a survey of farmers' computer usage. This involved surveying 1,200 farmers online and by post and was followed up with more detailed interviews and focus group session. The final report of the committee, which detailed the work carried out by the committee, included a range of recommendations and suggestions on ways to promote use of technology, was presented to the Minister in October.

In addition to the survey, some significant other work undertaken by CUITA included a focused promotion campaign on the benefits of using Information and Communications Technology (ICT) and the production of a DVD demonstrating the benefits and range of facilities (including Agfood.ie) that can be accessed using ICT. The Department's action plan in relation to the Public Service Agreement has taken cognisance of the report and included initiatives to work through to 2014 to increase uptake of ICT by Department customers in particular.

Single Payment Scheme (SPS)

Payments 2010

- 2010 advance payments began in October 2010 and amounted to €555 million in total by the end of November. By year end, 121,207 SPS applicants had their payments processed and a total of €1.14B had been paid to these applicants.

SPS- iNet

- The number of SPS applications filed through SPS-iNet in 2010 increased by 27% to 43,590 representing 36% of all applications.

LPIS Commonage Review

- There were around 7,000 commonages declared under SPS for a total of 345,000 ha. All, bar 60 commonages with legal or other complexities, were fully reviewed by the digitisers, inspectors and processing teams in 2010. This accounts for over 99% of all commonages. IT functionality was developed to automatically calculate the adjustments to the entitlements of over 80% of commonage applicants, the remainder required some manual intervention.

Processing 2011

- Work commenced in Q4 2010 on the changes to application forms and validation for the 2011 scheme year. This functionality will be implemented in 2011 ensuring that preprinted forms and SPS iNet are available to all potential applicants.

Customer Snapshot Application (CSA)

As part of the reorganisation of our Local Office structure, a Customer Snapshot Application was created and introduced in Q1 2010. This application gives frontline staff the current status of a customer's dealings across the main areas of the Department. The system provides staff members with sufficient information to effectively deal with the majority of enquiries at the first point of contact. In addition, details can be recorded of all interactions between staff and customers and an issue management system has been introduced in tandem with the CSA to manage queries requiring follow up.

Agri Environment Options Scheme (AEOS) and Targeted Agricultural Modernisation Scheme (TAMS)

During 2010 the Department commenced the development of a computerised solution for the new agri-measure investment schemes AEOS & TAMS. The Department's existing Generic Claims Processing System (GCPS) and Agriculture Field Inspection & Testing (AFIT) systems were also successfully extended to cater for the new agri-measure investment schemes. To date the following functionality has been delivered:

TAMS

Phase 1 (Date Capture for Pig/Poultry) is complete. Functionality for Pigs & Poultry to support eligibility/costings/calculations and selection went live November 2010.

The system for Sheep Fencing data capture went to User Acceptance Testing in 2010 and development work is continuing on validations, calculations and selection.

AEOS

Application acknowledgement and data capture was delivered in June 2010. Functionality to carry out pre approval validations, environmental profiling and selection went live in September 2010. The pre approval validations and selection for Natura applications went live in October.

Development work commenced in 2010 for Parcel Linking. Requirements gathering, design and development of the Pre Payment Validations and Baseline Letters has also commenced.

Agriculture Field & Inspection Testing (AFIT)

The Department's AFIT system was successfully extended in 2010 to cater for:

SPS / Cross Compliance:

- New Repeatability Penalty calculations
- Early delivery of Local Authority Nitrates Inspections
- Introduction of new and enhanced Formal Notification letters
- Introduction of New Grassland Sheep data capture screen

VPHIS: Five factories are now using the system. New reporting module and Animal Welfare functionality has also been provided.

DVO: There are now up to 65 different inspection functions live in the DVO/ Medicines module within AFIT. Transport inspections have been added. A module to provide in-depth reporting has been developed and is up and running. Redevelopment has taken place to allow for cross reporting to SPS non-compliance cases.

REPS: 2010 functionality fully provided. AFIT now provides full tracking of Inspection, Reporting, Data Capture of results and Penalty Calculation. Derogation and OFS (Organic Farming Scheme) cases have also been included.

RDP: Development on functionality began in 2010 for AEOS and TAMS (Pigs/Poultry/Sheep Handling) which provides Scheduling and Management of Inspection, Data Pack for Inspection and Data Capture and Penalty Calculation following Inspection.

The Integrated Forestry Information System (IFORIS)

Two software releases were implemented in 2010. The first release included the functionality to facilitate the change to pay Forest Roads Grants in 2 instalments and to introduce a payment approval process. The latter release included a change to the financial approval process and the addition of access to REPS data for FEPS contracts.

Animal Health Computer System (AHCS) and AIM (Animal Identification and Movement system)

The Department, during 2010, continued the development of its Animal Health Computer System (AHCS) to support a range of animal health programmes. A number of modules were enhanced to ensure that an updated system will be integrated with the Animal Identification and Movement (AIM) and the Agriculture Field Inspection and Testing (AFIT) systems. Changes effected included the following:

- Changes to Brucellosis testing functionality (test scheduling, etc.) following Ireland's attainment of Brucellosis free status;
- Completed changes to support the implementation of the Local Office re-organisation plan;
- Completed implementation of rules relating to the testing of animals presented for slaughter to comply with Food Hygiene regulations;
- Facilitated the introduction of new Electronic Identification tag format for Ovine and Caprine species;
- Implemented optimisations to leverage the new features and facilities provided by an upgrade to the Departments databases;
- Provided large volumes of varying types of data in 2010 to assist with the EC financial and Food and Veterinary Office (FVO) audits.

Animal Identification Movement (AIM)

The following functionality was delivered during 2010:

- Cattle - Compliance Certificates (including rules and links to disease test data, mart/Private Veterinary Practitioners (PVP) access etc.)

- Cattle - Agency Movement Processing
- Cattle - Transfer of remaining facilities on the legacy system: CMMS to AIM (shut down of CMMS)
- Sheep Export Movements
- New AIM Menu Structure
- Online Cattle Herd register:- Blue Book
- Revised Online Calf Registration Facilities

Online Services

Over 12,500 herd keepers registered calves electronically in 2010 (10,000 using Departments online facilities and 2500 using Farm Management Packages). Over 500,000 calves (circa 25%) were registered online this year.

Since July 2010, Herd Keepers can sign up to use AIM as their electronic bovine herd register and circa 5,000 keepers have availed of this facility and over 10,400 compliance certificate applications have been processed online by keepers. This new online facility, which was previously carried out by an external company, will result in savings in agency fees of €60-80k approx. per annum. Keepers can also process and print their own compliance certificates online, which are required for farm and feedlot movements. Marts, PVPs and DVOs are also now able to process / print these certificates on behalf of the keeper.

Fisheries Electronic Recording System (ERS)

There are four separate elements within the ERS project. The end of year status of each was: -

- **On-Board system.** This Data Entry Device (DED) which passes data between the vessel and the hub, has been completed by external contractors for the Sea Fisheries Protection Agency (SFPA). The DAFF element of this comprises of a DED webservice and changes to the central hub to cater for the webservice. The first release of this central element was completed in March 2010. A new release of the hub software/database to cater for enhancements to the March 2010 DED functionality was delivered in December.
- **Other Member States (OMS).** The OMS element of the system, for interaction between Ireland and the other member states, has successfully completed testing and was delivered in December. This comprises of an OMS webservice and changes to the central hub to cater for the Web Service.
- **Norway & EU.** The element of the system for interacting with Norway and the EU has completed system testing and started User Acceptance Testing (UAT) in the week starting 6th December 2010. This comprises of a Norway & EU Web Service and changes to the central hub to cater for the Web Service. Based on SFPA plans, this is expected to be fully UAT and available to go Live in Q1 2011.
- **Inspectors Data Capture Device (DCD).** Inspectors Data Capture Device (DCD). This is a DCD for the SFPA and Naval Services inspectorate and it is currently in an advance stage of development by external contractors for the SFPA. It is due for completion early in 2011. The DAFF element of this comprises of a DCD webservice and changes to the central hub to cater for the Web Service. Development was ongoing during 2010 and is planned to be in place by January 2011.

APPENDIX A

STATE BODIES UNDER THE AEGIS OF THE DEPARTMENT

Teagasc, Agriculture and Food Development Authority

Oak Park, Carlow

Tel. 059 9170200

Website: www.teagasc.ie

Teagasc provides integrated research, advisory and training services to the agriculture and food industry and rural communities. It was established under the Agriculture (Research, Training and Advice) Act, 1988. Its mission is to support science-based innovation in the agri-food sector and wider bio-economy so as to underpin profitability, competitiveness and sustainability. At end 2010, it employed over 1,300 staff in 70 locations throughout Ireland.

It is governed by an eleven-member authority. The chair and five ordinary members are appointed by the Minister for Agriculture, Fisheries and Food; remaining members are appointed by the Minister following nominations from designated organisations.

Bord Bia

Clanwilliam Court, Lower Mount Street, Dublin 2

Tel: 01 6685155

Website: www.bordbia.ie

Bord Bia, the Irish Food Board, has responsibility for the market development and promotion of Irish food and horticulture including amenity horticulture at home and abroad and champions the success of the Irish food and horticultural sectors through delivery of effective and innovative market development, promotion and information services to secure new business for clients. It operates quality assurance schemes for beef, pork and bacon, horticultural and egg products. Its trade brand Ireland the Food Island is used to support the marketing activities of all sectors and products. Bord Bia has a network of international offices in Amsterdam, Chicago, Frankfurt, London, Madrid, Milan, Moscow Paris and Shanghai.

Horse Racing Ireland

Ballymany, The Curragh, Co Kildare

Tel: 045-455455

Fax: 045-455456/455604

Website: www.goracing.ie

Horse Racing Ireland (HRI) is a commercial state body, established under the Horse and Greyhound Racing Act 2001. Horse Racing Ireland is the national authority for horse racing in Ireland. Horse Racing Ireland is responsible for the overall administration, promotion and development of the industry.

Bord na gCon

104 Henry Street, Limerick

Tel: 061-316788

Fax: 061-316739

Website: www.igb.ie

Bord na gCon is a commercial state body, established under the Greyhound Industry Act, 1958, chiefly to control greyhound racing and to improve and develop the greyhound industry. Bord na gCon regulates all aspects of greyhound racing in the Republic of Ireland including the licensing of the different tracks, the issuing of permits to officials, bookmakers, trainers and the implementation of the rules of racing.

National Milk Agency

IPC House, Shelbourne Road, Dublin 4

Tel: 01 6603396;

Website: www.nationalmilkagency.ie

The National Milk Agency was established in 1994 under the Milk (Regulation of Supply) Act, 1994 and is responsible for the regulation of the supply of milk for liquid consumption throughout the State. It is funded by means of a statutory levy on milk used for liquid consumption.

The chairman of the Agency is appointed by the Minister for Agriculture, Fisheries and Food. Five members of the Agency are directly elected by registered producers while the other members are appointed by the Minister following nominations from designated organisations.

Coillte Teoranta

The Irish Forestry Board, Newtownmountkennedy, Co Wicklow.

Tel: 01 2011111

Website: www.coillte.ie

Coillte Teoranta is a private limited company, which operates in forestry and related activities on a commercial basis. The company is co-owned by the Minister for Finance and the Minister for Agriculture, Fisheries and Food. The company was established under the Forestry Act, 1988 which sets out its objectives and duties.

Veterinary Council of Ireland

53 Lansdowne Road, Ballsbridge. Dublin 4.

Tel (01) 6684402

Website: www.vci.ie

The Veterinary Council of Ireland which regulates the practice of veterinary medicine was established on the 1 January 2006 under Section 11 of the Veterinary Practice Act 2005. The Veterinary Council of Ireland has 19 members which reflects interests such as education, animal welfare, consumers and food safety and a balance as between veterinarians and others.

Bord Iascaigh Mhara

Crofton Road, Dun Laoghaire, Co. Dublin

Tel: 01 2144 100

Website: www.bim.ie

Bord Iascaigh Mhara (BIM), the Irish Sea Fisheries Board, is the Irish State agency with responsibility for developing sustainable Irish Sea Fishing and Aquaculture industries. BIM was established under the Sea Fisheries Act 1952. BIM provides a range of services including advisory, financial, technical, marketing and training supports to all sectors of the Irish seafood industry. BIM's primary objective is to expand the volume, quality and value of output from the seafish and aquaculture sectors by focusing on the opportunities for growth in these sectors. BIM has a network of international offices in Paris, Madrid and Dusseldorf.

Marine Institute

Rinville, Oranmore, Co. Galway

Tel. 091 387 200

Website: www.marine.ie

The Marine Institute (MI) is the national agency with responsibility for Marine Research, Technology Development and Innovation (RTDI). The Institute was established under the 1991 Marine Institute Act. The role of the MI is to promote the sustainable development of marine industry through strategic funding programmes and essential scientific services that safeguard the marine environment through research and environmental monitoring. The Institute undertakes and co-ordinates marine research and development that has the potential to promote economic development, create employment and protect the marine environment.

The Sea-Fisheries Protection Authority (SFPA)

West Cork Technology Park

Clonakilty

Co. Cork

Tel: 023 59300

Fax: 023 59720

Website: www.sfpa.ie

The SFPA is the statutory authority responsible for the enforcement of sea-fisheries protection and seafood safety legislation in the Republic of Ireland and throughout Ireland's exclusive fishing limits. It was established under the Sea-Fisheries and Maritime Jurisdiction Act 2006 and employs 107 staff. The Authority was established on the 1st of January, 2007 and its principal responsibilities are to enforce Sea Fisheries Conservation legislation and Seafood Safety legislation fairly and consistently and to ensure that the marine fish and shellfish resources from the waters around Ireland are exploited sustainably and may be consumed safely for the long term benefit of all.

APPENDIX B - 2010 FINANCIAL STATEMENTS**Vote 31: Agriculture, Fisheries and Food 2010**

| Administration | | € m |
|--|--|---------------|
| | | 243.84 |
| A1 | Salaries Wages and Allowances | 194.8 |
| A2 | Travel and Subsistence | 8.31 |
| A3 | Incidental Expenses | 5.77 |
| A4 | Postal and Telecommunications | 5.09 |
| A5 | Office Machinery | 17.47 |
| A6 | Office Premises Expenses | 6.31 |
| A7 | Consultancy Services | 0.01 |
| A8 | Supplementary Measures to protect the Financial Interests of the EU | 0.57 |
| A9 | Laboratory Equipment | 5.43 |
| A10 | Information Society | 0.09 |
| Other Services | | |
| Education, Training and Research | | 173.85 |
| B | Research and Testing | 35.46 |
| K | Teagasc Grant in Aid | 114.17 |
| M | Marine Insititute Grant in Aid | 24.23 |
| Food Safety, Public Health, Animal Health & Welfare etc | | 143.72 |
| C | Bovine Tuberculosis and Brucellosis Eradication | 40.46 |
| C | BSE | 5.88 |
| C | Meat Inspection | 20.51 |
| C | Fallen Animals | 8.40 |
| C | Animal Welfare | 3.73 |
| C | Integrated animal movement and monitoring system (including National Beef Assurance Scheme) | 6.34 |
| C | Pork & Bovine Dioxin | 16.12 |
| C | Suckler Cow | 32.99 |
| C | Other | 9.29 |
| Market Supports Operational Controls | | 13.11 |

| | | |
|----------|---|---------------|
| D | Financing of the Common Agricultural Policy | 3.56 |
| D | Clearance of Accounts | 0.65 |
| D | Integrated Administration & Control System | 5.60 |
| D | School Milk Scheme | 0.75 |
| D | Other | 2.56 |
| E | Income Support in Disadvantaged Areas | 208.19 |
| F | Rural Environment Protection Scheme | 323.80 |
| G | Land Mobility | 35.16 |
| G | Early Retirement Scheme | 32.63 |
| G | Young Farmers Installation Aid | 2.52 |
| H | Development of Agriculture | 341.59 |
| H | Farm Improvement Scheme | 12.40 |
| H | Farm Waste Management Scheme | 298.15 |
| H | Marketing & Processing Scheme | 23.24 |
| H | Dairy Hygiene Scheme | 0.38 |
| H | Horticulture, Potatoes, Alternative & Organic Farming | 3.73 |
| H | Livestock and Equine Breeding Schemes | 2.61 |
| H | Animal Welfare | 0.68 |
| H | Other | 0.40 |
| I | Forestry & Bio Fuels | 120.61 |
| | Fisheries Sector | 40.68 |
| J | Fisheries Harbours Development | 8.67 |
| J | Fish Processing & Aquaculture Development | 2.95 |
| N | Bord Iascaigh Mhara | 17.43 |
| J | Sea Fisheries Protection Authority | 11.32 |
| J | Aquaculture Licences Appeals Board | 0.32 |
| L | Bord Bia Grant in Aid | 28.49 |
| P | Food Aid | 9.96 |
| | Other Expenditure | 47.98 |
| Q | Food & Horticultural Promotion, Quality Assurance | 6.60 |
| Q | Miscellaneous Pensions | 2.50 |
| Q | International Co operation | 2.83 |
| Q | Legal and related costs | 3.33 |
| R | Horse & Greyhounds | 26.48 |
| Q | Other | 6.24 |
| | Total Gross Voted Expenditure | 1,730 |

| | |
|---|------------------|
| Appropriations in Aid | 408.140 |
| S.1 <i>Recoupment of Salaries</i> | -0.997 |
| S.2 <i>Forfeited deposits and securities under EC intervention, export refunds etc. arrangements</i> | -0.793 |
| S.3 <i>Refunds from fees for veterinary inspections services at poultry plants and meat inspection fees</i> | -13.968 |
| S.4 <i>Receipts from veterinary inspection fees for live exports</i> | -1.626 |
| S.5 <i>Receipts from fees for dairy premises inspection services</i> | -4.732 |
| S.6 <i>Receipts from sale of vaccines, livestock, farm produce etc</i> | -1.076 |
| S.7 <i>Receipts from seed testing fees, certification fees, Licensing fees, pesticides registration etc.</i> | -1.702 |
| S.8 <i>Receipts from licences and from sale and leasing of livestock etc. (Subhead C1)</i> | -0.03 |
| S.9 <i>Receipts from farmer contributions towards the cost of eradicating Bovine Disease (Subhead C2)</i> | -5.243 |
| S.10 <i>Land Commission receipts (Subhead A3)</i> | -0.546 |
| S.11 <i>Other Receipts</i> | -0.328 |
| EU Co Funding transfers | |
| S.12 <i>Market Intervention expenses and financing costs for other FEOGA (Guarantee) section measures (Subhead D)</i> | -3.011 |
| S.13 <i>Receipts for Intervention Stock Losses</i> | -1.947 |
| S.14 <i>National Development Plan - Guarantee Receipts (Subhead E, F, G, I)</i> | -323.771 |
| S.15 <i>Veterinary Fund Receipts (Subhead C)</i> | -6.424 |
| S.16 <i>Other Guarantee Receipts from EU (Agriculture)Subhead C)</i> | -18.801 |
| S.17 <i>Other Guarantee Receipts from EU (EAGGF – Fisheries)</i> | -0.617 |
| S.18 <i>NDP - Structural Receipts</i> | 0 |
| Fisheries related receipts | |
| S.19 <i>Fines, Forfeitures for fishery offences</i> | -0.160 |
| S.20 <i>Foreshore Acts / State Property Act</i> | -1.666 |
| S.21 <i>EU recoupment for fisheries conservation etc</i> | 0 |
| S.22 <i>Aquaculture Licence Fees</i> | -0.285 |
| S.23 <i>EU co funding for aquaculture development</i> | -2.526 |
| S.24 <i>EU cop funding for fisheries development</i> | 0 |
| S.25 <i>Pension Levy</i> | -17.918 |
| Net Expenditure | 1,529.702 |

EAGF GUARANTEE Expenditure 2010

The following Table shows the payments made in Ireland from the Guarantee section of the EAGF Fund during the 2010 financial year. It also shows the charges collected and paid into the Fund.

| | € |
|--|------------------------|
| Arable Crops | |
| Export Refunds | 0 |
| Production Aids | 0 |
| Intervention Costs (Cereals) | 0 |
| Dehydrated Fodder | 0 |
| Arable Crops -Area Aid | 215,682 |
| Total | 215,682 |
| Sugar | |
| Export Refunds | 0 |
| Sugar Restructuring | 190,291 |
| Intervention Costs (Sugar) | 416,434 |
| Reimbursement for Storage | |
| Refunds for Sugar used in Chemical Industry | 0 |
| Total | 606,725 |
| Fruit and Vegetables & Other Sectors | |
| Export Refunds | 0 |
| Aid for Grass Seed Production | 0 |
| Aid for Hops | 0 |
| Producer Organisations | 5,785,391 |
| Total | 5,785,391 |
| Dairy Products | |
| Export Refunds (including Food Aid) | 1,805,530 |
| Aid for Skim Milk Powder for Animal Feed | |
| Aid for Liquid Skim Milk for Animal Feed | 0 |
| Aid for Casein | 0 |
| Additional Payment to Milk Producers | 0 |
| Intervention Costs (Skim Milk Powder and Butter) | (17,433,824) |
| Private Storage | 1,872,148 |
| Measures to Reduce Butter Fat Surplus | 114,377 |
| Milk Super Levy | (7,397) |
| Reimbursement of Super Levy | |
| Promotion Measures | 100,710 |
| Aid for Supply of School Milk | 994,557 |
| Total | (12,553,899.27) |
| Beef and Veal | |
| Export Refunds | 563,496 |
| Live Animal Export Refunds | 0 |
| Private Storage | |
| Intervention Costs | 0 |

| | |
|--|----------------------|
| Suckler Cow Premium | 43,902 |
| Special Premium | 9,019 |
| Deseasonalisation Premium | 0 |
| Extensification Premium | 19,097 |
| Promotion Measures | 67,712 |
| Slaughter Premium | 8,051 |
| BSE & Slaughter Compensation Measures | 3,791 |
| Total | 715,068 |
| Sheepmeat | |
| Ewe Premium | 7,300 |
| Upland Sheep Scheme | 2,022,935 |
| Total | 2,030,235 |
| Pigmeat | |
| Dioxin | 0 |
| Private Storage | 304,954 |
| Export Refunds | 0 |
| Total | 304,954 |
| Poultry and Eggs | |
| Export Refunds | 0 |
| Egg Promotion measures | 0 |
| Poultry Special Measures | 0 |
| Total | 0 |
| Processed Products | |
| Export Refunds | 6,495,531 |
| Total | 6,495,531 |
| Other Measures | |
| Plant Promotion | 123,861 |
| Bee Keeping Programme | 0 |
| Agri- Monetary Measures | 4,282,611 |
| Total | 4,406,471 |
| Direct Aid | |
| Single Farm Payment | 1,144,928,453 |
| | 1,144,928,453 |
| CAP Rural Development Programme 2000-2006 | |
| Accompanying measures (Rural Environment Protection Scheme (REPS) Early Retirement and Forestry) and Compensatory Allowances | (6,021) |
| Total | (6,021) |
| Other | |
| Recoveries | 5,919,973 |
| Cross Compliance | (2,168,653) |
| Clearance of Accounts by EU | 402,142 |
| Food programme | 0 |
| Total | 4,153,461 |
| Grand Total | 1,157,082,050 |