

DAFM Update on COVID-19 to Beef Taskforce

DAFM are acutely aware of the issues presented to the agri-food sector in the context of the ongoing COVID-19 crisis. Minister Creed and DAFM are working to ensure that business and services to farmers can continue, keeping food and other processing facilities operational, ensuring that payments and commercial activities that are necessary to protect farm incomes can continue.

There are likely to be significant economic impacts for the agri-food sector, arising from reduced demand in key markets around the world. The loss of high value food service customers is already of significant immediate concern.

Following engagement at EU Ministerial level, Minister Creed secured the agreement of every single Member State to support a strong joint approach calling for a common European response to a pan European problem. This joint approach calls for rapid deployment of support measures under the Common Market Organisation Regulation, including Private Storage Aid for dairy and other products, and exceptional aid for beef and sheep farmers. It also focuses on flexibility for basic payments and rural development with earlier payment dates, higher rates of advance payment and flexibilities in relation to on-the-spot controls and administrative checks.

Having secured the support of all EU Member States for this common approach, The Minister and DAFM intend to continue to drive this process with sustained engagement at the highest level with the European Commission. The joint statement of the EU Member States has now been sent directly to the Commissioner and Minister Creed has personally spoken to the Commissioner to emphasise the need for a strong European response. We will continue to pursue this at every opportunity.

There is a whole of government approach being taken to ensure that all businesses, including those in the agri-food sector, get access to suitable supports, and the measures in place are being kept under review.

Minister Creed has ensured that up to €180 million in new lending capacity is available for the agri-food sector: 40% of the €250 million COVID-19 Working Capital Scheme will be available for food businesses. Similarly, 40% of an additional €200 million tranche of the Future Growth Loan Scheme will be ring fenced to provide long-term investment support for farmers, fishers and food businesses.

DAFM continue to liaise with the banks on liquidity for the primary sector, and also want to highlight the availability of working capital assistance to farmers and fishers through Microfinance Ireland's COVID-19 Business Loan. We will continue to keep the finance needs of the whole agri-food sector under review.

Minister Creed has provided for €85 million in targeted supports for beef farmers in Budget 2020. This includes an additional €20 million in funding to expand the BEEP scheme, which was piloted last year. This year's scheme – the Beef Environmental Efficiency Programme (Sucklers), will deliver a maximum payment of €90 per suckler cow for the first 10 cows, and €80/head thereafter up to a maximum of 100head/herd. This extra funding is available to suckler farmers right now. It is a straightforward scheme, which can deliver a significant cash-flow injection, and we would urge you to encourage suckler farmers to apply before the deadline of Friday 15 May. DAFM is assisting farmers in making these applications, and the lo-call helpline 0761 064420 is available for extended hours this week.

Conscious of the cash flow pressures on farms at present, €26m in GLAS payments have been brought forward by a month and these funds were paid recently. Funding for the DAFM Calf Welfare Investment Scheme was increased from €1.5 million to €4 million, to assist farmers with extra calves. A range of practical flexibilities have been introduced in departmental schemes, including, for example, the extension of completion deadlines for TAMS by 3 months, and the submission for Nitrates records to the end of June. DAFM has also worked to ensure that the supply chain continues to function. Critical state services in dairy and meat processing plants continue to function so that farmers have an outlet for their produce, a protocol has been developed for the continued operation of marts, albeit on a limited basis, and the critical certification and other services required to support exports of live animals and products continue to operate.

Following Ireland's efforts in leading an agreed EU-27 statement on the need for further supports, Cion have introduced Aids to Private Storage for Dairy(SMP, Butter, Cheese), Beef and Sheepmeat. Applications for aid may be submitted as of 7 May 2020.

The provision in the regulation with regard to beef is for the entry into storage of separated hindquarters from S, E, U, R or O grade bovines over 8 months. Storage is for a fixed period of 90, 120 or 150 days. Product currently in storage is not eligible. There is no storage limit, but there is a minimum volume of 15 tonnes/Contract. The aid will be provided at a fixed rate of € 1,008 (90 days), € 1,033 (120 days) or € 1,058 (150 days). There is no closing date set in the regulation.

Private Storage Aid (PSA) is a risk management tool / safety net available to EU producers of certain agricultural products under the CMO regulation (1308 / 2013). The aim is to facilitate producers to store the product for a stipulated temporary storage period. It is not possible to project the effect of Private Storage Aid on farm gate prices. In the first instance it is for industry to decide if they wish to place product into storage, then the schemes operates on a first come first served basis across the EU, there is no specific Member State allocation with the exception of cheese, and also a number of factors will determine farm gate price.

The fact that the entire hindquarter (bone-in or deboned) has to be put into storage, rather than individual steak cuts, limits its practical benefit for the Irish beef industry. Nonetheless it is an important market support tool to have available.

DAFM and agencies will continue to monitor the impacts on the agri-food sector as the situation evolves, and to provide appropriate supports to the sector. Senior officials remain in constant contact with stakeholders right across the sector to share information on emerging issues and contingency planning, and we will continue to develop appropriate supports as the situation evolves.