



Grant Thornton

An instinct for growth™

**Grant Thornton
Consulting Limited**
13-18 City Quay
Dublin 2
D02 ED70
Ireland

T +353 (0)1 6805 805
F +353 (0)1 6805 806
E info@ie.gt.com
www.grantthornton.ie

20 April 2020

Dear Michael,

Ref: Beef Transparency Status Update

Further to our recent correspondence, and arising from the decision to postpone the planned Beef Taskforce meeting, please see below an update on each of the three reports commissioned by the Department of Agriculture, Food and the Marine.

The projects have progressed well however; we have encountered some unanticipated challenges which will lead to delays in the delivery of the final reports. These challenges have been further compounded by the reprioritisation of tasks by key stakeholders managing the outbreak of COVID-19 within their respective organisations.

A summary of competition law as it relates to the beef sector

The report is a literature review of the relevant legislation in line with the requirements set out in the request for tender. This report is at an advanced stage and a final draft should be issued shortly.

Key Progress

- The relevant legislation has been identified and reviewed in light of the requirements set out in the Request for Tender;
- Consultations have been held with stakeholders along the supply chain; and
- A draft report is at an advanced stage.

Next Steps

- Final consultations to be conducted; and
- The draft report will go through the appropriate quality assurance processes before being finalised and issued to the Beef Taskforce.

Offices in Dublin, Belfast, Cork,
Galway, Kildare, Limerick and
Longford.

Chartered Accountants
Member of Grant Thornton
International Limited (GTIL).

Company Registration No. 63459
Registered Office: 13-18 City Quay,
Dublin 2.

Directors: A. Burns FCCA, F. Condon FCCA, J. Crawford FCCA, E. Daly ACCA, N. Delaney FCA, P. Dillon FCA, B. Doherty FCA, S. Donovan FCA, S. Duignan, T. Dunne FCA, K. Foley ACA, B.P. Foster FCCA, P. Gallen FCA, J. Glennon FCA, M. Harris, P. Jacobs (New Zealand) CA(NZ) FCCA, D. Kelly FCA, P. McArdle FCA, M. McAteer FCA FCCA, P. McCann FCA, N. Meenan FCA, J. Mulqueen FCA, S. Murray FCCA, M. Neary FCA, J. O'Sullivan FCIS, D. Price, S. Tennant FCCA MABRP, A.J. Thornbury FCA, G. Walsh FCMA

Independent review of market and customer requirements

The report will set out what the current in-spec bonus criteria are, examine what key customer and third country requirements are and assess demand for particular cuts in key markets. In addition to outlining the above the report will set out the alignment between market/customer requirements and the current bonus criteria.

The timeline for the delivery of a comprehensive report into the market and customer requirements is subject to on-going engagement from key stakeholders. Travel restrictions and shifting priorities arising from the outbreak of COVID 19 have delayed the progress of this report. We are continuing to monitor the situation to ensure that stakeholder engagement on the studies can recommence as soon as is practical.

Key Progress

- In depth analysis of existing in spec bonus criteria completed;
- Engagement with key retailer and trade customers ongoing;
- Data, relating to third country requirements has been received and analysed; and
- Draft report is under development.

Next Steps

- Consultations are required with a broader range of stakeholders to ensure that the report reflects a representative sample of the market; and
- Finalise the composition of the final report.

Independent examination of the price composition of the total value of the animal along the supply chain

This report will identify the component parts of the bovine animal. A supply chain map will be developed from farm to final route to market. Price points will be allocated at relevant points along the supply chain. Analysis of the supply chain and the constitution of the final value of the component parts will be undertaken.

In order to maintain the anonymity of stakeholders, certain qualitative information will be presented in a thematic format, whereby only recurring key themes from various consultations will be discussed. Furthermore, there are commercial sensitivities in relation to some of the qualitative data being collected and therefore this may be presented in an aggregated format.

Key Progress

- Component parts of the bovine animal identified;
- Supply chain mapping exercises advancing; and
- Data requests for price points issued to key stakeholders.



Next Steps

- Complete supply chain map through consultation with outstanding stakeholders;
- Ascertain qualitative data to enable relevant analysis;
- Undertake analysis and draw conclusions; and
- Furnish report to the Beef Taskforce.

We are committed to working with all key stakeholders to ensure we can deliver comprehensive reports that address all the requirements outlined in the Request for Tender. I would like to acknowledge and thank the stakeholders who have engaged in this process to date. We will be continuing to engage with selected stakeholders to ascertain outstanding data. Notwithstanding the challenges arising from COVID-19 I would like to ask for continued engagement from key stakeholders to ensure robust reports can be delivered on transparency in the beef sector.

Yours sincerely,

Brendan P. Foster
Director, Grant Thornton Consulting Limited
Head of Advisory