

IRISH RURAL BUSINESS SOLUTIONS

***Food Strategy 2025
Questionnaire
Annex D***

***THE IRISH FIDDLE WHILST THEIR
BEEF PRODUCERS BURN***

written by

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THE IRISH FIDDLE WHILE THEIR BEEF PRODUCERS BURN

Since the author started investigating what is happening in the Irish beef sector he has considered that the crisis has resulted from a failure to understand what is happening in Ireland's primary market, the UK. It shows a failure in the way market information is transmitted between the retail consumer and the farmer. More recently the author has taken a look at the UK supermarket sales. Ideally this would involve visiting stores but for the purposes of this article online is fine as it gives a clear indication of what is happening.

It does not need saying that both the UK and Irish markets are dominated by a few food retailers. Tesco, Lidl and Aldi are common to both. In the UK, Tesco, Sainsbury and Asda are dominant in the fresh meat sector. What is of note is the commonality of their operational practices regardless of national boundaries.

IRISH BEEF IN THE IRISH DOMESTIC FRESH BEEF RETAIL MARKET

In Ireland, what is evident is the rise of Bord Bia's 'Quality'-Assurance label and an emphasis by the retailers on promoting locally-produced Irish fresh meat. As an example just consider Lidl's latest promotional booklet, 'Dig in for local' or Aldi's 'Love Ireland' approach to stocking 100% Irish beef products. Bord Bia's QAS Origin Ireland label and the 100% Irish tricolour are everywhere. Or just take a look at the Tesco Finest range in Ireland; all twenty or so fresh beef products are VERY clearly labelled as being of 'quality-assured', Irish origin. Of forty-five beef products checked in Tesco, forty-four were very clearly of Irish origin. And these are just the pro-Irish activities of the non-Irish, internationally-owned food retailers.

To take the research further, a review of the Irish-based supermarkets' premium fresh beef ranges is interesting. Taking Tesco and Aldi as examples, all the Tesco Finest and Aldi Specially Selected beef products are from Irish Aberdeen Angus cattle. Dunnes likewise. In Lidl one will find 'premium' Irish Hereford beef. Hence, whilst being very active in promoting Irish beef in general, the retailers are promoting the two 'traditional' breeds as the basis of their premium ranges. These are, of course, Angus and Hereford cattle produced under the breed schemes [which allow the inclusion of 50% cross bred cattle sired by Society-registered bulls to be branded as Angus or Hereford]. Both schemes have been successful in that they have won the premium retail fresh-beef trade in Ireland and with it a not insignificant price premium.

The success of the Irish Angus and Hereford brands has effectively taken the premium fresh beef market in Ireland away from the many beef farmers who rear continental-breed cattle. They have also done it whereby the branded Angus and Hereford cattle can be from cows that are of no determined breed. Whether this latter point influences the actual quality of the retailed meat is up to the individual consumer to decide. The consumer can, of course, rely on the fact that the beef is 'Quality-assured' even though the QAS does not relate to on-farm quality-influencing husbandry factors like breed choice and whether they may influence and create variance within the eating quality of the beef. One is, however, reliably informed that the QAS does include important quality-related parameters within the slaughtering and processing environment.

Apparently it appears that people across the spectrum of the Irish beef sector have forgotten the old adage that what is sauce for the goose is sauce for the gander. It is never more true that with the selling of beef in the UK and Ireland. Why has it been overlooked that if the food retailers consider it good practice to offer Irish consumers the chance to buy local, they are just as likely to operate a similar policy in the UK?

IRISH BEEF IN THE UNITED KINGDOM FRESH BEEF RETAIL MARKET

Within the beef sector BSE was a major factor in pushing forward the requirement for traceability within the beef supply chain. BSE was of British origin but it is interesting to note that 25 years or so later the British beef industry has managed to regenerate itself to the point that consumer demand is first and foremost for British beef. The recent horsemeat scandal only reinforced this further. A rise in consumer awareness about buying local is another reason why British-origin has become of great importance to UK food retailers.

The author recently catalogued over 240 fresh beef products on offer in the UK at Aldi, Asda, Lidl, Morrison's, Sainsbury's, Tesco and Waitrose. It was a very revealing exercise. The author was aware of many of the trends but even so the extent to which British has come to dominate the fresh beef sector was a surprise. Of the seven retailers, there is only place for fresh Irish beef on the shelves of Asda, Sainsbury's and Tesco. Even then they, along with the others, only sell British on their fresh meat counters.

Of the 214 non-organic products checked only two were classified [as decided by the author] as possibly being of Irish origin and falling within the quality categories. In other words, virtually all of the retailers' own premium branded products were of British origin. Within the UK-based retailers, the term quality beef is now synonymous with the term 'British beef'. It is the same in Ireland where quality means Irish beef.

Has the arrival of the 'discounters' Lidl and Aldi in the UK led to a price-driven reversal of the British-only fresh-beef situation? Apparently not as they are both very focused on providing their customers with locally-sourced British beef. Aldi even clearly states on its website that its fresh beef is 'Red Tractor' assured.

Just what Irish fresh beef products did the author find listed on the online shelves of the UK food retailers?

As stated, Waitrose, Morrison's, Aldi and Lidl all have a British-only fresh beef policy. That leaves Asda, Sainsbury and Tesco; albeit that these three account for the major share of the UK market. As stated 'Irish' is excluded from all the retailers' own premium ranges, thus leaving a situation where of the products surveyed only 18% may possibly be of Irish origin. The extraordinary finding was that of nearly 250 products only one single fresh-beef product was clearly and definitely labelled as being of Irish origin.

Hence, hidden away on Asda's online retail website one can find Asda's Extra Special Irish Aberdeen Angus reduced fat mince. It is labelled as "100% beef, hand selected by expert butchers from our Aberdeen Angus cross, Irish beef". It also makes it into the Asda's premium label, Extra Special range.

Further, when it comes to buying the higher value cuts of beef the three retailers [who maintain the option of stocking Irish beef] believe that their customers then only wish buy British beef. Of fifty-five products that were either fillet, ribeye, rump or sirloin steak only three could have been of Irish origin.

Interestingly, the three steaks were in Sainsbury's and not in Tesco where there is a more clearly defined link to the beef sold being quality assured. Hence, can one conclude that even if your cattle are sold in Ireland as Quality Assured they still cannot make it into Tesco's own premium brand product range or even the higher-value end of their standard product range? It appears that by the time it reaches the UK retail shelves, the Irish farmer's Quality Assured Irish beef is only suitable for mince, diced beef, stir-fry beef, standard burgers, meatballs and roasting joints. It is a tragic state of affairs for the premium-beef-producing, Irish farmer.

WHAT IS THE FINAL MARKET DESTINATION FOR PRIME IRISH BEEF?

Is it, therefore, fair to say that 'marginalized' is an appropriate term to use with respect to Irish beef in the UK fresh meat market? And, if so, how far will this marginalization go? Is Irish beef now only a back stop to cover for supply shortfalls from the United Kingdom's own beef producers?

From the perspective of Ireland's suckler herd the situation is worse in that Angus and Hereford scheme beef [albeit that they may be 50% dairy-bred crosses] has also taken control of the UK premium retail market segment. Should this not have been the natural market territory for [properly defined] grass-fed, suckler-reared Irish beef cattle? Highland and Welsh Black is also creating a niche premium market.

This leaves one with a question over exactly what is the final destination for Irish prime, suckler-reared, mainly grass-fed, continental-breed beef cattle in the UK. The author would recommend that the farmers themselves demand that they are the recipients of some reversed traceability information so that they have a clear idea going into the long-term of what their final market is. They would then be able to make more informed decisions about what they produce, how they do it and the potential returns from so doing.

If farm-gate prices are linked to the achievement of premium prices at the retail level, the position for Irish farmers is indeed a very sorry one. If Irish beef simply cannot access the premium segments of the UK retail market, just what is the likely impact on the price that can be paid at the farm gate in Ireland? I imagine that the processors will argue that they are trying to innovate to add value to compensate for what is happening in the UK, fresh meat, retail market but can the meat-as-an-ingredient market offer a level of returns that can, in turn, provide a premium price to the smaller-scale farmer for his or her premium beef cattle?

The author would like the opportunity to investigate all aspects of the supply chain but at times he wonders if the processing side is just a high-volume, low-margin business. Is it a profitable business only when it is operating at scale? If so, just how much margin per carcass is there that can be given to their suppliers to enhance farm incomes? It may well be the case that they are, de facto, already operating in a situation whereby they have to rely on CAP farm payments and off-farm incomes to subsidize their raw materials suppliers. The supply-chain situation needs investigating for the sake of transparency and to ensure that the crisis can be resolved by focusing on the right issues and not just the farming industry's hoary old chestnuts.

THE PRICE DIFFERENTIAL BETWEEN SIMILAR IRISH AND BRITISH BEEF

Is it therefore a fair conclusion to reach that the much-talked-about, price-paid differential between similar, as-they-enter-the-factory, cattle in the UK and Ireland is linked to major changes in the UK retail market? British beef is promoted and sold in the same way in the UK as Irish beef is sold in Ireland. The problem is that Ireland's domestic market is relatively small in comparison to its UK export market. For all the retailers' talk of 'We support Irish producers' in Ireland, their same British-first policy in the UK is crucifying the Irish beef farmer. Sadly for the Irish there is little that can be done about this and generically promoting Irish will not help a jot. It is back to the drawing board and time to rethink what Irish beef is all about.

As a consequence of the nationalistic, 'local' approach to retailing, two beasts may be identical in every respect but the one of Irish origin is excluded from some UK retailers altogether and the quality segments of most others. In such a situation a price differential should be expected. In the future, there will be circumstances when supplies are tight and Asda, Sainsbury and Tesco may make use of more Irish beef within their standard and budget ranges [and

this may translate through to better prices] but so long as British beef is available in sufficient quantities, there is little reason for the price differential not to continue.

It is also thought-provoking again to note some observations made by Robert Foster in his Beef Industry Newsletter [itself has to be a stimulating source of information for anyone in the Irish beef industry emanating as it does from their primary UK market]. In his current issue he mentions “the six month long processor-retailer led drive for more feeder focus on carcass specification, and more deliveries of evenly drawn cattle”. From the processors perspective this is apparently about improving efficiency within their processing and selling activities. Further, it appears, that the UK-based processors are happy to see the retailers sell more British beef and import less Irish beef as it enables them to increase throughput and efficiency and reduce costs per head processed in their UK plants. In addition to volume, carcass consistency is key and, therefore, cattle meeting yet tighter specifications are being demanded. In theory the suggestion is that better plant efficiency should then translate through to better [UK] cattle prices.

The above is about the efficiency of the UK-based processing factories [in part by increasing sales of British beef through UK retailers at the expense of Irish imports]. Why then is there the need to ratchet up the specifications required for Irish cattle processed in Ireland? One can speculate on a number of reasons.

First, retail sales practices across the Irish Sea are similar so one can expect the retailers to standardise how they package and present their beef to all their customers. Second, those retailers who still maintain an Irish supply option would want to be able to easily substitute Irish beef for British beef when the latter is not available. Third, there is common ownership to many processing plants in Ireland and the UK so the ‘enforcement’ of the Irish ‘back-stop’ option is likely. Irish-based processors have to operate to the same specification as their UK counterparts and, consequently, also demand of their Irish raw material suppliers the same specifications even though their Irish-sources beef may only end up in the premium market segment in Ireland. In the UK the same destinations are not available and Irish beef can only enter the lower segments in the much larger UK market. Hence, the processors want beef supplied to the same physical specifications even though they are unable to sell the beef into the same premium outlets in the UK market. Is it, therefore, logical to expect the processors to want to pay the same price in Ireland and the UK?

HAS BEING QUALITY ASSURED HELPED IRISH BEEF IN THE UK MARKET?

At a time when so much of Irish beef finds its way to the UK, just how much has been done to react to the changes in the UK beef market? At the same time just how much has been spent on promoting Irish beef to its ‘captive’ home market? Just what has been the benefit to the Irish farmers of money spent on increasing self-sufficiency in the home market? If it has risen from say 80 to 85% that movement relates to 0.5% of total Irish beef production [assuming that the domestic market accounts for 10% of Irish beef production]. It would be interesting to see a cost-benefit analysis of promoting Irish beef to the Irish in Ireland?

A part of this cost would relate to the Bord Bia Quality Assurance Scheme. The author has previously called the QAS as being no more than a market entry ticket and a look at the UK retailers websites suggests that it is little more than a market entry ticket to sell to Tesco [albeit Tesco has about a 30% market share], Sainsbury and Asda [although the latter two make less mention of farm assured on their product details]. Ignoring any cost-benefit analysis relating to the Irish market, the QAS is only of real relevance when it comes to gaining market access to the average and lower ends of Tesco’s fresh-beef shelf space.

To quote from the small print about one of Tesco's beef products that may come from Ireland; 'our beef is produced from cattle raised on quality assured farms in Britain and Ireland'. That is as far as it goes. As in Ireland with Irish beef, Tesco's Finest range are most likely to be from British [Red Tractor] assured farms.

This raise and important issue with the broad [c. 90% of farms are assured] use of the term 'Quality Assured' in Ireland for what is [at the farm level] only a farm assurance scheme. It has raised the expectation that a premium should be paid by the processors for QAS animals. The reality is, however, that the animals may well be destined for a retail market where their products simply cannot achieve a place within the quality categories. If the final consumer will not [or cannot] pay a premium for 'quality'-assured Irish beef because it is not being sold within the retailers' quality categories, just how can a premium be transmitted down the supply chain and paid to the farmer? Hence, has the use of 'Quality' misled the Irish beef farmer?

TALKING DOWN THE MARKET OR HIGHLIGHTING THE MARKET REALITY

Much has been made in the press about the buying practices of the supermarkets. In Ireland it is difficult to see which is public enemy number one, the supermarkets or the processors. It is probably the latter as it is they that the farmers sell to within an out-of-balance trading relationship and whose specifications the farmers have to meet. The processors themselves will argue that they are also in an equally difficult situation in that they are selling fresh beef to only three UK retailers. Certainly, the author has read that the Scottish NFU was saying that the major retailers have the processors in a stranglehold to the extent that the processors in the UK [who are by and large the same as in Ireland] could not develop new export markets because they were so constrained by the supply demands placed upon them by of their retailer customers.

The author has been in Ireland long enough to imagine the reaction to what has already been written within this article. Firstly, it will be that its content is 'talking the market down'. A common reaction to anything that is not 'talking the markets up' is to condemn the writer as being unsupportive of the industry. Far from it, what should be condemned are those who prefer 'hype' over factual content. The first part of this article is about analysing what is happening in the retail markets for Irish beef. It is factually based and it should be nothing new to an informed Irish beef producer. If it is, the ire of the farming industry should not be focused upon the messenger but upon those who should have been keeping the Irish farmer informed.

Secondly, one can hear the criticism for not directly accusing the processors of skulduggery and profiteering. That is simply not a judgement for the author to make and it is certainly one that could only be based upon far more factual evidence than the author has access to. It is most likely that the processors, as private companies are working on their own agenda and it is one that places their interests first. Whether this approach will serve them best in the long-term is difficult to say. They just may not be prioritising the welfare of their raw material suppliers sufficiently at times when both they and the farmers are working within a difficult trading environment. Any intensifying UK retail trade war is unlikely to help.

It was only on the 24th that the author reading Robert Forster's Beef Industry Newsletter and taking note of an article within it. Its title was "Impact of UK beef cattle procurement developments still to be appreciated by farmers in RoI". It includes the telling quote [about the blockade of processors] that "the IFA is saying that prices in the RoI must move upwards to meet those offered in the UK but appears to be unaware of recent retail procurement developments within the UK itself". A single sentence that rather reinforces the author's earlier comments about the poor market information transfer that seems to be prevalent within the Irish beef industry. There has been major changes within the final market that Irish beef is destined for and those changes appear to have gone unaccounted for and, at least at the farm level, gone unreacted to.

In essence, the Irish beef farmer has lost access to significant players within the UK retail market and the important premium market segments across the board. Irish beef has lost out to British-origin beef per se. Ireland has reacted to the extent that it has a nationally-rolled out farm/quality assurance schemes but even then the QA scheme is at least mimicked by the Red Tractor scheme. It has also lost out to the British regional schemes that promote Welsh, Scotch and West Country because they are just 'British'. The author has not conducted specific research into the issue, but he suspects that the three regional British schemes also have greater farming systems depth to their qualification parameters than the Irish QA scheme.

THE 'RENATIONALISATION' OF THE BRITISH RETAIL FRESH BEEF MARKET

It was interesting to read in the press very recently the term 'renationalisation of the British beef industry'. It is now being cited as the processors latest explanation of the cause behind price differential between British and Irish beef. It is probably an apt expression. The phenomena has, nevertheless, not been going on overnight. It has been happening over a period of years but accelerated recently. It appears that the arrival of the 'discounters' has only strengthened the trend. What one should be asking is whether those within the supply-chain for Irish beef have taken the appropriate actions to meet changes within the market. Indeed, why have the processors not been flagging up this very important market issue a long while ago?

Surely the processors are close enough to the market to know what is happening. Is it a case that they have been adjusting their business models accordingly and trying to maintain their margins whilst seeing no great urgency to inform their raw material suppliers? Is it just preferable to keep their supply base focused on producing more cheap beef? An approach in which they have been ably assisted by the advisory services and some technical support programmes. One could also add that with a market adjustment that is as significant as the 'renationalisation of the British beef industry', why was the government's food marketing agency not shouting the fact from the roof tops? Somewhere there has been a major market information transfer failure and this has left the Irish beef farmer without access to important market knowledge.

DOES IRELAND HAVE THE BEEF PRODUCTS TO REACT TO UK MARKET CHANGE?

One clear observation to be made based upon this research is that Ireland has very few products that are clearly identifiable as Irish in the UK supermarkets [beyond a handful of major brands]. It is not simply a case of not having 'branded' or 'marketed' the products well; they just do not exist. Irish farmers often produce premium-quality beef [not all of it is because of the presence of the dairy sector] but at this point of time, only one premium-quality fresh meat product makes it onto the UK retail shelves. As the UK retail market has moved towards a greater preference for British beef, just what has Ireland been able to react with? Just where are the differentiated, premium-quality beef products that are traceable back to Irish farms that use farming systems that create premium-quality products? Just where are the products that have multiple characteristics that appeal to discerning and aware consumers in such a way that they say "Buy Me, I am not British but I have such unique values that you should overlook my Irish origin". Nowhere is the answer.

One constantly reads the word 'innovation' with respect to the Irish agri-food sector. Innovation apparently happens inside the processing factory [be it for meat or milk]. Innovation, however, needs to happen on the farm in terms of creating farming systems that can deliver the less-processed products that high-end, 'aware' consumers want. To be frank, they are also what many Irish farmers are well placed to produce. Instead, the focus is on treating Irish farm produce as a raw material for processing into products within the factory environment and in many ways,

the Irish agri-food sector has been successful at innovating at the processing stage. The problem is that innovation is a treadmill and it is always about staying ahead of the game. As soon as others catch up [as they inevitably do] it becomes about cost. For a private sector processor it is then about sourcing competitively priced raw materials. It is about cheap, 'economy-of-scale' raw materials and that is not where Irish farming has a competitive advantage.

It is a flawed approach for Ireland as it does not have a raw material supply base suited to such a direction. For the very many Irish farmers who cannot fit into a tightly constrained processor and retailer specification system due to scale, available managerial time and/or investment capital an alternative is needed. No amount of discussion groups or technical production advice will change these fundamentals. For them another solution needs to be found and urgently. It probably lies within the context of producing premium, 'artisan' beef that ticks all of the boxes for the highly issues-aware consumer. But it needs to be developed on a scale that allows large numbers of Ireland's smaller-scale, family-run beef farms to be involved. It may also need the development of new, specific routes to market that lie outside of those focused on scale and dominated by the very few retailers be they in the UK for now [or in the EU further down the road].

It is also interesting to read the calls by the Minister of Agriculture to establish producer groups to redress the balance between the farmer and the processor. Is this based on a complete understanding of the retail markets for fresh beef and the supply-chain margins? It is also suggested that a higher proportion of the retail price needs to be returned to the farmer [is that the average retail price paid for all fresh beef retailed in the UK or is it the average price paid for fresh beef retailed in the UK of Irish origin? One suspects that they are very different figures]. In proposing the creation of producer groups has the Minister arbitrarily decided that there needs to be a transfer of supply-chain profits from the processors to the farmer? Is this really going to greatly improve a situation where the farmer has no other available routes to market? Is it going to help the [whole] Irish beef supply chain to place new premium products in the UK market that are going to be attractive to the UK consumer in what is now a buy local, buy British retail environment?

As far as the creation of producer groups goes the author would suggest that they are a good idea but that they should be created around products and not simply as an attempt to rebalance the trading relationship between the processor and the farmer. There needs to be an improved partnership between processor and farmer and the two need to arrive at a situation where Ireland is producing beef products that have unique selling points that can overcome the nationalistic marketing of beef [albeit in the UK or elsewhere]. It may also just be that alternative supply-chains and routes to market do need to be created and, if so, this is where a socially-owned, producer group structure may make most sense and come into its own.

WHAT IS THE ROOT CAUSE OF THE CURRENT IRISH BEEF CRISIS?

The author's review of the UK market clearly shows the 'renationalisation' of the UK beef market. It is clearly a major reason behind the current Irish beef crisis. It appears that the Irish beef sector [or at least the farmers] were unprepared for the consequences. Hence, is it appropriate to question what Ireland's food marketing agency was doing whilst the market changes evolved? Should they have been more clearly reporting back to the Irish farming community about the happenings in their key market? One would have thought so.

Equally should one be asking about the allocation of Ireland's agri-food marketing resources. It has been recently highlighted that there has been more spent on promoting Irish beef in Germany than in the UK, even though the latter is very much larger in size. One could also bluntly add that this may actually be justified on the grounds of there being no Irish fresh meat products on UK retail shelves to promote!!!

Another question to ask is about relative sales-resource spend in the Irish and UK markets? Clearly a massive effort has been made in Ireland to promote Irish-origin products. The widespread presence of the Bord Bia Quality Assurance logo is testament to this success. However, just how has this translated into maintaining or improving farm incomes? Has too much effort been made on protecting the 'captive' Irish market?

In this day and age, there is value in having a farm assurance scheme but does the QAS do too little to promote product characteristics that are based upon farming production practices that are recognizable-to-the-consumer as creating quality differentials. Just what does 'quality' mean to the target consumer? Is it fulfilled by the likes of organic, Fair Trade and animal welfare as much as the eating characteristics of taste and tenderness? The newly EU-recognized 'West Country' beef and lamb scheme includes a qualification criteria that demands the minimum use of grass and forages in the diet. Does the Irish QA scheme?

The QAS scheme has probably eased market access to the likes of Tesco but one has to ask whether this doing any more than helping remove beef cattle from Irish farms? Is it enhancing prices and farm incomes or just acting as a 'thumb in the dyke' and preventing yet further farm-gate price falls within Ireland?

Ultimately, one has to ask the question whether the creation of the Quality Assurance Scheme in recent years has been a major distraction from monitoring the bigger market picture? Has it been a case of some in Ireland have fiddled whilst Rome burnt? Or in this case it is the Irish beef producers who are burning.

The author has often read about the need to develop the likes of 'Brand Ireland'. Any reader of this article should, by now, be questioning such an approach. The term 'Ireland' is not a big winner in its main UK market. The idea of such a generic approach is also symptomatic of the idea that Ireland has a future in producing 'premiumised' commodities on an agro-industrial scale. It will provide routes to market for a few large and expanding farms but not for rural Ireland's small-scale, often part-time, family-owned farms.

The promotion of the generic is also encompassed within the Origin Green Scheme. It is a focused on supporting the food processing industry with a formalised assurance scheme so they can meet their own sustainability objectives. Both OG and the QAS are first and foremost about processors meeting their due diligence obligations. They are about prioritizing those in the supply chain and making Ireland an attractive source of commodities and processed intermediate products. But how much of this provides a real benefit to the farmer beyond providing a sales outlet? Does the 'assurance' create a premium that can be passed back to the farmer or do the schemes benefit the intermediaries whilst the farmer pays the cost?

Why has so little been said to date about the changes happening in the UK retail markets? Apart from those directly involved in marketing [and by definition market research], should the problems have been identified by others? It was almost certainly spotted by the processors but as private companies answerable to their shareholders, are they obligated to forewarn their supplies of possible consequences? Or do they leave it until it becomes evident that the market changes will translate into a threat to their raw materials supplies?

One did note a farmer writing recently in the press about a visit to the UK and he did make some comments about the UK market. It stood out for its rarity. The author would suggest that when visiting the UK Irish farmers do get into the habit of walking the aisles of the UK supermarkets. Looking for Irish products on the shelves is a sobering exercise, and not just when it comes to looking for Irish beef. Irish farmers need to be asking serious questions of their processors as to why, in what is by far their most important export market, there is such a poor Irish presence.

Having said this, is it the responsibility of the Irish farming community to undertake their own detailed and on-going surveys of the UK market. Maybe they need to?

Should the national advisory service have raised the alarm? One would expect that the answer would be that marketing is not their bailiwick. One could, however, argue that to an extent it should be. If one is advising others on taking a specific course of action, should it not be beholden on the advisor to have investigated all aspects of that decision; be it from a future market [hence output and input] price perspective or from an analysis of the economic consequences of taking a specific action? With so much emphasis being placed on knowledge transfer to beef farmers via discussion groups, surely that starting point is to provide a vision of what the market evolution of the products of the 'improved' beef farming systems is going to be.

On another technically-focused note, surely the first criteria on improving the genetics in the beef herd should be to know what the final market wants? At the moment it appears to be all about cheap raw materials for processing and not about producing a premium-value product that the UK [and most likely the high-end international consumer] actually wants. Ireland needs to set out its stall to be the producer of premium beef, but it first needs to identify exactly what is premium beef in the eyes of the World's top consumers. Ireland needs to develop the beef products for this market before the Scots get there first.

THE IMPORTANCE OF SETTING THE RIGHT STRATEGIC DIRECTION

And finally, why was the 'renationalisation' of the UK beef market not spotted and highlighted when the Food Harvest 2020 strategy was drawn up? The kind of market movement illustrated by the rise of British beef [accompanied by one could add the rise of the traditional Aberdeen Angus and Hereford] is not an overnight wonder; it has evolved over a number of years. Its evolution certainly happened earlier enough to have been spotted as a potential issue when FH2020 was being drawn up. Or was there just too little market [and farm level economic] analysis undertaken prior to the setting of the FH2020 targets? When it came to drafting a national strategy was too much reliance placed on opinion and too little upon research?

The rapid evolution of the current Irish beef crisis at a time when beef prices are coming off a period of highs should be sending out warning signals about the whole strategy of encouraging expansion in farming to feed more raw materials into consolidated processing facilities. With beef the approach has already placed too many eggs in the one route-to-the-UK-market basket. Not only is it unable to deliver the price levels needed by Ireland's small-scale family-farms, it is also unable to offer them support in finding ways to evolve new, more 'artisanal', premium products and to place them in the World's premium markets.

Further, the expand-production-to- feed-raw- materials-into-a-consolidated-processing- sector approach is unlikely to do anything other than put the Irish agri-food industry directly in competition with the World's major volume producers who have true economies of scale. It simply cannot compete 'head-on' with them and if it tries the current beef crisis is likely to be a harbinger of what will happen in other sectors.

As one can see the 'premiumised' commodity route to the UK beef market is not working in as there are no premium Irish fresh beef products in the market and able to compete with the 'we are British' beef products. It will also not lead to the development of the premium beef products that the Irish beef farmers need to enable them to carve out top-of-the-market niches around the World, be they in the USA, China or the Middle East. This is the true lesson of the current beef crisis; that Ireland has to be developing a premium beef product range that can access these premium markets [including those with in the UK].

It should also almost go without saying that these products have to be of a nature whereby a significant proportion of their retail sales value is returned to the primary producer for activities undertaken within the farm gate. These activities are likely to relate to, for example, breed and feeding choices, animal welfare and environmental impact. 'Fair trade' may also come into equation if the products provide social benefits via their support of traditional family farms. The whole will also need to be included within a designated-origin farming [and processing] system that is highly transparent and clearly understood by the issues-aware consumer with disposable income that Ireland needs to access. A holistic marketing approach will then need to be pursued to effectively present the whole story of the product to its potential consumers.

There will of course remain a need for Ireland to process large quantities of fresh beef into the mainstream markets. It is a necessity due to the scale of Ireland's cattle industry. It has, however, become too dominant a route to market and that has been to the detriment of the development of a range of premium products that can support the socially important, small-scale, family-owned, beef-farming sector of Rural Ireland.

Apparently too many have taken their eye off the ball and they have left the farmers too committed to the one route to one major market. The current crisis in the Irish beef sector is the result. Major market changes have occurred in the UK and too many beef farmers have been left unable to react and with nowhere to turn.

It is now imperative that solutions are identified and projects put in place to support their development. It will, however, require thinking outside the current envelope. Change will take time to implement and it will require the patience of those who fund the support given to rural Ireland and its beef farmers but, in the end, it may be possible to find ways for the Irish beef producers to create new products and find the new markets that will enable them to continue to produce premium beef in their own unique way.

GENERAL INFORMATION AND DISCLAIMER

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