YOUR ASSOCIATION.
YOUR VOICE.

Brexit Emergency Plan

October 2020

www.ifa.ie

Feirmeoirí Aontaithe na hÉireann

The Irish Farmers' Association

IFA

IFA Brexit Emergency Plan – Executive Summary

The Irish agri-food sector, particularly Irish farmers, stand to lose most out of Brexit, now that a comprehensive free trade deal with the EU post UK exit on 31st December 2020 is no longer on the cards.

With a limited deal or a no-deal, 38% or €5.5bn worth of Irish agri-food exports to the UK are at stake. The cost of import tariffs on food has been put by government, in their *Brexit Readiness Action Plan*[1], at between €1.3bn and €1.5bn. Farmers' incomes and livelihoods, which in some sectors have already been damaged by Brexit in the last four years, stand to take an unsustainable hit.

IFA is therefore proposing a 3-step Brexit Emergency Plan, partly modelled on the EU's response to the Russian ban on EU food imports in 2014, which shows the EU's willingness to intervene in significant ways to support farmers faced with the impact of a geopolitical event in which they are powerless.

The value of EU food exports which Brexit will affect is 8 times greater than the value of EU exports affected by the 2014 Russian embargo.

The value of Irish agri-food exports potentially affected by Brexit is 60 times greater than affected by the Russian embargo.

IFA proposes that our Government reflects the necessity of this support in both our national Brexit contingency preparedness, and the measures we must secure from the EU.

Step 1 - Securing a deal

Trading conditions with the UK

- Trade must be on the basis of tariff-free and quota-free access to the UK market.
- The UK must respect the level playing field by maintaining corresponding standards on food safety, animal health and welfare, and the environment.
- No return by the UK to a cheap food policy. Future UK trade policy must not be allowed to undercut the EU for sensitive products such as beef, butter, cheddar cheese and lamb through lower tariffs or higher Tariff Rate Quotas (TRQs) for third country imports.

Full respect for the Irish Protocol – Deal or No-Deal

- To ensure unimpeded cross-border trade in goods between Northern Ireland and Republic of Ireland as currently applies.

Regulations at borders

- Minimise time consuming administration and transit delays for shipping to or through Great Britain in the context of the Landbridge.
- Fullest co-operation from the UK authorities to ensure the effective implementation of Green Lanes for the unimpeded transit of Irish trucks using the Landbridge to access the EU market.

Step 2 - Preparing the EU market for a limited-deal or no-deal

Suspension of EU imports

- Imports of sensitive products from third countries, meat and dairy in particular, must be suspended.
- Current beef imports from Mercosur countries of circa 250,000t should be stopped immediately. This is consistent with the recent vote in the EU Parliament against ratification of the EU-Mercosur trade agreement.

Suspension of EU trade negotiations on sensitive products

- In any on-going negotiations with third countries, EU market access for sensitive products is off the table, until such time as there is full clarity as to the impact on the EU and global markets of the UK's exit from the EU.

Suspension of State Aid rules

- The current suspension of State aid rules due to COVID-19 must be extended to allow member states to fully play their part in supporting the agriculture sector against the damage of Brexit from 1st January 2021.

Support for direct shipping to the EU - Deal or No-Deal

- Immediate support for necessary infrastructure, including port facilities and shipping capacity in order to provide substantially increased regular, frequent, direct sea shipping links between Ireland and continental EU ports.

Step 3 - Supporting farmers in a limited-deal or no-deal

€5bn EU Brexit Adjustment Reserve Fund

- This must be scaled up as necessary to fully compensate farmers in all scenarios.
- **Supports to farmers -** A majority portion of the €5bn EU Fund must be targeted to support Irish farmers whose incomes will be by far worst affected by Brexit.
- Support for any necessary long-term structural adjustment, funded on a multi-annual basis.

Full compensation for any losses arising from Brexit including Sterling volatility

- Across all sectors – including beef, dairy, sheep, mushrooms, horticulture, cereals, pigs and poultry meat and seafood, which all stand to lose out substantially.

Market disturbance and erosion of the incumbent importer position

- Implementation of EU emergency measures funded from non-CAP resources, as in response to the 2014 Russian Embargo, to mitigate the impact on markets, produce and farmer prices and incomes of disturbances arising from the exit of the UK from the EU.
- The EU must be prepared to deploy the full range of market supports, including intervention, APS, export refunds and export credit insurance and legislate for these as necessary to protect producers against losses and stabilise markets.

Further strengthening of the Government's Brexit contingency fund for 2021

- The contingency allocation of €110m to Agriculture for 2020 must be rolled over and increased for 2021.

Loyalty to Irish product

- Irish food processors with UK-based processing facilities must show loyalty to Irish product, in particular Irish beef, over third country imports.

1 https://www.gov.ie/en/publication/849b3-the-brexit-readiness-action-plan/

Introduction

EU Chief Brexit Negotiator Michel Barnier has stated clearly that the end of October is the deadline by which we will know whether a no-deal or limited-deal Brexit will be the outcome at the end of the Transition Period on 31st December 2020. We have simply run out of time for a comprehensive Free Trade Agreement (FTA) to be reached by that date.

Whether or not a limited deal is achieved in time, the impact will be a deterioration of trade – what is at issue is the degree of that deterioration. Regardless of the final outcome, Ireland, Irish agriculture and Irish farmers stand to lose out most.

Despite massive efforts at market diversification, the UK is the current destination for 38% of Ireland's overall agri-food exports. 2019 figures in Table 1 remind us that this is 44% of all our beef exports, 41% of cheese exports, almost 100% of mushroom exports, 60% of poultry exports, 33% of pigmeat exports, 20% of lamb exports, to name just the main sectors.

A Brexit outcome, which either reduces access for those products to the UK market or makes their continued sale onto that market uneconomic because of tariffs, logistical and administration costs, undercutting third country imports or lower UK standards, will be disastrous for Irish agriculture and the livelihoods of Irish farmers. The global market disturbance which would certainly ensue would inflict further damage from volatile produce prices.

This is why IFA is presenting this Brexit Emergency Plan.

The Plan calls for a determined supportive effort from the Irish government as Irish agriculture stands to lose most from Brexit, and from the EU as it prepares for 31st December 2020.

The UK Brexit Timeline – Main Steps

UK Still a Member of the European Union

2016

23 Jun 16
Brexit Referendum.

2017

23 Mar 17
UK PM T May triggers article 50. Transition period to end 29 Mar 19.

8 Jun 17
UK PM T May loses majority in General Election. Brexit Withdrawal Agreement (WA) negotiations begin.

Dec 17
'Divorce bill', Irish border 'backstop' & EU citizens' rights agreed. Move to phase 2 of WA negotiations (future relationship).

2018

Jul 18
'Chequers White Paper' re. future relationship. B Johnson resigns as Foreign Sec.

Nov 18
WA published & endorsed by EU 27.

2019

Jan-Mar 19
WA rejected twice by UK Parliament.

Mar-Apr 19
UK PM T May gets extension from EU twice, first to 12 April, then 31 Oct 19.

Jun-Jul 19
T May resigns, replaced by B Johnson as Tory leader. B Johnson becomes UK PM.

Oct 19
UK & EU agree revised WA with new Protocol on NI replacing Backstop. Endorsed by EU Council. UK gets 3rd extension to 31 Jan 20.

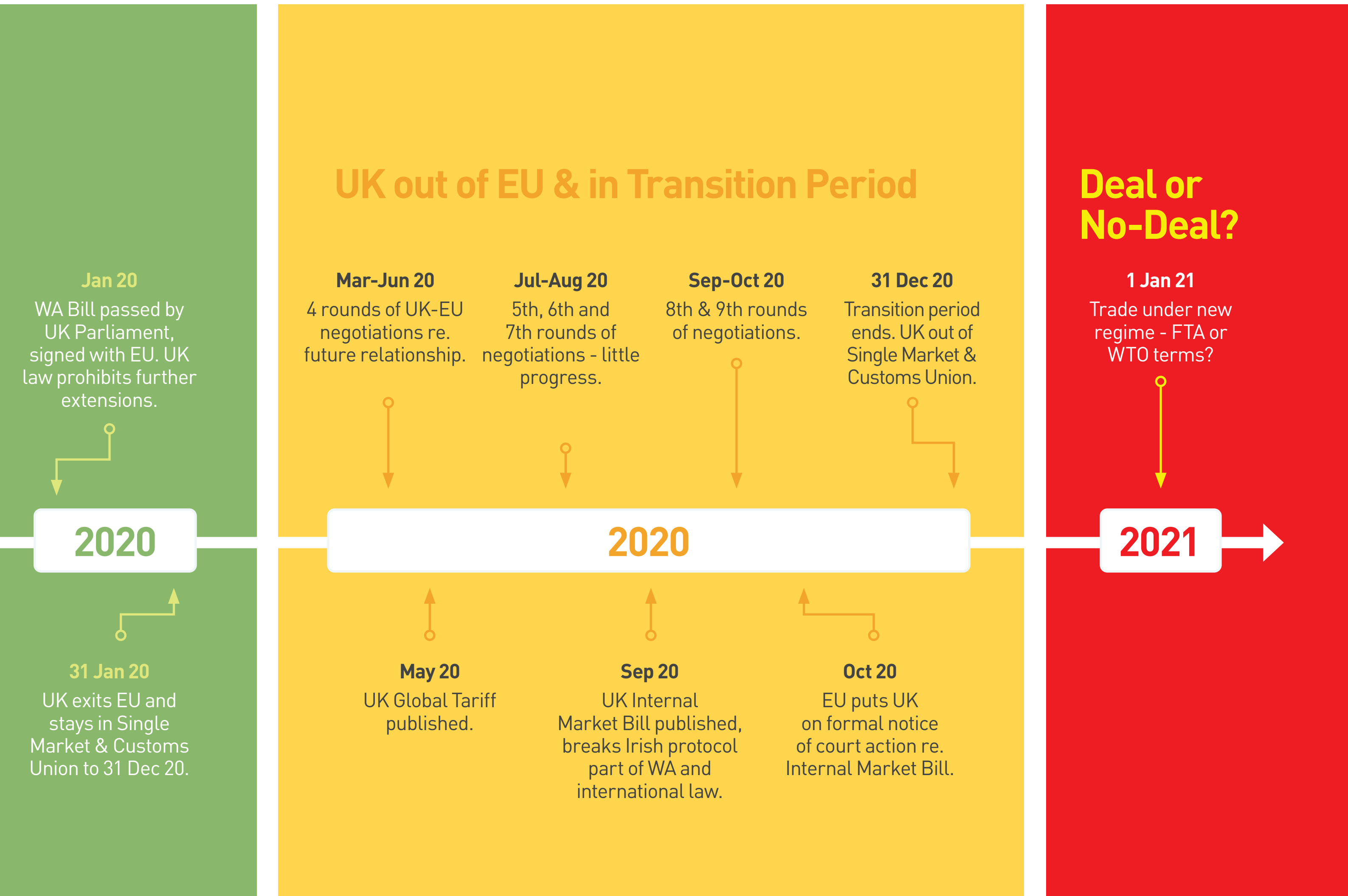
12 Dec 19
B Johnson wins 80 seat majority in UK General Election.

The Brexit Timeline

The UK left the European Union on 31st January 2020, and there are only 10 weeks of the Brexit Transition Period left. From 1st January, trading conditions between the EU and the UK will be altered, depending on what limited deal, if any, can be negotiated in the short amount of time left. The graphic below sets out the most important steps in the Brexit Timeline since the Referendum of June 2016 to the UK's exit from the Single Market and Customs Union on 31st December 2020.

Commencing 1st January 2021, a 3-stage implementation of UK border import controls for EU goods will apply, but not to NI-GB trade.

- **From January 2021** – Traders will have 6 months to complete customs and other declarations and pay tariffs. Live animals and high-risk plants will require pre-notification, health documentation and be subject to physical checks at destination or other premises
- **From April 2021** – All products of animal origin (POAO), regulated plants and plant products will require pre-notification and relevant health documentation.
- **From July 2021** – For all goods, customs and other declarations and payment of tariffs will be required at point of importation. For Sanitary and Phytosanitary (SPS) commodities, there will be increased physical checks and sampling at GB border control posts.



UK remains Ireland's top agri-food export market

Despite significant efforts of diversification by industry and state promotional agencies in the last four years, the UK remains our top market, accounting for 38% of 2019 Irish food exports[2].

Our food and live animal exports to the UK have actually increased in value from €3.9bn in 2015 to just over €5.5bn in 2019[3].

While beef is the most exposed product, and beef farmers have suffered from price weaknesses related to the uncertainty of the 4-year Brexit negotiation process, cheese, butter, lamb, mushrooms, potatoes, grain, fresh vegetables, nursery stock and other horticultural exports will also face major challenges from a poor or no-deal Brexit.

Table 1. Value of UK, EU & Rest of World markets for Irish main food exports - 2019

2019	NI		UK incl NI		EU		Rest of World		Total
	%	€m value	%	€m value	%	€m value	%	€m value	€m
Dairy products*	2%	78	19.10%	961	35.70%	1796	45.20%	2274	5032
of which cheese	0%	3	41.00%	392	32.70%	312	26.30%	251	955
Beef*	5%	96	44.10%	847	47.20%	907	8.70%	167	1921
Beef Offal	0%	1	25.30%	51	41.60%	84	33.00%	67	202
Pigmeat	3%	15	33.30%	171	15.50%	80	51.20%	264	515
Sheep	0%	1	20.20%	64	70.60%	225	9.20%	29	319
Poultry	20%	31	59.90%	93	16.10%	25	24.00%	37	155
Live Exports	46%	83	52.60%	96	37.60%	69	9.70%	18	183
Horticulture + Cereals	28%	58	93.80%	192	4.70%	10	1.50%	3	205
of which mushrooms	2%	2	99.80%	101	0.20%	0	0.00%	0	101
of which cereals	63%	31	86.60%	42	8.90%	4	4.60%	2	49
Seafood	3%	16	8.70%	43	63.60%	314	27.70%	137	493
Prepared Consumer Foods*	8%	207	68.60%	1778	23.30%	604	8.10%	210	2592
Alcoholic beverages	4%	68	14.10%	226	24.50%	392	61.30%	981	1601
Total	5%	655	34.20%	4522	34.10%	4505	31.70%	4187	13218

* All data in this table CSO trade statistics sourced from Bord Bia. Combined Nomenclature (CN) categorisation by Bord Bia. Re-categorisation this year by Bord Bia of Fat Filled Milk Powder (FFMP) into the Dairy category and some processed beef products into Prepared Consumer Foods category.

2 Bord Bia Export Performance and Prospects 2019-2020

3 Source: CSO Goods Exports and Imports – December 2015 and December 2019

The impact of Brexit on Irish farming and food

A number of studies have been carried out since the June 2016 Brexit referendum by independent economic bodies to assess the impact of various Brexit scenarios on the Irish food sector. All agree that all scenarios, even a comprehensive Free Trade Agreement (FTA), will have a negative impact. However, at this late stage, with 10 weeks to go to the end of the Brexit transition period, the only realistic outcomes for the future trading relationship between the EU and the UK post 31st December 2020 are either a limited deal, or a crash-out, no-deal.

Table 2 provides a summary of the main impacts identified in the most recent expert economic analyses of what Brexit would mean for the Irish food sector.

Table 2

Study	Date	Main headlines for farming and food sector
Copenhagen Economics[4]	February 2018	Depending on scenario, relative to no-Brexit baseline, outcome in 2030: **Beef:** Total exports down 18% to 35% Exports to UK down 28% to 53% Production down 11% to 23% **Dairy:** Total exports down 18% to 40% Exports to UK down 35% to 76% Production down 8% to 18% Major impact on processed food sector Corresponding impact on employment in various sectors.
Teagasc Outlook 2020 - Brexit[5]	November 2019	Revised assessment of a no-deal Brexit impact in 2030, compared to a no-Brexit baseline, **2030 prices** R3 steer down 20% Milk down 2.5% Lamb up 7% Poultry down 7% Barley up 5% **Overall agricultural goods output** down €630m (€500m from beef) due to combination of lower volumes and prices. **Agricultural sector income** down €330m (-10%).
Brexit Readiness Action Plan[6]	September 2020	**Import tariffs on Irish food into UK** could cost €1.35bn to €1.5bn, based on value of 2019 Irish exports.
London School of Economics – Vulnerabilities of Supply Chains Post Brexit[7]	September 2020	**Irish food exports** to UK down 11% to 30% depending on Brexit scenario. The report notes the importance of the full application of the NI protocol in the event of a no deal. One of the authors points out 'If the Border is between Northern Ireland and the Republic, there will be a large hit. If all the trade is predominantly staying on the island and the Border is on the Irish Sea, then the impact might not be as great'.
Central Bank Quarterly Bulletin Q4/ ESRI Paper[8]	October 2020	In a no-deal scenario where trade was on WTO terms, the Bulletin references an ESRI working paper which estimated that "Irish exports to the UK of food products, beverages and tobacco could be reduced by 75 per cent, assuming tariffs [worth €1.35bn to €1.5bn] were fully passed through to the price of products."

4 https://dbei.gov.ie/en/Publications/Publication-files/Ireland-and-the-Impacts-of-Brexit.pdf

5 https://www.teagasc.ie/media/website/publications/2019/Outlook2020Brexit.pdf

6 https://www.gov.ie/en/publication/e10c9-trade-in-goods-brexit-readiness-action-plan/#agri-food-and-fisheries

7 https://www.lse.ac.uk/business-and-consultancy/consulting/consulting-reports/vulnerabilities-of-supply-chains-post-brexit

8 https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2020/quarterly-bulletin---q4-2020.pdf?sfvrsn=5

Import tariffs

With only 10 weeks of the Transition Period to go, a limited-deal, or a no-deal Brexit appear the only likely scenarios, as we are now in the make or break stages of the negotiations. While a limited deal is better than a no-deal, in any case trading conditions will deteriorate significantly relative to the current situation.

While an EU-UK FTA would preferably eliminate import tariffs, they would be a massive issue under a no-deal scenario, and they could have some impact in a limited deal situation.

In May 2020, the UK published their Global Tariff schedule. It is based on the EU's External Tariff and provides similar levels of protection, and uses a 5-year average exchange rate of €1=83.6p, compared to the recent exchange rate of circa 90p. Note, for some products, especially beef or cattle, both the EU External Tariff and the UK Global Tariff are expressed as an ad-valorem (a percentage of the product price) either on its own, or with the addition of a fixed sum per 100kgs.

The impact of the UK Global Tariff on some of our most important exports is estimated in Table 3.

Table 3. UK Global Tariff (GT) - May 2020

Product	CN Code(s)	UK Global tariff* £/100kgs	Value of UK GT in cents/litre or kg**
Cheddar cheese	0406 90 21	139.00	15.84c/l
Butter	0405 10 11	158.00	7.40c/l
SMP (bulk)	0402 10 19	99.00	9.50c/l
Milk (bulk)	0401 20 19	18.00	19.40 c/l
Milk (packed <2l)	0401 20 91	19.00	20.50 c/l
Live adult cattle	0102 29	10% + 77.00	€1.06/kg
Beef*****	NA	74%	€2.68/kg
Fresh/chilled boneless or bone in pigmeat	0203 19	72.00	10.4c/kg (6.5% of current ROI pig price)****
Fresh/chilled lamb carcasses/half carcases	0204 10 00	12.00% + 143.00	€2.25/kg
Fresh whole chicken (65%***)	0207 11 90	27.00	15c/kg (16% of current ROI chicken price)****
Fish (salmon)	0304 52 00	8%	7.6c/kg
Oysters	0307 11 90	8%	3.4c/kg
Mussels	0307 91 00	10%	0.7c/kg
Mushrooms (Agaricus)	0709 51 00	12%	19c/kg

Notes:

* Exchange rate used for UK Global Tariff is €1=83.6p (5-year average)

** Value in cents/kg uses exchange rate of €1=90p

*** 65% chicken is without head, feet, neck, heart and gizzards.

**** IFA Estimate

*****Bord Bia calculated the average ad valorem % tariff based on the UK Global Tariff rates across the various beef products at est. 74% for Irish beef exports to the UK. Avg. R3 steer price 2020 to-date excl. vat is €3.62, at TR of 74% equates to €2.68/kg. This is based on no Tariff free TRQ's.

Delays in transport and logistics

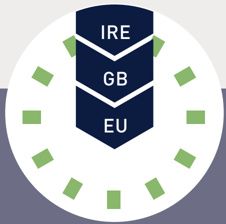
In either a limited or a no-deal scenario, the logistics for Irish exports become more difficult. 83% of Roll-on Roll-off (RoRo) traffic uses the UK as a Landbridge. While the EU is willing to facilitate "Green Lanes" prioritising such traffic from Ireland arriving in continental EU ports, the UK are not party to this agreement, raising the prospect of lengthy delays at British ports for Irish trucks.

Replacing the Landbridge with a direct route through RoRo would increase the journey time from 20 hours to 40, and to 60 hours in the case of Lift-On Lift-Off (LoLo) services.

Customs checks and other inspections will impose delays and therefore additional costs. The recently published report by the London School of Economics *"Vulnerabilities of Supply Chains Post Brexit"*[9] states the following.

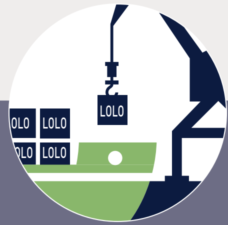
9 https://www.lse.ac.uk/business-and-consultancy/consulting/assets/documents/vulnerabilities-of-supply-chains-post-brexit-final-report.pdf

Journey times to continental Europe



LESS THAN
20 Hrs
VIA THE LANDBRIDGE

UP TO
40 Hrs
ON RORO SERVICES VIA DIRECT SEA-ROUTE



UP TO
60 Hrs
LOLO SERVICES VIA DIRECT SEA-ROUTE

Source: Irish Maritime Development Office (IMDO)

"(UK) Government-commissioned research carried out by academics at the University College London estimated that if delays to each vehicle increase by just 70 seconds, trucks would face six-day queues to board ferries at Dover. When pushed to 80 seconds, the outcome would be "no recovery", effectively permanent gridlock. Conversely, checks of just 40 seconds per vehicle were estimated to have no impact on the queuing time of outward journeys. The estimates demonstrate the non-linear response to very marginal changes in check times, and the importance of quick and consistent check times. Research from Imperial College London, however, suggests a more locally linear response. They estimate that every extra minute required for checks per vehicle will add around an extra 10 miles of peak-time traffic queue, which translates to approximately 1.4 hours of waiting time (Han et al., 2017) at peak times. Currently the 1% of freight going through Dover destined for non-EU locations take approximately 20 minutes to clear customs (Dover, 2017). As a contingency plan, the UK government will utilise the disused Manston Airport, as a car park for 6,000 trucks, to ease traffic congestion on roads in and around Dover."

Perishable food products and just-in-time supply chains have little tolerance for delays: these would constitute major degradations of trading conditions, adding significant costs and affecting market competitiveness, market prices, and ultimately farmers' incomes.

Undermining UK market value

Meanwhile, the UK has also opened trade talks with New Zealand, Australia, the United States and Canada, all of which are seeking lower tariffs and increased access to the UK food market, including the accommodation of different, potentially inferior standards in the areas of food safety, animal health and the environment.

The impact of UK trade deals with those other countries could present a disastrous scenario for Irish agriculture affecting dairy, meat, live exports, horticulture, seafood and prepared foods and impacting produce prices and incomes for all sectors.

Future UK trade policy has the potential to undermine the value of the UK market for Irish product and make the market uneconomic for our exports. The UK can do this by lowering product standards, reducing tariffs and increasing volumes of sub-standard imports in pursuit of a cheap food policy. Such a policy would result in the displacement of high-quality Irish produce by inferior produce from third countries.

This would have a further negative impact as displaced Irish and EU product from the British market attempts to find a home within continental EU markets. This increase in supply would inevitably depress EU market prices.

Simon Coveney, TD, Minister for Foreign Affairs, addressing the IFA National Council on Brexit.

A case study: the EU response to the 2014 Russian embargo on EU food imports

Brexit is a geopolitical event in which Irish farmers are powerless, but stand to bear the brunt of the consequences. In that, it is akin to the Russian embargo of 2014 on imports of agri-food products from the EU, to which the EU responded with a full campaign of farmer and market supports extending over a few years.

Table 4 shows the value of EU food exports which Brexit will affect is 8 times greater than the value of EU exports affected by the 2014 Russian embargo.

The value of Irish agri-food exports potentially affected by Brexit is 60 times greater than affected by the Russian embargo.

Also, the market disturbance created by the Russian embargo extended the impact well beyond the countries with established trade links with Russia, by redirecting and displacing product and overwhelming demand in other countries, with consequent impacts on market and farmer prices.

Hence, we know from the EU Milk Market Observatory that the dairy sector, which was the most severely affected in the embargo, saw price depression over 2 ½ years following from August 2014. There were other factors which impacted at the same time: the abrupt downturn in China's massive import activity of 2013/14 and the rise in global milk output all contributed to the price depressing trends. However, it was the Russian embargo which motivated an extended campaign of EU supports.

Table 4		
Country	**Value of exports to UK (€m, 2017)**	**Value of exports to Russia (€m, 2013)**
Netherlands	7,700	528
Germany	6,050	595
France	5,500	244
Ireland	5,500	90
Spain	3,850	338
Other	3,850	132
Italy	3,300	163
Belgium	2,750	281
Poland	2,200	841
Lithuania		927
Denmark		377
Finland		283
Greece		125
Austria		104
Hungary		78
Estonia		75
Latvia		70
Total	**40,700**	**5,251**

Summary of EU supports to farmers and markets in response to the Russian Embargo of 2014

Table 5			
Date	**Description**	**Value**	**Comments/details**
August 2014	Cash flow supports for dairy farmers in Baltic States + Finland	€40m	Direct support payments to farmers in Baltic States of €28m. Unclear how balance was spent in farmer supports.
	Support for peaches and nectarine growers	€32.7m	Compensation to farmers for withdrawal from market through Producer Organisations (PO), free distribution of produce, green harvesting. Involved co-financing from member states.
	Aid to market withdrawal of fruit and veg	€125m	Same as above. Ceiling of €82m for apples and pears, €43m for other fruit and veg.
September 2014	Market support for perishable fruit and veg	€165m	Additional to above, same purpose.
	Prolongation of Skimmed Milk Powder (SMP) intervention		Tonnages up to 350,000t to be bought up at full €1698/t price
	Aids to Private Storage (APS) for certain dairy products		SMP, cheese, butter
	Additional EU funding for CAP promotional programmes	€30m	EU wide marketing campaigns. Some of this may have benefited the National Dairy Council.
September 2015	Package to support dairy sector	€500m, of which €420m targeted aid. Ireland's share €13.7m	This package was match-funded by national exchequer and paid out €1400 per dairy farmer. Also, some contribution towards pig farmers.
	Continued intervention and APS for dairy		
	APS for pigmeat		
July 2016	Dairy support package	€500m	
	Incentive to reduce milk production last quarter of 2016	€150m of above.	Farmers paid 14c/kg of unproduced milk relative to last quarter of 2015. 44,000 farmers availed of it EU wide, reducing production by 852,000t.
	"Conditional adjustment aid" to support farmers	€350m of above. Irish envelope was €11.1m, topped up from national funds to €24m.	This was used in Ireland to leverage a €250m fund for low-cost cash flow loans at 2.59%.
	Continued APS and intervention for SMP		Intervention price now set by tender at levels well below reference price.
	School milk for Syrian children		

Sources: EU Commission, Audit Preview from European Court of Auditors

While some of the above was funded from CAP funds, most of it was from non-CAP receipts, including from the last EU superlevy for 2014/15, estimated then by the EU Commission at €810m.[10]

The European Court of Auditors estimates the expenditure on the livestock sector alone (mostly dairy and pigmeat) between 2014 and 2017 at €740m[11]. This does not include any national topping up of schemes which member states could co-finance, nor does it include the cost to the EU of purchasing, storing and selling close on 400,000t of SMP at prices significantly below the purchase price. The US National Milk Producers' Federation estimates this cost at €190m[12].

10 https://ec.europa.eu/transparency/regdoc/rep/1/2017/EN/COM-2017-456-F1-EN-MAIN-PART-1.PDF

11 https://www.eca.europa.eu/Lists/ECADocuments/AP19_15/AP_milk_market_EN.pdf

12 https://www.nmpf.org/wp-content/uploads/2020/06/Impact-of-EU-SMP-Intervention-Program_6.5.20-3.pdf

The IFA Brexit Emergency Plan in preparation for a limited-deal or no-deal Brexit.

The imminence and scale of impact of the UK's exit from the Single Market and the Customs Union on 31st December 2020 requires the Irish Government and the EU to prioritise and deliver on the following 3-step Brexit Emergency Plan.

Step 1 - Securing a deal

Trading conditions with the UK

Trade must be on the basis of tariff-free and quota-free access to the UK market.

The UK must respect the level playing field by maintaining corresponding standards on food safety, animal health and welfare, and the environment.

No return by the UK to a cheap food policy. Future UK trade policy must not be allowed to undercut the EU for sensitive products such as beef, butter, cheddar cheese and lamb.

Tariff Rate Quotas (TRQs) agreed under EU28/other WTO members as part of FTAs over the years must be fairly re-allocated to duly represent their respective usage by the UK and EU 27, and minimise market disruption. The agreement made by the EU and the UK on how to apportion those quotas in October 2017 must stand, especially for sensitive products such as lamb, beef and butter.

Full respect for the Irish Protocol – Deal or No-Deal

To ensure unimpeded cross-border trade in goods between Northern Ireland and Republic of Ireland as currently applies.

Regulations at borders

Minimise time consuming administration and transit delays for shipping to or through Great Britain in the context of the Landbridge.

Fullest co-operation from the UK authorities to ensure the effective implementation of Green Lanes for the unimpeded transit of Irish trucks using the Landbridge to access the EU market.

Step 2 - Preparing the EU market for a limited-deal or no-deal

Suspension of EU imports

Imports of sensitive products from third countries, meat and dairy in particular, must be suspended.

Current beef imports from Mercosur countries of circa 250,000t should be stopped immediately. This is consistent with the recent vote in the EU Parliament against ratification of the EU-Mercosur trade agreement.

Suspension of EU trade negotiations on sensitive products

In any on-going negotiations with third countries, it should be made clear that any EU market access for sensitive products is off the table, until such time as there is full clarity as to the impact on the EU and global markets of the UK's exit from the EU.

Suspension of State Aid rules

The current suspension of State aid rules due to COVID-19 must be extended to allow member states to fully play their part in supporting the agriculture sector against the damage of Brexit from 1st January 2021.

Support for direct shipping to the EU - Deal or No-Deal

Immediate support for necessary infrastructure, including port facilities and shipping capacity in order to provide substantially increased regular, frequent, direct sea shipping links between Ireland and continental EU ports.

IFA President Tim Cullinan discusses the implications of a no-deal Brexit for the farming and food sector with An Taoiseach Micheál Martin TD.

IFA President Tim Cullinan with EU Chief Brexit Negotiator, Michel Barnier.

Step 3 - Supporting farmers in a limited-deal or no-deal

€5bn EU Brexit Adjustment Reserve Fund

This must be scaled up as necessary to fully compensate farmers in all scenarios.

Supports to farmers - A majority portion of the €5bn EU Brexit Adjustment Reserve Fund must be targeted to support Irish farmers whose incomes will be by far worst affected by Brexit.

Support for any necessary long-term structural adjustment, funded on a multi-annual basis.

Full compensation for any losses arising from Brexit including Sterling volatility

Across all sectors – including beef, dairy, sheep, mushrooms, horticulture, cereals, pigs and poultry meat and seafood, which all stand to lose out substantially.

Market disturbance and erosion of the incumbent importer position

Implementation of EU emergency measures funded from non-CAP resources, as was the case at the time of the Russian Embargo of 2014, to mitigate the impact on markets, produce and farmer prices and incomes of disturbances arising from the exit of the UK from the EU.

The EU must be prepared to deploy the full range of market supports, including intervention, APS, export refunds and export credit insurance and legislate for these as necessary to protect producers against losses and stabilise markets.

Further strengthening of the Government's Brexit contingency fund for 2021

The contingency allocation of €110m to Agriculture for 2020 must be rolled over and increased for 2021.

Loyalty to Irish product

Irish food processors with UK-based processing facilities must show loyalty to Irish product, in particular Irish beef, over third country imports.

IFA in Brussels

IFA has a permanent office in Brussels headed up by our European Affairs Director Liam MacHale. IFA represents all farming sectors at National, European and International level. From the start, IFA campaigned hard to secure the full benefits of European membership for Irish farmers. Through our office in Brussels, established in 1973, the IFA represents Irish farmers on the European umbrella body, COPA. In addition, the IFA is the representative for Irish farmers on the World Farmers' Organisation.

All Chairmen of IFA's National committees and sections are involved in representing Irish farmers in Europe, led by our President and Director General. IFA's democratic structure, representing farmers in all commodities and all regions, means that IFA is recognised by the EU as the voice of Irish farmers in Brussels.

IFA is represented on over 40 policy and market analysis working groups / committees at EU and International level, including:

- **EU Commission's Civil Dialogue Groups** - these involve high-level meetings directly with the relevant Commission DGs, including Agriculture and Rural Development, Sante, Trade, Environment etc. on various issues including CAP, Brexit, Trade, UTPs, Rural Development, Areas of Natural Constraint, Aquaculture and the Environment. These committees are made up of key EU Commission officials and representatives of consumers, agri-business, environmental, animal welfare / wildlife and social groups, as well as farmers.
- **Parliament** - IFA is also engaged in direct lobbying of all eleven Irish MEPs and the Agriculture Committee of the European Parliament in Brussels and Strasbourg. The Parliament and the Council of Ministers are co-legislators for agriculture.
- **Council** - IFA maintain a watching brief at Agriculture Council of Ministers meetings when EU Farm Ministers meet with the Commissioner on policy and market issues.
- **COPA** - the European Farmers' Organisation - the IFA President and Director General sit on the powerful COPA Praesidium, which meets on a monthly basis to discuss and decide European farmers' strategy and policy. IFA President, Tim Cullinan, is currently the elected COPA 1st Vice-President. The Chairmen of IFA's National Committees and expert staff are members of a wide range of COPA Working Parties on all the commodity and policy areas in which Irish farmers have an interest.

IFA Brussels contact details

Address: 61 rue de Trèves, 7th floor, 1040 Brussels, Belgium

Phone number: 0032 2 230 31 37 / 0032 2 230 04 57

E-mails: liam.machale@ifabrussels.be
sarahlucas@ifabrussels.be
mail@ifabrussels.be

Liam MacHale, IFA Director of European Affairs

Notes

IFA acknowledges the contribution of Cúl Dara Consultancy in preparing this publication.

YOUR ASSOCIATION.
YOUR VOICE.