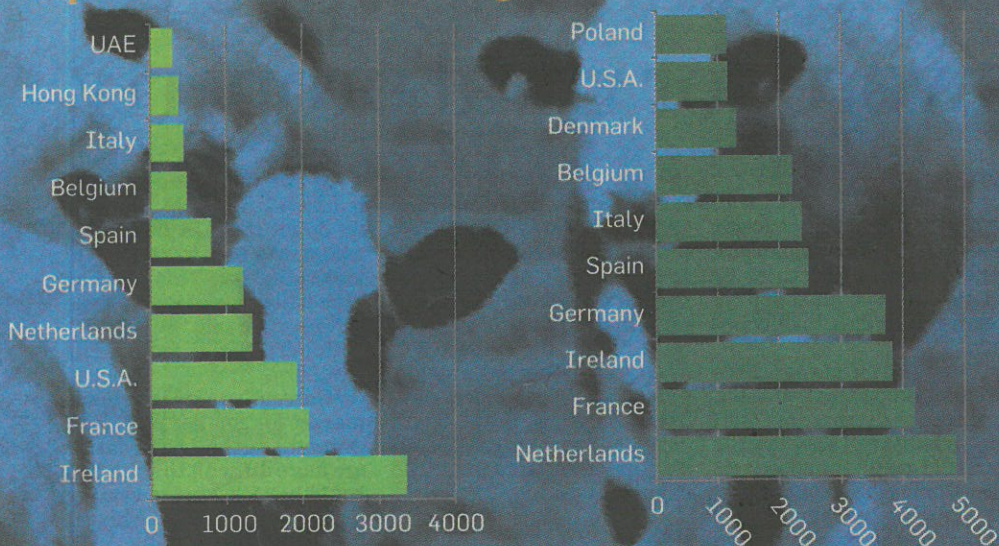




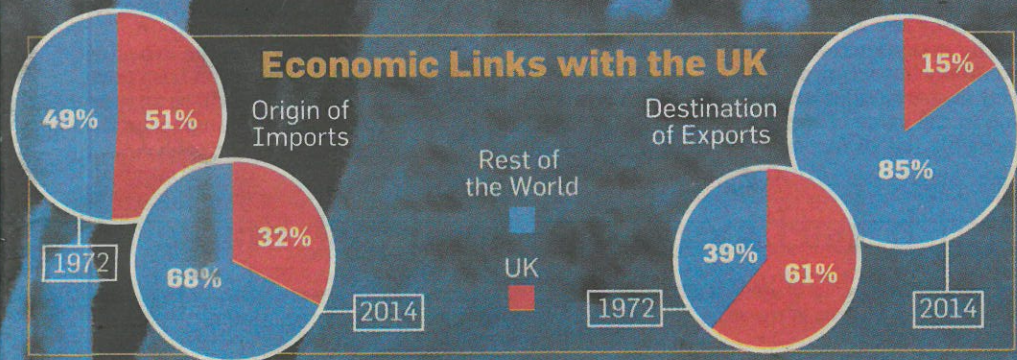
Importance of EU for UK agricultural trade



7 of the top 10 countries for UK food exports are in the EU

9 of the top 10 countries for UK food imports are in the EU

Economic Links with the UK



after Brexit

Strict 'Made in Europe' labelling could hit cross-border milk pool, warns economist

THE BREXIT move may create a problem for trade across Ireland's border with Northern Ireland due to strict 'country of origin' labelling, it was confirmed.

Teagasc economist Kevin Hanrahan penned a report on the risks of Brexit earlier this year that warned it could cost agri-food exports from €150m to €800m a year.

He pointed out Ireland takes a third or more of the milk produced in Northern Ireland to Irish plants for processing, while a large volume of Irish-born pigs are slaughtered and processed in factories in the North.

"The difficulty is that when we sell our butter, it gets a European stamp and can be sold as European all over the world," he said. However, Mr Hanrahan said that might cause difficulties for country of origin labelling in a post-Brexit world where potentially Northern Ireland milk may not be able to be processed here for products being sold under such labels.

He warned it was potentially a "big issue" for processors with a cross-border milk pool such as Town of Monaghan and Lakelands.

"On the pig side, it may mean

we need to build up processing capacity in the south if we can't export more," he said.

Dr Hanrahan warned that even with a free-trade deal with the EU, there would still be customs declarations required for goods travelling back and forth across the border.

"Those forms take time which means they are costly," said Dr Hanrahan. "Lower profits for food companies or lower prices that they pay suppliers then ripples up and down the supply chain. Even in the most benign world there will be new rules to the game. There will be additional costs in the high single digits of 5-8pc for firms."

The economist also warned the population growth in the UK may be slower if they reduce emigration. However, he said exports to the UK would continue as both countries had similar culture and production systems.

"It is highly likely they'll be somewhat less valuable and because of that, the dependence on UK markets will continue to contract and we'll reorientate to the eurozone, Asia, Middle East and Africa," he said.



Teagasc economist Kevin Hanrahan

in the economy than Foreign Direct Investment (FDI). This is where the real threats will be felt and none more so than in border counties, especially if even a soft border re-emerges.

The dust is a long way from settling in the UK in the aftermath of its decision but

perhaps our best hope on this side of the Irish Sea is that they won't actually leave at all.

It is hard to see a second referendum being run. It is also hard to see a new deal being offered by the EU.

Yet, there is a strong and growing sense in the UK that

a massive mistake has been made and that people were conned.

It may take a general election next year.

The route to reversing Brexit isn't clear yet in the fog of confusion, but I wouldn't rule it out.

Farm families in the economic firing line

LOUISE HOGAN

FARM families may face a double whammy from Britain's move to exit the EU with lower prices for beef and other produce combined with higher costs.

Analysts have warned the immediate impact will be felt from the drop in the value of sterling, which will most likely lead to lower prices for cattle, milk, grain and potentially sheep over the next few months.

And extra costs from the potential return of customs control would also mean higher costs for consumers.

The figures alone highlight the importance of the UK market - 41pc (€4.4bn) of Irish food and drink exports and 54pc of beef worth €1.1bn are exported to the UK.

Alan Matthews, professor emeritus of European agricultural policy at Trinity College, said the UK was a net contributor to the EU with the bulk of the monies going to the Common Agricultural Policy (CAP).

The net contribution of the UK into the CAP budget in 2014 was €1.27bn, with a high dependency among farm families on the monies from Brussels to run family farms.

"It was a net contributor so the other countries will have



Professor of European agricultural policy at Trinity College Alan Matthews

to cough up more so it may make them reluctant to agree to a bigger CAP budget," he warned.

However, Prof Matthews warned the trade implications are going to be "major" as a Brexit means the UK will have its own customs union and trade policy.

"Any food imports into Ireland will have to be checked which will mean higher prices for consumers," he said.

Food Chain

"It is going to add to trade costs so that has to be borne by somebody. We know who bears the extra costs in the food chain, it is the primary producer.

"A rough estimate of that is

it could add at least 5pc to the cost of trading between the two countries."

The dangers from South America taking a share of Ireland's valuable beef market in the UK have also been highlighted by factory body Meat Industry Ireland (MII).

"If it goes for a zero tariff on beef then the Brazilians would have an open tariff market," said Prof Matthews.

Teagasc economist Kevin Hanrahan warned the most immediate threat was the impact of the drop in the value of the pound on agricultural exports.

"It will have a negative impact on growth in Ireland, our most important export market the UK and also the eurozone," he said. "Lower levels of economic growth means lower demand for what we produce."

He said that would most likely lead to lower prices for cattle, milk and grain, and potentially lower sheepmeat prices as the lower sterling prices may make UK lamb more attractive in France and other locations.

"If there are any trade barriers to export after the UK leaves the EU it will mean lower prices for Irish farmers.

"It is hard to see a strong upside to this for farmers," he warned.



MILK QUALITY SEMINAR

Hear the latest on Mastitis, Milking machines and Milking hygiene from 3 internationally renowned researchers in the field



Pr. Pamela Reugg,
Dept. Dairy Science, University of Wisconsin



Dr. David Gleeson,
Teagasc - Moorepark



Dr. John Penry,
Dept. Dairy Science, University of Wisconsin

Milk quality awards will also be presented on the night

7th July
Abbey Court Hotel, Nenagh
8.30 pm