

Viewpoint: 'Brexit' would damage Irish beef exports

By Louise Hogan

01 July 2015

There has been much talk of exits in the last few days. With the banks closing their doors on a cash exodus in Greece, the markets are once again set for a turbulent ride with the uncertainty rippling out to all corners of the European Union.

Yet there is an exit closer to home being mulled over that has been signalled as potential direct threat to the standard of living for tens of thousands of Irish farm families.

All of Ireland's key industries would feel the very real economic implications of a British referendum on exiting the EU, or 'Brexit'.

But if you look at the beef trade the figures are stark. Ireland can fulfil its demand for beef produced here seven times over, so exports are key. Beef exports were worth €2.2m last year, accounting for over a fifth of Ireland's agri-food exports.

Yet the UK remains the single largest export market, accounting for up to 51pc or 270,000 tonnes of beef exports.

It is clear the clock is already ticking down to the key decision, so now is the time to drive other markets for Irish beef or Irish farmers may once again pay the price.

At an Irish Exporters Association meeting on the potential consequences of a 'Brexit', Paul Finnerty, chief executive of the country's largest meat processor, ABP, which employs 2,500 in Ireland and also 5,000 in the UK, warned an exit would have major negative impacts for the beef sector.

Firstly, he warned any move would add a layer of "complexity" to business, which would bring added costs.

"The UK is a net importer and is a very important market for Ireland Inc, but we are also protected within the circle of the European Single Market, by the WTO/EU tariff regimes," he said.

He said if the UK was to distance its relationship with the 500 consumers in the EU, then questions would arise over what other type of bilateral arrangements it might strike.

Such a move could see trade tariffs lowered, resulting in a flow of cheaper beef from South American countries such as Brazil and Argentina.

It comes as the Department of Agriculture's Annual Review and Outlook highlights both world and EU beef prices will continue to fluctuate over the next decade, as figures show the herd numbers in the US are once again on rise, and with that prices are expected to drop come 2017.

The outlook showed consumption is expected to increase by 12.5pc over the next decade as demand for beef increases in the Middle East and Asia.

More significantly, it also predicts that Brazil will account for the greatest share of additional beef produced through the next decade.

The timing all depends on how quickly Britain can tie-up its negotiations on its relationship with the EU trading bloc, with David Cameron's government working towards a referendum before the end of 2017.

There may be more short-term exits pressing but the longer-term threat cannot be ignored.

<http://www.independent.ie/business/farming/viewpoint-brexit-would-damage-irish-beef-exports-31338503.html>