



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Dairy Industry: Briefing by Farmers

30 July 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr William Irwin (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mrs Jo-Anne Dobson
Mr Kieran McCarthy
Mr Oliver McMullan
Mr Ian Milne
Mr Edwin Poots
Mr Robin Swann

Witnesses:

Mr Jonny Matthews
Mr Kyle Savage
Mr James Stewart
Mr Charlie Weir

The Chairperson (Mr Irwin): We have Jonny Matthews, Mr Kyle Savage, Mr Charlie Weir and Mr James Stewart. You are very welcome. I apologise that you had to sit in the Public Gallery for so long, but it is one of those meetings where everybody wants to ask their question, so it becomes prolonged. We are open to you giving a presentation, however long that takes, and we will then ask you some questions on the issues.

Mr Jonny Matthews: Mr Chairman and Committee, I thank you for agreeing to recall the Agriculture Committee for an emergency meeting under these circumstances. I will take a few minutes to talk about myself and how I feel about the industry at this minute in time.

I am a 25-year-old dairy farmer. My family has farmed in Donaghcloney for 45 years in its current location and for over 300 years overall. I felt the need to contact Jo-Anne Dobson, one of my local MLAs, via Facebook on 22 July about the current crisis in agriculture, because I have not had anybody else out in my yard about it. I contacted the dairy sector adviser and got no return call. At the meetings held on the farm, 50 farmers were present in just over 48 hours to talk about the current crisis. That shows the great crisis that there is in the industry and that it affects not just me. As we can see from the turnout at Stormont, it is hitting the pockets of farmers across Northern Ireland big time, and they have come out to show their support today.

As a young dairy farmer, I attended Greenmount for three years and achieved a diploma. I do not know whether there is an industry for me any more. Over the past few years, I have borrowed heavily and invested in sheds and accommodation for my future. Those comply with the high standards and regulations in this country. I was encouraged that there was a future, but is there? Do you want

young people in this industry? I and others like me are the future. That future looks bleak to me, and I think that we need help to make sure that we are not back in the same situation in a few years' time.

As you know, agrifood is one of the largest industries. Prices have dropped by 50% since 2014, and there are further cuts on the horizon, with indications of 15p a litre. We are asking for help because we are the future of the industry. We are not looking for consumer prices. We just want a fair price for our product so that we can continue in business. As I asked before, do you want young people in this industry? The Department has done too little, too late, and every one of us dairy farmers sitting here today has an independent adviser. We need action now before it is too late.

Mr James Stewart: I thank the Chairman for agreeing to recall the Agriculture Committee today. I will take a few minutes to speak about the cost of production and the future for young dairy farmers such as me. Research undertaken by Promar International on the costs of production places the total cost of production per litre at 30.43p. A further breakdown of those costs shows variable costs at 17.02p. Overhead costs, which include a family wage are 11.61p per litre, and that is also factoring in a depreciation cost of 1.8p per litre. The base price that was paid last month was 19p per litre. That leaves an 11.3p deficit per litre produced. Using a round figure of 100,000 litres per month, that equates to a staggering loss of £8,748.90. Over a six-month period, that equates to £52,493.40. Any business-minded person can see as plain as day the reality of the losses and the crisis in the dairy sector. How long can we continue to sustain those losses?

As an industry, we are on our knees. We cannot continue at current prices, and it is massively disappointing to be paid 19p per litre when I, my parents and my brothers work 365 days a year to supply the product. On our family farm outside Banbridge, four family members work full-time. Last year, we invested heavily to provide more housing and milking equipment to reduce labour while also being able to increase production and the overall efficiency of our family business. As a family that depends solely on the farm business, we endeavour to be as efficient as possible in running our business. However, the current prices are beyond any level of efficiency for a business that has invested heavily in recent years. Current prices are completely unsustainable for the high-quality product that we produce. Our family works around the clock to endeavour to cut costs of hired help to keep them at a minimum. Personally, I find myself with a lot less time to spend off the farm with family, friends and my girlfriend.

The fact that our family is losing money despite all that extra work is massively disheartening. I feel that we as dairy farmers have been marched to the top of the hill by processors, backed up by the Department, to go for growth, being told that the golden years of dairy lie in front of us. Buoyed up by that enthusiasm, our family, like many other farm families, has invested in dairy to produce more milk, and now that we have made that commitment to dairy, we have been left high and dry, without any protection or support. At local level, the power wielded over processors and producers by the supermarkets is a disgrace, and I include in that all other individual sectors of food producers in GB and Northern Ireland. Our product is being devalued as a loss leader and is now cheaper per litre than brands of water. The fact is that the supermarkets can make a better profit by stacking milk on shelves while my family milks its cows literally morning, noon and night. Our animals are looked after to the highest possible standard, yet, despite all our hard work and dedication to the job that we love, we cannot make a living at current prices.

I left school when I was 16 and have been farming all my life. I have worked full-time on the family farm for eight years and have always been positive in seeing a bright future for myself in milk production, but the fact is that, at the moment, my future looks very bleak. If our family farm can survive this downturn in prices, there may be a future for me, but how long will it take us to recover from this and how many farmers will have to lose their farm business before our voices are heard? I am a fourth-generation farmer in the heart of County Down. I do not want to be the link that breaks the chain of over 120 years of farming on our home farm. It is in my blood to do this job. All that I want is a secure future, to have a living wage and to be able to pass the farm and the tradition on to the next generation.

Mr Kyle Savage: Mr Chairman and members, I want to address the Committee today on the Going for Growth strategy adopted by DARD. The strategy committee is dominated by processors, some of whom have advised us farmers to increase production because they have the markets. The committee wants to grow production by 50%. That is simply not sustainable; it will destroy our industry. World demand is rising by 2% per year. Farmers have produced an extra 5% of milk, and we are now seeing the results: a major downturn in milk prices. That has been increased by the end of milk quotas in Europe.

The committee also says that it is going to create 15,000 new jobs in the agriculture industry. Perhaps it should try to look after the existing jobs and secure their future first. If answers to this crisis are not found soon, existing jobs are at risk before the end of this year. We are fast approaching autumn calving and the winter, which brings higher costs and heavier workloads to our farms. We farmers have no control over the prices that we receive; we are price-takers rather than price-makers. Supply and demand is what is going to drive this industry, not overproduction. We want pressure to be put on the retailers to stop using our products as loss-leaders and to engage with the farming community to understand the pressure that we face on a daily basis. Farmers get up in the mornings, go out and do a full day's work. They work hard, and they come in in the evening time, sit down and realise that they have worked all day for nothing. That is the reality at present.

Another worry that we have is the transatlantic trade and investment partnership talks that are going on at present. We are deeply concerned about imports. Many of the imports that will be coming in from America will not be up to the standards that we have on our farms here in Northern Ireland. Without help, a lot of farmers are going out of business. On a personal note, I employ two people on my farm. At the end of August, one of those people will be paid off. That is the reality.

Our Minister hit one note that struck to the core of everything that has happened here over the last number of days: she believes in people power. Well, ladies and gentlemen, so do we. The power of the people and the power of this young man here is what has brought the Committee here today. These two young guys are the future of your dairy industry. Proper pricing will bring young people into the industry. That is what is important. We have heard a lot about dairy advisers from CAFRE. We all have independent advisers. Quite frankly, they are a lot better than CAFRE advisers. That is what we have found from our personal experience. I speak for myself, but I know that the rest of the guys at this table think the same. There is €868 million of super-levy being collected this year. We call for that to be ring-fenced and redistributed to the farming community. If we are not here, you will not be there.

Mr Charlie Weir: Mr Chairman and members, it is ironic that we are gathered here in the week of the Milk Cup, which is one of the jewels of Northern Ireland sport and tourism. I live in Waringstown. I am married with four young children. I farm in partnership with my mum and dad. My mother had pneumonia in February and was admitted to hospital. My dad had to get an aneurysm operation and had a cancerous kidney removed. The bit of this that really sticks with me is that, if I lose my farm, they are going to lose their home. They have lived there all their lives. My parents are 75 years of age. My dad is out on the farm working every day. They have not done anything on anybody; they have just worked hard all their lives. They are not even going to get to spend the last few years of their life in the home that they have built over 50 years. Current milk prices are unsustainable. Lambs, beef, pork, cereals and dairy are being sold well below the cost of production. That certainly does not paint a picture of an industry going for growth. There are 24,000 farms in Northern Ireland and 300 agrifood companies. We are the largest industry, with over 100,000 people employed in many other businesses as a result of farming, including haulage, quarrying and construction.

Unfortunately, the crisis we find ourselves in is not of our own making. It is the perfect storm, as has been mentioned, of the euro, the Russian ban, the Chinese economy and world oversupplies that have led us to the brink. Farmers working 70 and 80 hours per week are now attending food banks just to feed their families. Sadly, I know farmers who are receiving counselling, unable to deal with the circumstances that they are now in. I have found myself in homes where people have already tried taking their own lives. When you see the damage that causes to their family, you realise that this situation is just not right.

The crisis will affect not just farming. The consequences will be far-reaching. It will overload an already ailing health service. Tourism will suffer. People think that this figure is crazy, but there are 100,000 people in the agrifood industry: if this crisis is not sorted out, there could possibly be another 20,000 to 30,000 people sitting in our dole queues. That is not scaremongering. Those are figures that have been looked at. More young people will leave, and families in rural communities will be torn apart. Farmers want only a fair price for a top-quality product. We do not want prices put up for consumers. If government regulators did their job properly, that could be achieved.

We read two weeks ago that banks were helping farmers. We read how they say the future for milk is great, yet the stories I am hearing are, "Sell a bit of land. Nobody else has a problem," and "You can go on a capital holiday if you want, but we will have to adjust your interest rates when you start repayment." Actions speak louder than words. Our union sometimes does not want to listen to farmers' ideas. I have been told, "You can't attack the supermarkets. You can't offend people." Well, I am offended that I cannot provide for my family. I am offended when I walk into a supermarket and

see my industry being used as a loss leader. I personally believe that the union is lobbying for help, but we need more than lobbying. We need action and we need it now.

I hope you can see that this crisis is not about just farmers but about all rural communities, and, in fact, the whole country. If farming fails, what will happen to the Northern Ireland economy? Do people want to pay a higher price for imported foods? We were all told how things would improve if we got our own Government. We have seen how the French Government have helped their agri-industry. It is now time for you — our elected representatives — to stand up and secure the future of not only Northern Ireland agriculture but the whole Northern Ireland economy.

I am a registered Red Tractor producer. My vet does weekly health checks, and professional hoof-trimmers attend lame cows twice a week. Cows are well looked after, but soon on many farms welfare issues will start to arise as men and women have to make the choice between feeding their families and buying feed for their animals. Please do not underestimate the seriousness of this situation. The Government said that the country could not work without banks, so they bailed them out. I believe the Northern Ireland economy cannot survive without a vibrant agri-sector. Therefore, we want to know what package is available for us.

If you go to work, you expect to get paid. How long would any of this Committee come up here if their wages were not paid, or even if they were cut by 40% like ours? We do not want pity or empty promises; we want action, but we need it now. The agrifood sector brings £3.7 billion into the Northern Ireland economy. How will that economy survive without it? We do not want to hold the country to ransom like the French farmers, but what are we expected to do if we do not get the support that we need? As a major player in the Northern Ireland economy, we deserve that support.

Can the Executive not see sense and sort out the welfare issue? About £2 million per week is being lost. That equates to almost 2p for every litre of milk produced in Northern Ireland. Our Agriculture Department tells us that we have to be efficient. How efficient are they? There is £40 million to be spent on a new headquarters in Limavady. Do we really need that if we have no agri-sector? We hear a Minister say that intervention will help, but only if we can get it to 25p per litre and get it now. However, with Phil Hogan refusing to admit that there is a crisis, I am told that that could take up to 15 months, which is much too late for most of the dairy industry in Northern Ireland. Like all other sectors, we need support now from the Executive and real support from our banks, not just talk.

Article 33 of the European treaty states:

"1. The objectives of the common agricultural policy shall be:

(a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production ... (b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture; (c) to stabilise markets".

I think that Europe has failed us on all of those things.

It is time for Europe to help super-levy payments of €868 million to be returned to agriculture. Surely something can be done to help with the currency differential. If Europe will not help, support from the Executive is essential. Single farm payments could be paid early to help with cash flow. Shops and supermarkets should be stopped from using milk as a loss-leader. Retailers should be stopped from using their own brands; Edwin has touched on that. Meetings should be set up with the UK Minister and Fairtrade. Bananas receive better treatment in this country than our milk producers.

The Agriculture Minister has told us that she will do what she can to help. However, we have already heard her saying that she is not prepared to put her money where her mouth is, and the farmers do not get money. This talk about intervention — even if it happens in two or three months' time, how many men will be bankrupt by then? I accept that there is a huge variation in the break-even milk price for Northern Ireland farmers. The situation demands that painful decisions are made in all parts of the food chain, not just the primary produce. Without raw materials supply, the agrifood sector ceases to exist. Do we want a food service sector that is entirely reliant on imported foodstuffs?

The Chairperson (Mr Irwin): Thank you, each and every one of you, for relaying your problems. I am a dairy farmer; my son runs the farm at home. I am fully aware of the situation. It is certainly dire, and, if the outlook is anything to go by, it is set to get even more dire. We have been talking to banks

over the past months; have they been sympathetic to you in the short term in any dealings with your banks?

Mr Matthews: They do not want you to go back again. All they say is that they will give you a wee bit to help you, and then, after that, you sell cows, you sell land. That is all I have got. If you sell cows, you are diluting the milk in your tank, which is keeping the milk cheque going.

Mr C Weir: They told me that I could go to interest-only, but they would have to look at my loans and reset the interest rates. So, basically, they are not really prepared to do anything.

Mr Savage: I heard just two days ago of one bank that was very favourable and came into you to do a fancy presentation. It has appointed somebody to go around and harass farmers about their overdrafts and to reduce overdrafts. That guy who has been appointed has not slept these last two nights, but he is getting paid and we are not.

The Chairperson (Mr Irwin): Yes, and banks are telling us that they will be sympathetic and that they are in for the long haul. That is what they are telling us, in essence, but they are doing their usual thing.

Mr Savage: They are doing their usual thing.

The Chairperson (Mr Irwin): Yes.

Mr Savage: I think that if you are down at the fence today, every person will be saying the same as we are: the banks are not helping and will not help.

Mr Byrne: All that I can do is recognise the seriousness of the presentations that you have made. Are the banks the most pressing issue at the moment for most dairy farmers?

Mr C Weir: The Executive have to step up to the mark here. There is £648 million sitting in rural development. I cannot understand that. Grain farmers are going to be getting 50% below the cost of production. The porker men are getting, I think, £30 below cost — I am not up on pigs — and lamb men are getting £30 a lamb less. It is not just dairying; it is all the sectors.

There is this nonsense about building these centres and Going for Growth, increasing production by 50%. All the guys who are sitting here — I am not afraid to show you my cost-of-production figures — are in the top 15% in the UK, and I am struggling. I had a guy on the phone last night — I did not realise it was even as bad until I got involved with this. The guy on the phone last night was told by the bank that it would not give him any money. He owes about £2,000 a cow. That is all he owes. He has about 180 cows and about 220 Irish lamb. I do not understand that.

I know that McClelland's that do the cow sales — I am not sure that it is even called McClelland's now — had a guy tell them that it had 18 herds for dispersal between now and Christmas that the banks are selling already. The banks have just decided that, rather than let them rebuild liquidity, they are going to cut their losses now.

For some farmers, production costs are high, and that is the way it is. Some might not run their businesses well, but guys who are running their business well are not going to be there. I hear this nonsense about sending advisers out from the Department, but the guy whom I was talking about had been told that an adviser was coming out to him, and he never turned up. He sent him a text 10 days later, and the reply was, "Sorry, I forgot. I was away on holidays for a few days". That is the reality. I have a leaflet here about the Yellow Ribbon suicide prevention program from a guy in Portadown. Two guys committed suicide last week. That is how serious this is. I do not think that people realise how bad the situation is.

Mr Savage: One in four people in the farming sector commit suicide.

Mr Byrne: I have no further questions.

Mrs Dobson: Jonny, Kyle, Charlie and James, you should be very proud. We have definitely kept the best until last. I wish that you could have presented first so that everyone could have heard your presentation. As you said, Jonny, you contacted me through Facebook, and you thought that maybe

half a dozen or so people would turn up, but, when Jim Nicholson and I were in your yard on Monday, nearly 60 people turned up, and we probably could have filled the yard 100 times over. Everyone there was very passionate about your industry, and you and James have spoken about the generations in your family. We have such assets in you as young farmers for the future of the industry, but the future is bleak, and we know just how bleak it is. You heard the Minister. You had to sit through it. If you were sitting where I am sitting and were asking questions of the Minister, what would you say to her? What immediate action would you like her to take?

Mr Savage: I would like her to put support into the marketplace. There is money sitting in the Agriculture Department, and, on a Europe-wide basis, €868 million is sitting. This is not about the four of us; this is about the whole industry. Young Jonny has felt the need, through Facebook, to start this, and it has spiralled. I am not trying to threaten or anything, but farmers are very angry, and we are trying to keep a lid on it at the minute, but we cannot do that forever. In one sense, we are waiting for a response from the Committee and the Minister, but, if we go back with empty promises, we are not responsible. We need action. It is a cry for help. If you ignore it, on your heads be it.

Mr Matthews: There is no point in building new offices in Limavady if there is not going to be an agriculture sector here. That is my gut feeling.

Mr C Weir: There are vegetable producers — you know them, Willie — and the supermarkets are screwing them into the ground. I know a guy who is a big operator. I am not going to mention his name, but he told somebody the other day that he did not know how long he would be able to keep going with the way that the supermarkets are treating him. A lot of the problems seem to be caused by the supermarkets. Everybody who is here today has talked about the supermarkets. Chris Osborne highlighted the fact that the price of cheese has dropped by 20%, yet it has dropped only by 3% on the shelf. Why are they allowed to have so much power if the Government have a regulatory board? We are the primary producer, so we just take what we are given. If the processors can pay us a good price, they do it, but, if they cannot, they just cut us because they are not going to lose their sales. We sell our milk in the liquid market, and, because of the downturn in milk prices, they are getting screwed because Glanbia in the South has now come into the liquid market. Given that it cannot process milk into powder to make a profit, it is undercutting any of the shops that have liquid milk to try to keep its business going.

Mr Savage: On the other hand, we are in the powder and skimmed powder end of things, and the prices forecast for that will be as low as 16p. We are the guys with some 30% of a cut in turnover. Nobody else has that; everybody else seems to be getting their slice of the cake, but we are not. It is a dysfunctional set-up. Unfortunately, we are at the tail end and we just have to take what we get and that is it, which is unfair.

Mr C Weir: Everybody says that intervention is the way to put a bottom in the market. The last time there was intervention, it took only three months for the market to start to rise. In the short term, the Executive are going to have to step up to the mark because there are so many people just sitting there. There are a lot of guys who cannot even pay their bills now, plus, in another few months, there are going to be conacre and contractor bills. The fertiliser men have given a by-ball for a month or two, and then they are going to start pushing.

Mr Savage: Coming on from that, too, Charlie, you have also the guy who comes into your yard to scan the cows and the guy who comes in with the foot trimmer. It has a knock-on effect. This is just one ripple; one stone has been dropped in the pond and it is rippling out. It is going to have a massive effect. Reference has been made to welfare reform. Welfare reform is going to be a walk in the park compared to this when it hits, if something is not done very soon.

Mr C Weir: I think that the Minister misses the big picture when she thinks that the biggest industry can just lose so much and keep going and everything will just be hunky-dory. She is blinding herself, I think.

Mrs Dobson: If you had time, guys — I know that you have been here all afternoon — you could walk across to the Senate Chamber. If you look above, you will see the three symbols on the ceiling depicting Northern Ireland's three largest industries when this great building was built: shipbuilding, linen and agriculture. As a major industry, only agriculture remains, and you have to ask yourself: "For how long?"

Kyle, as we know, your late father, George, was a proud member and former Deputy Chair of the Agriculture Committee. He continued to be a champion for the farmers and raised many issues on their behalf, many of which have been discussed today. Earlier, you mentioned the view of farmers on Going for Growth. You know my opinions; you have listened to me all afternoon. As a dairy farmer yourself, what would you see as a win for farmers, both from the Committee and from the European Commission?

Mr Savage: First, we need the market stabilised. Going forward, demand is going to drive profit, not overproduction. At present, we see the overproduction that there has been worldwide and the detrimental effects that it is having at farm level. We need better contracts and serviceability between processors. I believe that the supermarket needs to be held to account. We export 85% of our product; we are all aware of that. Pressure must be put on these supermarkets, which are harassing the industry and flexing their muscles. They are doing their own branding, which is detrimental to the whole product. Edwin touched on this earlier. They can go to Glanbia this month and Dale Farm or wherever the next, and chop and change.

Mrs Dobson: There is no loyalty.

Mr Savage: No. There is no continuity in the supply, and that needs to be addressed. Yes, the future is bleak at the moment, but I suppose that we all have to live in hope. However, price structuring needs to be corrected.

Mrs Dobson: I will sum up, Chair. Charlie spoke very passionately about the knock-on effect on farmers' health. I know that; I do a lot of work with Yellow Ribbon and I know how excellent it is and the very real crisis that is coming down the line in the farming community. Edwin and I have referred at numerous times in the Committee to a farmer in my constituency who took matters into his own hands. He miraculously survived. However, farmers are a very proud group of people. As you know, my husband is a beef farmer. I know that, on Monday, on the Matthews farm, we talked about, and Charlie spoke of, the local food banks and the work that they are doing with the pride of the farming community. I want to commend you. You know that you have my full support and that of the Committee. I agree with the comments that you have made; we need action now, rather than later, or we will lose so many farmers from the industry.

Let me finish as I started: I am very proud that we have young farmers of the calibre who have spoken here today. They are just a small minority, representing the hundreds who were out there and many others, across Northern Ireland, who could not be here. I hope that the media pick up on that — I know that they have this week — because it is very important that they realise the crisis that there is in the industry. As I think Charlie said, we need hope for the industry going forward. I have a young farmer at home who is probably sitting in my office watching this on the TV. We need to give the young farmers hope for the industry [*Inaudible.*]. Do any of you want to comment on that? I think that you have done very well.

Mr Savage: I have one parting shot. There is no point in talking till the cows come home; we need action, and we need it now.

Mrs Dobson: Jonny, you started this. Do you want to end it?

Mr Matthews: We have had good support, but we need to keep close together so that our voice is heard. We are not going to walk away as easily as everybody thinks we are.

Mr McCarthy: Thanks very much for your presentations; they were the best I heard today. They got right down to what we are hearing all about. Your question, Chairperson, was about the banks. You may have heard me asking all the other people, including the Minister, about the banks. The Minister was pretty upbeat about the banks; she has met them, and she said that they are going to do this and that. However, what you are saying is the absolute opposite of that, and, if that is the case, the Minister will have to be told that so that some further action can be taken. Correct me if I am wrong, but is it not the case that most of the banks, or some of them, belong to the taxpayer anyway?

Mr Savage: Taxpayers like yourselves.

Mr McCarthy: There should certainly be some accountability for preserving the farming community and all the rest of it.

There are a number of things, but I do not want to delay the Committee. You all talked about the office that was appointed not long ago — what was the name of it?

Mr Swann: The adjudicator.

Mr McCarthy: Yes, that is right. That was supposed to be the start of something great; it happened last year some time or maybe before that. Has it no influence at all on supermarkets or nothing at all to contribute, or is it sitting on its backside doing nothing?

Mr Savage: There does not seem to be the attitude to take these supermarkets on. No one seems to have the will or the fight to take them on; they seem to be able to run and control everything.

Mr McCarthy: That is something that the Committee could pursue with haste. We were very supportive of this, and, in fact, we campaigned for it. From what we hear today, it is a waste of space. That is something that we can check on.

You are all saying that the banks are almost a waste of space and that they have no sympathy for you. Some of you said that they have sent letters telling you that if you do not cough up you will have to sell up.

Mr C Weir: I know guys who went in with proper cash flows — *[Inaudible.]* I do not know how everything looked, but they had security and the bank did not try to help. I know other guys who the banks have helped, so it is not all bad news out there. It depends on the banks, I think.

Mr Savage: The presentation that the four of us made today is from the heart. The bankers come in and make a glossy presentation, but as soon as they are out the door they forget about you. They think that you are fools as well, to be perfectly honest. That has to change, and they need to be held to account quickly for what they have put this country through over the last number of years.

Mr McCarthy: I am sure you have gathered that the Committee is 100% united behind what you want to achieve. As far as I am concerned, and the Chairperson and everybody else, we will do our damndest to get this sorted and sorted quickly before we lose young people from the industry, because we are all dependent on them.

Thanks very much for coming; it has been a good presentation, and I hope that we can do something. We will do our utmost.

Mr Savage: Thank you.

Mr Swann: I have a very simple question for you, gentlemen. Jo-Anne said that she hoped you would come first today, but I am glad that you came last. You heard presentations from Dairy UK, the Ulster Farmers' Union and the Minister. Did you get any solace, encouragement or hope from those presentations?

Mr C Weir: I was encouraged by them all, except for the Minister's presentation. She is the only one who can really help now. She has already said that she is not prepared to change policy and that that is the way that things are. To me, it felt like she was saying, "Sink or swim; it is up to yourselves." She said that she will try to get intervention and that we will talk plenty, but it is real action that we need.

Mr Swann: And the rest of you?

Mr Savage: Pretty much the same.

Mr C Weir: The farmers' union can only lobby so much. The guys can only do their best. The dairy boys were telling it the way it is. The Minister can make a difference here. She can step in here and help a lot of people. It is not just farmers; the rural communities will go and so will the Fane Valleys of this world — the processors. Milk is what drives the biggest profit share in agri-industry. They all need to be kept. The beef men have it tough too, and the lamb men are really suffering this year. With cereals, I do not know what will happen.

Mr Savage: It is not a single sector; it is right across all sectors. We need support. We are not looking something for nothing. We do a hard day's work and we want to be rewarded for that. We demand to be rewarded for that. I would actually go as far as to say that by Christmastime, if this continues, the first of the processing factories will close. When you have 200 jobs turned out, it will be your problem.

Mr C Weir: I am not actually sure whether this is true or not, but we were told today that one guy from Hilltown direction sent 100 cows to the factory this week because he thought that he would get as much for them in the factory as he would by selling them in the open market.

Mr Savage: That story is being replicated right across the country.

Mr C Weir: I do not know whether that is true or not; that was what I was told out there.

Mr Savage: At the minute — I think that it was yesterday — Cole Cows in Lurgan was swamped with cows for the factory.

Mr C Weir: They need to sell them to get cash to pay bills.

Mr Savage: They are selling those cows to create the cash flow, but they will have less milk next month, so it is a downward spiral.

Mr Swann: I think that that is part of the problem, Chair. When Charlie talks about 200 jobs going in a factory, that is a news story. It is a big item. Chris from the UFU told us that dairy farmers have dropped from 6,000 to 2,500 in the past 20 years. Nobody has noticed.

Mr C Weir: You are talking about the thing in England. This year, 450 dairy farmers have already gone in England.

The Chairperson (Mr Irwin): And they were probably getting more money.

Mr C Weir: Well, some of them were only getting 16p.

The Chairperson (Mr Irwin): Yes, but the contract ones —

Mr C Weir: I think that the average price in the UK is still 23.9p or something.

Mr Milne: Thanks for your presentation. There was an awful lot of stuff that I could agree and sympathise with you on, although I suppose that it is easy to say that you have sympathy; it is what you do about it. From the Minister's point of view, she tried to outline exactly what she is trying to do. She has no magic wand. She is not in a position to control the markets. She has stated this. You talked about production years ago when the markets in China and Russia were there and all the rest. It would not have mattered about production then, right? Everybody was happy enough with the amount that was being produced, but now, in the middle of a crisis, it becomes a problem. What I am trying to say is that we have to accept that all this stuff is really out of the Assembly's control. We talk about DEFRA, for example. DEFRA turns round and tells us that it is not really interested. We are sitting here today trying to come together as an all-party group, with farmers and everyone else, to try to come up with some kind of solution, and DEFRA can go to Europe and say to Hogan and all the rest that it does not want intervention. Where do we find a voice in Europe if DEFRA is not prepared to do it? I am trying to be real here: we can score party-political points; we can defend the Minister; we can do all these things, but we have to try to find a solution.

I am saying to you today that the points that you have made are very relevant. I would imagine that the Minister is sitting listening to the comments that are being made. They will be part of the common approach that we are all talking about here, but there is more to the common approach than talking about it; we have to try to walk it. I say to everyone here that we have to leave our party politics aside in order to benefit.

Mr C Weir: Farming, for me, was never a political thing. Farmers have always been a mixed community. I am not here to score political points.

Mr Milne: Absolutely. My family farms, too. I hear the same thing there, day and daily, from all of them. The points are well made here today, but we have to be real about this. There is so much that —

Mr C Weir: We are being real.

Mr Milne: Yes, but you are talking about short-term fixes. At present, that is more or less sticking a sticking plaster on it rather than solving the whole problem. The whole problem is Europe and where we are in the market.

Mr C Weir: Why did the French Government help their farming industry then? Why have they gone out of their way to help farmers? You know what I am saying.

Mr Milne: In the presentations today, examples were given of trade agreements being made with countries like New Zealand and elsewhere, but we are not in a position to do that.

Mr C Weir: Because of DEFRA.

Mr Milne: The UK Government are in a position to do that, but we are not. That is why people are talking about more fiscal powers for here so that we can do things like that. I am only trying to open up the discussion and get real about it.

Mr Savage: We are real.

Mr Milne: I understand the real situation that you are in.

Mr Savage: This question did not start last week.

Mr Milne: Absolutely.

Mr Savage: This has been ongoing. That is what is wrong. A lot of the farmers who were in Jonny's yard have not seen any actions being taken over the last 12 months. No offence to colleagues in the Farmers' Union, but maybe that is down to its bad publicity work in connecting with farmers on the ground. You hear it out there today. More feedback is definitely needed. We need to know where we are going. We cannot run a business hoping that things will change. We need reality, and we need it now.

Mr Milne: It was well worth you coming to give your presentation today. It has been well heard. This has been a worthwhile exercise, so well done.

Mr Poots: Jo-Anne and I have met the guys both on Monday and outside here today. I could sum up the situation in one very short word: raw. I feel the raw hurt out there amongst people who are working extremely hard all hours of the day and night. I was on the Matthews's' farm the other night, and, as I left at 11.30 pm, they were going out to milk cows. They were going out to milk cows to lose money, which is hard for anybody to take. Ian talks about getting real, but that is the reality. We have a Department that is sitting on around £200 million of funding each year. Is it incapable of doing things differently and working to divert some money? I believe that it is well capable of doing that. The Minister needs to get that. We cannot keep going down a particular road, albeit that it was a well enough planned road at one time —

Mrs Dobson: We have run out of road.

Mr Poots: — when, ultimately, farmers are going bankrupt. I stood in that yard. Men will have walked out of that yard on Monday feeling hopeless. They will go bankrupt this year, and they need help. The only thing that this Committee needs to do is to try to get help for these men and women. Lobbying in Europe and all of that is necessary, and we will work very closely with the Minister to do that. However, it comes closer to home. We need to try to help them at Executive level. That is more of statement than a question, Chair, but I think that it sums up what we have heard today. This is a cry for help.

Mr McMullan: Thanks for your presentation. To be quite honest, I would like to hear presentations from you more often. We have a family business that is indirectly and directly involved in the agriculture industry: haulage. I know exactly what you are going through. I live in an area where it is all hill sheep and cattle rather than milk, and they are suffering too. The reality is that, if farming goes down, a hell of a lot will go down with it in different sectors of the community — sectors where people maybe do not realise it. We need to be doing something. We talked about the supermarkets. It is a fact that four of the large supermarkets control 75% of the finances spent on food. It is totally wrong that four supermarkets should control that market. We were told that we were getting a groceries code adjudicator, and that person was put in place. However, quite honestly, in my opinion — I have said this before — she is a poodle with no teeth. She needs to have more powers. The concept of what the adjudicator is there for is not working. You hit on the thing about the loss-leader in milk, and I said this earlier: it is the public perception of that. You said, Kyle, that walking out of a shop with a bottle of water costs more than a two-litre container of milk. There is something totally wrong in that. More and more food banks are gathering up. What is happening?

I can say to you that the Minister is looking at the policy — she is not walking away from policies — but she is dealing with European policy. That is part of the main problem. You heard it said earlier that Europe does not even accept that there is a crisis here. As we, and other people around the table, have asked: to what level do you have to go before they accept that there is a crisis? I hope that, when the delegation goes to Europe, some of you gentlemen are in it to put across your case. That is where we have to start from. DEFRA is the other one; it does not support you at all. That support is not there. Are we going to hold the banks to account? We could not hold the banks to account when they were pulling the whole economy down. They are a necessary evil. We need them there, and yet we do not need them. If we could do without them, nobody would have them.

Mr C Weir: If we could do without them, we would not be here. *[Laughter.]*

Mr McMullan: You are quite right in that. I read your paper on Yellow Ribbon. I totally agree with it. This was part of a discussion on a motion in the Assembly earlier in the year, on the volatility of the agricultural community, the costs and all the rest of it and the lack of money etc. Your paper is quite right. There are probably more people out there being affected than we know. We know that the farming community is a proud community, and farmers are the last people to come forward to say when something is wrong. They have to be on their knees before they come forward to say that. That has to be taken into account. I assure you that I will be going to the Minister about this thing — the dairy advisers — if not this evening, tomorrow morning, to see what is going on. If you have to sit and have private advice given to you, which by the way you are paying for, it is another added expense and there is something wrong. If these people are not stepping up to the mark to do the job that they are getting paid for, there is something wrong with it.

Mr Savage: I am sorry for interrupting. A lot of those advisers were the ones encouraging farmers to increase production.

Mr McMullan: This is the whole thing. There is no short-term solution to this. The only thing is that, on the Going for Growth policy, you heard the Minister say that she has asked them to go away and look. If the farmers are not happy about the way Going for Growth is going or do not think that they are involved enough in it, or if it is going in the wrong direction, there has to be some sort of tweaking of it.

Mr C Weir: The farmers are not happy. They think that it is a joke. That is just being honest with you.

Mr McMullan: That is what the Minister has said today.

Mr C Weir: When we said we were coming up here, a lot of farmers said that there was no point in that because you do not care. I am glad to see the reaction that we have got. I appreciate it. It is nice to know that people actually do care.

Mr McMullan: We all have diversity. The majority of us around here cannot agree on what time it is. *[Laughter.]* However, the one thing that we agree on is the plight of the farmer, and it is a united thing on this Committee.

Mr C Weir: It is; it is one of the things that is.

Mr McMullan: Yes, very much so. The Minister will be looking at that whole thing about Going for Growth.

Mr C Weir: She needs to look at it more urgently because, according to these guys — I do not know enough about it — by the time we get intervention, many people will have gone. Something has to be done now. I am not here to air my dirty linen for people just because I am looking to have a day out.

Mr McMullan: You are quite right. This will all have to be looked at. The Minister did say that she would look into that thing about Going for Growth. In the meantime, they are talking about a delegation to DEFRA and a delegation to Europe, and that is a start. We have to start somewhere. You are quite right: time is of the essence.

Mr C Weir: You cannot have a delegation to Europe for over a month, because it is closed.

Mr McMullan: If you see something that is not — *[Inaudible.]* — or whatever, come back up again and let us know —

Mr Savage: Don't worry; we will.

Mr McMullan: Email me. I am my party's spokesperson on agriculture, so let me know what is going on, and we will help. That is what we are here for today, and to listen. We certainly do not want to break this young man's romance with his girlfriend.

Mr Savage: She is sitting at the back, so do not worry.

Mr McMullan: She must have great patience to hold on.

Mr Savage: They said there was cheap tea here. *[Laughter.]*

Mr C Weir: She thought there was money in farming.

Mr Savage: This is all above and beyond politics. There has to be a united front to fight this at whatever angle, but time is of the essence here.

Mr McMullan: If I can help in any way, please let me know.

Mr Savage: Just on a separate subject, Mr Chair, I would like you all to read that Yellow Ribbon thing tonight. You will probably not sleep after it, but, sure, that is your problem.

The Chairperson (Mr Irwin): Thank you very much for coming. We are going to go into closed session and decide the way forward. If you want to remain outside, we will bring you back in and tell you what actions we see as possible or what we can do. I have every sympathy with your case. I am on the ground and know exactly what the situation is like, and it is not easy.

You mentioned help to French farmers. I looked at that, and it looks as though it is something in and around interest rates or something like that. They cannot give money directly. Europe does not let you give money directly to farmers.

Mr C Weir: I do not know what you can do.

The Chairperson (Mr Irwin): I think it is in and around help with interest rates, but it is not as straightforward as it looks, if you understand. However, we will look at what can and cannot be done. So, thank you very much again for coming. It has been a long day, but if you have time to wait, we will give you an update on what we decide to do.

Mr Savage: Thank you all for your time.

Mr C Weir: Thanks very much for listening.