

ANNUAL REPORT 2008

OF THE MINISTER FOR AGRICULTURE, FISHERIES AND FOOD



International
Year of the Potato



Department of
**Agriculture,
Fisheries and Food**
An Roinn
**Talmhaíochta,
Iascaigh agus Bia**

Includes 2008
Annual Output Statement



MISSION STATEMENT

“To lead the sustainable development of a competitive, innovative, consumer focussed agriculture, food, fishery and forestry sector and contribute to a vibrant rural and coastal economy and society.”

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REVIEW OF 2008



Brendan Smith, T.D.,
Minister for Agriculture,
Fisheries & Food



Tom Moran
Secretary General

The major issues of note in 2008, from the agri-food and fishing perspective, were the dramatic downturn in the global markets, the dioxin contamination of some pigmeat products and the successful outcomes of the EU CAP Health Check and the Fisheries Council. Also of interest was the fact that 2008 was designated as the United Nations' International Year of the Potato and this Department was actively involved in promoting the potential of the potato and agriculture for improving food security and nutrition.

The effect of the economic crises was felt most severely in commodity markets, food and drink exports and Exchequer finances.

Beef exports bucked the overall negative trend for meat in 2008 with export values rising by more than 7% to €1.7 billion. The medium term view is that Irish beef producers have the opportunity to maintain their competitive advantage and consolidate their position on the high value EU markets. Other meat sectors performed less well with the result that the overall outturn for the meat market was only slightly up on last year's figures. The dairy sector was negatively affected by the downturn in the international dairy markets which fell back from the exceptional highs which had been achieved in 2007. The effect of these reduced prices on Irish farming increased the need for market management measures and so the continuation of the key milk market supports for butter and skimmed milk powder, agreed in the EU CAP Health Check, was a positive boost for the industry. In addition, the continuing investment in 2008, under the Dairy Processing Investment Fund, in capital projects designed to support efficient production will assist the industry exploit market opportunities.

Despite the turbulent export environment and challenging currency fluctuations, agri-food exports reached almost €8.16 billion. This was a reduction on 2007 values but was a strong performance considering the very challenging global environment in which the industry operated. The short to medium term estimates for the sector also remain reasonably positive, if challenging. Furthermore, in terms of foreign earnings, this sector is estimated to account for approximately one-third of the net flow of funds from primary and manufacturing industries due to the high proportion of indigenous raw material and services used and the low net profit repatriation.

REVIEW OF 2008

The Department continued to operate a wide range of schemes and initiatives which are of direct benefit to farmers and also contribute to the development of a vibrant agricultural sector. Almost €1.5 billion was paid to farmers in 2008 under the Single Payment and Disadvantaged Areas schemes. In addition a further € 312.4 million was paid to farmers under REPS, while grant aid of €413.7million was paid under the Farm Waste Management scheme.

At the end of November, the Department's National Residue Testing Programme detected the presence of polychlorinated biphenyls (PCBs) in pork fat. Once the link between PCBs and dioxin was confirmed on 6 December, the Department's food safety contingency plan was activated and all pork and bacon product was recalled. The subsequent speedy and effective control systems introduced meant that by 10 December, sales of pigmeat products, from herds totally unaffected by the contaminated feed, had resumed. The prompt actions taken by the Department and the FSAI were based on best practice guidelines. Furthermore, independent authoritative bodies and other countries agreed that the corrective actions taken by the Department were correct and a solid indicator of the absolute priority given by Ireland to food safety.

The interaction between the Department and EU bodies achieved positive outcomes. The negotiation of the EU CAP Health Check concluded towards the end of the year. The final outcome, which delivered increased milk quotas, milk market supports, funds to be used for new challenges and new EU funds to be used at national discretion, is estimated to be worth €170 million over the next five years. The Fisheries Council also achieved a 5% increase in fish quotas and reached agreement on a cod recovery plan to manage fisheries in the Irish Sea. These measures together with the successful Fleet Decommissioning Scheme are aimed at achieving the future sustainable development of the sea fisheries sector.

Despite the downturn in the economy, the commitment to the agri-food and fisheries sector is strong and will continue to be pursued to the optimum level within the constraints of the public finances.



Trevor Sargent, T.D.,
Minister of State for Food and
Horticulture



Tony Killeen, T.D.,
Minister of State for Forestry
and Fisheries

HIGHLIGHTS OF 2008



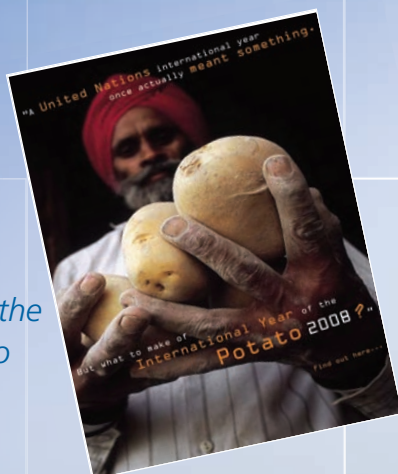
- EU CAP Health Check outcome resulted in benefits worth €170 million to agri-food sector

- Food exports in 2008 valued at €8.16 billion despite difficult global trading patterns

- A 5% increase in fish quotas achieved in December Fisheries Council



- 98% of the AgriVision Action Plan was implemented

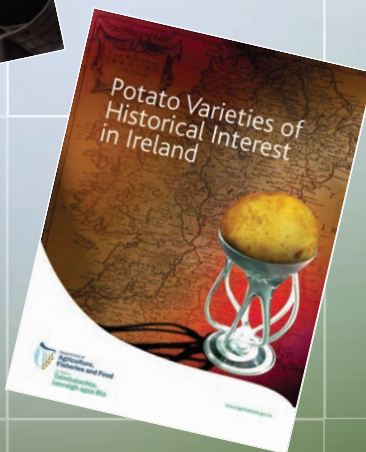


- Ireland hosted the Peruvian Potato exhibition.

- Independent analysis verifies that the agri-food sector contributes almost 1/3 of net foreign earnings



2008
International
Year of the
Potato



- Sheep Ireland was established to advance sheep breeding improvement programmes



- In 2008, R & D projects to the value of €30 million were funded under the FIRM, Stimulus, Marine and COFORD programmes

- Ireland hosted the world Holstein –Fresian Dairy Conference

HIGHLIGHTS OF 2008



- The discovery and control of dioxin contamination in some pigmeat products

- The Organic Farming Action Plan 2008-2012 was launched in early 2008

- EU increased age thresholds for BSE testing due to the reduced disease levels achieved by active surveillance measures

- The National Organic Week was held in September



- Over € 1.9 billion was paid to farmers under the SPS, DAS and REP schemes

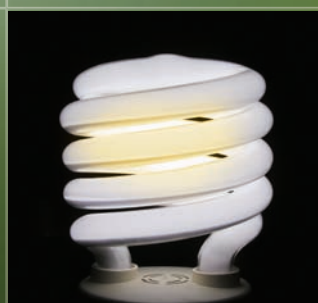
- Significant infrastructural improvement works to the value of €20 million were carried out at Fishery Harbour Centres and other developments

- State investment of €114 million to realise an overall estimated capital spend of €286m. in dairy processing infrastructure.
- Over 62,000 farmers participate in the Rural Environment Protection Scheme

- The successful Fleet Decommissioning Scheme will facilitate access to catch estimated at €22 million



- Energy efficiency audits in 12 offices resulted in a 10% energy usage reduction, on average.



- The Customer Service Chart 2009-2011 was agreed



- Over 85% of suppliers, 90% of staff and virtually 100% of farmers are paid by EFT
- Staffing numbers fell by 116 in 2008 bringing the total reduction to 548 from 2004

ORGANISATION OF THE DEPARTMENT



Cecil Beamish
Assistant
Secretary
General

At 31 December 2008, the Department had a staff complement of 4,162 full time equivalents. Overall, there were 2,252 in administrative grades, 1,001 in technical agricultural officer grades, 232 in agricultural inspector grades, 345 in veterinary/research officer grades and 332 in other specialist grades for laboratory, engineering, fishery, forestry and other related functions.

MANAGEMENT ADVISORY COMMITTEE



Jim Beecher
Assistant
Secretary General



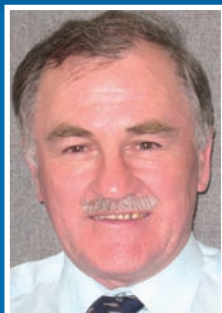
John Gillespie
Assistant
Secretary General



Aidan O'Driscoll
Assistant
Secretary General



Denis Byrne
Assistant
Secretary General



Michael Gunn
Director of
Laboratory Service



Philip O'Reilly
Assistant
Secretary General



Tony Burke
Assistant
Secretary General



Seamus Healy
Assistant
Secretary General



Paddy Rogan
Chief Veterinary
Officer



John Fox
Assistant
Secretary General



Martin Heraghty
Assistant
Secretary General



Dave Beehan
Chief Inspector

ORGANISATION CHART AS OF 31 DECEMBER 2008

Tom Moran Secretary General

MAC Member	Deputy	Function	Head of Division	Location
Jim Beecher <i>Livestock Products</i>		Meat Policy	Mick Cronin	Dublin/Portlaoise
		Meat Hygiene & Animal By-Products	Tom Loftus	Portlaoise
		Milk Policy	Philip Carroll	Dublin/Portlaoise
Martin Heraghty <i>Food and, Corporate Affairs</i>		Food Industry Development	Marian Byrne	Dublin
		Food Safety Liaison and Equines	Joe Shortall	Dublin/Cavan
		Crops and Biofuels Policy & State Bodies	Bridie O'Neill	Dublin/Portlaoise/ Cavan
		Corporate Affairs, FOI	Andy Irving	Dublin/Portlaoise
Aidan O'Driscoll <i>EU, International, Economics and Planning</i>		Rural Development and Planning	Patricia Cannon	Dublin
		EU/Trade Policy	Brid Cannon	Dublin
		Embassies	Jarlath Coleman Brendan Nevin	Embassies Brussels London Paris Rome Berlin Geneva Madrid Warsaw Washington
		Economics & Planning	Kevin Smyth	Dublin/ Portlaoise
John Gillespie <i>Human Resources and Legal</i>		Management Services	Breffini Carpenter	Portlaoise
		Personnel	Bert O'Reilly	Dublin/ Portlaoise
		Accommodation, ISO, Health & Safety	Danny Carroll	Dublin/ Portlaoise
		Legal and Land Services	Randall Plunkett	Dublin/Cavan
Philip O'Reilly <i>Information Technology</i>		IT - Direct Payments Systems (IACS)	Sean Keevey	Dublin/ Portlaoise
		IT- Fisheries & Forestry Systems	Christy Philpott	Johnstown Castle
		IT- Infrastructure and Operations	Robert Butler	Dublin

MAC Member	Deputy	Function	Head of Division	Location
		IT- Customer Financial & Online Services	Joe Hanly	Dublin/ Portlaoise
		IT - Animal Health & Traceability Systems	Mick Bunyan	Dublin
Tony Burke <i>Finance & Audit</i>		Finance	Brendan Gleeson	Dublin/ Portlaoise
		Accounts	Geraldine Mullen	Cavan
		Internal Audit	Tom Medlycott	Dublin/ Portlaoise
John Fox <i>Direct Payments & Agri-Environment</i>		Agriculture Structures	Michael O'Donovan	Johnstown Castle
		Single Payment	Paud Evans	Portlaoise
		Single Payment Entitlement	Paul Dillon	Portlaoise
		Single Payment	Andy McGarrigle	Castlebar/ Portlaoise
		Integrated Controls	Al Grogan	Dublin/ Regions
		Agriculture Environment & Structures	Dan Gahan Donal Coleman	Johnstown Castle, Regions
Denis Byrne <i>Farm Investment and Forestry</i>		Beef Control	Tom O'Hanlon	Johnstown Castle
		On-Farm Investments, Subsidies & Storage	Mick Prendergast	Johnstown Castle
		Forest Service	Diarmuid Mc Aree	Johnstown Castle
		Forest Service Operations	Ronan O'Flaherty	Johnstown Castle
		Forest Service Policy	Bridgeena Nolan	Johnstown Castle
Cecil Beamish <i>Fisheries and Coastal</i>		Seafood Policy & Development	Josephine Kelly	Clonakilty
		Sea Fisheries Administration	Paschal Hayes	Clonakilty
		Coastal Zone Management	John Quinlan	Clonakilty
		Engineering	Gerard Farrell	Dublin
Seamus Healy <i>Animal Health and Welfare</i>		ERAD, Veterinary Medicines and District Veterinary Operations	Richard Healy	Maynooth
		Animal Health & Welfare	Stephen Fitzpatrick	Dublin
		Animal Health & Welfare	Heber McMahon	Dublin
		Beef Assurance Scheme	Martin Farrell	Maynooth

MAC Member	Deputy	Function	Head of Division	Location
Dave Beehan <i>Chief Inspector</i>	Vacancy <i>Deputy Chief Inspector</i>	Dairy Regions	John Doody	Portlaoise
		Pesticide Registration	Dermot Sheridan	Backweston
		Feedingstuffs, Fertilisers, Grain, Pigs & Poultry	Dermot Ryan	Maynooth
		Livestock, Beef & Sheepmeat	Ignatius Byrne	Maynooth/ Portlaoise
		Crop Variety Testing	Ignatius Byrne	Backweston
		Seed Certification	Gabriel Roe	Backweston
		Horticulture & Plant Health	Michael Hickey	Maynooth
		Research, Food & CODEX Co-Ordination	Richard Howell	Dublin
		Specialist Farm Service, Environment & Evaluation	Matt Sinnott	Dublin/ Portlaoise
		Crop Production & Safety	Kevin Cassidy	Maynooth
Paddy Rogan <i>Chief Veterinary Officer</i>	Martin Blake Martin O'Sullivan Michael Sheridan <i>Deputy Chief Veterinary Officers</i>	RVO North West RVO North East RVO South East	Oliver McDonagh Michael Fallon John Murray	Sligo Meath Waterford
		Veterinary Service Audit Unit	Pat Flanagan	Dublin
		ERAD – Brucellosis	Garry O'Hagan	Dublin
		ERAD - TB	Margaret Good	Dublin
		Veterinary Public Health – Beef & Sheepmeat	Paula Barry Walsh	Dublin
		Veterinary Public Health - Pigmeat & Poultrymeat	Dave Nolan	Dublin
		National Disease Control Centre & Veterinary International	Billy McAteer	Dublin
		TSE, Scrapie & Animal By-Products	John Griffin	Dublin
		Veterinary Zoonoses, Animal Health & Welfare and Medicines	Pat Brangan	Dublin
Michael Gunn <i>Director of Laboratories</i>	<i>Head of Agriculture Laboratories</i>	Pesticides, Plant Health and Seed Testing Laboratories	Dan O'Sullivan	Backweston
		Dairy Headquarters and Laboratories	Nicholas Finnerty	Backweston
		Central Meat Control	Paula Barry Walsh	Backweston
	John Ferris <i>Director of Veterinary Laboratories</i>	Regional Veterinary Laboratories and Farm	Vacancy	Regions, Longtown
		Bacteriology/Parasitology	John Egan	Backweston
		Pathology	Paul Collery	Backweston
		Virology	Pat Lenihan	Backweston

“Provide an appropriate policy framework to support the development of an internationally competitive, innovative and consumer-focused sector”

INPUTS

Goal 1	2008 Budget €million	2008 Outturn € million	2009 Budget € million
Programme Expenditure	352.9	329.6	311.8
Current	263.3	252.7	240.6
Capital	90.6	76.9	71.0
Programme Administration	24.6	24.3	24.0
Pay	20.1	19.4	19.7
Non-Pay	4.5	4.9	4.3
Support Expenditure	4.6	4.7	5.0
Total Gross Programme Expenditure	382.1	358.6	340.6
Number of staff (FTE) at 31 December 2008		306	

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>1.1 Negotiate the optimum policy framework at EU and international level for the development and sustainable management of the Irish agri-food and fisheries sector</p>	<p>Major beneficial outcomes for the agri-food and fishing sector achieved at EU level in 2008 included</p> <p>CAP Health Check: Concessions gained on increased milk quotas (worth €100 million by 2013), milk market supports and over €90m of new EU funds to be used at national discretion over four years.</p> <p>Pig Industry: EU funded Aid to Private Storage Scheme was agreed for six months to support Irish pigmeat markets (worth €15m approx) and EU co-funding of up to €20.7m for product recall following dioxin contamination.</p> <p>Fisheries:</p> <ul style="list-style-type: none"> ■ A 5% increase achieved in the overall value of quota available in addition to the successful defence of the Hague Preferences ■ A new Community system adopted to prevent, discourage and eradicate illegal unreported and unregulated (IUU) fishing. This will come into force on the 1st January 2010. ■ New Cod Recovery plan adopted which will require new national arrangements for managing fisheries in the Irish Sea and the North West for 2009 <p>Simplification: SPS payment processes were simplified by changes to modulation refunds, tillage set-aside, cross-compliance threshold National Reserve entitlements and usage rules. The Department continued to participate fully in all discussions, preparations and decision making at EU level (the Commission represents the EU position in WTO negotiations) with a view to ensuring that any WTO agreement not necessitate further reform of the CAP and that national objectives were achieved.</p>

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>1.2 Implement sectoral policy documents so that by end 2008</p> <ul style="list-style-type: none"> ■ all 167 action points in the <i>AgriVision 2015 Action Plan</i> are implemented ■ at least 80% of DAFF provisions in the <i>Programme for Government</i> and in the <i>Towards 2016 Agreement</i> are implemented ■ 50% of target for scrapping of fishing vessels achieved ■ Implementation of 50% of <i>Steering a New Course</i> progressed. 	<ul style="list-style-type: none"> ■ 98% of the 167 AgriVision 2015 commitments were implemented by end 2008. There are 4 outstanding items, one of which, the review of organisational structures, will be achieved in 2009. While significant progress was made on the remaining 3 [<i>National/EU policies for co-existence arrangements for conventional and GM crops; all-island free movement on animals and plants; and country of origin labelling for pigmeat/poultry products</i>] it is unlikely that these issues will be agreed in the near future. ■ By end 2008, 67% of DAFF provisions in the PfG and 83% of Towards 2016 were being implemented on an ongoing basis. ■ 35% of the planned restructuring of the fishing fleet has been achieved. ■ 15% of <i>Steering a New Course</i> has been achieved.
<p>1.3 Improve afforestation planting levels through the implementation of the recommendations in the Malone Forestry Report and other strategic initiatives</p>	<p>Annual planting levels have slightly decreased from 6,947 in 2007 to 6,249 in 2008. However, overall forest cover has increased from 480,000ha in 1990 to around 730,000ha in 2008.</p>



GOAL ONE

EU NEGOTIATIONS

Health Check of the CAP

EU policy in 2008 was dominated by negotiations on the CAP Health Check. For this Department, the significant issues were the planned reviews of milk quotas and the Single Payment Scheme. These reviews were influenced by the evaluation carried out by the Commission on the effectiveness of market management measures and an examination of the capability of the Community to address new and emerging challenges such as climate change, bio-energy, bio-diversity and water management.

The main elements of the final agreement were:

Milk Sector

- Milk Quotas were increased by 5% over 5 years,
- An additional super levy was imposed for those Member States who exceeded their quota by 6% or more,
- The adjustment of butterfat reference which generated an additional 2% quota increase for Ireland,
- Private storage aid for butter and intervention for butter and SMP were retained unchanged,
- Other dairy disposal aids were abolished.

Single Payment Scheme (SPS)

- The scope of Article 68 was expanded. This allowed for targeted aid to certain vulnerable sectors or areas within an overall ceiling of 10% and a ceiling for coupled payments of 3.5%,
- Funding opportunities for Article 68 was extended to national reserve funds and to unspent SPS funds,
- Provision was made to allow use of such funds to address new challenges in Pillar 2 (Article 136),
- Provision was made to allow Member States to approximate SPS payment entitlements and/or to move to regional payment models,
- The timetable was fixed for decoupling of remaining coupled subsidies, (except suckler cow and sheep/goat premia),
- Modest simplification of Single Payment, cross-compliance and GAEC provisions were agreed and a commitment was given for further simplification.

Modulation/Rural Development

- The compulsory modulation rate will increase by 5% between 2009 and 2012. The generated funds will remain in farming and be directed at the new challenges of climate change, water management, bioenergy, bio-diversity, dairy restructuring and innovation,
- The national co-financing rate was fixed at 25%,
- Additional progressive modulation of 4% on payments over €300,000 was imposed,
- Rural Development strategies and programmes are to be reviewed.

Other

- Pigmeat intervention was abolished,
- Compulsory set-aside of tillage land for cereals was abolished. While the intervention mechanism for barley has been retained, a ceiling of zero has been fixed which the Commission can increase in future, if the market situation so requires,
- The energy crops premium was abolished and €90 million funds were allocated to new Member States to fund rural development measures which address new challenges.



Impact of Agreement on Ireland

Ireland was satisfied with the outcomes for our priority goals of increased milk quotas, retention of market management measures and access from 2009 to unspent Single Payment Scheme (SPS) funds for Article 68 measures. Modest gains were also achieved on the simplification of the SPS and cross-compliance arrangements and on the eligibility under the SPS of forestry areas planted in 2009.

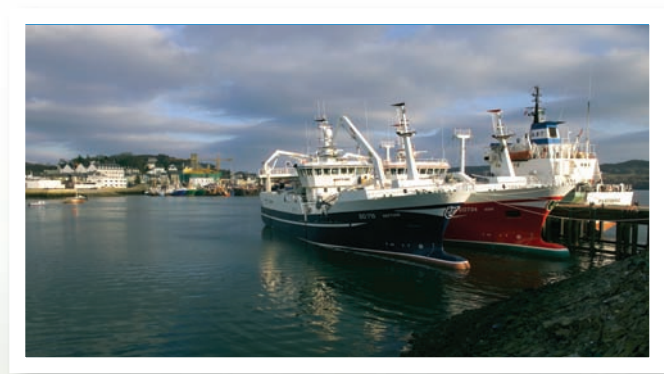
Future shape of the CAP

The initial policy debate on the future of CAP after 2013 took place at the Informal Agriculture Council in September 2008. While a large majority of Member States favoured maintaining a strong EU agriculture policy, there were differences in emphasis from different Member States. Presidency conclusions adopted at the November Agriculture Council took this discussion forward and the Czech Presidency will continue this debate in the first six months of 2009.

Maintaining Effective Partnerships

The Department maintained effective relationships with the EU institutions and Ministries through our diplomatic offices abroad and through official and ministerial contacts and visits. The Department's diplomatic representation abroad serviced international organisations, such as FAO, WFP, OECD, where appropriate.

In 2008, the Department hosted a number of Ministerial and senior official visits from France, Estonia and Slovenia. Visits at Ministerial and Secretary General level were undertaken to France, Germany, UK, Poland, Spain, Italy, Norway, Japan and the US. A number of Ministerial meetings also took place in Brussels and Dublin with Commissioners Fischer Boel, Vassiliou, Borg and Mandelson.



Fisheries policy

European Community actions in relation to fisheries takes place within the framework of the Common Fisheries Policy, with emphasis on sustainability in the development of the fishing and aquaculture industries, conservation of resources and the protection of the environment.

Significant developments in 2008 in relation to sea fisheries included:

- The annual fishing opportunities in terms of Total Allowable Catches (TACs) and quotas for 2009 were agreed at the December Agriculture and Fisheries Council. A 5% increase in the overall value of quota available was achieved in addition to the successful defence of the Hague Preferences.
- In September, EU Fisheries Ministers adopted a regulation putting in place a Community system to prevent illegal unreported and unregulated (IUU) fishing. This regulation will come into force on the 1st January 2010.
- A Data Collection Regulation aimed at simplifying and standardising data collection in relation to fisheries was adopted on the 25th February 2008.
- As part of the ongoing drive to rejuvenate cod stocks, the EU Fisheries Councils in November and December 2008 adopted new Cod Recovery measures. Ireland is now required to introduce and implement a licensing regime to manage its allocation in the waters of the Northwest of Ireland and the Irish Sea. These conservation measures will be a major challenge for the industry.

In addition, in September 2008, the EU Fisheries Ministers held an informal debate on the reform of the Common Fisheries Policy (CFP). In 2009, the EU Commission will present a Green Paper which will be followed by a broad public consultation process. The CFP is up for review in 2012 at the latest.

North-South Co-operation

The Agriculture Sectoral meeting, which is conducted at ministerial level, was held on 30th April in Enniskillen. At that meeting, the Council noted progress on the draft All-Island Animal Health and Welfare Strategy including:

- Agreement on a common chapter in the respective epizootic contingency plans for Foot and Mouth Disease. Common chapters for Avian Influenza and Bluetongue will follow.
- Development of a report on the potential for joint data sharing.
- Continuing examination of the feasibility of a joint approach to the electronic identification of sheep.
- The development of common approaches to sheep scrapie genotyping.
- Development of a common approach to salmonella in line with an EU baseline report.

Developments on other animal health issues included the approval of further measures to progress an all-island approach on Aujeszky's Disease in pigs and the feasibility of an all-island approach to Trichinella.

The Ministers were also cognisant of the consistency between the draft Plant Health Strategy developed by the Department of Agriculture and Rural Development (DARD) and the current plant health strategies operated by this Department and agreed to establish a Steering Group to identify areas of mutual interest in the plant health and pesticides areas.

The North South Ministerial Council (NSMC) met in Plenary sessions in February and October 2008. The Council, among other things, noted the key developments at the Ministerial meetings.

INTERNATIONAL NEGOTIATIONS

WTO

International policy in 2008 was dominated by the ongoing WTO negotiations on the Doha Development Agenda. A WTO Ministerial Conference took place in Geneva in July 2008 with a view to agreeing the modalities or detailed rules for the agriculture and non-agricultural market access (NAMA) strands of the negotiations. The expectation was that, if agreement had been reached on the modalities, the remaining strands of the negotiations could be completed by the end of the year. In the event, this meeting failed to reach agreement despite emerging convergence on a range of issues.

The agriculture negotiations were, at that point in time, at a very advanced stage. The sticking point was irreconcilable differences between US, India and China on the extent of remedies, called the Special Safeguard Mechanism or SSM, that developing countries would be allowed to apply, to counter import surges in agricultural products that might arise following the application of the proposed import tariff cuts. Other issues such as Tariff Rate Quota creation, tariff simplification, green box provisions dealing with developing countries, blue box disciplines, the treatment of sensitive products and cotton were also unresolved at the conclusion of the ministerial. The negotiations on NAMA were equally unresolved as regards the depth of tariff cuts, the differentiation between developed and developing countries and the sectors that might be singled out for deeper tariff cuts.



UN DEVELOPMENT ISSUES

UN World Food Programme

During 2008 the Department continued its support for the vital work of the United Nations World Food Programme (WFP) with a total contribution of €11.96 million. €9.96 million was initially provided as core multilateral funding as part of Ireland's overall support to WFP while a further €2 million was provided in December specifically to provide food aid for the hungry in Ethiopia.



UN Food and Agriculture Organisation

The Department represented Ireland's position on agricultural and development matters at various Food and Agriculture Organisation (FAO) meetings throughout the year including Council, Conference and EU coordination meetings. In addition to paying Ireland's subscription of over €1.5 million to FAO, extra budgetary funding of €567,719 was also provided; of which €250,000 was towards the implementation of the International Treaty for Plant Genetic Resources for Agriculture and Food, €215,893 towards the Codex Alimentarius Trust Fund and €101,826 to assist the implementation of the reform of the FAO. A Special Conference on FAO reform took place in November 2008 to adopt an Immediate Action Plan whose recommendations are expected to be implemented by 2011.

FAO hosted a Conference on World Food Security and the Challenges of Climate Change and Bioenergy in June 2008. The focus was on how agriculture can continue to produce adequate quantities of food for the world's growing population, and particularly the poor and vulnerable, in changing climatic conditions. Minister Smith attended the Conference and a Declaration was agreed at the end of the Conference, which welcomed the renewed global recognition of the vital role of agriculture in meeting the world's present, and future food security needs.

2008 continued to see dramatic rises in basic food prices worldwide, sparking food riots in several countries. The global increase in food prices hit the poor hardest, as they spend the highest proportion of their income on staple foodstuffs. The United Nations predicts that the world's population will reach 9 billion by 2050, with most of the extra 2.5 billion people living in the developing world. There are several factors responsible for the current increases in food prices but it is difficult to quantify their relative contribution. High prices have been driven partly by falls in world cereal production, low stock levels, increased demands for industrial uses for grains especially maize for ethanol and by increased demand for food crops due to dietary changes in some large developing. Export bans put in place by some countries at this time greatly increased price volatility. While world prices fell back somewhat towards the end of 2008, they are still at a high level compared to 2005 and are expected to remain at this higher level for some time.

Investment in agriculture in developing countries has been neglected over the past two decades, both by donor and developing country governments. 12.3% of ODA was spent on agriculture in the mid 1980s; by 2006, this had declined to just 3.1%. It is now widely accepted that increased investment in agricultural productivity in developing countries – and particularly in Africa – is critical to tackling the hunger challenge. This issue was highlighted by the Hunger Task Force.

UN High Level Task Force (UNHLTF)

The UN High Level Task Force (UNHLTF) was established in Bern in April 2008. It was set up by Secretary General Ban Ki Moon, as the UN system reaction to increasing food prices. The UNHLTF consists of the heads of UN agencies, World Bank (WB), International Monetary Fund (IMF) and UNICEF.

The Task Force's aim is to develop an international response to the food prices crisis and fuel crisis. It launched the Comprehensive Framework for Action (CFA) in July 2008. The CFA has called on Members to double ODA for food assistance, other types of nutritional support and safety net programmes and to increase the percentage of ODA to be invested in food and agriculture to 10% within five years. The CFA supports immediate and long-term responses to the current crises without creating new institutional mechanisms.



862,000,000
people do not have
enough food

Hunger Task Force - Report to the Government of Ireland

Hunger Taskforce

The Hunger Taskforce was established following the publication of the Government White Paper on Irish Aid in 2006. It began work in 2007 with fifteen Irish and international experts who identified the most appropriate and effective contribution that Ireland might make to the international efforts to reduce hunger and achieve the first Millennium Development Goal. The final report was presented to an Taoiseach in New York on 25 September 2008, in the presence of UN Secretary General Ban Ki Moon, as well as Bono, Jeffrey Sachs and other members of the Task Force. The Report does not seek to add to existing comprehensive analyses on the causes and consequences of hunger, and neither is it an exhaustive list of all the possible actions that Ireland might take to alleviate hunger. Instead, it selects a number of very specific areas on which Ireland can have maximum impact in delivering real progress in the fight against hunger.

The Irish Government welcomed the overall findings of the Hunger Task Force Report and supported its focus on three key elements to be addressed namely (i) to prioritise the abolition of hunger as a shared objective and to follow through on commitments already made, (ii) to target agriculture and particularly the need to radically improve smallholder productivity in sub-Saharan Africa and (iii) to take effective actions to counter maternal and infant undernutrition.



International Year of Potato

2008 was designated by the FAO as the International Year of the Potato (IYP). It aimed at raising the profile of this globally important food crop, by giving emphasis to its biological and nutritional attributes, and promoting its trade. DAFF provided €315,062 to IYP and Ireland saw this celebration as its opportunity towards meeting the Millennium Development Goals by promoting the vital role that agriculture can play in improving nutrition and supporting food security. To mark the year many potato promotion events were organised including 'Meet the Spuds Primary Schools Competition' and an exhibition on potatoes from the International Potato Centre (CIP) in Peru hosted by the Agricultural Museum in Johnstown Castle from 7 July until 22 August.

The Potato Centre at Raphoe hosted a successful event in July, featuring the work carried out at the Centre and was also involved in the publication of an interesting booklet "*Potato Varieties of Historical Interest in Ireland*".

NATIONAL POLICY DEVELOPMENTS

Towards 2016

By the end of 2008, over 80% of the 90 agriculture related commitments in Towards 2016 were being implemented on an ongoing basis, notwithstanding the fact that towards the end of the year, restricted finances meant that applications under the Young Farmers Installation and the Early Retirement schemes were suspended and there was a reduced allocation for the Disadvantaged Areas and Fallen Animals schemes.

The Department participated in the review of Towards 2016 with the Farming Pillar of Social Partnership and discussions concluded in September with the *Towards 2016- Review and Transitional Agreement 2008-2009*. More intensive engagement followed for the remainder of the year as the deteriorating public finances made agreement on implementation issues difficult.

AgriVision 2015

The third and final report on the implementation of the AgriVision 2015 Action Plan was produced showing progress achieved to December 2008. This illustrated the manner in which 98% of the 167 action points had been completed or were being implemented on an ongoing basis. Progress, which was evaluated on a four-point basis, is categorised in the table beneath.

	Description	No. of Actions	Percentage
A	Action completed	20	12%
B	Action implemented on an ongoing basis	143	86%
C	Substantive action taken but further work required	4	2%
D	Minimal action taken	0	0%

The implementation of the wide range of actions in the AV2015 Action Plan has strengthened significantly the sustainability and competitiveness of the agri-food industry and has enabled it more successfully compete on the global markets. Some of the specific achievements for the sector during the 2006-2008 period would include:

- The value of agri-food exports increased by 17% from €7.8 billion to €9.2 billion.
- The Government Asian target, of doubling food and drink exports to €400 million by 2009, was reached two years ahead of target.
- Exports of Irish beef to the EU rose from 145,000 tonnes in 2005 to 245,000 tonnes in 2008, with 95% of beef exports destined for the high-value EU markets, compared to over 50% in 2000.
- A major Rural Development Programme (RDP), which provides for funding of almost €6 billion for the period 2007-2013, was approved in 2007. It included enhanced schemes for REPS, Disadvantaged Areas, Early Retirement, Installation Aid and Farm Improvement. Expenditure of the order of €615m was made under the RDP in 2007 while €653m was spent in 2008.



Forestry

A review of the Afforestation programme entitled “*Factors affecting afforestation in Ireland in recent years*” was published in March 2008 by Mr. John Malone, former Secretary General of the Department. This identified a number of factors which have adversely affected planting rates in recent years and outlined 18 recommendations designed to reverse this planting trend. These included effective processing systems, development of flexible structures to maximise applications and steps to enhance the role for forestry on the environmental and climate change agenda. A number of these recommendations have been implemented by the Department and the remainder are under active review.

National Development Plan (NDP)

In the period 2007– 2008, a total of €2.638 billion has been spent under the following programmes-competitiveness (€843m), the environment (€1,391m), the food industry (€58m), agri-food research (€151m), fishery measures (€195m), [marine research (€60m), development of the seafood and aquaculture sector (€90m) and development of the fisheries and coastal infrastructure (piers and harbours) (€41m)]. More details are available in Appendix B,

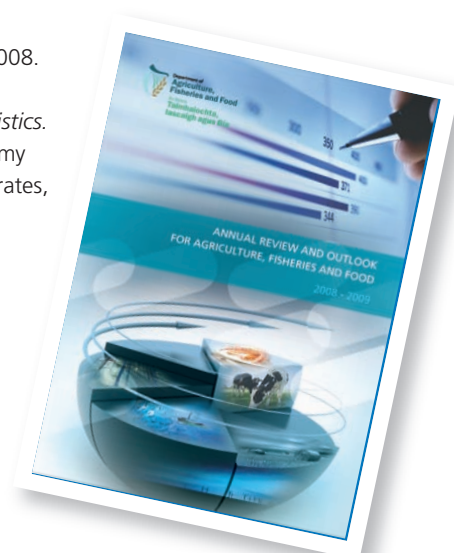
Legislation

In 2008, the Department made 77 Orders and Regulations covering a wide range of issues. Fuller details can be found on the Department’s website, www.agriculture.gov.ie under Legislation.

Statistical and Analytical Reports

The Department produces a range of up-dated statistical and analytical reports to support and inform agricultural policy. These are available on the Departments website and in 2008 included:

- *Annual Review and Outlook for Agriculture and Food 2007/2008.*
This contained a broad range of analysis and commentary relating to the performance of farm income and the agri-food sector in 2008.
- *Fact Sheet on Irish Agriculture.*
This was up-dated and disseminated widely in 2008.
- *The 2008 Compendium of Irish Agricultural Statistics.*
This includes information on the National Economy such as GDP, CPI, employment levels, exchange rates, farmer indebtedness as well as detailed data on agricultural production, prices and exports.





In addition to these internal economic reports, in 2008 the Department commissioned Mr. Brendan O’Riordan, research economist to undertake an external analysis on the economic value of the agri-food sector. The report *“The Net Contribution of the Agri-Food Sector to the Inflow of Funds into Ireland- a New Estimate”* shows that this sector, referred to in the report as the ‘biosector’, contributes almost one third of the net flow of funds into the economy generated by primary and manufacturing industries. The reasons for the sector’s disproportionately large net contribution to earnings from exports include its low import requirements and lower profit repatriation outflows.

Aggregate Farm Income

TABLE 1.1 OVERVIEW OF 2008 AGRICULTURAL OUTPUT

	OUTPUT, INPUT AND INCOME 2008	€m
Agricultural Output at Producer and Basic Prices, Gross Value Added and Operating Surplus in Agriculture	Goods Output At Producer Prices	5,852.5
	Plus Contract Work	316.8
	Plus Subsidies Less Taxes On Product	6.2
	Agricultural Output At Basic Prices	6,175.5
	Less Intermediate Consumption	4,577.3
	Gross Value Added At Basic Prices	1,598.2
	Less Fixed Capital Consumption	830.1
	Plus Other Subsidies Less Taxes On Production	1,885.4
	Less Compensation Of Employees	452.1
Operating Surplus	2,263.3	

Source: CSO, Output, Input and Income in Agriculture – Preliminary Estimate, Feb.2008

The CSO’s preliminary estimate of output, input and income in agriculture shows that operating surplus declined by 12.4% to €2,263 million in 2008 following an increase of 11.8% in 2007. The most significant factor for the decrease in income was the increase in intermediate consumption (up 12.3% in 2008), of which the rise in costs for fertiliser and energy were the main contributing factors.

INNOVATION

Food Institutional Research Measure (FIRM)

The 2008 FIRM Call, which was developed in consultation with the food industry, was launched with a closing date in April. The proposals covered the theme areas:- *Food Manufacturing & Processing Technology, New uses for Food and Drink By-products, New and Innovative Food Ingredients and Products, Food Quality and Safety*. In addition, new ideas to create future opportunities for the food industry were sought under the theme area *Frontiers Research*. The proposals were evaluated in May and 30 projects were proposed for funding with a DAFF contribution of €18m. The role of the industry led research group in the development of the theme areas was particularly welcome as it strengthened the possibility of future commercial opportunities from appropriate projects.

A new RELAY project was also funded, aimed at the identification of commercial opportunities at an early stage so as to maximise future commercial opportunities by protecting intellectual property.

Ongoing monitoring of the existing 122 FIRM funded projects continued in 2008 using report assessments and also on-site inspections on 30 projects to fulfil the requirement that each project is physically audited at least once during its funding timeframe.

Research Stimulus Fund (RSF)

The Research Stimulus Fund is directed at improving production agriculture, animal and plant health, agri-environment, agri-energy and agri economics. There were no Calls under the RSF in 2008 but progress reports on the existing 85 funded projects were assessed. This involved 9 on-site inspections of projects to build on and verify the information submitted and to ensure maximum return on tax payers' investment.

Strategy for Science Technology & Innovation (SSTI)

The Department devoted significant time and resources to servicing the various committees and Working Groups that make up the infrastructure supporting the implementation of the SSTI. In particular, considerable effort was afforded to the development of an ambitious proposal entitled "*Sustainable Land/Sea Use for Food Security & Energy*" involving major consultation and co-operation with other Departments and funding agencies. This proposal – together with one developed by the Marine Institute entitled "SmartBay" - was successfully presented, promoted and ultimately accepted by the inter-departmental committee; however, subsequent budgetary conditions meant that these proposals were not advanced.

EU 7th Framework for Research & Technological Development (FP7)

The European 7th Framework Programme for Research and Technological Development is the EUs vehicle for research funding. This Department provides the National Delegate and National Contact Point for the Theme Area concerning Food, Agriculture & Fisheries, and Biotechnology. It is our responsibility to ensure maximum Irish participation and success in the programme. This is achieved by active involvement in the Programme Committee to help ensure that the European Research Agenda topics are suited to Irish researchers, and by promoting the programme to Irish researchers.

Irish researchers were extremely successful in the 2007 call. Unfortunately the success rates in the subsequent 2008 Call 2A and Call 2B, proved disappointing for Ireland. However, a targeted approach to Call 3 in 2008 by DAFF has led to increased levels of participation and an unprecedented numbers of Irish coordinators (10). This level of interest is a significant development in our ambition to develop Ireland's reputation for research excellence as espoused in the Strategy for Science Technology and Innovation. The importance of international collaboration in developing a knowledge economy cannot be overstated.

Sea Change – National Marine Knowledge Research and Innovation Strategy 2007-2013

At national level approximately €100million has been committed to R&D projects associated with marine resource development over the first two years of the implementation of the Sea Change Strategy, (50% of which comes from NDP funds, 36% from other national funding bodies and 14% from international funding.) Active participation by a range of stakeholders in the private and public sectors is a key element in the delivery and implementation of Sea Change.

In 2008, research investment has been aimed at building on past achievements and addressing targeted research and capacity gaps. Marine Institute investment of just under €6.2m consisted of (a) €3.94m for targeted projects and research programme management; (b) €0.7m for the provision of ship-time; and (c) €1.55m for priority national research infrastructure.

In addition to the approval of a suite of new R&D projects in 2008, the Marine Institute supported a range of R&D initiatives aimed at stimulating the competitiveness of marine firms and the creation of marine related commercial opportunities. Initiatives included an assessment, in collaboration with BIM and Enterprise Ireland, of innovation needs of Ireland's seaweed sector. This resulted in the announcement in December by Enterprise Ireland of a €2 million industry-led Seaweed Research Programme. Three new national programmes, in Marine Biotechnology, Advanced Technology Research and Ocean Energy, gained momentum. The Marine Biotechnology Programme included the establishment of a Marine Biodiscovery Laboratory, the hosting of a Marine Biodiscovery Researchers' Workshop and the creation of synergies across a number of marine biotechnology initiatives. The Marine Institute continued to work closely with Sustainable Energy Ireland (SEI) on the development of renewable ocean energy. 2008 also brought with it significant progress on the *SmartBay* project which leveraged a major R&D investment by IBM to establish a Centre for Water Quality Management and Monitoring in Ireland.

Forestry Fund

During 2008, COFORD funded 39 research projects and co-funded one with the Environmental Protection Agency at a total cost of €3.02 million. These covered the 13 thematic areas of:- *forest reproductive material, silviculture, forest planning and management, forest economics and policy, forest health and protection, forest harvesting and transport, wood products, forest energy, non-wood products, forests and climate change, forest biodiversity, forests and water and forest recreation*. Projects estimating carbon stock changes in Irish forests and forest energy received the greater allocation of funding. COFORD hosts the *WoodSpec* web site, which supports innovation in wood use and design.

In line with the Government Decision of October 2008, the activities of COFORD are being absorbed back into the Department of Agriculture, Fisheries and Food.

FOOD SECTOR

As a major exporting sector, the agri-food industry faced significant market challenges in 2008 caused by the downturn in the international economy and related issues such as currency depreciation, the slowdown in consumer spending and financing difficulties. Overall, the value of agri-food exports declined by 7% to €8.16 billion. While beef exports increased by 7% to €1.487 billion, dairy exports were affected by the fall in international milk prices.

The Department engaged with the food industry at all levels and the 38 food related actions in the Agri-Vision 2015 Action Plan were completed or were implemented on an ongoing basis by year end. These include investment aid, a more strategic engagement with industry on research and innovation, support for Bord Bia in relation to marketing, market intelligence and small business, as well as the promotion of artisan, local and speciality food.

A Value for Money Report of the Department's Capital Investment Scheme for Marketing and Processing identified improved competitiveness as the greatest benefit of this scheme. A Call for near-farm investment proposals, culminated in the award in December of grant aid of €16.7 million towards investments of €55 million in horticulture, in livestock marts and small meat establishment projects.

A strategic evaluation of project proposals and plans submitted under the Beef and Sheepmeat Fund was undertaken by Enterprise Ireland. This resulted in grant aid of €69 million being awarded to support investments of the order of €169 million to upgrade facilities and increase scale to secure the long-term competitiveness of the industry. The interdepartmental and interagency approach used followed the model of the Dairy Investment Fund, which is also managed by Enterprise Ireland on behalf of the Department. Expenditure under the Dairy Investment Fund amounted to €25 million in 2008.



A new level of strategic engagement between the food industry, food agencies and research bodies was undertaken in the work of the Industry-led Research Group established by the Minister. The Group advised on detailed themes for the 2008 Call for proposals under FIRM, the Department's public good food research programme and on dissemination of research findings. The Department worked with Enterprise Ireland on the innovation agenda and in September 2008 the Tanaiste and Minister for Enterprise, Trade and Employment together with the Minister for Agriculture, Fisheries and Food launched a €30million Enterprise Ireland Innovation Initiative.

In relation to marketing the Department established and chaired an inter-departmental group, to develop a coordinated approach on identifying potential market opportunities for the full range of Irish food and beverages, on deciding on priorities for market initiatives and on broader access issues. The Department continued to support Bord Bia in their work of developing market intelligence, full-time presence on the Asian market, promotion services for food and beverages industry, expansion of the Vantage suite of services for small business and quality assurance schemes. Work also commenced on implementing the Government decision on the transfer of fish marketing from BIM to Bord Bia to create synergies in food marketing generally.

The promotion of artisan, local and speciality food was advanced by the Department through a Local Authority Forum on Farmers Markets in January, the appointment by Teagasc of two specialist artisan advisers for 2009-2010 assisted by funding from the Department of Community, Gaeltacht and Rural Affairs, the establishment of an Agri-Vision 2015 Artisan Committee and the setting up of a Best Practice Group to advise on possible guidelines for Farmers Markets. These initiatives supported and complemented the commitment and support activities provided by Bord Bia and Teagasc to grow local food businesses.

The importance of the food industry was highlighted in a report published in May 2008 by research economist Brendan Riordan entitled *The Net Contribution of the Agri-Food Sector to the Inflow of Funds into Ireland: A New Estimate*. This found that the industry contributes approximately one-third of the net flow of funds into the economy generated by primary and manufacturing industries. The sector remains the largest user of Irish produced inputs with domestically produced materials comprising nearly 75% of inputs. This is important for stimulating domestic demand. With such a large contribution to the economy, promoting the resilience, adaptability and sustainability of the food sector will be a key factor in the renewal of the economy.



COMMODITY REPORTS

MEAT

Overview

Following some years of exceptional growth in production and export, the value of Irish meat and livestock exports in 2008 is estimated to have increased 2% on 2007 levels to €2.58 billion. An increase in the value of beef exports was offset by declines in the value of pigmeat, sheepmeat, poultry and live exports. The market environment for Irish pigmeat was affected by the dioxin contamination incident and the full impact of the product recall on exports has yet to be ascertained.

Quality Assurance Schemes

Quality Assurance Schemes are recognised as key drivers in accessing and maintaining markets in the meat and eggs sectors. In this context, Bord Bia continued its campaigns to promote participation rates in quality assurance schemes for various commodities.

The Department provided €1.9 million to kick-start the expansion of the Bord Bia EN45011 Beef Quality Assurance Scheme in 2006. Membership of this scheme has expanded as the number of holdings inspected rose from 4,000 in 2005 to some 25,000 in 2008. Overall, it is estimated that the Department will have contributed approximately €10 million in certification and on-farm inspection costs by end 2009.

Exchequer funding was also provided for a Lamb Quality Assurance Scheme, introduced in 2007, and over 8,500 flocks have been audited.

The Pigmeat Quality Assurance Scheme is now fully accredited under EN45011 at producer and processor level. There are 230 registered members of the scheme, of which 198 are certified at producer level. Farm inspections and processor audits are ongoing with certification taking place once the required standards have been achieved.

The Poultry Products Quality Assurance Scheme incorporates the requirements that were previously included in chicken, turkey and duck standards. Both the processor and producer standards of the new scheme have been accredited to EN45011 by the Irish National Accreditation Board. Training of all participants (plant personnel, processors, farm inspectors, producers and Bord Bia auditors) has taken place. The scope of the Egg Quality Assurance Scheme was broadened in 2008.



Market Access

A Market Access Group was established in 2007 to work towards reopening international markets for Irish meat. Efforts continued during 2008 to obtain access to third country markets for Irish beef, particularly those to which access has been denied since the second BSE crisis of 2000/2001. These efforts received a boost when Ireland was recognised as a country with a controlled risk of BSE by the OIE in May. Ireland hosted a visit from a veterinary delegation from Saudi Arabia in March 2008. This led to agreement on the veterinary health certificate to accompany the export of boneless beef, from approved plants, from Ireland to Saudi Arabia. In September, we also hosted a veterinary delegation from Israel and, as a result, two Irish plants have been approved for the Israeli market, subject to agreement on veterinary certification. Access has been maintained for Russia and Algeria which are our most significant export markets outside the EU. Questionnaires have been completed for other destinations including Japan, Morocco and the Philippines. The Filipino authorities have lifted the ban on Irish beef subject to the approval of plants.

Country of Origin Labelling

To complement the statutory country of origin labelling requirement for beef, DAFF, in conjunction with the Department of Health and Children, drafted regulations that would require the country of origin to be indicated on pigmeat, poultry and sheepmeat. In March 2008, the EU Commission delivered a negative opinion on the regulations but afforded Ireland an opportunity to provide further information in support of its case. While the Department provided additional details including examples of current misleading labelling practices and evidence of consumers' desire for country of origin labelling, the Commission formally adopted the negative opinion in December 2008. The Commission's main contention is that only harmonised rules with EU-wide applicability may be applied to food labelling other than in exceptional circumstances.

Capital Investment

During 2008, Enterprise Ireland conducted a competitive evaluation of applications under the €50 million Capital Investment Aid Scheme directed towards improving efficiency and competitiveness in both the beef and sheepmeat primary processing sectors.

Development Strategies

The work of the Beef Forum, announced in December 2007, continued throughout the year. Its purpose is to examine the beef sector in the light of the opportunities and challenges facing it and to draw up a framework for its future development. It comprises representation from producers, processors, relevant state agencies as well as independent experts.

Teagasc produced a report entitled "*A Development Strategy for the Irish Pig Industry 2008 to 2015*". An Implementation Group, which includes the Department, has been appointed to monitor the implementation of its recommendations. One meeting of the Group was held during the year.

To improve efficiency at pig producer level, pig grading was reviewed and an application for approval of grading trials was made to the European Commission.

MEAT PRODUCTION AND TRADE IN 2008

Beef

Total cattle slaughterings in 2008 amounted to almost 1.6 million. Beef exports at 483,000 tonnes, were down by 8% on 2007 levels but increased market prices meant that their value rose by over 7% to €1.69 billion. Beef exports to the UK decreased by 6% to 261,000 tonnes while those to Continental Europe decreased by 8% to 217,000 tonnes. Currently, over 97% of Irish total beef exports are destined for the higher-value EU market.

Sheepmeat

The sheep sector experienced a further contraction in throughput in 2008. Slaughterings at export plants declined by 12% on 2007 levels, reflecting the decline which has taken place in the national breeding flock in recent years. Factory prices for lambs improved over 2007 levels by an average of 4% for the year as a whole. The volume of sheepmeat exported in 2008 is estimated to have declined by 15%. 2008 saw the re-emergence of a modest trade in live sheep to the continent – a total of approximately 17,000 sheep were shipped during the latter half of the year.

Pigmeat

While prices paid to producers were up 9% on previous year's levels, and supplies were marginally down, the profitability outturn remained quite challenging. Export refunds were payable on fresh and frozen pork going to non-EU countries until August 2008.

In December, the Irish pork industry was hit by a recall of pork due to dioxin contamination of feedingstuffs which resulted in serious disruption of the market. An Aids to Private Storage Scheme for 30,000 tonnes of pigmeat was made available to Ireland by the European Commission for the purpose of assisting the sector to overcome its short-term difficulties. Other measures adopted to alleviate these problems included a facility of up to €180m in State Aid to cover the cost of the Product Recall Scheme and EU funding of up to €20.7 million for the destruction of affected animals and meat. The cooperation of the meat industry added significantly to the Department's ability to respond effectively to the dioxin crisis.

Poultry and Eggs

The poultry meat sector experienced a steady year with output at a similar level to that of the previous year. The very competitive retail environment and pressure from imports combined to keep profit levels tight.



MILK

Dairy Markets and Trade

During 2008 international dairy markets fell back from the record high levels they had reached in 2007, and there was increased volatility in the second half of the year. Global supply increased in response to high prices and demand contracted during 2008 due to the economic slump. The value of Irish dairy exports was €2.2 billion, a decrease of 5% from 2007.

New Milk Quota Regulations

A complete overhaul of the domestic milk quota regime was conducted in 2008. The result was the replacement of SI 94/2000 with SI 227/2008, with effect from 1 April 2008. The new regulations greatly simplify the quota regime and bring the legislative framework into line with modern farming realities. They provide for the elimination of unnecessary bureaucracy, greater flexibility in the transfer of quotas and the introduction of new rules for the operation of Milk Production Partnerships that remove obstacles to partnership formation and encourage new entrants to dairying.

Milk Quota Trading Scheme

The Milk Quota Trading Scheme continued to be implemented successfully in 2008 and brought a more open-market approach to the transfer of milk quotas. A total of 94 million litres of quota was offered for sale through the Scheme in 2008, with 88 million litres successfully traded. The Scheme has continued to contribute to the process of consolidation at producer level, with the number of active milk producers falling from 20,197 in 2007 to 19,686 in 2008. The new milk quota regulations were successfully incorporated into the Scheme.

Health Check

The Health Check agreement of November 2008 was a very positive one from a milk perspective. The decision to increase quotas by 1% each year from 2009 to 2014 ahead of abolition in 2015 was a good outcome, given the wide divergence of views among Member States. In addition, the increased milk deliveries that will be possible as a result of the downward adjustment in the butterfat co-efficient represent the equivalent of a further 2% rise in quotas in 2009. When the 2% quota increase in 2008 is taken into account, the result is a cumulative increase of 9.3% in Ireland's milk quota by 2014. The outcome was also very positive in relation to market instruments, as all of the measures of highest importance to Ireland retained unaltered. These included intervention and private storage aid for butter, and the retention of the intervention quantity limits of 30,000 tonnes for butter and 109,000 tonnes for SMP.



Dairy Investment Fund

During 2008 there was ongoing expenditure under the Dairy Investment Fund. Under the Fund, 19 capital investment projects were approved and awarded Government grant assistance of €114 million, which will generate an estimated capital spend of €286 million. The Fund was designed to support capital investment projects for efficient production of core and value-added products and was administered by Enterprise Ireland.

CROPS

Cereals

There was a bumper harvest in 2008 despite some difficult weather conditions. Total grain production was estimated to be about 2.4 million tonnes, representing a 21% increase on the previous harvest and the second highest on record after the peak of 2.5 million tonnes reached in 2004. Most crops performed well, with yields generally at or above average. Prices, however, declined by about 40% from the record levels realized in 2007. This was in line with the general trend experienced on EU and world grain markets.

TABLE 1.2 : OUTPUT VALUE AND VOLUME OF CEREALS 2007-2008

	2007		2008	
	Value (€m)	Volume (000 tonnes)	Value (€m)	Volume (000 tonnes)
Barley	137.7	725.4	112.1	825.4
Wheat	83.5	403.5	88.5	693.4
Oats	20.6	109.4	10.2	81.7
Total	241.8	1,238.4	210.8	1,600.5

Source: CSO Estimates for 2008



Crop Variety Evaluation

Overall conditions for sowing, and especially, for the harvesting of trials in 2008 were most difficult. Over 450 varieties of grass, clover, barley, wheat, oats, forage maize, oilseed rape and potatoes were evaluated in National, Recommended List and other trials in 2008. The varieties, of each species, considered most suitable for Irish producers, given our environment and range of soil types, were selected from these trials and published in *Recommended List Booklets* and on the Department's website; www.agriculture.gov.ie *The National Catalogue of Agricultural Plant Varieties (NCAPV)* and the *National Journal of Plant Variety Rights (PVR)* were compiled and published.

TABLE 1.3: NUMBER OF VARIETIES EVALUATED IN 2008

Crop	Number
Cereals	244
Grass	103
Forage Maize	33
Oilseed Rape	25
Clover	20
Potatoes	15

A most successful Open Day was held on the 8th of July, for the Irish Seed Trade Association at the Kildalton Evaluation Centre, Piltown, Co Kilkenny. Trial inspections and information visits for interested groups of breeders agents and farmers were hosted at the National Crop Variety Evaluation Centre, Backweston, Co. Kildare, at Ballyderown Farm, Fermoy, Co. Cork and at other outside trial locations.

Seed Certification

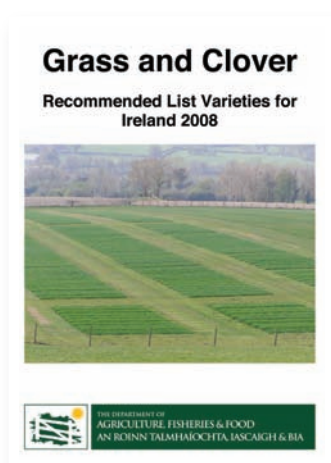
For the main agricultural crops, the only seeds that may be marketed in Ireland are of those varieties listed on the *Irish National Catalogue of Agricultural Plant Varieties*, or the *EU Common Catalogue of Varieties of Agricultural Plant Species*. Seed must be certified to meet certain minimum quality standards for varietal identity, purity, germination capacity and disease levels. Certification involves field inspection of crops and tubers, identity preservation during processing and official labelling.

2008 proved to be a very difficult year for seed certification due to the adverse conditions during harvesting. This resulted in lower quality seed, which failed to meet the required standards, and resulted in significant quantities of imported seed to meet our planting requirements.

TABLE 1.4: AREA AND VARIETY OF SEED CERTIFICATION CROPS

	Area of Crops Inspected for Seed Certification in 2008 (Ha)	Area of Crops Approved for Seed Certification in 2008 (Ha)
Cereals	9,758.68	9,055.67
Pulses	79.72	79.72
Potatoes	1,500	1,427
Grasses	0*	0
Oilseed Rape	78.10	78.10

*In 2008, all grass seed was imported as certified seed and the Department oversaw the formulation and labeling of grass seed mixtures.



Horticulture

The horticulture and potato sectors contributed approx €361m to farm output in 2008

Product	2007	2008	% change
Mushrooms	99.6	102.7	+ 3.1%
Field Vegetables	63.3	58.8	- 7%
Protected Crops	59.5	69.3	+ 16.5%
Fruit Crops	7.9	9.3	+ 17.7%
Potatoes	109.4	74.4	- 32%
Bulbs, outdoor flowers, foliage	3.7	3.4	- 8%
Hardy nursery crops, Christmas trees and honey	50.1	43.7	-12.8%
Total	393.5	361.6	-8.2%

This sector continues to have considerable potential for further development but is experiencing strong competitive pressures, particularly from a highly concentrated retail market and competitively priced imports. The value of output from the mushroom sector increased slightly, despite very difficult trading conditions for exports to the UK.

Seed Potato

During 2008, 337 varieties were maintained in vitro at the Potato Laboratory in Raphoe, Co. Donegal. Approximately 39,000 potato minitubers from 20 different potato varieties were produced in virus proof tunnels. Three new potato seedlings were tested for distinctness, uniformity and stability as prescribed by the International Union for the Protection of New Varieties of Plants (UPOV). A reference collection of 400 potato varieties was also maintained.

Sugar Restructuring Package

Implementation of the 2006 EU sugar restructuring package went according to plan during the year. Payments were completed in respect of the restructuring aid and the diversification aid in accordance with the timeframe specified in the EU regulations.

In the case of the restructuring aid, in February the second and final instalment of €87m approx was paid to the beneficiaries (Greencore Group plc and the specialised beet machinery contractors) while the second instalment of diversification aid (€22m approx) was paid to the former beet growers in March. In June, the latter group also received the retroactive payments of additional restructuring aid (€41m approx) arising from the amending Council Regulation of 2007. The implementation of Greencore's restructuring plan remained on target; only elements of the dismantling and environmental remediation work at the Mallow sugar factory site remain to be completed over the final two years of the plan.

LIVESTOCK

Cattle

Funding of €2m, in the form of grant assistance and funding under the National Development Plan (NDP), was provided to The Irish Cattle Breeding Federation (ICBF) for a range of measures designed to improve profitability for Irish livestock farmers. Funding was allocated to activities such as bull progeny testing, breeding information campaigns, research on genetic evaluations, improvements to data collection facilities, hardware upgrades, and enhancements to information distribution facilities such as farmer herd reports.

ICBF made excellent progress in 2008 towards optimizing genetic gain for our national dairy and beef herd and the highlights would include;

- The successful launch of the Animal Events recording facility as part of the Suckler Scheme, which led to an increase of over 500,000 calving performance records used in genetic evaluations.
- An increase in calves recorded on the ICBF database from 1.1 million in 2007 to 1.85 million this year, representing 90% of all calves born in Ireland in 2008.
- The development and extended use of EBI and Euro-Star indexes to guide dairy and beef breeding decisions.
- 2008 was the last year of the three-year '*Profit with AI Partnership*' promotion campaign. This played a major role in reversing the decline in AI and resulted in over 0.52 million inseminations; a 40% increase in volume.

Agreed protocol for exports of bovine semen to China

In order to agree a protocol for the export of bovine semen from Ireland, the Department had to satisfy the requirements of the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ). An AQSIQ inspection team visited Ireland in March 2008. A protocol, agreeing the quarantine and health requirements for frozen bovine semen to be exported from the Republic of Ireland to the People's Republic of China, was signed with the Chinese authorities in October 2008.

World Holstein-Friesian Federation (WHFF) Conference

The World Holstein-Friesian Federation Conference is a major international dairy conference which is held every four years. In October 2008 it was held in Ireland for the first time and the Department provided funding and resources towards the cost of hosting the conference.

The Conference provided an international marketing platform for Irish Holstein-Friesian cattle and an opportunity to add value to the sector by creating export opportunities for Irish Holstein-Friesian genetics, through the sale of genetically superior live cattle, their semen, ova and embryos. The conference also provided an ideal opportunity to showcase the remarkable developments in cattle breeding in Ireland and the progress made to date, particularly in relation to the technologically advanced testing and genetic evaluation systems operating in Ireland.

Beef Expo, Ireland – 2008

An international conference and show of pedigree beef cattle in Ireland, funded by the Department and co-ordinated by Bord Bia, was held in October 2008. The event provided a unique opportunity for Irish pedigree beef farmers to inform international buyers on the high standards of breeding currently being achieved in Ireland and also presented an opportunity to showcase the quality of beef cattle available in this country.

Sheep Breeding

ICBF through the newly established sheep breeding company, *'Sheep Ireland'*, assumed control of the sheep breeding programme. Its long-term goal is to establish an advanced sheep breed improvement programme that increases the productivity and profitability of the entire Irish sheep sector, by delivering increased efficiencies at farm level and improved quality.

To make the programme operational, Sheep Ireland initiated several infrastructural changes, such as the introduction of a permanent ID system; design of a database; creation of a data capture and recording system; publication of genetic evaluation and results and the introduction of the Central Progeny Testing and Maternal Lamb Producer Group scheme on commercial farms. The next stage in the process is to include the involvement of the breed societies in the direct exchange of pedigree data and the capture of slaughter data directly from lamb abattoirs.

Objective Lamb Classification Trial

An objective lamb classification trial was carried in late Spring 2008 at Irish Country Meats, Camolin Co. Wexford. The aim of the trial was to examine the accuracy and feasibility of a mechanical system using 'Video Image Analysis' to classify lamb carcasses. The images of over two thousand carcasses were collected and will be used in the development and testing of the classification system. The results of the trial will be available in early 2009.

Suckler Welfare Scheme

Following the receipt of State Aid approval from the EU Commission, the Animal Welfare, Recording and Breeding Scheme for Suckler Herds was introduced in January 2008. The scheme will run for five years until the end of 2012, has a budget of €250 million, and is fully funded by the Exchequer. Almost 54,000 suckler farmers have joined, and 85% of the suckler cows in the country are covered by the scheme.

The scheme aims to underpin the adoption of high standards of animal welfare in suckler herds, and to improve the quality of breeding cattle in the beef sector. Mandatory training for applicants is a feature of the scheme, and by the end of 2008, more than 38,000 suckler farmers had undergone the training course. The course lays emphasis on best practice in animal husbandry and breeding improvement. It also provides farmers with practical information regarding the completion of paperwork, as well as the day-to-day management of their suckler herds. The remaining applicants will be trained by the end of 2009.

The scheme will also be used as a marketing tool when selling Irish Beef into newer higher value markets, where the consumer is seeking assurances about the standards of animal welfare and husbandry on Irish suckler farms.



Horse Industry

The non-thoroughbred horse industry generates income from a valuable alternative farm enterprise and contributes to employment, tourism and the rural economy as a whole. In 2008 the Department provided €1.65m to this sector by way of grant aid to the newly established 'Horse Sport Ireland'. This grant aid assisted this body's activities for improving the quality of the Irish sport horse and for the promotion and development of this sector.

National Development Plan

Overall, a total of €1.765m was provided by the Department under the equine related measures of the National Development Plan. A variety of these NDP initiatives were administered on behalf of the Department by Horse Sport Ireland with the specific aim of improving equine quality. These included aid for the formulation of genetic indexes, DNA testing to verify pedigree, studbook establishment and development, performance testing and promotion of equines.

The Irish Thoroughbred Breeders Association (ITBA) and the Racing Academy and Centre of Education (RACE) also received NDP funding to assist it in the delivery of training courses to breeders.

The Department provided funding to the International Equine Institute, situated in the University of Limerick, towards the cost of developing and delivering third level non degree courses in equine science to meet the needs of the horse industry. It also provided grant aid to the Irish Equine Centre to facilitate access to quality diagnostic and research services into equine diseases for thoroughbred and sport horses.

Equine Identification

EU legislation requires that all equines have an identity document for animal health and food safety purposes. In 2008, the Department continued its campaign aimed at getting all stakeholders in the equine industry to comply with this requirement. Officers from the Department were present at the vast majority of sales venues where horses are sold and conducted spot checks of equines to encourage compliance with the legislation. Inspections were also carried out at ports and airports.

ANNUAL OUTPUT STATEMENT

GOAL TWO

“Ensure the highest possible standards of food safety, consumer protection, animal health and welfare, fish and plant health including appropriate bio-security measures”.

INPUTS

Goal 2	2008 Budget €million	2008 Outturn € million	2009 Budget € million
Programme Expenditure	191.0	186.4	173.5
Current	182.6	182.1	167.8
Capital	8.4	4.3	5.7
Programme Administration	151.6	146.5	144.3
Pay	118.5	113.7	114.8
Non-Pay	33.1	32.8	29.5
Support Expenditure	29.0	30.2	31.5
Total Gross Programme Expenditure	371.6	363.1	349.3
Number of staff (FTE) at 31 December 2008		1,945	

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>2.1 Maintain high standards of food safety and consumer protection by implementing food and feed Multi-Annual Control Plans. Attainment of high standards to be measured by DAFF compliance with FSAI contract and verified by internal and external audits.</p>	<p>The inspection and surveillance aspects of the FSAI contract were discharged; the food and feed safety and hygiene control systems were both implemented and the Multi-Annual National Control Plan was put in place.</p> <p>In 2008, normal sampling under the National Residue Plan detected the dioxin contamination from animal feed. This led to the full recall of potentially contaminated product. The quick and effective action taken to deal with this major food scare meant that safe Irish pork was back on the market after one week and authoritative independent bodies such as the FSAI and the European Food safety Authority (EFSA) viewed the actions taken as correct and an effective guarantee to food safety</p> <p>No adverse reports have been received from the FSAI on DAFF's implementation of its contractual obligations while the FVO carried out a number of missions in 2008 as part of its overall country profile mission and will present its findings in mid 2009.</p>

2008 OUTPUT TARGET

2008 OUTPUT ACHIEVED

2.2 Maintain Ireland's high animal and plant health status as verified by levels of disease incidence, continuing access to export markets and reports from external verification bodies.

Ireland's high animal and plant health status was maintained in 2008 despite threats from exotic disease outbreaks and dioxin contamination.

A range of disease eradication/surveillance programmes were delivered, including over 9m. tests for TB, 5m. tests for Brucellosis and 789,393 tests for BSE (23 positive cases in 2008).

Under the national testing programme, minimal levels of pig herds were found positive for Aujeszky disease.

The incidence of TB fell slightly, although the number of reactors increased partly due to a greater use of blood testing for detection but the incidence is still lower than in Great Britain /Northern Ireland.

Approval was received from EU Commission to increase, from 1 January 2009, the age for BSE testing in healthy slaughtered bovine animals from 30 to 48 months and in the case of emergency slaughter and casualty animals and bovine animals that die on farm from 24 to 48 months.

The National Voluntary Genotype Programme continued for 2008 with in excess of 8,500 sheep tested.

In 2008 the scrapie eradication programme continued with a total of 8 new flocks restricted. Under the active surveillance programme in excess of 23,000 tests were carried out including 11,687 at slaughter plants and 10,747 at knackeries.

Modifications were made to contingency plans / controls for Avian 'flu and Bluetongue. Supply of 1m doses of vaccine for ST8 were secured as first strike response to a potential outbreak of Bluetongue. Stakeholder information leaflets were published for these two diseases.

In the case of beef and sheepmeat, access to markets was maintained. The dioxin issue affected the outlets for pigmeat but the swift action taken has led to the majority of these markets being reopened within a very short period. Work is continuing to resolve any residual difficulties. New Third Country market outlets opened for live pigs to South Korea and Japan.

OUTPUTS

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>2.3 Further improve welfare standards for animals by progressing welfare initiatives under the auspices of the Farm Animal Welfare Advisory Council and otherwise and by the adoption of updated legislation to provide further protection for the welfare of all animals.</p>	<p>DAFF financed welfare research on identifying risk factors giving rise to on-farm animal welfare problems.</p> <p>FAWAC is currently drafting a 'code of practice of the welfare of pigs', following on in a series of similar publications relating to various other aspects of animal welfare.</p> <p>A new Animal Health and Welfare Bill is being drafted to update existing legislation, to ensure that the welfare of all animals (including non-farm animals) is properly protected, to increase significantly the penalties for offenders and to consolidate responsibility for the welfare of all animals within DAFF. The public consultation process has been concluded and drafting of the legislation is continuing taking account of all comments received during the consultation process.</p>
<p>2.4 Encourage and support the establishment of appropriate arrangements to progress an industry led initiative to address production related animal diseases</p>	<p>Following detailed consultations in 2008 with relevant stakeholders, including farming, industry, service providers and state agencies, broad agreement was reached on establishing an industry-led, national body to deal with production related and non-statutory diseases. Arrangements were finalised for the launch of Animal Health Ireland, which is modelled on successful international examples, to facilitate Ireland achieving international best practice in the area of animal health.</p>
<p>2.5 Further develop the DAFF Laboratory Service as measured by effectiveness in delivering NRL functions and range of laboratory tests accredited.</p>	<p>The scope of testing facilities at DAFF laboratories continues to be enlarged. Compliance of the functions of the National Reference Laboratories with EU requirements continues to be pursued. Further tests are being prepared for accreditation. The process of appointing Quality Managers and support staff to pursue test accreditation in the Bacteriology, Pathology and Virology services has commenced.</p>

FOOD SAFETY

Dioxin Contamination

The major food safety issue in 2008 was the detection by the Department's Laboratory Service on 28 November of 'marker' polychlorinated biphenyls, more commonly referred to as PCBs, in pork fat from animals slaughtered at a plant in Longford. This discovery was made on foot of routine samples taken under the Department's National Residue Monitoring Programme. The Food Safety Authority of Ireland (FSAI) was notified. As the source of the pork was immediately identified, samples were taken of all animal feeds used on the relevant pig farm. These were sent on 29 November to the Department's laboratory for analysis. On 2 December, it was confirmed that the dry bread used in the animal feed was positive for marker PCBs and because of the possible link between PCBs and dioxins, samples were personally brought to the Central Science Laboratory in York for analysis. On 6 December, the presence of dioxins in the pork fat samples was confirmed and on that day the FSAI recalled all pork and bacon products from pigs slaughtered since 1 September. Based on previous international experience, a total recall of pigmeat products was considered the most effective food safety option as while the 17 production units affected only account for about 8% of the national kill, they supplied 8 of the 10 main abattoirs which produce 98% of the national throughput. 72 legal notices of infringements relating to the dioxin incident were served on Food Business Operators (FBO) under SI 910/2005.

Between 2nd and 6th December, the food recycling plant in Co. Carlow which supplied the feed was inspected, lists of their clients were obtained, these farms were visited, feed was impounded and movement restrictions were placed on all animals from these herds. Laboratory tests indicated that the source of the contamination was the use of inappropriate/contaminated oil to fire the burner that dried the bread.

Samples were also taken from the forty five cattle herds on the restricted farms and based on the results the FSAI concluded that there were no public health issues arising. As a further precautionary measure, all animals from the 21 beef herds identified as having received the implicated animal feed were slaughtered and removed from the food chain.

On 10 December, sales of Irish pork and bacon resumed following new controls that verified that only pigmeat products coming from herds completely unaffected by the feed contamination were placed on the market. These controls, particularly the new Bord Bia logo, provided effective consumer reassurance and resulted in strong sales of pigmeat products over the Christmas/New Year period.

It is too early to assess the long-term market implications of this incident, but to date the indications are that other countries have viewed the prompt actions taken as correct and as a solid indicator of the absolute priority given by Ireland to food safety. The actions taken, together with the independent authoritative opinion of bodies such as the European Food Safety Authority on the negligible health risk involved, and the strong and practical support from other European institutions, have helped protect our markets.



The Department, along with its agencies, will carry out a complete review of all relevant aspects of this food contamination incident, including the risk assessment process used in the annual feed inspection programme, to update its operations in the light of the experience gained.

Information on the Pigmear Recall Scheme is available under Goal 4 on page 78 following.

Food Safety and Hygiene Controls

Food safety and hygiene standards continued to be guaranteed in 2008 through the implementation by the Department of its service contract with the Food Safety Authority of Ireland (FSAI). The present contract runs up to 31st December 2009 and covers controls on

- Meat hygiene,
- Milk and milk products
- Egg and egg products
- Pesticides
- Border Inspection Posts
- Residues
- Zoonoses Directive
- Food labelling

The enforcement of this contract was constantly reviewed through regular meetings between the Department and the FSAI, as well as through quarterly and annual reports and the involvement of the FSAI with the EU Food and Veterinary Organisation (FVO) audits, where relevant. The Department liaised closely with the FSAI on the investigation of all food safety complaints and the effectiveness of this relationship was clearly demonstrated when dealing with the public health implications of the pigmeat dioxin contamination.

The Hygiene Package

The Department also implements a wide range of control systems under the EU Hygiene Package. This legislation, which covers all food business operators (FBOs) from farmer to retailer, is predicated on all FBOs taking responsibility for the safety of the food they produce. This is done using the internationally accepted HACCP principles (hazard analysis and critical control point) which gives FBOs the flexibility to adapt control systems to the specific requirements of their operation.

Approval and registration of food and feed business operators is virtually complete and the list of registered establishments is now published on the Department's website. The Department followed through on HACCP by carrying out its own risk based inspections on registered FBOs. In excess of 13,000 inspections were carried out on food establishments in 2008 to monitor that the relevant legislative requirements were being fulfilled at all stages of production, processing and distribution. Excluding those relating to the dioxin incident, a further 270 legal notices were served on FBOs notifying them of infringements under the European Communities (Food and Feed Hygiene) Regulations 2005, (S.I. No. 910 of 2005) and follow up action taken.

Risk based control inspections for hygiene were also carried out at premises of primary producers of horticultural produce in 2007. Sampling of horticultural produce for certain contaminants (patulin, heavy metals and nitrates) under Commission Regulation No. (EC) No.1881/2006 was also carried out. There was one incident of non-compliance with this Regulation in 2008 when patulin levels in excess of the legal limits were found in apple juice. DAFF took all necessary measures to ensure consumer safety in this case.

Details on the food safety testing and monitoring programme conducted by the Department's Laboratory Service are on pages 48-53 following.

Multi-Annual National Control Plan

A further element of the Hygiene Package is the development and implementation of the Multi-Annual National Control Plan (MANCP). Following its development in 2007, the Department submitted its first annual report on the MANCP covering the five areas of food, animal feed, animal health, animal welfare and plant health, to the Food and Veterinary Office (FVO) in June 2008. During 2008, the FVO carried out a general audit on Ireland to verify that official controls were in place in accordance with the MANCP and in compliance with community law. It is expected that the FVO will present its findings during the first half of 2009.

Residues Surveillance in Food

The Department implements a comprehensive National Residue Plan designed to protect consumers from illegal residues in food. This involves testing animal and animal products for banned products, contamination from licensed medicines and environmental contaminants. During 2008, in the region of 30,000 samples were taken from eleven food producing species and tested at officially approved laboratories for 18 residue groupings.

All positive results were followed up by an investigation on the farm of origin with a view to taking the necessary enforcement measures up to and including legal action. The effectiveness of the National Residue Plan in protecting consumers was particularly demonstrated by the detection in late November 2008 of dioxin contamination in a routine sample of pigfat. The source of this contamination was quickly traced to a food recycling plant and rigorous measures were immediately taken to avoid a risk to consumers arising from this incident -see "Dioxin Contamination" above.



Official testing on animal and animal products is complemented by a statutorily based regime under which primary processors are obliged to implement residue-monitoring measures. This regime, which involves annual submission to the Department for approval of individual residue plans, makes it mandatory for processors to subject suppliers, whose animals or animal products test positive, to significantly intensified monitoring. This regime of self-monitoring is subject to Department scrutiny.

In addition to residue testing on animal and animal products, a comprehensive pesticide residue monitoring programme primarily on cereals and horticultural products, incorporating the EU coordinated programme, has been agreed between DAFF and the FSAI. This resulted in 1,403 samples of various imported and domestically produced foods of plant origin being submitted for analysis to the Pesticide Residues Division of the Laboratory Services to ensure that Maximum Residue Levels (MRLs) prescribed in EU legislation were not breached and that plant protection products were correctly used by domestic food producers. Further details on the pesticide residues testing programme can be found on page 53 following.

Furthermore, some 6,570 analyses were carried out on feed samples for Proximate Analysis (Protein, Fibre, Oil and Ash) 25%; Mycotoxins 20%; Constituents of animal origin 15%; Undesirable Substances 10%; heavy metals 10% and others (including PCBs)

Veterinary Medicines and Residue Surveillance.

Legal and proper use of approved veterinary medicines (including vaccines) plays an important part in ensuring the continued high animal health status of our national herd and the health of consumers of Irish food. The Department, in co-operation with the Food Safety Authority of Ireland and the Irish Medicines Board, oversees and implements controls in this area, under SI No 786/2007 and SI No 183/2009, dealing with the approval and distribution of veterinary medicines, implementation of residue surveillance measures (e.g. National Residue Plan) and follow-up enforcement activities.

Approval and Inspection of Plant Protection and Biocidal Products

Plant Protection and Biocidal products are included on the Official Register and are permitted on the market only following an extensive product analysis by this Department. This analysis covers risk assessments for the consumer, the worker and the environment to verify that there will be no harmful effects on human health and no unacceptable impact on the environment as a consequence of their approved use. Inspections were also undertaken to ensure that only approved products were being placed on the market and were being used and stored in accordance with approved label instructions.

Some 962 plant protection products containing 225 active substances were included on the Register at the end of 2008. The Register can be viewed on the Department's website: <http://www.agriculture.gov.ie/farmingsectors/crops/> and follow the link to the 'Pesticide Control Service (PCS)'. The website may be interrogated by product name, by active substance or by function and crop. In addition, the Biocidal Product Register was finalised in 2008 and now contains 2,254 products notified for use in Ireland. This will be placed on the DAFF website in 2009.

Collaborative arrangements continued with Belgium, Netherlands and UK on the re-registration of plant protection products. To improve global assessments on products, a pilot project involving the review of a new insecticide, jointly with Australia, Canada, the UK and the US, was concluded in 2008. Further projects are being planned.



Import Controls on Animal Products

To ensure the protection of public and animal health, EU controls are applied, at the approved Border Inspection Posts (BIPs) at Dublin Port and Shannon Airport, to all imports of animal products into Ireland. Where a consignment is found not to comply with animal and public health import conditions, it is seized and the cost of its re-exportation or destruction is levied on the registered importer.

During 2008, imports of animal products for food, involving 1,347 consignments and almost 31 m kg. of product (2m kg. in 2007) were approved. 23 consignments (19 in 2007) were rejected. To reduce risks to public and animal health, EU regulations also ban the personal importation, for own consumption, of products of animal origin from most third countries. During 2008, 559 animal products (1,555 kgs) were confiscated, following checks at airports, ports and well as on postal packages.

During 2008, safeguard measures which controlled or banned animal product imports were applied in many areas including:

- (a) banning untreated poultry products for human consumption from Thailand, the Peoples Republic of China, including Hong Kong, and from effected regions in Croatia and Israel due to Avian Influenza risks;
- (b) banning import of eggs because of Avian Influenza risk;
- (c) banning imports of meat and milk products from the Peoples Republic of China due to residue risks and requiring certification of analysis for residues in the case of certain other animal and fish products from this country;
- (d) restricting imports of fish and fishery products from Albania, Brazil, Bangladesh (crustaceans), Gabon, Guinea, Indonesia, Myanmar and Peru (bi-valve molluscs) to those certified as having been tested and found free from chemical residues.

Animal By-Products

Animal by-products (ABP) are defined as the bodies or parts of animals or products of animal origin which are not intended for human consumption. The slaughter of animals in meat plants, on-farm deaths and food waste result in the production of approximately 550,000 tonnes of raw ABP per year. To protect both human and animal health, strict regulations are in place to ensure that ABP is disposed of safely and controls are implemented to ensure this material is not illegally diverted back into the human food chain. The Fallen Animals Scheme provides for the subsidised collection of fallen bovine animals from farms and their subsequent rendering and the disposal of the resultant meat and bone meal. Over 298,795 animals were disposed of in 2008 involving expenditure of €26.3 million.

In 2008 the Department, following extensive consultation with the trade and with other official bodies, revised the national regulations relating to ABP. The new Statutory Instruments (SI) allow a wider range of ABP (excluding raw ABP) to be used as feedstocks by the compost and biogas industries. The SIs also significantly eased the restrictions on the use of organic fertilisers and soil improvers on agricultural land. It is recognised that the composting/biogas sector has the potential to play a significant role in achieving national targets to divert waste from landfill.

Animal Identification and Movement System

Comprehensive traceability systems underpin product safety and quality assurance systems and are vital for consumer confidence. In 2008, there were a number of developments on the Animal Identification and Movement (AIM) System. This is the web-based identification and movement system for different animal species which is replacing a number of current systems, including the cattle movement monitoring system (CMMS). In 2008,

- The marts on-line system operated in all marts trading in cattle, including an export application for marts which export to Northern Ireland.
- A new application was implemented in slaughterhouses supervised by the Department.
- The first phase of the application for slaughterhouses, supervised by the Local Authority Veterinary Service (Local Abattoirs), was implemented in the last quarter of 2008.
- Work was advanced on the transfer of all remaining movements notifications from CMMS to AIM.



ANIMAL WELFARE

Animal Health and Welfare Bill

Progress continued on drafting a new Animal Health and Welfare Bill, to give effect to a number of commitments in the Programme for Government including the assignment of responsibility for the welfare of all animals to this Department. The new Bill will amend and consolidate previous legislation to protect the welfare of all animals, including non-farm animals and to significantly increase the penalties for offenders.

A draft consultation paper on the Bill was posted to the DAFF website in May with a closing date of July. Almost 400 submissions were received containing wide-ranging observations and officials met with those who wished to elaborate further on their submissions. Drafting of the Bill is continuing.



New Animal Welfare Legislation

The European Communities (Welfare of Farmed Animals) Regulations 2008, S.I. No. 14 of 2008 were enacted in 2008. The Regulations give effect to a series of European Directives on the protection of animals including laying hens, calves, pigs and animals being slaughtered.

Farm Animal Welfare Advisory Council (FAWAC)

FAWAC is an independent advisory body to the Minister with a wide representative base. In 2008, FAWAC produced a booklet on a 'Code of Practice for the Welfare of Broiler Chickens'. The booklet aims to assist flock owners to maintain high-quality standards and manage their enterprises responsibly and follows on a series of similar publications relating to various other aspects of animal welfare.

The Early Warning/Intervention System (EWS)

The EWS for animal welfare continued to operate successfully throughout the country in 2008. The objective of the system, which was established by FAWAC, is to provide a framework within which animal welfare problems can be identified and dealt with before they become critical or overwhelming. Following discussions with An Garda Síochána during 2008, a dedicated Garda Liaison Officer was assigned in each Garda region to assist in the working of the EWS.

Scientific Advisory Committee on Animal Health and Welfare (SACAHW)

SACAHW comprises experts with experience in a variety of scientific disciplines such as animal husbandry/behaviour, bacteriology, clinical medicine, epidemiology. Their principle function is to advise the Minister on issues where an independent expert perspective is warranted. During 2008, the Committee examined the welfare aspects of the slaughter of fur producing animals with the aim of producing scientifically based recommendations on how practices can be improved to enhance the welfare of these animals.

Animal Welfare Organisations

The Department has made ex-gratia payments to a number of organisations directly involved in the delivery of animal care and welfare services since 1995. To date €9.9m million has been provided. In 2008, 110 welfare organisations throughout the country were assisted with payments totalling €1.25 million.

Control of Horses

In 2008, the Department provided funding of €1.988m to 21 Local Authorities towards expenses incurred by them in the implementation of the Control of Horses Act, 1996.

ANIMAL HEALTH

CLASS A DISEASES

Avian Influenza

Despite three outbreaks of Avian Influenza in the UK, in 2008 Ireland remained free of the disease. In 2008, DAFF updated its *'Biosecurity Measures'* booklet and published a new stakeholder information booklet entitled *'Avian Influenza Control Measures'*.

Bluetongue

Bluetongue disease is an infection of ruminant species caused by the bluetongue virus (BTV). It is transmitted among animals by biting midges. It has hitherto been a tropical disease, and its spread into Europe appears to have been the effect of the warming climate on the life cycle of the midges. Bluetongue does not pose a risk to public health. Its impact is economic through loss of productivity, welfare issues, trade restrictions and death in animals. Sheep are generally the worst affected, while cattle and goats do not usually show any clinical signs of disease but can carry the virus for a certain period of time and transmit it to other ruminants. The disease reached England in 2007 and has spread as far north as Norway.

Ireland is bluetongue free and every effort is taken to remain so. The most likely methods of infection are by importing an infected animal or through wind blown infected midges. Since May 2008, Ireland has availed of Regulation 1266/2007 to ban the importation of animals from bluetongue-restricted areas unless they are less than 90 days old or have proven natural or vaccinated immunity to bluetongue and only then if they meet pre-export test requirements. Additional rules apply in the case of female animals due to the risk of transplacental transmission of the disease. All imports of susceptible live animals are isolated and tested post import for bluetongue.

In November 2008, Ireland's bluetongue control strategy was modified, by providing that any imported animal found BTV positive to a PCR test (virus isolation test) would be slaughtered, without compensation. Additional sero-surveillance was also carried out on random selected herds.

Notwithstanding the movement controls, imports from restricted zones continue to represent a real risk to the entire Irish livestock sector. Vaccination is seen as the only effective strategy for controlling the disease. In 2008, the Department purchased a supply of 1 million doses of BTV 8 vaccine to commence emergency vaccination within a 20km zone, if this disease is confirmed in Ireland, in order to try and limit the knock-on impact. If an outbreak occurred, a compulsory vaccination programme will be required but the extent of the programme would depend on the epidemiological situation that will prevail at the time. Information booklets directed at the farming community and veterinarians are available from the Department and there is a dedicated page on the DAFF website (www.bluetongue.ie).



BSE

The incidence of BSE in Ireland is in decline. The number of positive cases peaked in 2002 with 333 cases, declining to 69 in 2005 and down to 23 in 2008. The reduction in case numbers is assisted by intensive active surveillance involving testing at knackeries and slaughter plants where in excess of 700,000 animals are tested annually.

A significant landmark was reached on the 30th of May 2008 when Ireland was declared by the OIE as having "controlled risk for BSE".

In August 2008, Ireland together with other Member States made a formal application to the Commission to revise their annual monitoring programme, to include a change in the age threshold for BSE testing, i.e. from 30 months to 48 months for healthy slaughtered bovines and from 24 to 48 months for emergency slaughter, casualty and fallen animals. Ireland's application was successful and this new testing regime will proceed from 1st. January 2009.

Scrapie

Scrapie is a compulsorily notifiable disease. The Department genotypes all notified flocks and follows up by depopulation of those sheep most susceptible to Scrapie. Overall, a total of 121 flocks were restricted during the period October 2003 to December 2008, including 8 this year. Compensation is payable on the basis of live valuation of breeding animals, factory lamb rate based on the average factory price up to a maximum of 20kgs and a 'hardship' payment of €84 per breeding ewe.

The Department also implements a voluntary National Genotype Programme to encourage sheep breeders to raise genetic resistance to Scrapie in the National Flock. Since its introduction in 2004, a total of 81,000 animals have been genotyped. The programme continued in 2008 with the Department making a contribution of €12 towards the laboratory testing cost of each blood sample.

In addition, the testing of 11,687 sheep over 18 months of age at slaughter plants and 10,747 fallen sheep at knackeries continued under the Active Surveillance Programme



CLASS B DISEASES

Bovine Brucellosis

Ireland is free of brucellosis in sheep and pigs. In cattle, the incidence of Brucellosis has fallen each year since 1998 when an enhanced eradication programme was introduced. This trend continued in 2008 and brucellosis is now at an historically low level. Just over 3.6 million blood samples were tested for brucellosis in 2008. This testing regime is supplemented by monthly Bulk Milk Testing from each dairy herd and blood sampling of cows in slaughter plants. These measures have disclosed a number of reactors that might otherwise not have been detected. The net effect is that, as in 2007, there were no confirmed case of brucellosis in cattle in Ireland and no herd was depopulated, compared to 3 in 2006 and 27 in 2005. If no case of Brucellosis is detected before March 2009, this Department will apply to the EU Commission for Official Brucellosis Free Status in April 2009.

TABLE 2.1: INCIDENCE OF BRUCELLOSIS

	1998	1999	2001	2002	2004	2003	2005	2006	2007	2008
Number of Reactors	6,417	4,545	3,112	1,530	664	900	228	212	243*	243*
Number of Newly Restricted Herds	1,081	875	553	430	283	324	144	132	161*	111*

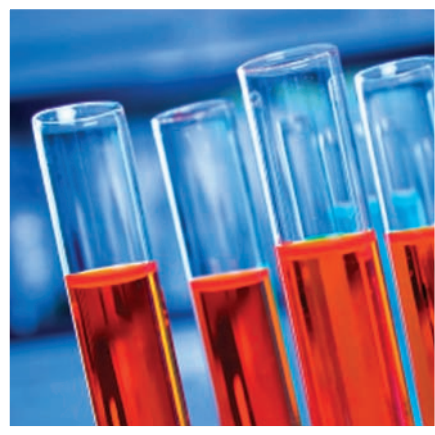
*the numbers of reactors and herds restricted as a result of a brucellosis test were, on the basis of further investigation, considered to be due to false positive reactions.

Bovine Tuberculosis

The herd incidence of bovine Tuberculosis decreased by 0.14% in 2008 compared with 2007. However, the APT (number of reactors per thousand cattle tested) and the number of reactors both showed an increase on 2007, due in part to the greater use of blood tests. Trends in the incidence are set out in the table below.

TABLE 2.2: INCIDENCE OF BOVINE TUBERCULOSIS

	1998	1999	2000	2001	2002	2003	2004	2005	2007	2008
Incidence	6.76%	7.35%	7.53%	7.12%	6.38%	6.37%	5.40%	5.54%	6.02%	5.88%
Number of Reactors	44,498	44,903	39,847	33,702	28,930	27,978	22,967	25,884	27,711	29,901
Number of Newly Restricted Herds	10,055	10,660	10,785	9,195	8,338	7,771	6,682	6,647	7,046	6,837



Bovine TB is a much more intractable disease than Brucellosis, mainly because of the presence of infection in wildlife (badgers) which seeds infection into the cattle population. It is generally accepted that eradication is not a practicable proposition until this source of infection is removed. The eradication programme includes a badger removal strategy aimed at reducing both the incidence of TB in wildlife and the opportunities for contact between cattle and wildlife. However, the long-term objective of the Department is to develop a vaccine for badgers and considerable research has been conducted in collaboration with UCD on the development of such a vaccine. The Department commenced preliminary work a three-year badger vaccination trial in late 2008, the objective of which is to provide information as to the efficacy of the oral vaccine in reducing the level of TB infection in the badger population under study. If the field trial is successful, the introduction of a national badger vaccination strategy will reduce the need to remove TB infected badgers as TB levels fall in both cattle and badgers. It will be some years, however, before any vaccine is available and, in the meantime, existing strategies, adjusted as appropriate, in light of disease trends, will be broadly maintained.

Prosecutions

In 2008, the Special Investigation Unit and the District Veterinary Offices continued their investigations of irregularities in the Bovine TB and Brucellosis Eradication Schemes and in bovine identification and registration. Resulting from those investigations, there were 8 successful prosecutions during the year and nine further cases were submitted for prosecution. This compares to 6 successful cases in 2007 and 7 in 2006.

Compensation Schemes

The On-Farm Market Valuation Scheme is the main measure for compensating farmers for the removal of reactors. Other schemes (Depopulation Grants, Income Supplement and Hardship Grants) are also available to compensate farmers for income losses arising from restriction. Approximately €27.1 million was spent during 2008 on all compensation elements of the TB and Brucellosis Eradication Schemes. This was a 40% increase on 2007 (€19.3) and resulted both from an increase in TB reactor numbers and higher valuations of reactors, particularly of dairy cattle.

Bovine Diseases Levies

Receipts from Bovine Diseases Levies amounted to €5.226m in 2008.

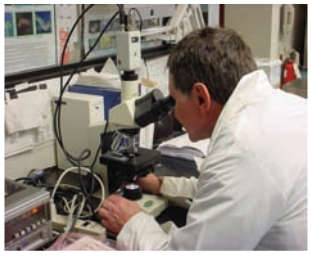
Herd Health Initiative

During 2008 the Department met with relevant stakeholders to progress a herd health initiative to deal with non – regulated diseases in a comprehensive and integrated manner. The initiative aims to develop effective national plans for action and to facilitate Ireland achieving international best practice in the area of animal health. Following a positive response from stakeholders, plans were finalised by the Department at the end of 2008 for the launch in early 2009 of '*Animal Health Ireland*'.

LABORATORY SERVICE

VETERINARY LABORATORIES

Virology Division



Virology expanded its role as a National EU Reference Laboratory (NRL) for Class A and OIE Listed exotic diseases by introducing a number of new techniques and increasing surveillance and monitoring for bluetongue and avian influenza viruses.

The new techniques introduced included RT-PCRs for bluetongue (BT), African horse sickness, rapid pathotyping of Newcastle disease virus, sequencing methods for relevant parts of the avian influenza (AI) genome and an indirect ELISA for detecting BT antibodies in milk samples.

Avian Influenza

A heightened surveillance programme for both avian influenza (AI) and bluetongue (BT) was required in 2008. A total of 765 specimens from wild birds and 566 specimens from commercial flocks were tested for AI using real time RT-PCR, and / or virus isolation and reported online as required by the EU. A further 23,454 samples from commercial poultry flocks were serologically examined for AI as part of two major national surveys and to satisfy requirements for movement and trade. A project to validate the broad spectrum of techniques available for the diagnosis of A1 was also completed successfully.

As part of the national antibody surveillance programmes, 33,623 avian sera were tested for *Mycoplasma gallisepticum*, 10,485 were examined for *Mycoplasma synoviae* and 1,617 sera screened for *Mycoplasma meleagridis*.

Bluetongue

As outbreaks of Bluetongue continued to be diagnosed in Northern Europe and in the UK, Virology Division tested all imported cattle and sheep, continued to survey the national bovine population, and investigated suspected cases. Some 5,230 cattle from 484 herds as well as 834 sheep from 105 flocks were examined for BT antibodies. Furthermore, 4,706 cattle from 467 herds and 906 sheep from 114 flocks were tested for the virus. Some 11 suspect clinical cases of BT were also investigated with negative results: two of these proved to be caused by bovine malignant catarrhal fever virus; another was caused by BVD virus. Enhanced procedures used included an indirect ELISA for detecting Bluetongue antibodies in milk samples, an experimental trial using a number of Bluetongue vaccines in cattle and sheep and training for a staff member on a novel BT laboratory techniques used in Belgium.

Herd Health Programme

The Division provided a comprehensive viral diagnostic service and recorded a substantial increase in the number and range of samples examined for Herd Health Programmes in 2008. Under its viral diagnostic service, 65,271 samples from horses, cattle, pigs, sheep, goats submitted by private veterinary practitioners and others were examined for a wide variety of antibodies and viruses. For export purposes, 6,000 porcine sera and 487 equine sera were screened for various antibodies.

In accordance with EU legislation, 4,365 cattle from AI stations were tested for IBR, BVD and EBL viruses. The testing programme for IBR and BVD on herds and their progeny for entry to the ICBF testing station at Tully was continued. Diagnostic serological tests for IBR and BVD were also performed for the “High Herd Health” status programme and an RT-PCR for pooled serum samples for BVDV detection was introduced. National serological surveillance was performed for a number of other statutory mammalian diseases such as: caprine arthritis encephalitis (CAE), Aujeszky’s disease (AD), transmissible gastro-enteritis (TGE), porcine respiratory reproductive syndrome, enzootic bovine leucosis, and *Mycoplasma species*.

For the fifteenth consecutive year, the Department licensed the equine viral arteritis (EVA) vaccine “Artervac” for restricted use in thoroughbred stallions. Since 1994, 1,191 stallions have been vaccinated and an analysis of vaccination data has shown that there is an average seroconversion rate of 80% after primary vaccination. In horses that were revaccinated annually for two years thereafter, the seroconversion rate rose to 93%.

Bacteriology/Parasitology Division

Control of zoonotic agents along the food chain is the responsibility of Food Business Operators while the DAFF Laboratory Service tests all samples taken. These laboratories also undertake NRL functions for a number of zoonotic pathogens including *Salmonella*, *Campylobacter*, *E. coli* and *Listeria monocytogenes*. Over 2790 samples were tested for *Salmonella* as part of official controls in the poultry and feed sectors. Results continue to show the sectors are virtually free of *Salmonella spp.* *Campylobacter* testing and typing continued of isolates recovered during an EU wide baseline study on *Campylobacter* in poultry meat while an *e.coli* survey of all DAFF cattle and sheep processing plants was initiated to determine the prevalence of serotype o157 on animals and carcasses. The 110 samples of Animal-By-Products tested for microbiological requirements, all complied with standards.

Tuberculosis

Between 27% and 46% of all new herd breakdowns in any year are identified by the detection of tuberculous lesions in slaughtered cattle. Lymph node lesions from 4,821 cattle were examined in 2008 and of these 3,199 (66%) were tuberculous. In addition to tissue samples from cattle, samples from 1,754 badgers, 138 deer, 147 goats, 14 sheep, four pigs, one cat and one dog were examined and *Mycobacterium bovis* was isolated in 23% of the badgers, 41% of deer, 33% of goats and 21% of the sheep.

Outbreaks of tuberculosis were confirmed in three large dairy goat herds. This problem was first detected when two goats from one of the herds died after showing signs of ill-thrift and were submitted to Limerick Regional Veterinary Laboratory for post-mortem examination. A follow-up investigation of the herd showed a high percentage of goats with positive reactions to a tuberculin test and the subsequent post-mortem examination confirmed the presence of tuberculosis in many of these animals. All of the goats had been purchased within the previous year from a single holding.

Johne’s disease

A total of 989 faecal and tissue samples from bovine animals were cultured and *M. avium subsp. paratuberculosis* was isolated from 183 animals. This bacterium was also isolated from 9 of 31 caprine samples. A further 14,557 bovine blood samples were tested for antibodies to the organism.

Parasitology

Parasitic diseases continue to cause a significant impediment to the economic production of livestock. Unlike the acute epizootic and common viral and bacterial pathogens of farm animals, parasites are insidious and induce chronic illness manifested by ill thrift and production losses.

The exception to this general pattern is *Cryptosporidium parvum*, an enteric zoonotic protozoan that causes acute enteritis in neonatal calves and lambs. Calves are the main source of human infection and individuals can become infected either through contact with sick calves or indirectly from calf handlers. *Cryptosporidium parvum* is also unique in that it is capable of causing epizootic outbreaks in urban populations via potable water. The source of this drinking water is usually surface water contaminated with slurry /dung containing oocysts. Under the Stimulus Fund, there is an on-going collaborative research programme, between this laboratory and UCD, looking at the on-farm transmission of *C. parvum* and the epidemiology of *Cryptosporidium spp.* in wildlife. The project is aiming to develop a risk assessment model for surface water contamination with farm effluent and slurry; a forecast model to predict surface water contamination that is river catchment specific and an ancillary goal of developing a calendar that highlights the times of greatest risk for slurry spreading.

Pathology Division

This Division provides pathological expertise to support the national disease control and eradication programmes, as well as specialist pathology support for the Department's Regional Veterinary Laboratories (RVLs).

As the NRL for TSEs, the histopathology section is responsible for the confirmatory diagnosis of all suspect TSE cases identified in the State and the approval and ongoing monitoring of private laboratories carrying out rapid screening tests for TSE. In 2008, private and DAFF laboratories carried out 781,038 tests for BSE and 23,053 test for Scrapie.

Staff are also involved in a number of animal diseases research projects including a study of clinical signs of BSE in Ireland; a survey of TSE in non-ruminant species; an investigation for evidence of BSE infection in scrapie-positive sheep; establishment of the lesion profile of BSE in Irish cases; and a study of brainstem cell populations in TSE cases. A project involving molecular characterisation of TSE strains in Irish BSE cases was completed in 2008. The section also provided an expert representative on the interagency "Historic Mines Sites" working group

In 2008, the Clinical Pathology section performed 6,501 tests on animal blood and tissues to determine metal analyses (macro, trace and heavy) or to measure metabolites and enzyme activity to assist the diagnosis of economic diseases or exposure to environmental pollution. Furthermore because of their expertise in the study of toxicological and production related diseases, this Division provides an expert on the inter-agency Historic Mines Sites working group.

Central Meat Control Laboratory (CMCL)

The CMCL provides laboratory support to the Veterinary Public Health inspectorate to assure compliance with international standards of food safety and hygiene. It carries out microbiological tests on meat, meat products and water used in food production to detect a range of pathogens as well as residue testing on product to detect the presence of banned products such as veterinary drugs, growth promoters, nitrates etc.

In 2008, 1,829 ready to eat products were tested to monitor the effectiveness of the food business operators' food safety controls. Of these, 97 (5.3%) were unsatisfactory primarily due to high bacterial count. There were no positive results for *Trichinella* from the 2,680 samples of pork and 99 horsemeat tested in 2008.

Rationalisation of the water-testing programme was carried out, with sampling previously undertaken by the Sligo and Waterford Veterinary Laboratory, now being dealt with by the CMCL. Of the 432 water samples tested for physico-chemical properties, conductivity, TVC, faecal enterococci, e.coli and coliforms, 53 were unsatisfactory due to high residual chlorine levels and the presence of enterococci and coliforms. Coliform and E coli results are now reported within 24 hours which enables non-compliant sources to be re-sampled and tested quickly.

12,271 tests were also carried out for a range of residues including *Thyrostats, Trenbolone, Nortestosterone, Zeranol, -Agonists, Ractopamine, Chloramphenicol, Chlorpromazine, Propionylpromazine, Antibiotics, Sulphonamides, Sedatives, Carbadox and the Chemical Elements- Lead, Cadmium, Arsenic and Mercury*. Of these 19 were non-compliant in that 11 were above permitted maximum residue levels for antibiotics and 8 had *Thyrostats* detected.

On an ongoing basis, all laboratory procedures (analytical methods, sample control, documentation, and result reporting) were reviewed and up graded to meet the requirements of the National Accreditation Board (NAB). A comprehensive method validation programme, with a view to broadening the scope of accreditation, has been initiated but progress achieved will be determined by availability of resources.

Regional Veterinary Laboratories

The six regional veterinary laboratories in Dublin, Athlone, Sligo, Limerick, Kilkenny and Cork, provide specialist diagnostic pathology, investigative and advisory services to private veterinary practitioners and farmers. This passive surveillance gives a continuing assessment on exotic and endemic disease conditions in Irish livestock and real time data on the results of the clinical samples submitted is available through the Laboratory Information Management System (LIMS)- the centralised data base. In excess of 64,600 samples were submitted to the RVLs in 2008, up from 52,430 in 2007. The RVL 2007 Surveillance Report, which is the analytic review of the main samples submitted that year, was published in 2008 and is available on the Department website under

<http://www.agriculture.gov.ie/media/migration/animalhealthwelfare/veterinary/veterinaryresearchlaboratorysevice/RVLSurveillanceReport2007.pdf>.

In 2008, Dublin RVL completed its first full year of provision of service from its new location at Backweston. There has been a marked increases in the numbers of submissions in almost every category type during 2008 which reflects greater client familiarity with the service available and the location of the new facility at Backweston.



AGRICULTURE LABORATORIES

Dairy Science Division

The Dairy Science Laboratory in Backweston is the National Reference Laboratory for *Listeria monocytogenes*, *coagulase positive staphylococci*, total bacterial count in raw milk, somatic cell count in raw milk and phosphatase activity in milk. The laboratory extended its scope of accreditation in 2008. The Cork and Limerick laboratories continue to work with a view to achieving accreditation by 31 December 2009 for a range of food safety testing methods.

In 2008, the Dairy Science laboratories tested 9,169 samples of milk and milk products and 336 samples of water in accordance with microbiological requirements of the Hygiene Package. These analyses resulted in:

- 24 Food Safety Hazard notifications issued on Microbiological analysis;
- 79 Process Hygiene Criteria non-conformances issued;
- 44 non-conformances reported in respect of the 336 samples of water tested for microbiological requirements.

A further 2,551 samples of milk and milk products were tested in accordance with the chemical requirements of other schemes and services. Appropriate action was taken on non-compliant operators.



Seed Testing and Plant Health Division

Seed testing and seed pathology

All agricultural and horticultural seeds subject to official certification require to be officially tested for purity and germination to ensure compliance with EU seed regulations. Over 10,500 tests, comprising mainly of cereals and grasses, were completed in 2008.

During 2008, 480 cereal samples were tested for *Fusarium spp.* and *Microdochium nivale*, barley leaf stripe and net blotch as appropriate. Approximately 52% of pathology tests were carried out on barley, 43% on wheat, 4% on oats and 1% on triticale. In addition, 167 tests were conducted on barley for the presence of loose smut. A small number of bean samples were submitted for *Ascochyta* and *Botrytis spp.* testing

In 2008, lower levels of loose smut were detected in barley than in 2007. Some varieties of winter barley and spring barley had equal to or above the threshold level of 0.2%. *Fusarium spp.* infection levels were extremely high in 2008 due the very wet and mild summer for the second year in a row, with spring barley and spring wheat varieties being more severely affected than in the previous year. Net blotch and leaf stripe (*Drechslera teres* & *D. graminea*) was detected on some susceptible barley varieties.

Plant Health Laboratory

Horticultural pathology includes tests for quarantine organisms as detailed in Commission Directive 2000/26/EC. The main test conducted was for *Phytophthora ramorum* (1,087 samples) on woody ornamentals and tree species. Thirty-four camellia, 24 strawberry, 33 citrus samples were received for testing for a range of diseases during 2008. Sample numbers for camellia and strawberry diseases were less than those submitted in 2007, while significantly more woody ornamental samples were submitted for analysis than in 2007. There were no citrus samples submitted in 2008.

Feedstuff Microscopy Laboratory

The Feedstuff Microscopy Laboratory in Backweston is the National Reference Laboratory for the 'Identification of Animal Protein in Feedstuff' as detailed in Commission Directive 2003/126/EC. The laboratory participated successfully in EU Ring Trial and Quality Assurance schemes and is currently in the process of seeking accreditation to the ISO 17025 standard.

Pesticide Control Division

Residues

In 2008, the Pesticide Control Service implemented the pesticide residue monitoring programme prescribed under the DAFF/FSAI service contract. This involved analysing 1,403 samples of various foods for residues of up to 330 different pesticides.

The Maximum Residues Level (MRLs) for pesticide residues in food were exceeded in 20 samples; with all of the samples with illegal residues coming from fruit and vegetables. Three grape samples, two of which came from the same consignment, contained residues of methomyl and azinphos-methyl that indicated some risk to Irish consumers. In each case the results were reported to the FSAI and an alert was issued through the Rapid Alert System to appraise the EU Commission and other member states of the situation. Where an MRL breach was detected, warning letters were issued advising the wholesaler and the officials in the country of origin that the produce would be subject to statutory action if a repeat infringement was detected. When an Irish producer was involved, inspections were carried out to ensure that such an exceedance was not repeated. The range of pesticides residues tested increased from 266 in 2007 to 330 in 2008, thus giving a higher level of confidence on food safety to Irish consumers.

Formulation

The Pesticide Formulation Laboratory provides the analytical support necessary to assure the quality of plant protection products on the Irish market. In 2008, following auditing by the Irish National Accreditation Board (INAB), it was accredited to the ISO 17025 standard for the analysis of all plant protection products sold in Ireland. This year it also participated successfully in 8 collaborative studies with a view to developing and validating methods for the analysis of plant protection products.

In 2008, 164 samples of plant protection products were analysed to check that the composition of these products complied with the authorised product specifications. Of the samples analysed, some 12 (7%) were out of specification. Where a product did not comply with its authorised specification, appropriate measures were taken. During the dioxin crisis in pork, in December 2008, the laboratory analysed 19 non-routine samples of fuel oil. Its analysis confirmed the presence of polychlorinated biphenyls in the samples provided.

PLANT HEALTH

Plant Protection and Health

In 2008, in order to maintain Ireland's high plant health status, the Department carried out an action programme which included the following activities:

- Registered nurseries, garden centres, public parks and private gardens were monitored for harmful organisms,
- Mandatory inspections were carried out on relevant plants and plant products imported directly into Ireland from third countries. Quarantine and harmful organisms were intercepted on a number of occasions. None of these became established in the country due to successful eradication measures.
- On-going measures to prevent the spread of the disease commonly referred to as 'Sudden Oak Death', caused by the fungus *Phytophthora ramorum* were undertaken at nurseries, garden centres, public parks and private gardens.
- The annual survey for the bacterium *Erwinia amylovora*, that causes fireblight, was conducted, all findings were successfully eradicated and Ireland has successfully maintained protected zone status for this organism.
- A new survey was established for *Anoplophora chinensis*, the Citrus Longhorn Beetle, which is harmful to a large range of shrub and tree species.
- The brown rot disease of potatoes detected in 2007 has now been successfully eradicated and ongoing intensive testing of seed and ware potatoes is continuing.

Forest Protection and Health

In 2008, as part of EU-wide surveys, the national forest estate was surveyed by the Department for pitch canker disease, oriental chestnut gall wasp, pine wood nematode and sudden oak death. Surveys were also conducted for 11 other quarantine forest pests and diseases for which Ireland has special protection status within the EU. No forest quarantine pests or diseases were detected on any tree species, but in seven forest areas the quarantine disease, *Phytophthora ramorum*, was detected on rhododendron. The related newly described disease, *Phytophthora kernoviae*, was also discovered for the first time on rhododendron at one forest location.

DAFF carried out ongoing inspections of imports of timber and wood products such as wood packaging material (pallets, crates, boxes etc). Particular attention was applied to imports from Portugal due to the outbreak there of pine wood nematode.

The Forest Service also continued to implement the International Plant Protection Convention (IPPC) for regulating wood packaging material in international trade. This international standard facilitates exports by Irish companies of goods of all kinds which are being transported using wood packaging material.

“Promote economic, social, environmental sustainability, and appropriate structural change in the agriculture, forestry, fisheries, bio-energy and food production sectors”.

INPUTS

Goal 3	2008 Budget €million	2008 Outturn € million	2009 Budget € million
Programme Expenditure	957.8	973.6	787.7
Current	411.5	379.2	395.3
Capital	546.3	594.4	392.4
Programme Administration	49.9	48.1	47.3
Pay	39.3	37.3	37.8
Non-Pay	10.6	10.8	9.5
Support Expenditure	11.5	12.0	12.5
Total Gross Programme Expenditure	1,019.2	1,033.7	847.5
Number of staff (FTE) at 31 December 2008		771	

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>3.1 Improve environmental sustainability by achieving in 2008</p> <ul style="list-style-type: none"> ■ a 5% increase in the participation rates in REPS, ■ increased levels of afforestation ■ enhanced level of environmental compliance and biodiversity as verified by external audits. 	<p>At the end of 2008, just over 50,000 farmers were participating in REPS 3 and some 12,100 applications for REPS 4 had been received and were being processed. This compares favourably to the 54,300 participants in 2007. Spending on REPS in 2008 amounted to over €312 million. The 2009 provision is €330 million.</p> <p>The total area in conversion or under organic production was 44,751 at the end of 2008; an increase of almost 9% on 2007. This equates to just over 1% of the total utilisable agricultural land.</p> <p>Annual afforestation level for 2008 was 6,249 hectares</p> <p>The 6,000 (approx.) inspections for cross-compliance in 2008 contributed towards protecting the environment and biodiversity. The levels of non-compliance and consequential follow up actions were higher than in 2007.</p>

2008 OUTPUT TARGET

2008 OUTPUT ACHIEVED

3.2 Effective implementation of the RDP as measured by level of expenditure in 2008 and DAFF 2008 progress report to EU

Total RDP expenditure in 2008 was €653million and the EU allocation of €355 for 2008 was fully drawn down. All schemes under the R.D.P continued in 2008 with the exception of the Early Retirement and Young Farmers Installation Aid Schemes which were suspended in October for budgetary reasons. Some changes were also made to the Less Favoured Areas scheme which will result in reduced expenditure on that scheme in 2009. Evaluation of the Programme is carried out on the basis of both high level indicators (*measure the effects on economic development and employment*) and scheme indicators (*measure progress on high nature value farmland, water quality, climate change mitigation and biodiversity, land use, farm structure and the level and effect of investment at farm level*). The Programme Report for 2007 was submitted to the EU Commission in June 2008. Discussion took place with the Commission on the suspended schemes, the evaluation process and the selection criteria for investment projects. The 2007 report has been accepted by the Commission. Improvement in the level of reporting on the indicators will be required as cumulative spending increases over the lifetime of the Programme.

3.3 Improved economic contribution of the food, forestry and fisheries sector to the overall economy

The overall food and fisheries sector contributed 6.3% to GDP in 2007. The figures for 2008 are not yet available but are expected to be similar to 2007 levels, despite the international economic downturn. However, due to its low import content and profit repatriation, the net foreign earnings of this sector amount to around 30% of total net earnings of primary and manufacturing industries.

3.4 Structural change in rural and marine economy as indicated by an increase in average farm size, the delivery of the fleet restructuring plan and the Fishery Harbour Infrastructural Programme

Average farm size increased from 31.8 hectares in 2005 to 32.3hectares in 2007 (more recent data will not be available until 2011).

In 2008, 35% of the fleet restructuring plan was accomplished while total expenditure in 2008 on fishery harbours was €22.2 million. The programme supported 72 projects in 46 locations around the coast. The major projects advanced included Castletownbere, Greencastle and Ros an Mhil.

OUTPUTS

PROMOTING SUSTAINABLE FARMING



Rural Environment Management Scheme (REPS)

REPs is an agri-environment measure to encourage farmers to go beyond basic good farming practices and to farm in a way that benefits the landscape, biodiversity and water quality. The REP scheme involves the whole farm and the basic scheme commits the farmer to eleven undertakings designed to maximise environmental benefits. Additional payments are made for engaging in supplementary measures which vary from keeping rare breeds, conservation of wild birds to protecting heritage buildings. By end 2008, the REPS 3 scheme had over 50,000 participants with in excess of 12,000 applicants for REPs 4. Almost €312.5 million was spent in 2008 and the expected allocation for 2009 is €330million.

Agricultural Mini-Catchment Programme

The REPs allocation included €1.5 million in 2008 for a study to monitor nitrogen levels in water catchment areas. This four-year programme, which is managed by Teagasc, is to assess the effectiveness of the measures being taken to reduce the pollution of water by nitrates and phosphates from agricultural sources. This water quality checking is a vital element in Ireland's defence against the imposition of stricter conditions when the Nitrates Action Programme (NAP) ends in 2009.

In the 7 intensively farmed mini-catchment areas selected, the effect of changes in farming practices, on the transfer of nutrients from source to water and their impact on water quality, are being evaluated. Measurements, modelling and socio-economic studies are being used to evaluate the efficacy, cost effectiveness and economic impact of the measures. A Programme Manager, a team of scientists and farm advisors are in place while progress is assessed by a Steering Group, which includes national and international experts on water catchment management.

Farm Waste Management Scheme

The revised Farm Waste Management Scheme was introduced in March 2006 in order to assist farmers meet the additional requirements of the Nitrates Directive. Over 48,500 applications were received by the closing date, of which more than 30,000 were received in the final month. The closing date for the completion of work and the submission of payment claims to the Department was 31 December 2008.

In the light of the unexpectedly high level of applications, a Supplementary Estimate of €195 million was approved in September increasing the total allocation for this scheme in 2008 to €490 million. 12,847 payments totalling €413.7 million were made in 2008 while approximately 17,400 payment claims remained to be processed at the beginning of 2009.

Cross Compliance Checks

EU cross compliance means that farmers must comply with 18 Statutory Management Requirements (SMRs) on the Environment, Public Good, Animal and Plant Health, and Animal Welfare as well as maintaining their land in good agricultural and environmental condition (GAEC). These requirements are monitored by mandatory inspections on between 1-5% of farms annually and are an effective means of protecting the environment and ensuring that farmers implement a wide range of public good regulations.

The most common non-compliances with cross compliance requirements found during 2008 were as follows:

Cattle

50% of all non-compliances found related to bovine identification and registration. Of these the majority involved the failure to notify movements, births and deaths of animals, passports discrepancies and herd register discrepancies while 11% related to tagging irregularities i.e. animals with both tags missing and animals never tagged.

Nitrates

26% of all non-compliances found related to Nitrates. Of these 41% related to inadequate collection of livestock manure, other organic fertilisers, soiled water or silage effluent. 22% related to inadequate management of these elements. 18% related to clean water not being diverted to a clean water outfall so as to minimise soiled water generation. 13% related to structural defects in the storage facilities in use leading to direct or indirect runoff to groundwater/ surfacewater. 2% related to farmyard manure being stockpiled on land during a prohibited spreading period. Another 2% related to insufficient emergence of green cover within 6 weeks of the application of a non-selective herbicide between 1st July and 15th January.

Sheep

Non-compliance with identification and registration accounted for 21% of all non-compliances found. Of this 42% related to flock register discrepancies, i.e. movements of sheep on/off farm not recorded or incorrectly recorded or missing docketts. 34% related to failure to submit a sheep census, 24% related to tagging irregularities, i.e. incorrect tagging, animals never tagged and missing tags.

Noxious weeds control campaign

Control of noxious weeds is one of the cross-compliance requirements under Good Agricultural and Environmental Condition, for purposes of Single Farm Payment. A campaign was put in place in 2008 to re-create a public awareness of the obligation to control noxious weeds. The campaign consisted of Department press releases, public notices in the news media and posters erected in areas frequented by the farming community and the general public.

Fertiliser Usage

The fertiliser year runs from the 1st October to 30th September and the following table illustrates the reducing levels of fertiliser usage

TABLE 3.1 FERTILISER USAGE

Nutrients	2007/8-Tonnes	2006/7-Tonnes	Maximum usage (tonnes) & Year
Phosphorus	26,350	32,415	90,330 - 1972/73
Nitrogen	308,960	321,588	442,916 - 1989/90
Potassium	69, 584	84, 737	125,729 -1989/90

Published data for 2008 compared to the previous year shows that fertiliser (including ground limestone) price increased by 61.7%. The extreme increase in price in 2008 compared to 2007 was as a result of increased global demand for fertiliser by developing countries to increase food output, and by developed countries to increase biofuel and feed production. The high cost of oil to manufacture fertiliser and rising transport charges also contributed.

Ground limestone use

Agricultural grade ground limestone usage in 2008 amounted to 595,926 tonnes, a decrease of 30% on 2007 levels. High rainfall in 2008, resulting in poor ground conditions for heavy machinery, contributed to the lower usage.

Fertiliser and Limestone Compliance Inspections

There were 241 samples taken from fertiliser manufacturing/importer premises to ensure compliance with correct quality and formulation. From these samples, 503 nutrient contents (nitrogen, phosphorus, potassium and sulphur) were analysed and 25 or 4.6% were found to be non-compliant. Companies with non-compliant products were notified in all cases.

The 68 samples taken at ground limestone manufacturing premises were analysed for fineness. Of these 9 (13.2%) were found to be non-compliant for fineness (passing a 0.15mm screen). Companies with non-compliant products were notified in all cases and trader notes were circulated to companies informing them of their obligation to comply with the legal standards laid down for fineness.

Tax Policy to encourage structural change

The Finance Act 2008 contained a number of provisions aimed at the farm, fishing and food industry, including:

- A five-year period for family farm partnership to sort out the anomalous situation where significant CGT liabilities can arise on the break-up of farm partnerships;
- The claw-back rule for income averaging was removed for farmers entering milk production partnerships;
- A provision to allow the diversification element of the sugar compensation fund to be spread over six years for income tax purposes; and
- A number of tax provisions to improve the up-take of the fishing vessel decommissioning scheme.

These are in addition to a number of existing farm tax measures aimed at supporting incomes, structural improvements and investment in necessary pollution control facilities in the sector.

Forestry

Forest cover in Ireland is over 10% of the land area. This is one of the lowest covers in Europe where the average cover is closer to 40%. Irish planting levels in 2008 were 6,249 hectares which is a reduction from the 2005 level of 10,096 hectares. However, whilst annual planting levels have decreased in recent years, overall forest cover in Ireland has increased from over 480,000 hectares in 1990 to approximately 730,500 hectares in 2008.

The planting and growing sector have been supported by the various grant and premiums schemes to the value of €442 million during the period 2005 to 2008. These various schemes have helped establish a network of over 11,000 private plantation owners, mostly farmers, who have begun the process of entering the forest economy. Forestry activity enhances the rural environment and offers employment in areas where there are often very few alternatives. It is estimated that some €268 million is generated annually in the rural community by domestic forest visitors.

Exports of timber and wood products in 2008 were estimated at €302 million, an increase of 13.1% on 2006 with exports to the UK and Northern Ireland accounting for three-quarters of this total. However, Ireland remains a net importer of timber with imports of €677 million in 2007, down by 2.5% on 2006 levels.

Forest Environment Protection Scheme

2008 saw the continuation of the Forest Environment Protection Scheme (FEPS) which was first launched as a pilot scheme in 2007. FEPS focused on the creation of woodlands that contribute more to landscape character, biodiversity, the retention of local habitats and the protection of water quality. In 2008, 2,061 hectares of FEPS were planted and over €7 million was paid in FEPS grants.

The Native Woodland Scheme, which is aimed at protecting and expanding native woodland resource, was reopened in 2008.

Forestry and Freshwater Pearl Mussel Requirements

The freshwater pearl mussel lives in rivers and streams and requires water of the highest quality. It is protected under the Habitats Directive and Wildlife Acts and is currently in serious decline throughout Ireland and the rest of Europe. The challenge has been how best to marry the many benefits of forestry with the conservation of this mussel.

The Forestry and Freshwater Pearl Mussel Requirements were agreed between this Department and the National Parks and Wildlife Service (NPWS) of the Department of the Environment, Heritage and Local Government, and were published in March 2008. These apply to the relevant catchment areas in candidate Special Areas of Conservation (cSACs) and describe a range of measures intended to reduce any potentially negative impacts on the species arising from forest operations including forest road construction.

Forestry Producer Groups

The Department continued its support in 2008 for specific projects in Kerry, Clare, Galway, Cork, Donegal and the South East, aimed at encouraging local farmer foresters to collaborate in managing their plantations and marketing the timber produced. Some of the projects promoted the use of wood energy within their areas by encouraging large energy users to install biomass boilers and followed through by creating a reliable wood chip supply chain for them.

In addition, wood energy developments and innovations in supply chain systems are fostered through woodenergy.ie, its advisory service and its dedicated workshops. More cost effective forest management is facilitated through the GROWFOR software system of growth and yield models which enables growers to predict wood volume production resulting from different thinning regimes.

The Ministerial Conference for the Protection of Forests in Europe (MCPFE)

In September, the Forest Service co-hosted a meeting of the MCPFE in Dublin. The purpose of this meeting was to finalise the drafting of the '*Pan European Guidelines for Afforestation and Reforestation*'. Representatives from 47 countries along with observer organisations participated in this two-day meeting. The finalised document, was developed to provide guidance for the mitigation of potential environmental damage resulting from large-scale afforestation, in line with the United Nations Framework Convention on Climate Change (UNFCCC).

Organic Farming

By the end of 2008, there were 1,450 registered organic operators and 44,751 hectares under organic production. This is an increase of 9% on the 2007 figure. The Irish organic retail market was estimated to be worth €104 million in 2008. The annual growth of 40% in 2007 and 40% in 2008, compares more than favourably with 2.7% for conventional farming.

A number of initiatives were taken to help progress towards the *Programme for Government* target of increasing the amount of utilisable agricultural land area under organic production from its current rate of less than 1% to 5% by 2012.



The principal one was the development and launch in early 2008 of the Organic Farming Action Plan 2008-2012. This Plan outlines over 60 actions to be taken to achieve its four main objectives which are to increase production in line with market trends; increase the knowledge base; develop the organic market at home and abroad; and encourage the development of public procurement opportunities for organic products. The Plan also incorporates Teagasc's Organic Production Business Plan.

A range of organic events was undertaken in 2008 to raise awareness on organic farming. The National Organic Week, held in September, provided ample information on what was meant by organic food, its benefits and where to buy it. It received widespread coverage through the national and local media. As part of that week's events, the *Organic Guide to Ireland*, a cross border initiative was published and the National Organic Food Conference - "*Maximising Ireland's Potential*"-was held in the Waterford Institute of Technology. It included many prominent speakers from Ireland, UK and Europe. Coincidentally, in September, the National Organic Awards were held at the prestigious SHOP retail event in the RDS. Finally, demonstration organic farms continued to attract further interest in 2008 and the numbers expanded to a total of 19 farms.

The organic capital grant schemes under the RDP continued to provide grant aid for investments by farmers and processors in facilities and equipment. Grant aid of 40% of the cost, up to a maximum of €60,000 in the case of on-farm investments and €500,000 for investments off-farm, is available. €1.495 million was spent in 2008 and the 2009 budget allocation is €1.5m.

New EU Regulations on organic food and farming were published in 2008. These simplified the provisions of the current regulations, introduced a certain amount of flexibility to take account of regional conditions and promoting a "common concept" of organic production by imposing restrictions on labelling and advertising claims. For the first time, aquaculture and wine are included in the scope of the legislation.

The National Steering Group for the Development of the Organic Sector met 4 times. It was chaired by Mr John Duggan, former chairman of Glanbia and is made up of a wide range of stakeholders representing organic farmers, mainstream farmers, the food processing and retail sectors, semi-state bodies and consumers. It is supported by two sub-Groups, the Organic Market Development Group, chaired by Bord Bia and the Partnership Expert Working Group, chaired by Teagasc.

Genetic Resources

The Advisory Committee on Genetic Resources for Food & Agriculture was established in 1996 with the following objectives:

- The development and utilisation of genetic resources to increase national food security;
- The conservation of unique genetic resources whose survival is endangered;
- The promotion of public awareness for genetic resource conservation management strategies and
- The participation in international and EU programmes to co-ordinate management of genetic resources.


In 2008, the committee provided grant aid in the order of €165,000 to a broad range of projects concerned with the conservation of plant and animal genetic resources, including apple varieties, minor sheep, cattle and horse breeds along with native Irish bees.

RURAL DEVELOPMENT PROGRAMME 2007 - 2013

The Rural Development Programme (RDP), which was agreed in late 2007, has a wide range of measures to support the rural economy. These include schemes for on-farm investments, agri-environmental supports, early retirement, installation aid, support for disadvantaged areas.

Since its introduction, €1.251 billion has been spent in the period 2007-2008 on rural development measures; details in the following table.

TABLE 3.2: RDP EXPENDITURE



EAFRD Expenditure	2007	2008	Cumulative 2007 - 08
Measure	€m	€m	€m
Training (REPS*)	0	0	0
Setting Up of Young Farmers	0.090	5.355	5.445
Early Retirement of Farmers and Farm Workers	53.290	45.632	98.922
Farm Modernisation	0.014	12.910	12.924
Disadvantaged Areas Scheme	254.001	255.823	509.824
Rural Environmental Protection Scheme + Natura 2000	311.750	312.450	624.200
Total	619.145	632.170	1,251.315

Following the October Budget, the RDP was adjusted with the suspension from 15 October 2008 of the Young Farmer Installation Aid and Early Retirement schemes and a reduction in the 2009 funding for the Disadvantaged Area Scheme to €220 million.

RDP Review

Following agreement on the Health Check, an additional €120 million will be available under the RDP from 2010 to 2015. This amount must be used to address the four new challenges of climate change, water management, bio-energy and biodiversity. Any new measures will require co-financing of 25% from national funds. A consultation process to amend the current RD Strategy and Programme is required and the amended Programme must be forwarded to the Commission by the mid July 2009 for implementation in 2010.

CLIMATE CHANGE



Methane and nitrous oxide are the greenhouse gases of main concern to the primary agriculture sector. In 1990, agriculture produced 35.9% of emissions but this level declined both in real terms and as a proportion of Ireland's total emissions. By 2007 (the latest year available), the level had fallen to 25.6% due mainly to a reduction in cattle numbers and the beneficial effects of carbon sequestered by Ireland's forests.

The National Climate Change Strategy (2007) sets down the measures to be implemented to enable Ireland to meet its legally binding commitments under the Kyoto Protocol in the commitment period, 2008–2012. The Strategy projects a reduction in emissions from the agricultural sector through a number of measures including Common Agricultural Policy Reforms, participation in REPS & Organic Schemes, supports for manure management in line with the EU Nitrates Directive, new supports for afforestation and through development of renewable energy resources

The EU's 'Energy Policy for Europe' provides for, among other things, a 20% reduction in greenhouse gas emissions (compared to 1990 levels) by 2020. In the event of an international agreement on global emissions reductions, the target reduction will increase to 30%.

While the achievement of the 2008–2012 commitment is the immediate concern in terms of addressing greenhouse gas emissions, new EU Directives, to give effect to the Climate Change Package for 2013 to 2020 period, including new rules governing the EU Emissions Trading Scheme, are nearing completion. Achieving these targets presents a considerable challenge to all sectors of the economy including the agriculture sector. Ongoing research will continue to examine further measures and technologies to reduce emissions from the agriculture sector. The Department has committed €15.5m to climate change research projects since 2005 under the Research Stimulus Fund and continues to monitor ongoing research both nationally and internationally.

Forestry alone cannot solve the threat of climate change but enhancing and protecting the forest resource can make a significant contribution. In Ireland, the main potential climate change benefits associated with forestry have been identified as:

- The potential to sequester 110 million tonnes of CO₂ by 2035
- The potential annual supply of 2 million tonnes of wood biomass for renewable energy by 2020,
- The reduction in emissions of 1.6 million tonnes CO₂ per annum by 2020 by switching to wood-biomass

The emissions sequestered by Kyoto approved forest sinks amounted to 1.36 Mt CO₂eq in 2007 - the latest figure available from the Environmental Protection Agency.

BIOENERGY

Bioenergy is the term used to describe renewable energy derived from biomass, (the biodegradable fraction of products and residues from agriculture) , forestry and related industries. It is a sustainable source of energy and has a range of environmental and economic benefits in helping to secure energy supply and in mitigating the effects of climate change.

Ireland's agricultural sector creates significant quantities of biomass materials that can be utilised to meet the EU 2020 targets. Potential sources include dedicated energy crops such as miscanthus, willow and oilseed rape as well as forest residues and thinnings. Agriculture residues, principally manures, straw, poultry litter and mushroom compost can also be used for energy production through combustion or anaerobic digestion.

Bioenergy Developments

There were a number of significant policy developments in the Bioenergy area in 2008. The European Union adopted demanding targets in December to reduce green gas emissions by 20% and to increase the use of renewables in the energy mix by 20%. They also agreed to increase the use of biofuels and other renewables in transport fuel by 10%. All of these targets must be achieved in 2020. In September, the Department of Communications, Energy and Natural Resources launched a public consultation document on a 'Biofuels Obligation Scheme' to ensure that a certain percentage of the transport fuel used in the state consists of biofuels. The initial penetration level proposed is 4% by 2010.

Energy Crops

In 2008, the Department continued to implement the actions in the National Bioenergy Action Plan to increase production of bioenergy from agriculture raw materials. Over €1m in establishment grants was paid to farmers under the Bioenergy Scheme to plant 1,000 hectares of willow and miscanthus. The third phase of the Scheme was launched in December to assist the planting of a further 1,800 hectares in 2009. In addition to establishment grants, some 500 farmers qualified for energy crop premiums in 2008 under the EU Energy Crops Scheme and the National Energy Crop Premium.

Animal By-Products (ABP)

The Department's policy is to encourage the development of safe alternative disposal of ABP which can also generate added value. In that context, most of the ABP from the meat sector is rendered to produce tallow and meat and bonemeal (MBM). The 9 approved rendering plants, which operate under the supervision of DAFF, produced 142,000 tonnes of MBM and 72,000 tonnes of tallow in 2008. Significant amounts of MBM were used as a co-fuel in the Irish cement industry and the proportion of MBM being sent abroad for incineration is declining. In 2008, the Department gave approval to a technical plant using low risk MBM in the manufacture of organic fertiliser and is also aware of commercial proposals to use MBM as a co-fuel in power plants. Tallow is used as boiler fuel and in the manufacture of bio-diesel; both of which help reduce dependence on imported fuels.

Wood Biomass

Ireland's 730,500 hectare forest estate affords significant potential to displace fossil fuels with locally produced wood fuels, particularly in heat generation for industrial, commercial, domestic and institutional markets. Projections by COFORD and Sustainable Energy Ireland indicate a potential supply of 2 million tonnes of wood biomass by 2020. Use of this amount of wood biomass for energy generation would result in emission savings of 1.6 million tonnes CO₂/year by 2020, with substantial increases possible in the period post 2020.

FISHERIES

The Irish seafood industry makes a significant contribution to the national economy in terms of output, employment and exports. Generating approximately 11,000 jobs in rural coastal regions, BIM estimate that the industry contributed approximately €780 million to the national economy in 2008.

Consumer demand for seafood held up reasonably well in 2008. Sales of €731 million were down from €757 million in 2007 but continued their upward trend from €617 million in 2000. When landings of fish by Irish vessels at overseas ports are included, the estimated total value of seafood sales was in the order of €780 million. Of the €731m, domestic seafood sales amounted to €381 million with exports reaching €350 million. The sector performed reasonably strongly in the face of increasing competition. Approximately 87% of seafood exports were to EU markets with the balance going mainly to Far Eastern and African markets.

Landings

The volume and value of fish landed by Irish vessels in 2008 amounted to almost 150,000 tonnes, worth approximately €230 million; see data in table Table 3.3 following

TABLE 3.3: 2008 FISH LANDINGS

	Weight 000 Tonnes	Value €m
Irish Ports Total	150,047	165
Irish Vessels @ Foreign Ports Total	52,605	63
Total Landings by Irish Vessels	202,625	229
of which		
Demersal (Cod, Saithe, Haddock, Whiting, Hake, Mgrim, Monkfish, Ling)	40,752	84
Pelagic (Mackerel, Herring, Sprat, Sardine)	138,377	64
Shellfish	23,446	81

Source DAFF Preliminary Estimates

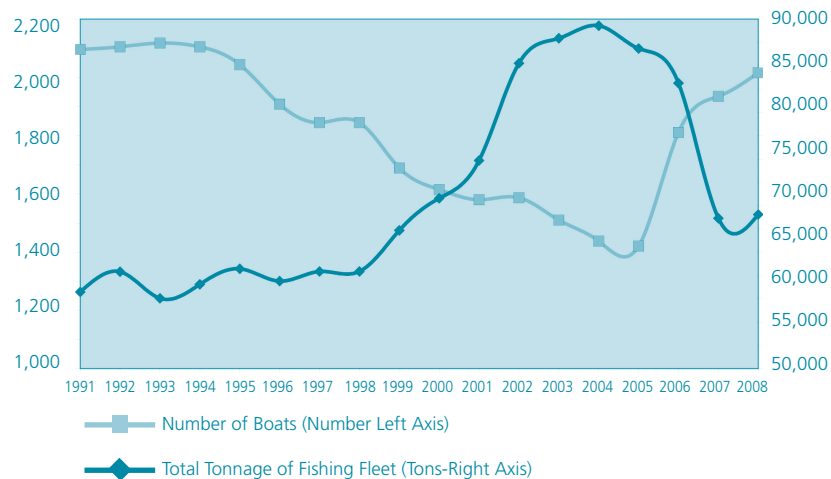
Aquaculture

Aquaculture activities are located right around the coast with particular concentration in Donegal, Connemara, West Cork, Waterford, Wexford and Carlingford Lough. The sector includes the farming of finfish species such as salmon, trout, perch as well as mussels, oysters and other shellfish. These seafood products have the potential to fill the gap between supply and demand as the supply of other fish is constrained by quotas operated at EU and international level. In 2007, this sector accounted for approximately 20% (52,504 tonnes) of the volume of total primary production of fish and shellfish with a value of €118 million. Of this amount, shellfish production was valued at €59million while finfish was €58 million.

Seafood Strategy 2007 – 2013

The implementation of the seafood strategy “*Steering A New Course – A Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007 – 2013*” was overseen in 2008 by the Seafood Strategy Implementation Group (SSIG) under the chairmanship of Dr. Noel Cawley. The group comprised industry stakeholders as well as representatives from the relevant state agencies and the Department. Substantial progress has been made on a number of fronts, including the current Decommissioning Scheme which was one of the key recommendations of the Cawley Report. A total of 46 boats involving 6,913 gross tonnes and 19,356 kilo watts has been permanently removed from the fishing fleet at a total cost of €36.6m over the period 2008/09. A significant economic benefit, estimated at some €22m, will accrue to the remainder of the fleet from the redistribution of the prawn and whitefish catch previously taken by the decommissioned vessels.

TABLE 3.4: CHANGES IN FISHING FLEET STRUCTURE



Other areas of the Seafood Strategy where progress has been made include;

- marketing opportunities for Irish seafood,
- work on the establishment of the Seafood Development Centre,
- publication of a draft lobster management plan,
- establishment of the Step Up Programme to support seafood businesses and incentivise consolidation,
- ongoing development of an industry focused Environmental Management System for the wild-capture seafood sector,
- grant aid to encourage environmentally friendly and fuel-efficient fishing,
- increased training in the sea fisheries, aquaculture and shore-based sectors.

National Development Plan.

The Operational Programme (OP) for Fisheries under the EU Fisheries Fund was approved by the EU Commission in September. The focus of the OP is to provide support for scrapping fishing vessels to balance fleet size with available fish resources, to support environmental and inshore management measures and the coastal fishing communities. The adoption of the nationally funded Operational Programme for Fisheries was delayed due to issues relating to environmental compliance.

Licensing Authority for Sea Fishing Boats

The independent Licensing Authority provides transparent and equitable licensing and registration arrangements for commercial sea-fishing boats in accordance with legislative requirements. In fulfilment of its statutory obligation, its 2007 Report was presented to the Minister on 30 June 2008. Administrative support is provided by the Department.

During 2008, the Licensing Authority received 321 new applications for sea fishing boat licences, of which 15 were subsequently withdrawn. 309 vessels were licensed and registered during 2008 and its customer service target - a preliminary decision within 3 weeks of receipt of a complete new application - was met in every case. At the end of 2008 there were 1,951 licensed and registered commercial sea fishing boats in the Irish fishing fleet and 65 aquaculture vessels.



In addition to processing new licence applications, the Licensing Authority carried out a programme of licence renewals for all sea fishing boats in four phases during the year. During 2008, 13 decisions of the Licensing Authority were appealed to the independent Appeals Officer.

Transfer of Functions

Shellfish Waters

In 2007, the criteria for the selection of sites to be designated under the Shellfish Waters Directive (2006/113/EC) were approved. Responsibility for implementation of this Directive transferred to the Department of the Environment, Heritage and Local Government (D/EHLG) in November 2008. By that time, designation plans had been brought to a very advanced stage, including the completion of the public consultation process. This Department will continue to play an active role on the Shellfish Waters Management Committee by providing its expertise on marine engineering, aquaculture and the impact on water quality of agricultural installations.

Coastal Protection Programme

In line with a recent Government decision, responsibility for Coastal Protection and Coastal Flooding will become the responsibility of the OPW with effect from the 1st January 2009. The total expenditure by this Department on the Coastal Protection Programme in 2008 was €2,933,263 million.

Foreshore and Coastal Management

Significant progress was made in 2008 to give effect to the Government Decision of October 2007 to transfer certain foreshore and coastal management functions, including dumping at sea, to the Department of the Environment, Heritage and Local Government. This Department, in consultation with the D/EHLG, is preparing draft legislation to give effect to the transfer of these functions.

Fisheries Management and Conservation

Total Allowable Catches (TACs)

The annual Total Allowable Catches (TACs) and quotas for 2009 were agreed at the December Agriculture and Fisheries Council. The main elements of the package secured were quotas valued at €200million, the successful defence of the Hague Preferences and conservation measures in the North West fisheries that take account of Irish needs.

The EU Commission had proposed cuts of between 25% and 15% for most of the whitefish stocks of importance to Ireland which, if agreed, would involve double digit cuts in 30 of these stocks. The final deal delivered 37,000 tonnes of whitefish for Irish fishermen for 2009 including the status quo on monkfish and haddock and the virtual roll over of the prawn quota in the Irish and Celtic seas. The overall agreement represented an increase in value of 5% on last year which was a significant achievement

Reflecting the poor state of the herring stocks in Irish waters, the TACs for these stocks were reduced to 137,000 tonnes in 2009. However, a rebuilding plan for the Celtic Sea herring stock was adopted by the Commission and commits all Member States to sustainable fishing practices and to the rebuilding of that stock to the levels last seen in the late 1980's.

A 33% increase in mackerel and a roll over in the 40,500 tonne horse mackerel quota were also secured.

The Hague preferences, agreed by Heads of State in 1976, gave Ireland additional quota in certain species and are particularly important if the traditional stocks around Ireland are at low levels. This concession came under sustained attack from several Member States this year and their removal had been identified as a real risk. In the final package, the delivery of additional quotas for the main commercial stocks of importance to Ireland, through the invocation of the Hague Preferences on 11 fish stocks around Ireland, was critical to providing good fishing opportunities for 2009.

2008 Fish Quota Management

The existing fish quota management system is designed to ensure the best possible spread between fishermen and the take up of quota. A key objective being the avoidance of very early closure of fisheries through rapid exhaustion of quota.

The management of the TAC and Quota Regulation is effected by the Department in conjunction with monthly meetings of the Quota Management Advisory Committee which includes fishing industry representatives. In 2008, this involved the management of over 182,000 tonnes of fish quotas valued at approximately €200million.

In 2008, 40 separate demersal (whitefish) fish stocks were managed in consultation with the fishing industry and sea food processing representatives. Agreed regimes for the management of these fish stocks were reached at these monthly meetings and referred for Ministerial approval. Once approved, the agreed monthly catch limits were displayed on the Department's web-site and circulated to industry. In this context, 2,052 authorisations and amendments were issued on specific management schemes in 2008. This figure is set to rise considerably in 2009 with the advent of new management regimes restricting fishing activity in certain vulnerable stocks e.g. cod, in particular areas. In addition, 29 Fisheries Management Notices, 6 Statutory Instruments and 3 Fisheries Determinations were effected to improve the management of quotas.

The fishing of pelagic species (Mackerel, Herring, Horse Mackerel, Blue Whiting and Atlanto-Scandian Herring) is generally confined to the spring and autumn months with the fisheries being managed, by way of Fisheries Management Notices, on the basis of industry recommendations and catch levels. Qualifying vessels book in with the Department to fish the various pelagic fisheries and the available quotas are then distributed in the agreed ratios to the participating vessels. Landing figures are constantly monitored during the fishing periods. Remaining quota is re-allocated to ensure that all available quotas are landed.

Conservation Measures

In September, EU Fisheries Ministers adopted a regulation putting in place a Community system to prevent illegal unreported and unregulated (IUU) fishing. This regulation will come into force on the 1st January 2010.

Rather than a total ban on whitefish fishing in the waters off Donegal, at the December Fisheries Council, the Department agreed a package of measures that both delivered strong conservation measures for the cod, whiting and haddock stocks in decline while facilitating the continuation of important fishing activities for the Irish fleet.

New stricter rules on the use, location and quantity of 100mm mesh nets were agreed involving:

- Prohibiting the use of these nets in continental shelf waters around Ireland and banning the use of these smaller mesh nets in waters less than 200 metres to protect traditional stocks of cod, haddock and whiting,
- Strict new limits reducing the quantity of nets per vessel by 20% and limiting the numbers of boats that fish with this gear,
- Strong control measures including measures to stop the unacceptable practice of leaving the nets in the waters for long periods which results in ghost fishing and huge losses to the stock. These include requirements for skippers to certify the nets on board when leaving port and to have at least 90% of these nets on the vessel when landing.

As part of the ongoing drive to rejuvenate cod stocks, the EU Fisheries Councils in November and December adopted a new Cod Recovery measures. Ireland is now required to introduce and implement a licensing regime to manage its allocation in the waters of the Northwest of Ireland and the Irish Sea. These conservation measures will be a major challenge for the industry.

GOAL THREE

Aquaculture Licencing

A licence for aquaculture development can only be issued after the potential ecological consequences have been assessed. This is a detailed process which requires inter-agency collaboration, particularly when conservation sites are involved. A significant backlog of applications has been developing in recent years owing in part to the increasing complexity of coastal development and regulatory requirements. During 2008, 2 licences were issued and 1 application for a licence was refused. A further 5 licences were reassigned to a new licence holder. Over €300,000 was received in licence fee payments for aquaculture.

In December 2007, the European Court of Justice ruled that, inter alia, the current aquaculture authorisation procedures were defective in that they failed to systematically ensure that aquaculture developments, which were likely to have a significant effect on SPAs, had an appropriate prior assessment. Officials worked very closely with the Department of the Environment, Heritage and Local Government to fill the data gaps identified by EU judgement. In October, the Department committed €1.4m to gathering this information. In addition, in late 2008, Minister Smith had a bilateral meeting with Commissioner Dimas, the Environment Commissioner, to discuss these difficulties and to explore constructive ways of facilitating the further development of the sector in line with the Directives.

Fish Health

The sea louse is the common enemy of both the salmon farmer and wild fisheries. The Marine Institute monitored sea lice levels at salmon farms throughout 2008 by inspecting and sampling all fish farms 14 times per annum. A sea lice control strategy for salmon was published in May 2008 and the Department, working with the industry and the Agencies, has made progress in implementing the new pest control strategy.

In August, the Health of Aquaculture Animals and Products Regulations 2008 were introduced to raise standards of aquaculture health, to control the spread of disease while maintaining the freedom to trade. The Marine Institute was appointed the competent authority for the implementation of these regulations and it carries out aquatic animal health monitoring through its Fish Health Unit.



FISHERY HARBOUR AND COASTAL ZONE DEVELOPMENT

Fishery Harbour Centres (FHC)

The Department has responsibility for the management and development of the six Fishery Harbour Centres, located at Killybegs, Castletownbere, Dunmore East, Howth, An Daingean and Ros an Mhíl. Located strategically around the coast of Ireland, each of the Fishery Harbour Centres provide an essential service for our fishing fleet and its fishermen.

In addition they

- Accommodate various fishing related industries which generate local employment,
- Provide facilities for the repair and maintenance of the shipping fleet,
- Provide facilities for the support of passenger and cargo ferries to the islands,
- Play an important role in the Irish tourist and marine leisure industry.

Killybegs

Killybegs is Ireland's premier fishing port. It accounts for over one third of all the registered fish landings in the country and contributes enormously to the local and national economy. In excess of €50 million has been invested in recent years in bringing the harbour up to world class standard. In April 2008, the Killybegs Fishery Harbour Centre Marketing Strategy report was launched. It was based on the work of a Steering Group, chaired by former Secretary General Kevin Bonner. The Marketing Strategy will operate in conjunction with its 5-year Business Plan to promote the development of this FHC.

Castletownbere

Castletownbere enjoys the benefit of being a natural harbour and in 2008 in excess of €7.6million was invested in its ongoing development. This represented the single most significant project undertaken by the Department with works involving construction of a mass concrete quay, completed and commissioned during the year. Significant investment is anticipated in 2009

Ros an Mhíl

Ros an Mhíl Fishery Harbour Centre, located on the west coast of Ireland, provides a valuable service to fishermen. Its proximity to the Aran Islands makes it invaluable to the residents of these islands and acts as a catalyst for its tourism industry. The two ferry operators working out of the harbour account for around 200,000 passenger movements per annum. Pontoons are being provided as part of its ongoing development. These will separate the fishing and ferry activities, improve safety and reduce congestion in the harbour. In addition they will facilitate the relocation of the cargo service to the Aran Island from its current location in Galway. The total investment in the provision of the pontoons will be €8.86 million with €1.7 million invested in 2008. The project benefited from a commitment from the Department of Community, Rural & Gaeltacht Affairs to provide a contribution of €3 million and will be completed in 2009.

Future Plans for the Fishery Harbour Centres.

To realise and maximise their full potential, the Department commissioned consultants to produce Business Plans for the six Fishery Harbours Centres. These Business Plans will be published in 2009 and will set out the goals to be achieved over the next five years. In addition they will identify the strategy to be followed to reach these goals, and recommend a detailed plan of action to implement the strategy.

NDP: Fishery Harbour and Coastal Infrastructure Development Programme

The National Development Plan 2007-2013 provides for an investment of €203m under the Fisheries & Coastal Infrastructure sub-programme over its 7-year duration. The strategic objective of this Sub-Programme is to ensure the future viability of the fishing industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

In 2008, the total expenditure on the Department's Fishery Harbour and Coastal Infrastructure Development Programme was €22.178 million, of which over €13 million was spent on the FHCs. The significant investment on FHCs is project managed by the Department's Engineering Division which also provides technical support and advisory and inspectorial services on all fishery harbour developments. It monitors progress and expenditure on the full list of projects funded under the programme in 2008 as shown at Table 3.5 following



TABLE 3.5 : FISHERY HARBOUR AND COASTAL INFRASTRUCTURE DEVELOPMENT PROGRAMME 2008

County	Location	Project	2008 Outturn €
Cork	Cape Clear	Safety and Maintenance	30,335
Cork	Cape Clear	Research for Development options	17,406
Cork	Castletownbere	Safety and Maintenance, Dinish Wharf Extension, Effluent Treatment upgrade, Harbour Slipway & Mainland Quay	7,635,734
Cork	Crookhaven	Phase 1 Pier Development	46,017
Cork	Ballycotton	Phase 1 Remedial work	402,685
Cork	Garnish	Redevelopment of pier Phase 3	256,109
Cork	Adams Quay	Improvements to Pier	51,883
Donegal	Killybegs	Harbour Development, Safety and Maintenance	410,802
Donegal	Greencastle	Harbour Development	5,062,849
Donegal	Mountcharles	Sluice valve installation	12,000
Donegal	Glengad Slipway	Repair	27,171
Donegal	Rathmelton Slipway	Construct slipway	50,000
Donegal	Moville	Pier Improvements	51,616
Donegal	Mulroy Pier	Repair	18,750
Donegal	Bruckless	Repair	63,750
Donegal	Rathmullen/Portsalon	Repair	50,625
Donegal	Port Inver	Repair	97,500
Donegal	Burtonport	Repair	495,000
Donegal	Donegal Town	Repair	168,750
Dublin	Howth	Safety and Maintenance, disability access, dredging	158,305
Fingal	Balbriggan	Harbour repairs	40,000
Fingal	Skerries	Planning	40,000
Galway	Wallace Quay	New slipway, pier repair and new access road	100,000
Galway	Parkmore	Underpinning of Pier	150,000
Galway	Ros an Mhil	Harbour Development, Safety and Maintenance, Ferry Pontoons	3,304,416
Galway	Rosroe	Slipway development of pier	3,659
Galway	Doonloughan	Repairs to access road and pier	137,490
Galway	Bunowen	Pier works	180,952
Galway	Cleggan	Repair Works	12,378
Kerry	Scraggane	Structural assessment	183,465
Kerry	Dingle	Safety and Maintenance, Removal of old slipway, additional berthing pontoons, dredging, Harbour Dredging Site Investigation.	1,010,121
Limerick	Ballysteen, Askeaton	Pier Improvements	10,000
Mayo	Cloghans	New slipway	100,000
Mayo	Newport East	Repairs to slipway	13,041
Mayo	Roigh Pier	New slipway and parking	141,992
Mayo	Purteen	New Development options study	22,824
Sligo	Raghly Harbour	Works	300,000
Waterford	Dunmore East	Safety and Maintenance, upgrade slipway, repairs to east pier, sedimentation study	580,633
Wexford	Courtown	Harbour repairs	60,000
Wexford	Duncannon	Repairs and improvement works to slipway	144,063
Wexford	Fethard	Pier development	87,713
Wexford	Killurin	Slipway reconstruction and safety works	35,000
Wexford	Kilmore Quay	Site Investigation & improvements to pier services	267,919
Wexford	St Kierans	Environmental Impact Study	33,275
Wexford	St Helens	Health and safety works	12,000
Wexford	Carne	Structural repairs and safety improvements	33,319
Wexford	Cahore	Repairs	50,000
Miscellaneous		Piers, lights and beacons	16,142

Foreshore Management and Dumping at Sea

In 2008, 32 licences and 8 leases were granted under the Foreshore Acts by the Department for projects such as pier and slipway developments and extensions, outfall pipes for waste water treatment plants, coastal protection works, pontoons/moorings, seaweed harvesting and leisure activities. Income of over €1.6million was received in rent/licence fee payments for foreshore licences and leases. In addition, 11 permits for the disposal of dredge spoil arising from dredging works undertaken by port companies, were granted under the Dumping at Sea Acts during the course of 2008. A total of €825 was received in fees for Dumping at Sea permits during the year.

Between November 2007 and October 2008, 42 foreshore applications for offshore energy installations were received under the scheme for renewable energy projects operated by the Department for Communications, Energy and Natural Resources. The significant volume and complexity of these applications has presented challenges to this Department in ensuring that fair consideration is given to each application having regard to the sustainable development of the foreshore in the public interest.

ANNUAL OUTPUT STATEMENT

GOAL FOUR

“Operate all our schemes and programmes in an efficient, effective and customer focused manner, improve the quality of service delivery and simplify the regulatory burden on our clients”

INPUTS

Goal 4	2008 Budget €million	2008 Outturn € million	2009 Budget € million
Programme Expenditure	1,775.4	1,764.0	1,762.7
Current	1,775.4	1,764.0	1,762.7
Capital	0	0	0
Programme Administration	36.1	32.3	31.8
Pay	29.4	25.4	25.6
Non-Pay	6.7	6.9	6.6
Support Expenditure	7.6	7.9	8.2
Total Gross Programme Expenditure	1,819.1	1,805.1	1,802.7
Number of staff (FTE) at 31 December 2008		551	

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
4.1 Agree Customer Service Charters/Action Plans for 2008-2010	Following extensive consultation, the 2009-2011 Customer Charter was agreed in 2008. The Charter of Rights for Farmers will not be finalised until 2009 as budgetary constraints have implications for payment delivery dates.
4.2 Complete over 90% of all payments in 2008 within the payment target schedule to be agreed in the new Customer Service Charters/Action Plans	Under the 2008 Single Payment Scheme payments in excess of €1.229 billion were issued to over 122,000 beneficiaries by 31 December 2008. In the same period payments under the Disadvantaged Areas Scheme, worth €250 million, issued to in excess of 100,000 beneficiaries. 98% and 96% respectively of payment targets under the 2006-2008 Customer Service Action Plan were achieved on these two major schemes.
4.3 Obtain EU agreement and otherwise achieve progress on appropriate simplification procedures.	<p>The 2005 CAP reform and 2007 review significantly reduced the paperwork regimes, scheme complexity, disallowances and inspection levels (down from 18,000 to 7,000 annually) for farmers applying for schemes.</p> <p>The 2008 CAP Health Check brought further simplification of the schemes and cross-compliance arrangements. Principal changes include the abolition of compulsory set aside of tillage land and its complex management rules, exemption of the first €5,000 of each payment from modulation deduction, raised thresholds for cross compliance penalties and rules streamlined on usage and transfer of entitlements.</p>

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>4.4 Improve the quality of service delivery by</p> <ul style="list-style-type: none"> ■ Increased usage of on-line facilities by customers and agents ■ redeveloping Website and intranet ■ monitoring performance of front-line service delivery ■ meeting EU 2008 targets on usage of electronic funds transfers for scheme payments to clients. ■ Improved aquaculture licensing system in operation ■ Assessing and improving the service delivery satisfaction levels for the internal customer 	<p>DAFF expanded the range of services available online to its customers, including online mapping for the forest industry and the integration of the Fisheries ICT services. Promotion of the benefits of an on-line application facility saw a significant increase in on-line applications from 7,700 under the 2007 Single Payment Scheme, to almost 20,000 under the 2008 Scheme</p> <p>A public tender for the redesign, including an enhanced search facility, of the Department's website, its internal Intranet and the online services website was completed in Quarter 2 2008. Development work on the public website was substantially completed by year end. A live implementation is expected in Q1 2009 followed by implementation of the new intranet and online services website in Q2 2009.</p> <p>The Monitoring Committee on the Charter of Rights for Farmers continued to meet in 2008. Reports on service delivery targets were presented at each meeting and action taken on issues raised.</p> <p>Over 85% of suppliers and 90% of staff are paid by electronic funds transfer (EFT). The target on usage of EFT for EU scheme payments had been virtually met as, by end 2008, all farmers were paid by EFT with the exception of about 1,250 who had yet to supply bank details and whose payments are pending.</p> <p>A significant backlog in aquaculture licensing has arisen over a number of years owing to the complex nature of regulatory and environmental requirements for the activity. A joint DAFF/NPWS programme over a 3-year period was prepared in 2008 to address current baseline information deficits in marine conservation sites. A sum of €1m was provided in the DAFF estimates 2009 for the collection of this baseline data.</p> <p>Proposals were agreed to re-establish the Internal Customer Panel in 2009. The panel will include representatives from all regions and grades within the Department</p>

SCHEME OPERATIONS

Tables 4.1 and 4.2 beneath give operational details on the main schemes operated by the Department in 2008.

TABLE 4.1 : 2008 PAYMENTS TO FARMERS

Scheme	Applications received in 2008	Applications processed	Payments made* € M
Single Payment	125,538	123,975	1,244
Disadvantaged Areas	102,401	101,317	253
Rural Environmental Protection			312.45
Farm Waste Management	-	12,847	413.73
Dairy Hygiene	-	449	4.65
Afforestation Grant	778	752	19.85
Forestry Premium	20,165	19,880	74.26
Early Retirement			45.63
Installation AiS	788	682	9.41
Alternative Enterprise	-	68	0.91
Pig welfare	15	22	2.27
TB and Brucellosis Compensation	9,156	8,698	0.27
BSE Compensation	23	116 cattle	0.17
Scrapie Compensation	8	1,733 sheep	0.33
Fallen Animals	-	298,795 animals	26.3
Farm Improvement	-	2,513	12.91

*This column refers to all payments made in 2008 which often involve commitments over and above applications processed in 2008.

TABLE 4.2 : TRADER PAYMENTS IN 2008 EAGF YEAR

Scheme	Applications received	Applications processed	Payments made € M
Intervention	Nil	Nil	Nil
Export Refunds			
<i>Dairy</i>	66	224	4,32
<i>Beef</i>	379	567	2.84
<i>Processed Products</i>	9,503	10,415	7,84
<i>Cereals, Pigmeat, Poultry & Eggs</i>	425	220	1,56
TOTAL	10,373	11,426	16,56

Direct Payments

Annual expenditure of almost €1.9 billion, on the Single Payment/Disadvantaged Areas and REP schemes, is made by this Department to help achieve the objective of protecting farmers' incomes and of maintaining the optimal number of family farms. In 2008, these payments accounted for 80% (approx.) of aggregate net farm income

Young Farmers' Installation Scheme

This Scheme, which was introduced in June 2007 under the 2007-2013 Rural Development Programme, was suspended for new applications on 14 October 2008. 941 applications for grant-aid were received from farmers under the Scheme prior to its suspension, of which 363 had been paid by the end of 2008.

Suckler Welfare Scheme

The new Animal Welfare, Recording and Breeding Scheme for Suckler Herds was introduced in January 2008. The scheme will run for five years until the end of 2012, has a budget of €250 million, and is fully funded by the Exchequer. Almost 54,000 suckler farmers have joined, and 85% of the suckler cows in the country are covered by the scheme.

The scheme aims to encourage and underpin the adoption of high standards of animal welfare in suckler herds, and to improve the quality of breeding cattle in the beef sector. Mandatory training for applicants is a feature of the scheme, and by the end of 2008, more than 38,000 suckler farmers had undergone the training course. The course emphasises best practice in animal husbandry and breeding improvement; provides farmers with practical information on the day-to-day management of herds and on the completion of paperwork. The remaining applicants will be trained in 2009

Pigmeat Recall Scheme and Pig and Cattle Disposal Scheme

Following the discovery of dioxin contamination in some pigmeat products in early December, a new Pigmeat Recall Scheme was introduced on 24 December 2008. The objective of this EU approved scheme was to effect the rapid and secure disposal of eligible pigmeat products, to enable pigmeat processing operation to resume and to bring stability to the sector. It was open only to primary and secondary processors of pigmeat and applied to product from pigs slaughtered between 1 September and 6 December 2008. Claims arising from retailers and exporters were a matter between them and the supplying processor. A separate scheme – the Pig and Cattle Disposal Scheme – was also introduced at the end of 2008, to remove affected livestock from the food-chain.

EU funding of some €20.6m has been made available for both the Pigmeat Recall Scheme and the Pig and Cattle Disposal Scheme under EU regulation 94/2009. An interim payment, based on 50% of the proposed value of eligible product held in Ireland, was made to both primary and secondary processors at the end of December 2008. The total value of these payments was €35m, €10m to primary processors and €25m to secondary processors. Payments totalling €360,000 were also made for animals removed under the Disposal Scheme. Payments under both schemes will continue during 2009.

CUSTOMER SERVICE

Table 4.3 following indicates the progress achieved on the targets specified in the Customer Service Action Plan. Achievement of service delivery targets is predicated on presentation of correct scheme requirements and documentation.

TABLE 4.3: 2008 PERFORMANCE ON CUSTOMER SERVICE DELIVERY TARGETS

SERVICE	TARGET DELIVERY TIME	2008 PERFORMANCE
Single Payment Scheme	EU Regulations provide that payments shall be made once a year within the period 1 December to 30 June of the following year. However, EU agreement was obtained which allowed for 50% advance payments from 16/10/2008. Balancing payments commenced on 1/12/2008.	Advance payments commenced on 16/10/2008 and balancing payments commenced on 1/12/2008. By end of December €1,229 billion had been paid to 98% of applicants.
Disadvantaged Area Compensatory Allowances	Agreement was reached with the farming organisations that payments in all eligible cases would commence in September.	Payments commenced on 24 September and almost €251m was paid to in excess 96% of all applicants by 31 December 2008.
Early Retirement Scheme	Processing of valid application to scheduling for payment stage:- Applications not selected for pre-payment inspection within 9 weeks* Application selected for pre-payment inspection within 11 weeks* Issue of payment following approval within 6 weeks* Payments monthly thereafter for duration of pension period.	98% within target
Rural Environment Protection Scheme ■ Application for annual payment	<ul style="list-style-type: none"> ■ Issuing of payment following approval within 1 month ■ Processing of valid application to scheduling for payment within 8 weeks ■ Issuing of payment following approval within 1 month 	<p>100%</p> <p>85%</p> <p>100%</p>
Farm Waste Management Scheme	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months* ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months* ■ Issue of payment following approval for payment within 6 weeks* 	95%

SERVICE	TARGET DELIVERY TIME	2008 PERFORMANCE
Dairy Hygiene Scheme	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months* ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months* ■ Issue of payment following approval for payment within 6 weeks* 	100%
Alternative Enterprise Scheme	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months* ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months* ■ Issue of payment following approval for payment within 6 weeks* 	100%
Installation Aid	<p>Processing of valid application to scheduling for payment stage:-</p> <ul style="list-style-type: none"> ■ Applications not selected for pre-payment inspection within 10 weeks* ■ Applications selected for pre-payment inspection within 12 weeks* ■ Issue of payment following approval within 6 weeks* <p>* To apply from commencement of new schemes</p>	100%
Improvement in Animal Welfare Standards (Sow Housing)	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months ■ Issue of payment following approval for payment within 6 months. 	100%
Farm Improvement Scheme	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months ■ Issue of payment following approval for payment within 6 months. 	100%
Young Farmers Installation Scheme	<ul style="list-style-type: none"> ■ Issue of approval following receipt of valid application within 3 months ■ Approval for payment following receipt of notice of completion of works and valid supporting documents within 3 months ■ Issue of payment following approval for payment within 6 months. 	100%

AFFORESTATION PROGRAMME

SERVICE	TARGET DELIVERY TIME	2008 PERFORMANCE
Grant Schemes	<ul style="list-style-type: none"> ■ Approvals within 10 weeks of application except where public consultation is required under statute. ■ 40% inspection level within 4 weeks of receipt of application. ■ Payment within 6 weeks for non-inspection cases or 10 weeks where inspection is required. 	<p>Approvals</p> <p>No. of applications received: 1,303 covering an area of 13,844 ha.</p> <p>No. approved : 1,109 covering an area of 10,640 ha.</p>
Forestry Premium Scheme	<p>Annual Premium Run: €56.6m</p> <p>Subsequent Runs: €17.2m</p> <p>Total Expenditure: €73.8m</p>	<p>Over 90% of all approvals and payments within targets.</p>

DISEASE CONTROL SCHEMES

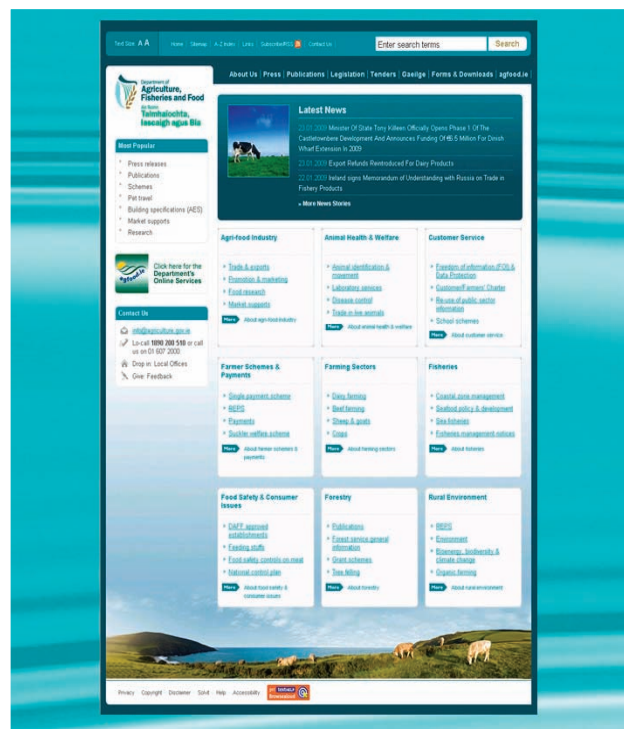
Compensation – Bovine TB and Brucellos Brucellosis Eradication Schemes	<p>TB and Brucellosis compensation will be paid within 3 weeks of the date of receipt of the required correct documentation or of eligibility as per terms and conditions.</p>	<p>98% of Reactor Grant, Valuation compensation payments were made in within 3 weeks of receipt of all the required documentation and over 99% were made within 8 weeks.</p>
BSE Compensation	<p>BSE compensation to be paid within 21 days of receipt of completed documentation.</p> <p>(Since 5 April 2006, the policy of whole herd depopulation has changed. BSE depopulation has been replaced with a partial depopulation scheme, where the cohorts and progeny of the infected animal are depopulated)</p>	<p>92% of Income Supplement, Depopulation and Hardship Grant payments were made within 3 weeks of receipt of the required documentation and over 99% were made within 8 weeks.</p> <p>BSE Cohorts and Progeny -Compensation of €173,246.80 was paid by 31 December 2008.</p> <p>99% of herd owners were paid within 21 days. (91% were paid within 14 days.)</p>
Scrapie Compensation October 2003 – to date	<p>Compensation paid within 14 days of receipt of the last document, i.e. receipt of confirmation of slaughter.</p>	<p>Under receipt of slaughter documentation, all compensation payments were processed and paid within the required period.</p> <p>No outstanding payments.</p> <p>Compensation paid up to 31/12/2008 = €332,894.77.</p> <p>Notable decline in the number of cases in 2008.</p>

EXPORT REFUNDS

SERVICE	TARGET DELIVERY TIME	2008 PERFORMANCE
Milk and milk products	85% in 60 Days	82%
Beef	2 months	100%
Processed products	85% in 60 Days	83%
Pigmeat and poultry	85% in 60 Days	99%
Pigmeat and poultry		
- Where export licence is guaranteed	8 Days	100%
- Immediate request where refund not guaranteed	24 Hours	100%
Cereals		
- Export licence	3 Days	100%
- Import licence	24 hours	100%
Milk and milk products		
- Export licence	5 working days	100%
- Import licence		
Tariff quota for unspecified countries of origin	5 working days	100%
Non quota preferential licence	5 working days	100%
Tariff quota licence for specified countries	5 working days	100%
General licences	1 working days	100%

Customer Service Action Plan and Charter

Following extensive consultation, the 2009-2011 Customer Charter was agreed in 2008. It sets out the standards of service customers can expect to meet. Delivery of these service standards is monitored on an ongoing basis by the Quality Service Unit in the Department through regular contact with Divisions and with customers.



Farmers Charter and Action Plan

There were ongoing discussions in 2008 with farming organisations on the new Farmers Charter and Action Plan for the period 2009-2011. Its finalisation was delayed as the budgetary constraints in late 2008 had implications for payment delivery dates. It is expected to be agreed in 2009 and to contain specific commitments on service delivery targets for farmers. It is also likely to include provision for a Monitoring Committee with an independent chairman.

Complaints Procedure

The Department continued to operate a formalised complaints procedure in 2008. The 10 complaints received in 2008, were investigated by the Quality Service Unit and settled in accordance with the Ombudsman's guidelines on principles of good practice in public administration.

Office of the Ombudsman

The Office of the Ombudsman received a total of 54 complaints relating to the Department in 2008. The Department met the statutory deadlines for reply in all cases.

Freedom of Information (FOI)

A total of 217 FOI applications were received during 2008, 51% of which were for personal information. The remaining 49% were from a number of different sources including the media, business and interest groups. 26 requests in total were received from journalists. A total of 19 requests have proceeded to internal review, with 7 being appealed to the Information Commissioner.

The Agriculture Appeals Office

The Agriculture Appeals Office provides a statutory appeals service to farmers who are dissatisfied with financial penalty decisions of the Department on their entitlements under the schemes set out in the Schedule to the Agriculture Appeals Act, 2001. The Agriculture Appeals Office Annual Report for 2007 is available on the Office's website; www.agriappeals.gov.ie

In 2008, the office received 481 appeals, of which 341 were closed at the year-end. A summary of the outcome of the cases closed is set out below.

Summary	%
Appeals Allowed, Partially Allowed or Revised by the Department	36.9
Appeals Withdrawn, Not Valid or Out of Time	14.7
Appeals Disallowed	48.4

In addition to its statutory functions, the Single Payment Appeals Committee, which comprises 4 Appeals Officers and an Independent Chairman, examined appeals in relation to various facets of the Single Payment Scheme. In 2008, this Committee held 3 meetings and issued recommendations on 130 cases.

“Continually enhance our capability by developing our people and systems, maintain the highest standards of corporate governance, and implement the decentralisation programme and public service modernisation”.

INPUTS

Goal 5	2008 Budget €million	2008 Outturn € million	2009 Budget € million
Programme Expenditure	33.4	37.3	37.7
Current	14.9	13.8	15.7
Capital	1.0	0.9	0.8
Total	49.3	52.0	54.2
Number of staff (FTE) as at 31 December 2008	681		
While the data is summarised under this Goal, all resources (financial and non-financial) associated with Goal 5 are redistributed across Goals 1-4 on a pro-rata basis.			

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>5.1 Ensure a high standard of financial management, as verified by reports of monitoring authorities (Audit Committee, EU Certifying Body, EU Commission and Court of Auditors and C & AG). Also remain in the bottom quartile of EU Member States in terms of EU disallowances.</p>	<p>EU, national, statutory and other financial reporting and accounting requirements were met in 2008. In that year, there were 9 EU audits (63 mission days in Ireland) on specific schemes, extensive audits undertaken by the C & AG (358 days), the EU Certifying Body (600 days) and DAFF Internal Audit (2,300 days).</p> <p>Ireland remained in the bottom quartile of EU Member States in terms of disallowances and in the overall period 1998-2007 was second from bottom of the EU 15 MS.</p>
<p>5.2 Improved use of ICT facilities as evidenced by increased proportion of business processes underpinned by ICT applications</p>	<p>The Department is heavily dependent upon complex bespoke ICT systems for the effective management of payments worth €3.2 billion, including €1.7 billion of direct payments to farmers. In addition ICT systems underpin services on food safety, animal health, disease control and traceability and a range of support to the farming, food, forestry and fishing industries.</p> <p>During 2008, the Department expanded the range of services available online to its customers, including</p> <ul style="list-style-type: none"> ■ online mapping for the forest industry and online claims facilities for clients, ■ further improved animal traceability systems by fully integrating the movement processes of the Department and livestock marts, ■ enhanced its processes on protecting business and personal information and met heightened EU ICT security requirements, as verified by EU audit, ■ Put in place the necessary processes to publish details of beneficiaries in relation to rural development payments and provided a web-based enquiry system for the public to access these

OUTPUTS

2008 OUTPUT TARGET	2008 OUTPUT ACHIEVED
<p>5.3 Reviewed and updated Human Resource Strategy.</p>	<p>Significant progress was made in reviewing the 2003 Human Resource Strategy.</p>
<p>5.4 Effective integration of fishery related functions into HR, IT, Financial and other corporate systems.</p>	<p>During 2008, all sea fisheries were successfully integrated into DAFF HR, IT and financial control systems and other corporate processes, further details on page 91.</p>
<p>5.5 Implement agreed outcomes of current internal and external corporate reviews</p>	<p>Management Services and VFM reviews were completed in a range of areas and MAC approved their recommendations for implementation. These reports assisted the Department in reducing staff numbers and in the re-assignment of staff to priority areas. Staffing numbers fell by 116 in 2008, bringing the total staff reduction from 2004 to end December 2008 to 548 (FTE).</p>

FINANCIAL MANAGEMENT

Overall Expenditure

The Department was responsible for Voted expenditure of €2.105 billion in 2008. In addition to voted expenditure, the Department spent €1.457 billion in administering EU fully funded CAP Guarantee schemes, bringing total expenditure to almost €3.562 billion (see table 5.1). This latter expenditure mainly comprised the Single Farm Payment, but also included market support schemes such as Export Refunds and Market Intervention. Market support activities has diminished significantly in recent years.

TABLE 5.1: SUMMARY OF 2008 EXPENDITURE ON IRISH AGRICULTURE

(1 January to 31 December 2008)	€m	€m
EAGF Guarantee Direct Expenditure		1,457.34
Single Farm Payment	1,298.79	
Premia/Area Aid	0.47	
Export Refunds	14.33	
Sugar Restructuring	149.26	
Other Market Supports	-5.51	
Total	1,457.34	
Intervention Purchases		0.00
Voted Expenditure (excluding Administration)		1,800.71
Rural Development	623.33	
Structural Measures	475.08	
State Bodies	247.37	
Animal Health	219.08	
Research & Training	36.82	
Market Support Costs	13.88	
Forestry & Bio Fuels	125.51	
Fisheries	28.33	
Food Aid	11.96	
Other	19.35	
Administration		303.86
Total Voted Expenditure		2,104.57
Total Expenditure		3,561.91

Vote Expenditure

Vote 31 expenditure in 2008 was approximately 26% higher than 2007. This reflects substantial payments made in 2008 under a number of measures e.g. Farm Waste Management Scheme (€300m), pig sector (€200m). For a detailed breakdown of Vote expenditure see Appendix B-Financial Statements.

EU Expenditure and Receipts

The Department claimed and received funding from the EU in 2008 in respect of measures financed from the following EU Funds: the EAGF Guarantee Fund, EAFRD Rural Development Fund, EAGGF Guidance Fund, Veterinary Fund and Fisheries Funds. The amounts received are set out in Table 5.2 following

TABLE 5.2: SUMMARY OF EU RECEIPTS

	2008 €m
EAGF Guarantee – Agriculture	1,450.33
EAFRD Rural Development 2007-2013	355.01
EAGGF Guidance 2000-2006 Programme	9.04
Veterinary Fund	8.11
Fisheries - FIGG, EFF, EAGF fish markets and Conservation and Management	16.18
Total	1,838.67

Guarantee amounts are received in arrears of expenditure and do not directly relate to expenditure in a given year. The EAFRD Rural Development receipts are the total for Ireland. They are divided between DAFF (€346.8m) and the Department of Community, Rural and Gaeltacht Affairs (D/CRAGA) (€8.2m). See Table 5.3 for break down of Guidance figures.

EAGF Guarantee Fund: The European Agricultural Guarantee Fund (EAGF) fully finances CAP expenditure on direct payments to farmers and EU market supports. 2008 claims to the EU amounted to €1.457 billion whilst the Department received €1.450 billion. A detailed breakdown of measures is set out in Appendix B – Financial Statements.

EAFRD Rural Development: The European Agricultural Fund for Rural Development (EAFRD) co-finances measures under Ireland's Rural Development Programme (RDP) 2007- 2013. Measures under the RDP are operated by this Department and the D/CRAGA. The EAFRD came into operation in 2007 and consolidated a range of agricultural policies on Structural and Rural Development measures under a single set of operational and financing rules. See Table 3.2 for details of DAFF expenditure in 2007 and 2008.

Veterinary Fund: The European Commission contributes, through the Veterinary Fund, towards the cost of measures to monitor and eradicate animal diseases. This funding is provided as part of the approved annual eradication and monitoring programmes operated by the Department.

Fisheries Measures (FIGG, EFF, EAGF and Conservation): The Financial Instrument for Fisheries Guidance (FIGG) finances expenditure on the 2000-2006 Operational Programmes. 2008 receipts were €11.510 million. EFF (European Fisheries Fund) will finance the 2007-2013 Sea Food Development Operational Programme. Receipts in 2008 amounted to €2.96 million. EU funding for Market Supports for Sea Fisheries is separately provided from the EU EAGF Guarantee Fund and in 2008, the Department received €1.2m. In addition, the Department received funding of €0.52 million from the EU towards measures for the conservation and protection of fish stocks.

EAGGF Guidance Fund: The Guidance Fund continues to fund expenditure on the 2000- 2006 Structural Funds Operational Programmes. In 2008, the Department received funding on outstanding expenditure under these programmes on its own behalf as well as on behalf of DCRGA; see Table 5.3 following

TABLE 5.3: EAGGF/FOGA GUIDANCE RECEIPTS (€M) 2008

	2008 €m
2000-2006 Programme period	
NPD S&E/BMW Regional OP's [DAFF]	1.054
LEADER Plus [DCRGA]	7.989
Peace and Reconciliation Initiative	0
Total Guidance	9.043

Financial Controls

The Department operates a comprehensive range of financial management, control and accounting systems to comply with EU and national financial reporting, accounting and governance requirements.

Accreditation

In 2008, the Department continued in its role as an EU Paying Agency for all expenditure and recoupment under EAGF and EAFRD. The Department's performance as paying agency continued to be monitored by the Accreditation Review Group (ARG). This group is chaired by the Secretary General and includes representatives from the Department of Finance and the Office of the Revenue Commissioners. During 2008, the ARG ensured that the recommendations of the Certifying Body for the previous year were implemented and that all EU audit findings were followed up appropriately. In accordance with EU accreditation requirements, the Department submitted its independently certified annual accounts of expenditure to the EU Commission.

In November 2008, the Minister provided for delegation of certain LEADER measures to the Department of Community, Rural and Gaeltacht Affairs.

External Audit Committee

The Department's long established Audit Committee currently consists of Helen Nolan, (Chair) Group Internal Auditor of Bank of Ireland, Bill Cunningham, former partner of PricewaterhouseCoopers Ireland; Claire O'Connor, West LB Ireland PLC; Gráinne McGuckin, Department of Finance; Paddy O'Shaughnessy, Revenue Commissioners; and Seamus Healy, Assistant Secretary General of this Department.

It also advises on the operation of the Department's internal audit function it monitors the application of EU Regulation relating to market support schemes funded by the EAGGF Guarantee Fund and advises on best practice for risk management.

The Committee met four times in 2008 and the Chairman met regularly with the Minister and with the Secretary General. Its Annual Report for 2007, which was issued in March 2008, expressed satisfaction with the financial management of the demanding and complex programmes operated by the Department. The Chairman went on to indicate that "the Internal Audit Unit is making a significant contribution to the evaluation and improvement of controls in the Department".

Internal Audit

The Internal Audit Unit completed a substantial body of internal and scrutiny audit work during 2008 to help maintain the highest standards of corporate and financial management and accountability. The Department's activities were subjected to a total of 2,386 audit person days by the Internal Audit and a further 586 audit person days were directed to post factum scrutiny auditing of companies in receipt of EAGF and EAGGF funding. Seventeen internal audit reports and twenty three scrutiny audit reports were completed and issued during the year. All regulatory requirements on audit and control were completed in accordance with the prescribed timescales as set out in the EU Scrutiny and Structural Fund Regulations. The IT audit group, assisted by specialist external consultants, completed a significant amount of audit coverage. A comprehensive training programme of 183 training days was provided to audit staff..

EU 2008 DAFF Audit Programme

European Commission Audits

- Cross-Compliance
- Recoveries & Irregularities
- REPS & ERS schemes
- IT Controls
- Sugar CMO & Export Refunds

European Court of Auditor

- Single Payment Scheme & Intervention
- Sugar CMO
- REPS & ERS schemes

Risk Management

The Risk Management Committee, chaired by the Secretary General, met on three occasions during 2008. At these meetings, the Committee identified and assessed the key risks (strategic, operational, financial, reputational) facing the Department and outlined measures for addressing these risks.

Value for Money

Eleven reviews were selected as part of this Department's programme under the 2006 - 2008 round of reviews. All four reviews due for completion under the 2006 round have been published. Of the two scheduled 2007 reviews, one has been published and the second finalised but is still currently under review by the Department. One of the five 2008 reviews has been published, while three of the remaining four reviews are expected to be published in 2009. The final review, on the fisheries sector, will be completed as part of the 2009-2011 round.

During 2008, the topics for review under the 2009-2011 VFM round were also selected following consultation with the Department of Finance. Two new topics were selected for review, bringing the total number of reviews to be conducted by this Department to three, i.e. the Afforestation Programme, the Suckler Cow Welfare Scheme and Fisheries.

CAP Beneficiaries Website

As an EU Paying Agency, the Department was required to publish on its website details of payment received by beneficiaries under the European Agricultural Fund for Rural Development (EAFRD). This requirement, applicable to all EU Member States, is part of the European Transparency Initiative intended to increase transparency and accountability. This web application went live on the 30th September 2008, with over 55,000 searches conducted by 14,000 users in the first two days. By year-end, there have been 800,000 searches conducted by over 40,000 users.

From 30 April 2009, and each year thereafter, full details of payments under both the EAGF and EAFRD for the previous financial year must be published.

Prompt Payment

In 2008, a total of 221 invoices valued in excess of €317.44 (the prescribed threshold) incurred late payment penalties. The value of all invoices that were paid late amounted to €1,158,030. This represents 0.0055% of the €208.9 billion total payments falling within the terms of the Regulations. The average payment delay in excess of 30 days (the period defining a late payment under the Regulations) was 6 days. The total interest paid during 2008 resulting from late payments amounted to €8,159.67.

Switchover to Electronic Payments

EU Commission Regulations required that, from 16 October 2008, all EU funded payments to farmers must be made to a bank account and payments could no longer be made by cheque. All of some 124,000 farmers benefiting from the Single Payment Scheme (SPS) in 2008 were affected by this new requirement.

Over 60,000 farmers had already chosen to use the Electronic Funds Transfer (EFT) payment method. A concerted campaign to collect the account details from the remaining 64,000 farmers was organised during 2008. As well as the main banks and building societies, POSTBANK provided a banking option through the Post Office network. The Department also put arrangements in place to facilitate payment to all Credit Unions. Practically all farmers co-operated with the EFT promotion campaign and, while a small number have yet to provide account details, the Department made electronic payments to just under 124,000 SPS applicants and to applicants under a number of other EU schemes.

ORGANISATIONAL MANAGEMENT

Organisational & Structural Reviews

In 2008, the Department provided a liaison and support role to the Department of the Taoiseach's Organisational Review Programme (ORP). Following the conclusion of the ORP in late 2008 the Department drafted its Action Plan to address the relevant recommendations contained in the review.

The Department had already initiated in late 2007 a Structural Review which had made considerable progress at the time of commencement of the ORP. It was decided that the completion of this review would await the publication of the ORP. As the ORP has now been concluded the Department is finalising its own Structural Review.

Efficiency Review Group

The Department established a special sub-committee of the MAC, the "Efficiency Review Group" in September. This Group will facilitate a strategic approach in taking the necessary decisions to respect current budgetary allocation whilst also addressing the structural changes which will be necessary to enable the Department fulfil its wide ranging remit.

Internal Reviews

The Department also undertook business process reviews of work areas. In 2008 the MAC adopted completed reviews in respect of the following divisions:

- Role of Technical Staff in District Veterinary Offices,
- Role of Technical Staff in Integrated Controls Division,
- Role of Technical Staff in Agriculture Environmental Structures Division, and
- Veterinary Border Inspection Posts.

Each of the reviews made recommendations in relation to staffing, structures and business processes and have been referred to line management for implementation.

The Department commenced a review of the role of the technical staff in the Veterinary and Public Health Inspection Service in June 2008. This review will be completed by March 2009. The three reports on technical staff completed in 2008 comprised a review of approximately 60% of all staff in that stream. Overall, 35% of DAFF's total staff complement have been part of MSD reviews since 2006.

Integration of Fisheries Functions

Fisheries financials were integrated into DAFF systems on a phased basis in 2008 following the transfer of certain fisheries functions to this Department in late 2007. DAFF took over the payroll function from the beginning of 2008. The remaining financial functions were handed over effective from 1st April, 2008. During the handover preparation, it was necessary to migrate data from the Agresso financial system used by DCENR to the SAP system used by DAFF. Detailed meetings between Fisheries divisions, Accounts Division and SAP IT Financials mapped out a coding structure for the new areas. This was particularly important for the Sea Fishery Harbours that operated out of a separate Fisheries Fund, independent of the DCENR/DAFF Votes. SAP training was provided by Accounts Division to all staff who were required to use SAP. The integration of the Fisheries financial functions into SAP was implemented successfully and on time.

The IFIS/Fishingnet.ie, IFIS Webservices, CZMD/CoZAS systems underpin and support the management of the Irish fishing industry. During 2008, the fisheries systems were fully migrated and incorporated into this Department's IT structures and platforms with minimal disruption to services.

From a HR perspective, fisheries staff were set up on HRMS (the Department's human resource system), the CorePay payroll system while access was provided to the Time and Attendance as well as the Travel and Subsistence applications. During 2008, fisheries integration with other corporate systems and processes including MAC, Ezone, Business Planning, Management Information Framework, PQ drive, etc, was successfully bedded down.

Human Resources

The Department presented two Progress Report under Towards 2016 to the CSPVG in February and June 2008. The CSPVG responded, acknowledging that the Department continued to make very good progress and had been very proactive in progressing the modernisation agenda.

Training

The key objectives of the Department Training and Development Strategy achieved in 2008 included:

- Increasing the number of programmes delivered directly by internal trainers
- Upskilling Training and Development Unit staff and reorganising the unit
- Introduction of a major leadership programme for senior managers
- Completion of the ECDL Programme
- Provision of Irish Language Training in accordance under the Official Languages Act
- Provision of support for decentralising units

In 2008 a total of 15,335 days training were delivered at a cost, including overheads, of almost €6.25 million.

The training provided covered a wide range of disciplines including, management, interpersonal and communication skills, grade development, equality and diversity, communication, language, IT, legal and financial. Specialist veterinary, fisheries, technical, engineering and scientific programmes were also provided.

Partnership

During the year, the Partnership Central Steering Committee met four times to discuss issues of interest including Decentralisation, Health and Safety, PMDS, 'Towards 2016' progress reports to the CSPVG, the Organisational Review Programme and similar internal initiatives. Local Partnership Committees, such as Portlaoise, Cavan and Wexford, also met regularly.

Library and Information Service

The Department's Library and Information Service continued to provide a wide range of services to the staff of the Department including :

- Access to a wide range of electronic information resources via the Department's Intranet
- Subject information research and advice service
- Information skills training
- Cataloguing of a wide range of material
- Access to a large subject collection of publications, both hardcopy and electronic
- Access to external libraries and information services.

In 2008, it continued to provide its real time updates of relevant news/news alerts to all internal customers. It also specifically enhanced its systems by improved provision of customised trade statistics to relevant divisions and further developing its photograph archive. Another important service provided was the maintenance of the database on the current status of the Department's legislation.

ISO

In 2008, certification to the ISO 9001: 2000 standard was retained in Veterinary Medicines Section, Maynooth; Beef Export Refunds Division, Wexford; and, Livestock Breeding Division, Cavan. Newly implemented ISO based quality management systems were effected in Input Section, Cash Office and Payments Section of Accounts Division in Cavan; and Asset Management Unit, Portlaoise also successfully achieved certification to the required standard.

Asset and Procurement Management

A draft Corporate Procurement Plan for the Department was developed and presented to the Efficiency Review Group which asked for it to be progressed further and re-presented at later date. This is scheduled to take place in 2009. The procurement management processes of the Department improved with this function being increasingly centralised in Portlaoise. Multi-function devices continued to be purchased and the majority of stationary deliveries now use the direct delivery model to reduce storage requirements.

To verify historical asset information, more than 20 locations were visited countrywide in 2008 and a full inventory of their assets taken and recorded. As mentioned above, the ISO 9001 Quality Management System was successfully implemented for asset management and certification to the standard was conferred by the NSAI in December 2008.

Performance Management & Development (PMDS)

The Department's PMDS Committee, a sub-committee of Partnership, met quarterly to review progress. During 2008 a progress report on the PMDS Action Plan was finalised and published. There were also a number of current and upcoming developments, such as the emphasis on performance management in the Report of the Task Force on the Public Service, 'Transforming Public Services', and the proposed civil service-wide review.

Decentralisation

Budget 2009 confirmed that the decentralisation of the Department's headquarters to Portlaoise and fisheries functions to Clonakilty, including BIM, were proceeding. The moves to Fermoy, Macroom and Enniscorthy (Bord Bia) were deferred pending a review in 2011.

The Department's original Decentralisation Implementation Plan allowed for a phased movement to Portlaoise. The 2005, 2006 and 2007 advance phases of decentralisation to Portlaoise were completed.

However, a revision to the Department's Plan is being considered, to reflect the change in the completion date from 2008 to 2011-2012 and the evolving operating environment. An additional advance phase, involving 144 staff, was agreed during 2008.

The planning permission for the new building was granted during 2008 and the Office of Public Works (OPW) announced the public private partnership tender for its construction, which also included Government offices in Mullingar and Carlow.

The move of the Department's administrative staff to Clonakilty is now substantially complete with some 85 posts now located in temporary accommodation. The permanent accommodation will be ready for occupation during 2009.

Accommodation

During 2008 staff moved into new offices in Backweston Co. Kildare and in Killarney Co. Kerry. Staff also relocated from Hume House Dublin 4 to Kildare St, Dublin 2. This allowed the OPW to relinquish the lease on Hume House and maximise the usage of readily available space in Agriculture House. Discussions continued with the Office of Public Works on the new Drumshanbo offices in Co. Leitrim. All works are on schedule to allow for occupation in mid 2009.

Energy Efficiency

Regular energy audits were carried out during 2008 in 12 of this Department's offices as part of the *Optimising Power at Work* programme. Arising from changes made on foot of these audits to date, there has been an average decrease of around 10% in energy usage in these offices.

Health and Safety

During 2008, almost 1,000 staff attended health and safety training. This was administered through 85 courses ranging from 1/2 to 3 days and covered such topics as fire safety, safe pass, first aid and manual handling. It also included some customised courses such as Laboratory Safety for Line Managers and Veterinary Public Health Inspection Service (VPHIS) Risk Assessment Workshops. Training was based on PMDS identified training requirements which concentrate on staff development and job requirements.

The Department continues to work in conjunction with the State Claims Agency (SCA) and during 2008 a gap analysis was completed. This identified a need for a safety management system which has now been incorporated into the Department's health and safety action plan. The SCA requested a noise survey of all work areas and this was also completed in 2008.

Other activities in 2008:

- Safety Statements for most administrative offices were completed, the remainder will be finalised in 2009.
- The pilot scheme for automatic external defibrillators commenced at 6 selected department locations.

DEVELOPING IT CAPABILITY

The Department is critically dependent on ICT for the operation of its schemes and services. Major ICT developments in 2008 include changes to the following schemes:

Single Payment Scheme (SPS)

The SPS system was enhanced to cater for changes brought about by the EU Health Check review. Nearly 20,000 farmers or their agents made their SPS applications online in 2008. This is almost a threefold increase on 2007. In 2009, it is expected that the number of online applications will be significantly increased. Applications made online contained significantly fewer errors than paper based applications.

Agriculture Field & Inspection Testing (AFIT)

This Department-wide underpinning system allowed for the allocation, scheduling and the recording of inspection visit and results details. It also provided powerful reporting facilities to ensure the inspections are efficiently targeted. It currently allows for the management of 63 animal welfare inspections and also for cross-compliance inspections covering the 18 Stationary Management Reviews (SMRs). In 2008, additional facilities were provided to support the Veterinary Public Health Inspections Scheme.

IFORIS - The Integrated Forestry Information System

The IFORIS system supports the processing of Forestry applications and payments. Further development was carried out in 2008 with the addition of the Forestry Internet system. Phase 1 of this system provided registered foresters with an online enquiries facility, which allowed them to track the status of their pre-approval applications. This phase of the Forestry Internet system was awarded a special Certificate of Merit in Ireland's Best Central eGovernment category. The next phase of the development was well advanced in 2008, to allow foresters to submit forestry pre-approval applications online in February 2009. It also includes the integration of the FIMS (Forest Industry Mapping System) into the Forestry Internet system.

Animal Health Computer System (AHCS)

The Department continued the development of its Animal Health Computer System (AHCS) during 2008 to support a range of animal health programmes. A number of new modules developed included

- Backward and forward tracing modules for TB, Brucellosis, BSE and other diseases.
- A bovine passport management module
- A TB epidemiology module;
- Limited Brucellosis epidemiology related functions pending the provision of a full Brucellosis epidemiology module in early 2009;

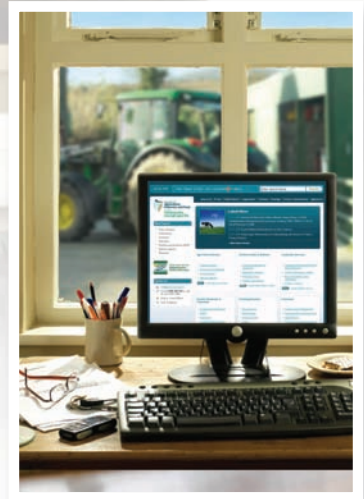
These new modules provide additional capability as the system is integrated with the Animal Identification and Movement system (AIM) and also facilitated the replacement of old stand alone systems, such as the Restricted Herds Management System (RHMS) and the Tracing and Onward Tracking System (TOTS).

Access to the system was extended to Department staff working in meat plants and knackeries to facilitate the recording of TSE testing conducted at these locations. Integration between AHCS and other DAFF applications continued during the year including links with AFIT.

Preliminary work was also completed on the development of a module to support the management of a Class A disease outbreak, such as, Bluetongue. This allows zones (e.g. protection zones, surveillance zones) to be established based on herd data extracted from the Departments iMap system so that herd restrictions and movement controls etc can be imposed centrally. This module will be further developed in 2009.

Strategy for Information, Management and Technology 2008-2011

The Department's Strategy for Information, Management and Technology (IMT) 2008-2011 was formulated and agreed during 2008. It sets out the Department's-IMT principles, IMT governance structures, technical environment, IMT sourcing strategy and the Department's strategic approach to Online Services and ICT and the environment. This Strategy aims to target a wide reading audience in an attempt to increase both the interest in and knowledge of IMT within the organisation.



APPENDIX A: STATE BODIES UNDER THE AEGIS OF THE DEPARTMENT

A

Teagasc, Agriculture and Food Development Authority

Oak Park, Carlow
Tel. 059 9170200
Website: www.teagasc.ie

Teagasc provides integrated research, advisory and training services for the agricultural and food industry and for rural communities. It was established in September 1988, under the Agricultural (Research, Training and Advice) Act, 1988. Research is carried out at eight dedicated centres. Advisory services are provided from 90 regional and local centres while training is provided from eight colleges, 45 local training centres and research centres. It is governed by an eleven-member authority. The chair and five ordinary members are appointed by the Minister for Agriculture, Fisheries and Food; remaining members are appointed by the Minister following nominations from designated organisations.

Bord Bia

Clanwilliam Court, Lower Mount Street, Dublin 2
Tel: 01 6685155
Website; www.bordbia.ie

Bord Bia, the Irish Food Board, has responsibility for the market development and promotion of Irish food and horticulture including amenity horticulture at home and abroad and champions the success of the Irish food and horticultural sectors through delivery of effective and innovative market development, promotion and information services to secure new business for clients. It operates quality assurance schemes for beef, pork and bacon, horticultural and egg products. Its trade brand Ireland the Food Island is used to support the marketing activities of all sectors and products. Bord Bia has a network of international offices in Amsterdam, Chicago, Frankfurt, London, Madrid, Milan, Moscow Paris and Shanghai.

The Irish National Stud

Tully, Kildare, Co Kildare
Tel 045 521251, 521301, 521377
Website: www.irish-national-stud.ie

The Irish National Stud Company Limited was established in 1946 under the National Stud Act, 1945. Its primary object is the management of a stud farm for thoroughbred horses, and in particular to provide the services of first-class stallions at reasonable prices. It is involved in educational programmes for breeders and students of stud farm management. The Stud and its world famous Gardens, which are open to the public, are among the 20 top tourist attractions in Ireland. The Minister for Agriculture, Fisheries and Food, after consultation with the Minister for Finance, appoints the chairperson and six board members.

The Minister for Finance holds all the issued share capital. To date the State has purchased shares in the Company to the value of almost €13.8m. The funds have largely been channelled into the purchase of top quality stallions. The acquisition of these stallions has underpinned the success of the Stud.

National Milk Agency

IPC House, Shelbourne Road, Dublin 4
 Tel: 01 6603396;
 Website: www.nationalmilkagency.ie

The National Milk Agency was established in 1994 under the Milk (Regulation of Supply) Act, 1994 and is responsible for the regulation of the supply of milk for liquid consumption throughout the State. It is funded by means of a statutory levy on milk used for liquid consumption.

The chairman of the Agency is appointed by the Minister for Agriculture, Fisheries and Food. Five members of the Agency are directly elected by registered producers while the other members are appointed by the Minister following nominations from designated organisations.

Coillte Teoranta

The Irish Forestry Board, Newtownmountkennedy, Co Wicklow.
 Tel: 01 2011111
 Website: www.coillte.ie

Coillte Teoranta is a private limited company, which operates in forestry and related activities on a commercial basis. The company is co-owned by the Minister for Finance and the Minister for Agriculture, Fisheries and Food. The company was established under the Forestry Act, 1988 which sets out its objectives and duties.

COFORD (National Council for Forest Research and Development)

Arena House, Arena Road, Sandyford, Dublin 18.
 Tel: 01 2130725,
 Website: www.coford.ie

COFORD is a non-statutory agency under the aegis of the Department. Its remit is to fund and co-ordinate research and development projects with the aim of developing the forestry industry through technical innovation and good silvicultural practice.

Veterinary Council of Ireland

53 Lansdowne Road, Ballsbridge. Dublin 4.
 Tel (01) 6684402
 Website: www.vci.ie

The Veterinary Council of Ireland which regulates the practice of veterinary medicine was established on the 1 January 2006 under Section 11 of the Veterinary Practice Act 2005. The Veterinary Council of Ireland has 19 members which reflects interests such as education, animal welfare, consumers and food safety and a balance as between veterinarians and others.

Bord Iascaigh Mhara

Crofton Road, Dun Laoghaire, Co. Dublin
 Tel: 01 2144 100
 Website; HYPERLINK "<http://www.bim.ie>" www.bim.ie

Bord Iascaigh Mhara (BIM), the Irish Sea Fisheries Board, is the Irish State agency with responsibility for developing sustainable Irish Sea Fishing and Aquaculture industries. BIM was established under the Sea Fisheries Act 1952. BIM provides a range of services including advisory, financial, technical, marketing and training supports to all sectors of the Irish seafood industry. BIM's primary objective is to expand the volume, quality and value of output from the seafish and aquaculture sectors by focusing on the opportunities for growth in these sectors. BIM has a network of international offices in Paris, Madrid and Dusseldorf.

Marine Institute

Rinville, Oranmore, Co. Galway

Tel. 091 387 200

Website: www.marine.ie

The Marine Institute (MI) is the national agency with responsibility for Marine Research, Technology Development and Innovation (RTDI). The Institute was established under the 1991 Marine Institute Act. The role of the MI is to promote the sustainable development of marine industry through strategic funding programmes and essential scientific services that safeguard the marine environment through research and environmental monitoring. The Institute undertakes and co-ordinates marine research and development that has the potential to promote economic development, create employment and protect the marine environment.

The Sea-Fisheries Protection Authority (SFPA)

West Cork Technology Park

Clonakilty

Co. Cork

Tel: 023 59300

Fax: 023 59720

Website: www.sfpa.ie

The SFPA is the statutory authority responsible for the enforcement of sea-fisheries protection and seafood safety legislation in the Republic of Ireland and throughout Ireland's exclusive fishing limits. It was established under the Sea-Fisheries and Maritime Jurisdiction Act 2006 and employs 107 staff. The Authority was established on the 1st of January, 2007 and its principal responsibilities are to enforce Sea Fisheries Conservation legislation and Seafood Safety legislation fairly and consistently and to ensure that the marine fish and shellfish resources from the waters around Ireland are exploited sustainably and may be consumed safely for the long term benefit of all.

APPENDIX B - 2008 FINANCIAL STATEMENTS

VOTE 31: EXPENDITURE ON AGRICULTURE, FISHERIES AND FOOD, 2008

Subhead	€m
Administration	303.864
A.1 Salaries Wages and Allowances	233.533
A.2 Travel and Subsistence	15.231
A.3 Incidental Expenses	8.509
A.4 Postal and Telecommunications	6.761
A.5 Office Machinery	23.687
A.6 Office Premises Expenses	7.876
A.7 Consultancy Services	0.225
A.8 Supplementary Measures to protect the Financial Interests of the EU	0.690
A.9 Laboratory Equipment	7.171
A.10 Information Society	0.181
Other Services	
Education, Training and Research	195.253
B Research and Testing	36.820
K Teagasc Grant in Aid	127.364
M Marine Institute Grant in Aid	31.069
Food Safety, Public Health, Animal Health & Welfare etc	219.081
C Bovine Tuberculosis and Brucellosis Eradication	61.584
C BSE	10.763
C Meat Inspection	23.981
C Fallen Animals	26.734
C Animal Welfare	3.424
C Integrated animal movement and monitoring system (including National Beef Assurance Scheme)	11.677
C Other	80.918
Market Supports, Operational Controls	13.884
D Financing of the Common Agricultural Policy	5.720
D Clearance of Accounts	1.976
D Integrated Administration & Control System	5.262
D School Milk Scheme	.926
D Other	0
E Income Support in Disadvantaged Areas	255.823
F Rural Environment Protection Scheme	312.450
G Land Mobility	55.053
Early Retirement Scheme	45.632
Young Farmers Installation Aid Schemes	9.421

H	Development of Agriculture	475.080
	Farm Improvement Scheme	12,910
	Farm Waste Management Scheme	413.739
	Marketing & Processing Scheme	28.909
	Dairy Hygiene Scheme	4.654
	Horticulture, Potatoes, Alternative & Organic Farming	7.800
	Livestock and Equine Breeding Schemes	1.964
	Animal Welfare	2.266
	Other	3.369
I	Forestry & Bio Fuels	125.508
	Fisheries Sector	90.413
J	Fisheries Harbours Development	22.305
J	Fish Processing & Aquaculture Development	2.820
J	Other	3.342
N	Bord Iascaigh Mhara	48.378
O	Sea Fisheries Protection Authority	13.296
P	Aquaculture Licences Appeals Bord	.410
L	Bord Bia Grant in Aid	26.851
Q	Food Aid Donations	11.960
R	Other Expenditure	
	Food & Horticultural Promotion, Quality Assurance	8.216
	Miscellaneous Pensions	2.269
	International Co operation	2.640
	Legal and related costs	2.834
	Other	3.394
	Total Gross Expenditure	2,104.573
	Appropriations in Aid -451.814	
S.1	Recoupment of Salaries	0.000
S.2	Forfeited deposits and securities under EC intervention, export refunds etc. arrangements	-0.611
S.3	Refunds from fees for veterinary inspections services at poultry plants and meat inspection fees	-14.770
S.4	Receipts from veterinary inspection fees for live exports	-1.457
S.5	Receipts from fees for dairy premises inspection services	-4.867
S.6	Receipts from sale of vaccines, livestock, farm produce etc	-0.847
S.7	Receipts from seed testing fees, certification fees, Licensing fees, pesticides registration etc.	-2.261
S.8	Receipts from licences and from sale and leasing of livestock etc. (Subhead C1)	-0.30
S.9	Receipts from farmer contributions towards the cost of eradicating Bovine Disease (Subhead C2)	-5.272
S.10	Land Commission receipts (Subhead A3)	-0.660
S.11	Other Receipts	-0.914
	EU Co Funding transfers	
S.12	Market Intervention expenses and financing costs for other FEOGA (Guarantee) section measures (Subhead D)	-0.475
S.13	Receipts for Intervention Stock Losses	-0.000
S.14	National Development Plan - Guarantee Receipts (Subhead E, F, G, I)	-346.824
S.15	BSE Receipts (Subhead C)	-6.469
S.16	Veterinary Fund (Subhead C)	-1.637
S.17	Other Guarantee Receipts	-2.061
S.18	NDP - Structural Receipts	-1.054
	Fisheries related receipts	
S.19	Fines, Forfeitures for fishery offences	-0.471
S.20	Foreshore Acts / State Property Act	-1.671
S.21	EU recoupment for fisheries conservation etc	0.522
S.22	Aquaculture Licence Fees	-0.321
S.23	EU co funding for aquaculture development	-3.871
S.24	EU cop funding for fisheries development	-7.639
	Net Expenditure -1,699.923	

EAGF GUARANTEE EXPENDITURE 2008

Detailed breakdown of Claims submitted to the EAGF in the calendar year 2008

Arable Crops	
Export Refunds	4,757
Dehydrated Fodder	96,589
Arable Crops -Area Aid	292,719
Total	394,074
Sugar	
Sugar Restructuring	149,259,295
Intervention Costs (Sugar)	325,508
Total	149,584,803
Fruit and Vegetables & Other Sectors	
Producer Organisations	3,607,818
Total	3,607,818
Dairy Products	
Export Refunds (including Food Aid)	2,054,739
Aid for Casein	4,301,570
Additional Payment to Milk Producers	-21,512
Private Storage	1,210,704
Measures to Reduce Butter Fat Surplus	79,555
Milk Super Levy	-11,074,667
Aid for Supply of School Milk	600,973
Total	-2,848,637.62
Beef and Veal	
Export Refunds	2,741,861
Suckler Cow Premium	141,441
Special Premium	102,922
Extensification Premium	138,190
Slaughter Premium	36,644
BSE & Slaughter Compensation Measures	11,965
Total	3,173,022
Sheepmeat	
Ewe Premium	58,676
Total	58,676
Pigmeat	
Export Refunds	2,440,769
Total	2,440,769
Poultry and Eggs	
	0
Processed Products	
Export Refunds	7,091,686
Total	7,091,686
Other Measures	
Bee Keeping Programme	23,343
Agri- Monetary Measures	-1,630
Total	21,713
Direct Aid	
Single Farm Payment	1,298,788,806
CAP Rural Development Programme 2000-2006	
Accompanying measures (Rural Environment Protection Scheme (REPS))	-50,148
Early Retirement and Forestry) and Compensatory Allowances	
Total	-50,148
Other	
Cross Compliance	-606,669
Recoveries	-2,763,955
Clearance of Accounts by EU	-1,554,239
Total	-4,924,862
Grand Total	1,457,337,719

NATIONAL DEVELOPMENT PLAN 2007 - 2013

B

	2007 Expenditure €m	2008 Expenditure €m	Cumulative 2007- 08 €m
Agri-Food Research Sub - Programme			
Research Stimulus Fund	8.384	5.000	13.384
Food Industry Research Measure (FIRM)	14.825	16.141	30.966
Forestry / COFORD	4.207	4.295	8.502
Teagasc Research (current) / (part)	46.804	46.807	93.611
Teagasc Research (capital) / (part)	3.100	1.860	4.960
Total Agri - Food Sub -Programme	77.320	74.103	151.423
Competitiveness Sub- Programme			
Installation Aid	5.695	4.065	9.760
Installation Aid [EAFRD]	0.090	5.355	5.445
Early Retirement	53.290	45.632	98.922
Equine Education / Training	0.333	0.328	0.661
Teagasc Agric Colleges + Training Centres (current) (part)	63.105	63.307	126.412
Teagasc Agric Colleges / Training Centres (capital) (part)	1.900	1.440	3.340
FIS [EAFRD]	0.014	12.910	12.924
Waste Processing Facilities Scheme	0	0	0
Dairy Hygiene	7.673	4.654	12.327
Animal Welfare (pig housing)	0.688	2.266	2.954
Miscanthus	0.643	0.916	1.559
Alternative Enterprises	0.989	0.906	1.895
Horticulture	1.514	5.628	7.142
Potatoes	0.352	0.677	1.029
Organic Capital Grants	0.594	1.495	2.089
Farm Waste Management	113.937	413.738	527.675
Cattle / Sheep Breeding	1.015	1.413	2.428
Equine Breeding	0.868	1.433	2.301
Equine Quality	0.810	0	0.810
Quality Assurance Schemes (Beef / Sheep)	2.951	4.400	7.351
Forestry Support Measures	8.818	7.667	16.485
Total Competitiveness Sub- Programme	265.279	578.230	843.509
Environment Sub - Programme			
Disadvantaged Areas Scheme	254.001	255.823	509.824
REPs	311.750	312.450	624.200
Natura 2000	0	0	0
Suckler Cow	0.670	32.919	33.589
Afforestation	103.173	104.778	207.951
Forestry Support measures	8.139	7.078	15.217
Bio energy – willow	0.011	0.161	0.172
Bio mass equipment		0.077	0.077
Total Environment Sub - Programme	677.744	713.286	1,391.030
Food Industry Sub - Programme			
Marketing & Processing Grants (Dairy / Beef / Sheep / Other)	9.790	34.240	44.030
Marketing (Bord Bia part only) plus promotion (Dude)	8.538	5.405	13.943
Total Food Industry Sub - Programme	18.328	39.645	57.973
Marine Research Sub-Programme			
Marine Institute	28.900	31.069	59.969
Total Marine Research Sub-Programme	28.900	31.069	59.969
Sea Food Development Sub-Programme			
Bord Iascaigh Mhara	31.638	48.378	80.016
Fish Processing	0.372	0	0.372
Aquaculture Development	6.789	2.682	9.471
Total Sea Food Development Sub-Programme	38.799	51.060	89.859
Fisheries and Coastal Infrastructure Sub-Programme			
Development and Upgrading of Harbours	18.724	22.302	41.026
Total Fisheries and Coastal Infrastructure Sub-Programme	18.724	22.302	41.026
Coastal Protection Sub-Programme			
Coastal Protection and Management	1.990	2.213	4.203
Total Coastal Protection Sub-Programme	1.990	2.213	4.203
Grand Total	1,127.084	1,511.908	2,638.991



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