

ICMSA say data proves that 'something very wrong' with share-out of retail beef price: farmers put three years work in for 46% while factories and retailers work for two weeks for 56%

An ICMSA analysis of the Irish beef sector has shown that Irish beef farmers not only lost profits in the last year to falling beef prices from the processors, but also that the percentage return of the final retail price has fallen close to 18% over the same period.

Following an ELBEX-style methodology as applied to UK beef, the analysis was carried out for each month from January 2012 to March 2014 and showed that the final percentage return to beef farmers of the retail price ranged from 57% to 47% for heifers and 54% to 46% for steers. Surprisingly, the lowest percentages are being returned to farmers in the most recent months when prices have been at their lowest to farmers for close to 4 years. According to ICMSA President, John Comer, the only realistic explanation for this 'loss on the double' - where farmers get a lower percentage from a lower price - is very questionable action on the part of both the retailers and the processors and the result is that beef farmers are struggling to stay afloat. Even more extraordinary is to realise that this 'double-cut' comes at a time when average beef retail prices have to the consumer have gone up, noted said Mr. Comer.

'There can't be any doubt now that by comparison with the returns in the UK, Irish farmers are getting a raw deal with UK farmers receiving a higher percentage of the retail price. But that the UK farmers are still seeing the same trend as their Irish counterparts, with a declining percentage of final retail prices going to the farmer at the same time as the retail price is actually increasing. Ireland desperately needs an official breakdown of final retail prices on a standardised and regular basis that enables everyone to see who's getting what in a transparent manner and which can track trends. The farm organisations are happy to do this - but it should be coming from official sources and have that official authority and unless and until that happens the suspicion that something's very wrong will remain and grow as farmers look at a breakdown that sees them holding an animal for three and half years, including gestation, and receiving a 46% return of final retail price while the processor and retailer together hold the same animal for two weeks and receive 54% of the price?', said Mr Comer.

Ends 13 June.

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