

icos EUProgress



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Subject:

ICOS Brussels - Delivering Value and Service to Irish Co-ops

ICOS is one of the few Irish industry organisations to have had a full time office in Brussels spanning the history of the EU. This office plays a vital role in policy development and lobbying for the Irish Co-operative movement.

Executive Summary

The *icos EUProgress* updates are policy and informational documents distributed from time to time to ICOS affiliated co-ops or ICOS working groups for discussion. They aim to promote and facilitate debate as to the how best to achieve the strategic goals of the societies, and their members in the increasingly important Brussels arena.

ICOS has had an office in Brussels for almost 40 years, making it one of the oldest Irish representative offices in the EU.

The function of the office is;

- Lobbying and driving policy which promotes the aims of the Irish Co-operative movement.
- Representing our members on European and International farming and co-operative organisations such as COPA COGECA.
- Developing links with national representative and non-governmental groups to further our goals and objectives.
- Endeavouring to work with and offer expertise to Irish public administration officials and groups that are out here to ensure co-operative objectives are reflected in Irish Government policy out here.

The goal of the office is to ensure that we develop functioning strategic objectives for ICOS that reflect the will of our members, protects and promotes our industry and to ensure that the Irish co-operative movement continues its tradition of excellence and improvement.

Co-operatives play a role in European Business and Life:

- 250,000 Co-ops in Europe
- Owned by 163 million Europeans
- Employing 5.4 million Europeans
- Over 1 in 3 Europeans are members of co-ops
- Sales of €300 billion in European agri-food related Co-ops in 2010
- Co-ops are recognised by the EU as a 'key component of European economic life and industry'

ICOS Brussels punches above its weight in Europe by developing clever alliances, keeping a wide network of national and international contacts, and by focusing on policy areas of direct importance to our membership in the co-operative movement.

In recent months we have realigned the focus of our Brussels office to reflect changes happening with ICOS and the EU institutions themselves. This document gives an overview of the happenings of 2011 with examples of the major wins, compromises and disappointments during the year.

1.0 - Policy Focus Areas....

The Irish Co-operative movement is diverse and has interests in many policy areas that are directly affected by Brussels. Many of these laws are to our direct benefit and are promoted by the office and some of the legislation presented could also potentially undermine some of our Co-ops, so we present our case in an informed and professional manner to have the threat softened or negated.

As an industry representative body, the key areas of focus for ICOS are in the sectors of Dairy, Livestock and Co-operative Development. We also keep developed dossiers on other areas of policy such as:

- Consumer Legislation (inc Labelling)
- Climate Change
- Energy Policy & Carbon Exchange
- Trade (WTO, MERCOSUR)
- International Business Mergers and Acquisitions
- Food Security and Pricing
- Grain and Animal Feed
- EU Budget
- Vet & Animal Health Issues
- Transport (of Animals)
- Co-operative Governance & Structures
- Environmental Legislation
- Promotion of Food Funding
- Fisheries

In order to maximise the resources, coverage and efficiency of this office we take advantage of;

1. Our membership of COPA COGECA - the umbrella organisation of European Co-operatives and Farmer Organisations.
2. Developing collaborations with like minded sister co-op organisations from other countries to accentuate our opinions and share information.
3. Working in partnership with Irish state representatives and organisations, as well as national farming groups such as the IFA, ICMSA, ICSA and Macra.

2.0 - COPA COGECA- Europe's Co-operative & Farming Lobby Group.....

COPA was founded in 1958 as the representative body for European farmers. COGECA was set up in 1959 to represent the interests of European co-operatives.

The two organisations merged in 1962 to form COPA COGECA and the organisation now is the umbrella group for 76 farming and co-operative organisations from across all the EU member states.

ICOS retains its position as the only Irish co-operative representative organisation in COPA COGECA and has always played a very prominent role in the organisation since the Brussels office was set up in 1973 after Ireland accession to the then European Community.

COGECA currently represents the general and specific interests of some 40,000 farmers' co-operatives employing some 660,000 people and with a global annual turnover in excess of €300 billion euros throughout the enlarged Europe.

Since its creation, COGECA has been recognised by the European Institutions as the main representative body and indeed the spokesman for the entire agricultural and fisheries co-operative sector.

ICOS President Pat McLoughlin is a Vice-President of COGECA, with special responsibility for Dairy and Livestock Affairs. Pat has proved a very effective and active Vice-President and is widely respected in European circles for his dynamism, commitment and integrity.

John Bryan, President of the IFA is also a newly appointed Vice President of the COPA side of the organisation.

To further underline the influence of the Irish in COPA COGECA, The last President of COGECA was former ICOS Board member Donal Cashman, and the previous President of COPA was Pdraig Walshe of the IFA.

Both ICOS and the IFA have their permanent Brussels offices in the same building of COPA COGECA in the heart of the European Quarter of Brussels.

3.0 2011 ICOS Brussels: An Assessment.....

ICOS is one of thousands of organisations lobbying in Brussels day to day. The offices of the major multinationals like Shell, Coke and Levis, as well as the permanent representations of big European countries like Germany and the UK, all have varying degrees of success in influencing decisions and they all have their wins, compromises and occasional disappointments.

The ICOS Brussels office is no different and we have been very proactive in affecting change in a number of issues of importance to Irish co-ops that have come up in Brussels this year. Some issues we have been the main player and some issues we have influenced by being part of an alliance of like-minded organisations, or by supporting an Irish Government position. But we have always endeavoured to engage positively, credibly and dynamically in our lobbying, and it pays off as our good days certainly outweigh our bad ones.

We feel we deliver an exceptional level of value for money to our co-operative members and the agri-business industry in Ireland as a whole. The following sections provide a flavour of some of the issues that we were involved in the ICOS Brussels office since the beginning of 2011.

3.1 - 2011 Review - Wins

- **Country of Origin Labelling** - We were able to avoid compulsory origin labelling of EU produced dairy products in the 'Quality Package'. While we in ICOS are exceptionally proud of Irish produce, our brands and the standards we attain and adhere to, we have to realise that the vast majority (85%) of our dairy produce is for the export market. While we all encourage people in Ireland to 'buy Irish', we must be cognisant that every other country does the exact same and to achieve voluntary origin labelling on dairy products was a great achievement for ICOS and its allies in the face of massive pressure from countries like Italy. Ireland's food exports are worth €8 billion to the Irish economy.
- **Greening of CAP** - 'Greening' measures have become very prevalent in CAP and Agricultural debates, ICOS recognised that our **Permanent Pasture based system** operated already by our members was one of the most sustainable green measures in existence and along with our Department we successfully lobbied it to be a valid measure to be included in what the Commission call 'Greening' measures. Based on tentative CAP budgets this could have a value of €390 million per annum to Irish farmers.
- **'Defrosted' Labelling Exemptions** - Getting **Irish Butter exports exempted from 'Defrosted' Labelling** was a major success of this office. We lobbied hard to ensure that a piece of legislation, originally designed for meat products, would not be modified by our competitors to misconstrue the first class quality, wholesomeness and reputation of Irish Butter. ICOS tabled amendment to the legislation, on the basis of scientific evidence that secured a derogation of butter from the legislation. Irish butter exports are worth an estimated €350 million annually to the Irish dairy industry and economy.
- **Recognition of the importance that European agriculture plays in sustainability** ICOS successfully lobbied MEPs to vote down proposals which would have resulted in a unilateral 50% increase in our carbon reduction target. Such proposals, had they gone through, would have put an inordinate burden on or co-operative agri-food industry and encourage the transfer of primary production outside of Europe to regions where sustainable and environmental friendly farming methods are not as widely practiced. The agri-food sector in Ireland contributes a value of €24 billion to the national economy. Primary agriculture, fisheries and forestry contribute €4 billion.
- **Co-operative Exemption from Compulsory Contracts in Dairy** - This was secured with the help of other countries where co-ops are a vital part of ensuring farmer owned business models are the mainstay of delivering value to the sector. We lobbied strongly to ensure that our industry had flexibility in dealing with the contracts issue. Now the imposition of contracts is on a voluntary basis only and is between the farmer and his co-op. Irish co-op members will sell >€1.5 billion worth of milk for processing in 2011.

- **Intervention** has been an important safety net for our co-ops and prices. Despite much pressure to get rid of the practice. The Commission has committed to retain it as a market measure in the on-going CAP reform.
- **Testing age for BSE raised to 72 months** - this EU announcement is testament to the commitment our members have made to the eradication of this disease and the progress made.

Other wins that ICOS backed were the **retention of Less Favoured Areas (LFAs)** as a Pillar II support to help members in disadvantaged areas, a further **extension of the Nitrates Directive Derogation** and support for **Free Trade Agreements** with countries where we might have offensive interest with our produce.

3.2 - 2011 Review - Wins with Compromises

When ICOS first opened its office in Brussels in 1974, we lived in a European Community of less than a dozen countries. Today's EU has 27 countries. With the passing of the Lisbon Treaty, you now have greater democracy with the legislative agenda being discussed and implemented in parallel across all the EU institutions (e.g. Commission, Council and Parliament).

It is imperative therefore that ICOS forms alliances with groups across the full spectrum of European organisations in order to deliver value for the Irish co-op sector. Brief examples of some of these items;

- **MERCOSUR & WTO** - From the direction negotiations are taking, it would appear that these negotiations are going to have a challenging effect on Ireland's export oriented meat industry. Through COPA COGECA we were involved in an impact study that undermined the arguments for fully opening up our beef markets to these countries. We are conscious that Ireland as an exporting food nation, may also realise opportunities in developing these emerging markets with produce from our co-op sector.
- **Animal Welfare, Veterinary, Traceability and Transport** is an area we have constant involvement in the office. We are well aware of our responsibilities in the area and we already have the highest standards in the world. ICOS has striven to bring rationality and pragmatism into the debates and the legislation and to ensure that the industry is not choked by over regulation.
- **Promotion of the Co-operative Model** is a primary goal of the ICOS Brussels office. We feel that the co-operative model is the best way for people to maximise efficiency and sustainability across the supply chain. The EU Commission has committed to the publication of a 'Co-operative Statute' and we are actively involved in ensuring they do not procrastinate on the issue.
- **Young Farmers** – Getting young farmers actively involved in the co-operative movement is a priority for ICOS. It is imperative that we get them active in our industry, trained to a high standard and involved fully in our co-operative structures. To this end, we are glad our lobbying has helped result in a commitment in the draft CAP reforms to promote and help this group become established and encouraged into the industry.
- **High Level Group on the Food Chain** - launched with the aim of redistributing the balance away from the dominant retailers back to the producers and their co-ops. ICOS is involved in that group through COPA COGECA and we will continue to support that process in any way we can, as the lack of transparency across the entire supply chain, (e.g. multiple retailers), continues to be an 'elephant in the room' for our industry.
- **EU Budget & Funding** - This is an area under constant pressure, especially in light of the economic crisis that has engulfed the continent. Agricultural spending now currently accounts for over 42% of total EU spending and many were calling for that to be dramatically reduced. Along with our allies in the Agri-Food lobby we feel that it is no small achievement the CAP budget remained largely intact, frozen to current levels. This was helped by the recent **Food Security** crisis. As well as that we have gotten recognition of and a commitment for increased funding for **Agri Innovation Projects** in the future as well as more funding for the **Promotion of our Agri-Food Produce** on the internal market.

- **The Milk Package** that is going through the European Parliament at present remains a mixed bag from a co-operative perspective. It is largely designed to help farmers from countries that don't have strong co-operative structures have more bargaining power with their processors by means of contracts and exempting them from competition law to enable them to form producer groups etc. Our main issue, from an ICOS perspective, is that in changing the European law in the area is that they do not undermine strong existing co-operative structures. The majority of milk processed in Europe is done so through co-operative related entities. The process is still on-going in conjunction with our allies in key like-minded dairy countries.

3.3 - 2011 Review - Disappointments

When pursuing ambitious lobbying and legislative goals, it is only natural that you will encounter disappointments along the way. The major disappointment in the first half of 2011 was the failure to gain any real progress on the issue of milk quota and soft landing.

Soft Landing of Quotas is an area that ICOS has put considerable efforts behind the scenes at all levels without a lot of tangible reward. We have been working on the issue since the end of last year when it became apparent that our Irish dairy industry was ramping up production due to a combination of benign productive weather, a significant lift in prices and high international market demand.

We quickly developed alliances with likeminded countries. We see rising quota prices in a number of countries as evidence that the Commission promised 'soft landing' in quota prices was not occurring.

The EU Commission continues to stress that we just have to live with what was agreed in the CAP 'Health Check' of 2008.

At a European Parliament level we were successful in getting Jim Nicholson MEP to include a recital in the text of the 'Milk Package' calling for a soft landing on quotas.

We also have presented our case in a very even-handed and pragmatic manner, attempting to find compromise solutions that will satisfy all parties.

At COPA COGECA, powerful dairy countries like France are fearful that a flood of Irish milk will hit their market and cause a collapse in the milk price, so their support has not been forthcoming.

ICOS Brussels will continue its efforts in the area, but we want to stress quite clearly;

- Farmers should operate and plan their businesses with the expectation that will not see any changes in the existing quota arrangements between now and 2015.
- We strongly encourage dairy farmers to practice responsible quota management between now and the end of the quota regime. Otherwise they run the risk of incurring super-levy penalties in the years to come.

4.0 The European Parliament and the Growing Importance of our MEPs...

With the passing of the Treaty of Lisbon by the Irish population and its entrance into force in January of this year, there was a realignment of the powers of the European institutions.

Now for the first time, the European Parliament (EP) has full 'Co-Decision' power over a wide area of European Law. (Before the Parliament would only have had to be consulted regarding new European legislation.)

One area of policy that has come in under this Co-Decision procedure is Agriculture. This means that MEPs have the power to change and even veto legislation that comes from the Commission in Agriculture policy.

Because of this, the role of MEPs in general and the 15 MEPs on the island of Ireland in particular, have become critical in formulating the legislative framework that will dictate the future direction of the co-operative movement in Ireland and the agri-food business industry in general.

Now when the Commission proposes a piece of legislation, the relevant committee in the EP will appoint a rapporteur to report on the legislation and to propose amendments that will go into the negotiations between the EP, the Commission and the European Council.

At present there are 4 key pieces of agri-food related legislation that are going through the parliament that ICOS is following very closely.

These are;

- The Reform of the Common Agriculture Policy (or CAP 2020)
- The 'Quality Package' (which dictates labelling and standards)
- The 'Milk Package' (on which NI MEP Jim Nicholson is rapporteur)
- Bovine Electronic Identification Proposals

ICOS has endeavoured to build a good relationship with our MEPS. Indeed we are very lucky with the calibre of the MEPs that we have in Ireland and the understanding they have of the co-operative movement. Please find below a brief pen picture and contact details of each of the MEPs on the island divided by constituency.

Now when the Commission proposes a piece of legislation, the relevant committee in the EP will appoint a rapporteur to report on the legislation 'from among the MEPs on the committee'.

Ireland's MEPs

EAST

Liam Aylward



Liam is a full member of the key Agriculture Committee in the Parliament. He is an experienced and tough politician with an excellent record in Agricultural legislation. He is well aware of the value and the the issues that face the Irish Co-operative movement. Liam also is on the delegation for relations with MERCOSUR countries.

Constituency: East
European Party: ALDE
Irish Party: Fianna Fáil
Website: www.liamaylward.com

Mairead McGuinness



Mairead needs little introduction to followers of Agricultural affairs after her stints on Ear to the Ground and as Editor of the Farming Independent. Another full member on the committee for Agriculture and Rural Development, Mairead has been an articulate and effective promoter of Irish Agriculture.

Constituency: East
European Party: EPP
Irish Party: Fine Gael
Website: www.maireadmcguinness.ie

SOUTH

Nessa Childers



Nessa is in her first term as MEP of the constituency of Ireland East. She is a full member of the EP Committee on the Environment, Public Health and Food Safety. This committee covers many areas of interest to or Co-operative business. Nessa and her office have been very helpful and supportive about issues raised by our members.

Constituency: East
European Party: S&D
Irish Party: Labour
Website: www.nessachilders.ie

Seán Kelly



Ex GAA President Seán Kelly has made an impressive start to his career in the EP. A member of the Committee on Regional Development Seán has used his position to influence many policy areas. Has always had an open door to the Irish Co-operative movement and very interested in the development of rural communities.

Constituency: South
European Party: EPP
Irish Party: Fine Gael
Website: www.seankelly.eu



Phil Prendergast

Laois woman Phil has only taken up her mandate haven replaced newly elected TD Alan Kelly. A former Senator she has cut her political teeth in South Tipperary and her base in Clonmel. She is on the Committee dealing with the internal market and consumer protection. She is also a substitute of the Agriculture committee.

Constituency: South
European Party: S&D
Irish Party: Labour
Website: www.philprendergast.ie



Brian Crowley

Brian is Ireland's longest serving MEP. From the heart of Co-operative country in Bandon, he is a passionate supporter of Irish Agriculture and its potential to be an engine of economic growth. Brian is on the increasingly important Committee covering Industry, Research and Energy.

Constituency: South
European Party: ALDE
Irish Party: Fianna Fáil
Website: www.briancrowleymep.ie

NORTH WEST

Jim Higgins



Jim Higgins is a politician with a distinguished track record. He is noted in Brussels for his initiatives in relation to Transport policy. And he is a senior member on the Committee dealing with Transport & Tourism. Jim is also a substitute on the Fisheries Committee in the EP.

Constituency: North West
European Party: EPP
Irish Party: Fine Gael
Website: www.jimhiggins.ie



Pat the Cope Gallagher

Pat is back in the EP for his second stint after a career that has seen him appointed as Minister of State no less than 5 times. Pat and his family are steeped in Co-operative history. A key member on the Committee on Fisheries, Pat is also a substitute member on the regional development Committee.

Constituency: North West
European Party: ALDE

Irish Party: Fianna Fáil
Website: www.patthecope.com



Marian Harkin

Marian is in her second term as an MEP and has an excellent record on Rural Affairs and Rural Development. She is a full member of the Committee on Employment & Social affairs and she is a substitute member on the Committee for Agriculture, where she also takes a very active part in the EP.

Constituency: North West
European Party: ALDE
Irish Party: Independent
Website: www.marianharkin.ie

DUBLIN

Gay Mitchell



Current Presidential hopeful Gay Mitchell may be seen by many as a solidly urban focused politician but it may surprise many that he has worked for the IFA in a past career. Gay is a member of the Development Committee in the EP.

Constituency: Dublin
European Party: EPP
Irish Party: Fine Gael
Website: www.gaymitchell.ie



Paul Murphy

Paul Murphy went from being Joe Higgins' Parliamentary Assistant to being appointed his replacement after the latter's re-election to the Dáil this year. Paul is a member of the International Trade committee.

Constituency: Dublin
European Party: GUE/NGL
Irish Party: Socialist Party
Email: paul.murphy@europarl.europa.eu



Proinsias De Rossa

Proinsias is a politician with vast experience both nationally and Internationally. He is a member of the European Parliament Committee on Employment and Social affairs.

Constituency: Dublin
European Party: S&D
Irish Party: Labour
Website: www.derossa.com

NORTHERN IRELAND MEPS



Diane Dodds

Diane is from Banbridge and dedicates much of her European political life to Agricultural Affairs where she is a member of the Agriculture and Rural affairs Committees and she is also a substitute on the Committee on Fisheries.

European Party: Non-attached Member

Irish Party: DUP

Constituency: Northern Ireland

Website: www.dianedodds.co.uk



Bairbre de Brún

Dublin born Bairbre is a former Minister for Health in the NI Assembly. She is on the EP committee dealing with the Environment, Public Health and Food Safety and also has interests in Regional

Development policy.

European Party: GUE/NGL

Irish Party: Sinn Féin

Constituency: Northern Ireland

Website: www.sfguengl.com



Jim Nicholson

Jim is a farmer from Armagh, and is a senior member of the Agriculture committee of the EP. The straight talking Ulsterman is held in high esteem by his colleagues and was appointed the Rapporteur for the 'Milk Package' currently going through the legislative process. Jim has always made time to meet ICOS and its members so we could put our arguments before him.

European Party: EPP

Irish Party: Ulster Unionist Party

Constituency: Northern Ireland

Website: <http://www.jimnicholson.eu/>

Staff Profile

Conor Mulvihill – Manager of ICOS Brussels Office

2011 saw our new ICOS face in Brussels hit the ground running. Conor Mulvihill replaced Carol McGinley as the manager of our Brussels Office. Carol, after many years of fantastic service to ICOS in Brussels, took a role with the UK Financial Services Authority in London.

From Meanus, Co. Limerick and with a farming background, Conor is an experienced public affairs specialist having served to date as a Parliamentary Assistant in the Oireachtas. Prior to this he was Marketing and Sourcing Manager for Irish Wire Products. He holds a Masters Degree in European Integration and a First Class Honours BA Degree from University of Limerick and a National College of Ireland Diploma in Management. He also has a full 'Green Cert' from Teagasc. He participated in the National Forum on Europe for five years and was heavily involved in the work of the forum including speaking engagements at seminars and workshops throughout Ireland.

Commenting on his first year on the job, Conor feels that-

'It is very apparent that what is happening in Brussels impacts on every aspect of our industry, and that its influence is growing daily.'

'It is imperative that we do not view the EU legislative process occurring in a vacuum. We have to remain closely engaged in the process and make sure our voice and opinion is heard.'

'We have engaged cleverly, creating alliances, collaborations and partnerships to ensure that we can achieve the growth our industry is capable of and to ensure that we are not overburdened with legislation that will hold us back with no real benefit.'

'There are many positive opportunities presenting themselves in areas such as innovation, promotion funding, sustainability and international trade for our growing output. But it is up to us to be proactive and shape the agenda to our advantage, rather than being reactive and letting others shape frameworks in their interests.'



Find us on LinkedIn:

Irish Cooperative Organisation Society



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