

**BRIEF FOR PRIME MINISTER'S MEETING WITH NORTHERN  
IRELAND MEPs ON WEDNESDAY, 10 DECEMBER 1997**

**Background**

1. The Northern Ireland MEPs, Messrs Hume (SDLP), Nicholson (UUP) and Paisley (DUP), who may be accompanied by the Ulster Unionist Leader, Mr Trimble, have asked to see the PM to discuss the current situation in the Northern Ireland beef industry. This is against a background where farm incomes in the whole of the UK in the period to March 1997 have fallen by some 37% in real terms, there seems little prospect of an early lifting of the beef export ban, prices are depressed because of Green Pound revaluations and where recent intervention tenders from Northern Ireland have been substantially scaled-back with the last, on 28 November, rejected in its entirety.
2. Farming is one of Northern Ireland's main industries and due to climatic and geographic conditions is mainly livestock-based. Within the livestock sector, beef is the most important area of production with over half the total cows in the suckler cow category. Prior to the introduction of the EU ban on beef exports from the UK, Northern Ireland exported 56% of its beef outside the United Kingdom. This represented some 28% of total UK beef exports. Since the ban, there has been no outlet for the vast majority of this beef, other than to intervention. (25% of Northern Ireland production was already going to Great Britain.)



3. Producer beef prices, which prior to the ban were about 7p per kg higher than in GB are currently running at 10p per kg lower. However, while there has been an increase in the volume of meat exported from Northern Ireland to Great Britain it has not proved possible to sell all the surplus production there. The multiple retailers who source much of their better cuts of beef in Northern Ireland are rationalising their purchasing and the Northern Ireland industry cannot compete on the British market with cheap imports, especially from the Irish Republic which are assisted by the difference in currency values and are alleged to be supported by promotional spending by the Irish Food Board. The MEPs will seek to impress on the PM that there is a serious crisis in Northern Ireland agriculture. This applies across all commodities but is most acute in the beef sector. Farm incomes in Northern Ireland are lower than elsewhere in the UK. An Annex comparing incomes in the Less Favoured Areas over the last 2 years is *attached*.

4. The delegation is likely to be seeking three things:

- (i) a package of financial aid for farmers to offset the effect of the Green Pound revaluations;
- (ii) a restoration of intervention for Northern Ireland beef at least for the next tender which is due to be adjudicated on 12 December; and
- (iii) early progress on lifting the ban.



There has been some protest action by farmers in Northern Ireland - a demonstration in Londonderry on Thursday, lunch-time last and a rally in Co Tyrone on Friday, both of which were peaceful and caused little disruption. The MEPs, and Dr Paisley in particular who has already made representations about Northern Ireland beef being delayed at Stranraer, are likely to suggest that in the absence of action by Government to relieve their plight, the continuation of restraint by farmers cannot be guaranteed. Some farmers have complained that their leaders are not militant enough and there is the additional risks of unrest being exploited by terrorist groups.

5. The MEPs will point to the fact that farmers in the Republic of Ireland have been paid agrimonetary compensation and will no doubt suggest that UK taxpayers are footing part of that bill. They will also press hard for the reinstatement of intervention on the grounds that financial aid in terms of additions to HLCA's or the Suckler Premium would not meet the needs of beef finishers who are also seriously affected by the current crisis.