

Finance/Comment

Why the Government must incentivise winter finishing

Angus Woods



Teagasc recently held a winter finishing conference in the impressive Cillin Hill Centre on the outskirts of Kilkenny city.

The last time I attended a similar event was in 2016, and the audience was a lot smaller this time. Two of the four speakers were from Teagasc, one was from the IFA and one was from Kepak.

Much has changed quietly in the beef sector in the last six years.

The single biggest change that has reduced the number of winter finishers has been the move to converge CAP payments.

In previous CAP packages, direct payments made up a large part of the business model. There were 10-month payments, 22-month payments, bull payments, slaughter and extensification payments, with the 10- and 22-month payments capped at 180 head, which gave a competitive advantage to the

smaller finishers.

Decoupling of payments away from a per-head payment, with their upper limits, to a payment per-hectare was a significant change.

In the early years of decoupled payments, many winter finishers had significantly higher-than-average payments, due to the previous payment structure.

Convergence of payment rates per hectare has resulted in a significant reduction in direct payments to farms that would have been winter finishing cattle.

Many of these farmers are now unable to compete with the larger finishing units, and have either switched to dairying or given up on winter finishing in favour of a less risky grass-based finishing system.

Around the country this winter, there will be many slatted sheds lying idle in yards that were once full with cattle bought during the autumn for finishing.

The number of farms winter finishing is reducing year on year; those left need scale, and are highly skilled professional operations, all about attention to detail and management.

Only half of the farms in the



Expensive business: Cattle feeding on silage PHOTO: GERRY MOONEY

country that finish cattle do so in the first six months of the year, with the majority of farmers avoiding the financial risks involved in winter finishing.

Of the farms that are winter finishing, 10pc of the herds are supplying almost 60pc of the kill.

Small margins and reducing direct payments have squeezed out the smaller finishers, and their absence from around the rings is noticeable.

The units left have increased their throughput, and have invested time in building a relationship with the processors they sell to, which is exactly what

any other business would do.

These big winter finishers don't need to go to a public meeting to hear what a factory boss thinks will happen in the trade. They can just pick up the phone and have that conversation.

They know their costs of production and the performance of their cattle, and many work with nutritionists, so they don't need to hear about performance targets or input costs.

Going to a public beef meeting, which can turn into a shouting match, doesn't appeal to these finishers, and was the number one reason given to me when I

rang a few winter finishers to see if they were going to Kilkenny.

There are a number of other reasons why attendance was poor, but previous CAP reforms are key.

Where once CAP supports were built into the price paid in the mart, now the reduced number of winter finishers can only pay a price they think the market will justify next spring.

Fully decoupled payments with full convergence will see lower mart prices relative to spring beef prices unless the grass finishers are prepared to carry more stock over the winter and risk a larger autumn glut of cattle coming off the fields.

Even at this late stage, the government should fund a mechanism to incentivise winter finishing. It's in every cattle farmer's interest, whether dairy or suckler, to do so.

It's also in the government's interest, as the average age of slaughter would increase if the number of cattle winter finished out of sheds reduced and end up being finished off grass six months later in the autumn.

Angus Woods is a drystock farmer in Co Wicklow

Sidestep financial crises by putting Enduring Power of Attorney in place

If a sole owner of an asset — from a farm to a bank account — becomes mentally incapacitated, it can be a minefield... unless there's an EPA

Martin O'Sullivan



A significant number of my clients are the sole owners of land, property, bank accounts, shares etc.

Over the years I have encountered numerous cases where such clients became mentally incapacitated, usually but not always due to old age.

While many had time to put their affairs in order, some did not and were landed in a situation where nobody could gain access to their bank account as their assets were effectively inaccessible.

Clearly these people needed care; the incapacity of the person can be upsetting for all concerned, and an ensuing financial crisis is added source of anxiety. But any financial crisis could have been avoided if an Enduring Power of Attorney (EPA) had been put in place.

In some situations, where no EPA exists, family members may be in a position to come to the rescue but in others, the person may have to be made a ward of court.

This can be cumbersome, complicated and costly and means a total stranger has a say over the person's care and welfare.

Thankfully, following on from 2015's Assisted Decision-Making (Capacity) Act, wards of court will shortly no longer exist; existing wards and people who have become mentally incapacitated will be dealt with by the Decision Support Service.

While this should be an improvement on the ward of court process, it is still a situation that should be avoided, if at all possible, by putting an EPA in place

Where the need arises

In cases where assets are all held in joint names with a spouse or another person, there is generally no need for an EPA because if that person becomes mentally incapacitated, the joint owner will have access to bank accounts etc.

However, if the person is single or

if for another reason they hold assets in their sole name, there is a definite case for an EPA.

Setting up an EPA

An EPA has to be set up while a person is in possession of the full mental faculties. It will involve your solicitor along with your doctor who will certify that you are mentally capable at the time.

Once set up, the EPA only comes into operation when the person becomes mentally incapacitated and a doctor certifies that they are incapable of managing their affairs.

The attorney

The person you have appointed to make decisions on your behalf is described as the attorney. You can have more than one attorney.

Their decision-making power may be confined to specific acts on your behalf or, more often they will be wide ranging but must always be made in your best interests.

The decisions the attorney makes must be in accordance with what you would have been likely to do, and the attorney must consult family members and carers.

There are no restrictions on who can act as your attorney — it is entirely your choice. You should choose an individual who is capable and trustworthy and who will be in a position to manage your affairs in the event of your incapacity.

Attorneys' powers & responsibilities

The EPA generally covers a wide area. It can cover personal care decisions which gives the attorney the power to make decisions about where the person should live, and about rehabilitation or medical care.

The attorney can make decisions about the person's property, which can include the power to sell. However, this power can be limited.

The attorney is obliged to keep adequate accounts of the donor's property and affairs and to produce the accounting records to the court if required.

The attorney may recover the out-of-pocket expenses of acting as attorney. It is also possible for the EPA to provide for remuneration.

Registering the epa

If your attorney has reason to

believe that you have become or are becoming mentally incapable of managing your affairs, they must apply to have the EPA registered in the High Court. This is a matter the solicitor will attend to.

Once registered, an EPA cannot be revoked effectively unless the Court confirms the revocation.

Cost of setting up an EPA

The legal costs associated with drafting and executing an EPA can vary significantly from one firm to the next.

The range appears to start at around €700 (inc VAT but can extend to €2,500. Where a EPA needs to be activated and registered, the fee can range from €1,000 to €2,500.

So the message is to shop around.

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