

World Hereford Conference

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WORLD TRADE – CAP

Technical Barriers to Trade

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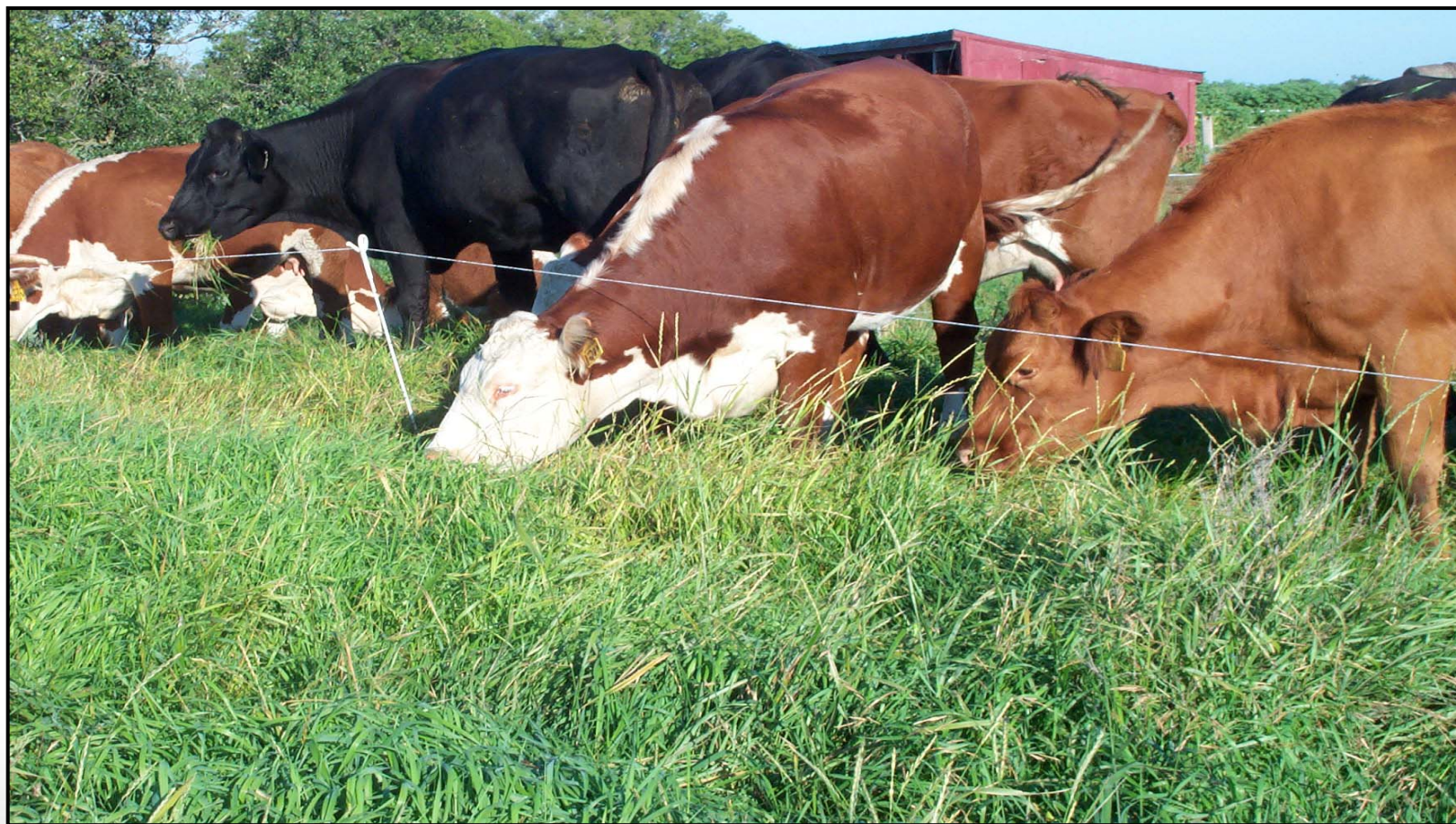
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NEW ZEALAND - 4.5M PEOPLE - 40M SHEEP



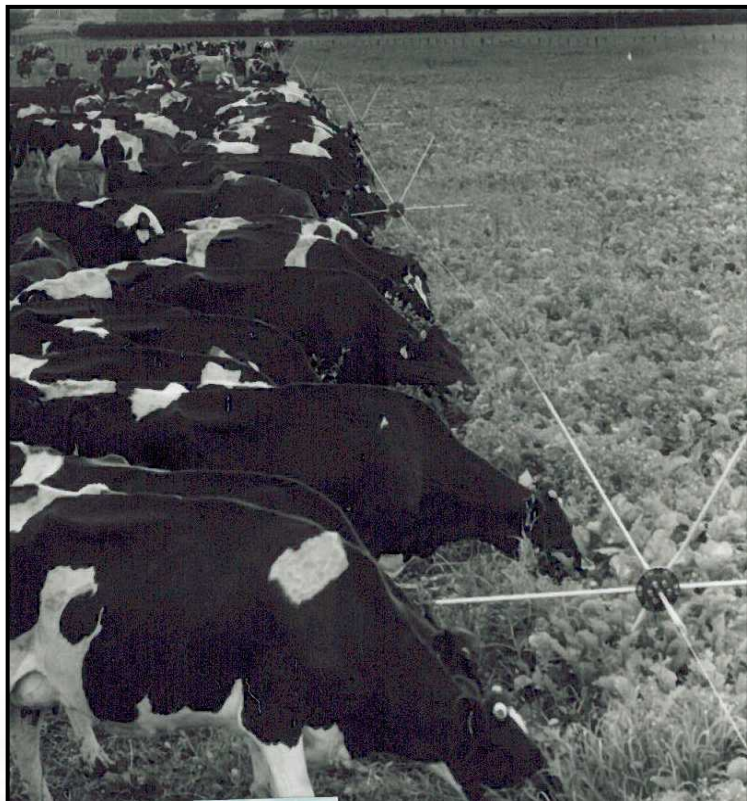


4.8 MILLION BEEF CATTLE



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5.2 MILLION DAIRY CATTLE



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EW ZEALAND - THE ONLY WESTERN STANDARD OF LIVING SOCIETY, BASED ON AGRICULTURE

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Unsubsidised Agriculture since 1985.

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International traders.

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7% of total exports are pastoral and food products.

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0% of food production is exported.

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Is strong on international trade in agri-tech products

ABOUT THE GALLAGHER GROUP

- ~ Established in NZ in 1938.
- ~ Products in over 130 countries.
- ~ Employs 650 staff in NZ.
- ~ Employs 450 staff through a world wide network of subsidiaries and associates companies.





GALLAGHER Head Quarters in Hamilton, New Zealand



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ALLAGHER AGRICULTURAL PRODUCTS

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igh power Electric fence.

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ive animal weigh scales.

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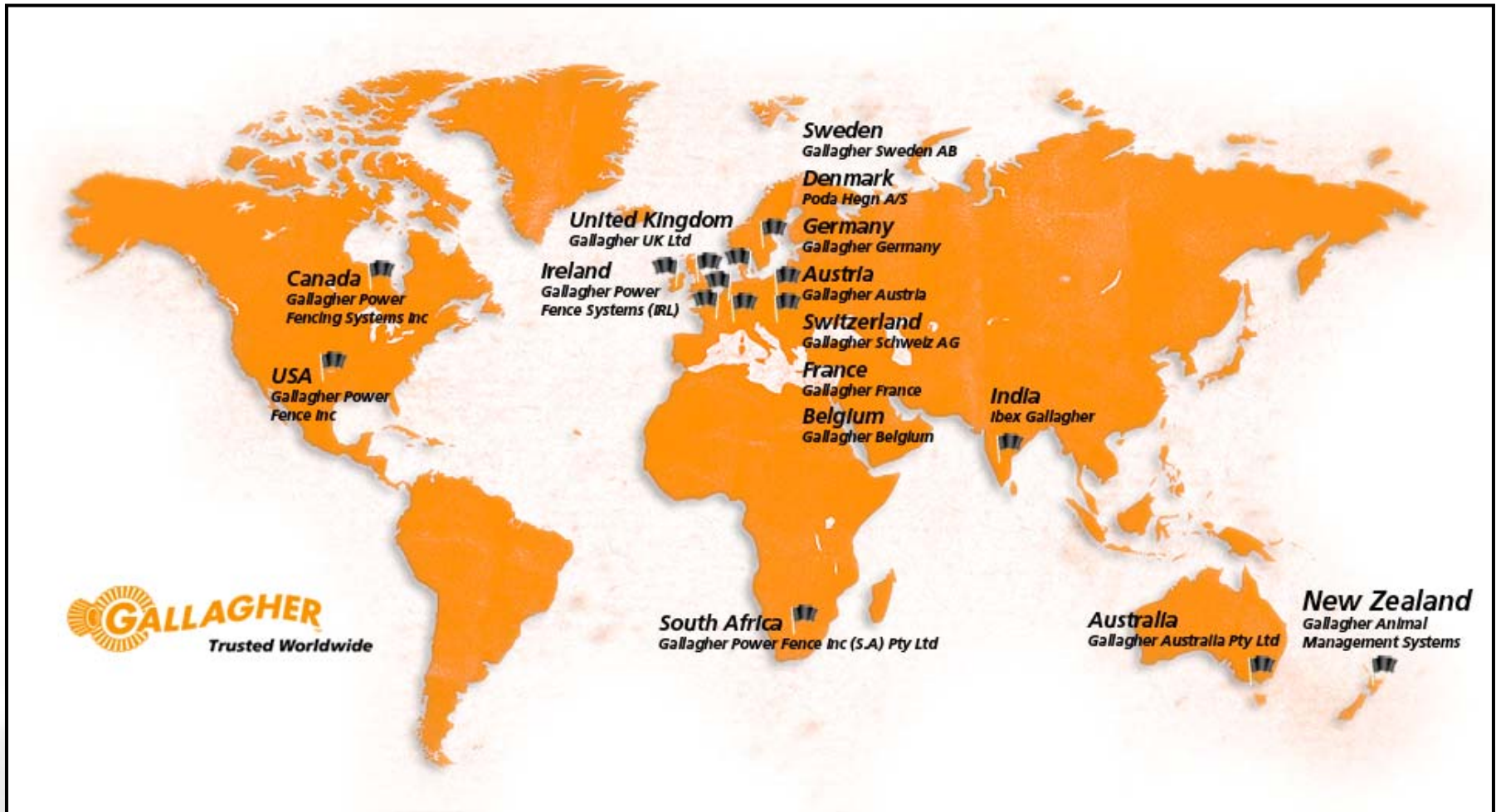
ive stock Electronic Identification, Readers.

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Iso other business such as Security Electronic access control (same technology as Animal ID).

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Subsidiary/Associate Companies - Agricultural Business



INTERNATIONAL TRADE

- ~ Benefits the consumer, lower cost - high quality.
- ~ Benefits the tax payer if supporting subsidies are reduced.
- ~ Benefits the most efficient producer.
- ~ Disadvantages the high-cost producer.
- ~ Benefits wide spread, disadvantages concentrated - thus subsidies are difficult to remove long after their objective has been achieved.

- ~ GATT made a major contribution to the prosperity of industrial nations.
- ~ A disadvantage to Agricultural nations, particularly Africa, but also New Zealand/Australia.
- ~ The Uruguay round of GATT was the first time Agriculture was considered, as it had been “a special case”.



COMMON AGRICULTURAL POLICY (CAP)

- ~ 45% of EU budget.
- ~ €46 Billion direct cost to EU Taxpayers per annum.
- ~ Plus national budgets.
- ~ Full costs over €130 Billion per annum with extra cost at super market check out, borne by the consumers.
- ~ ***Economic lunacy.***
- ~ ***Slightly greater cost to the average family in UK than Maggy Thatcher's proposed Poll tax (which caused riots).***

Quotes from Economist magazine



“A WORLD OF ITS OWN”

Can Europe Survive

Investigative Journalist on CAP by Denmark Radio

- ~ For the cost of subsidies you could build 50 bridges from Denmark to Sweden each year.
- ~ Robin Hood in reverse.
- ~ **ROBBING THE POOR TO PAY THE RICH.**



- ~ **THE RICH:** Video starts with Oliver Walston's £200,000 subsidy cheque – he says thanks, but thinks it is crazy.
- ~ **THE COST:** £100 Billion p.a. = 50 DK-SW bridges.
- ~ **THE POWER OF THE POLLS:** Difficult to remove subsidies after achieving objective in the 1970's.
- ~ **THE PAPER PUSHERS:** the self perpetuating bureaucracy. NZ MAF had 6,500 staff in subsidy times, now without subsidies there are 450 staff.
- ~ **THE ILLUSION:** small farmers get 4% of spend.

EW ZEALAND CANCELLED SUBSIDIES IN 1985

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Interviews with New Zealand farming leaders, Sir Peter Elworthy and Lloyd Dowling at the time of subsidy removal.

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They would not now go back to subsidies.



- ~ CAP a central planning model that has all the signs of failure of the Central planning systems of the Soviets.
- ~ CAP “keep it complicated and opaque to the payers”.
- ~ Video concludes with vitriolic mail “these things should not be talked about”. The letters author’s Christmas present from the tax payers would be over £1M each year.



HERE HAVE BEEN A FEW CHANGES IN CAP SINCE THE VIDEO WAS PRODUCED

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More transparency on to whom and how much is being paid (except France).

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The Agricultural Minister in Holland almost resigned when his receipt from CAP exposed.

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Some states, such as UK and Sweden agree major reform/elimination of CAP possible.

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- ~ Decoupling payments from production.
- ~ More payments into environment.
- ~ Enlargement of EU makes CAP less affordable.
- ~ Video now getting old but % of CAP not much change.
- ~ ***Conclusion of video is that European farmers can survive and prosper without subsidies.***

Copies of Video in Conference Pack

WORTH WATCHING - EXCITING VIEWING



TECHNICAL BARRIERS TO TRADE

- ~ Electric fence standard changed by 2 European Manufacturers and technocrats, ***no Farmer representation.***
- ~ Energiser performance put back to 40 years ago.
- ~ Power limited to maximum 5J instead of the 60J available internationally.
- ~ Dressed up as a safety issue but no accidents with large energisers, ***a perfect safety record.***



HY HIGH POWER IS NEEDED IN EUROPE

technocrats say high power not needed on small farms in Europe, *but*

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permanent electric fence has to work all year including high growth spring time.

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lower power fences are limited to seasonal use or clean fences.

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permanent electric fencing is required for low cost

- ~ Field test Ballerup, North Denmark (almost in Copenhagen) 28 6 06. Park with grazing 7-8 yearling cattle. Public access.
- ~ Fence approx 2.4 km with remains of heavy spring growth, no spray allowed.
- ~ Energiser MR 5000 = 50J stored = 32J max.
- ~ Test with M600 = 6J stored = approx 5J max.









~ Results	MR5000	M600
~ On fence at Energizer	3.2kv	1.6kv
~ At road gate	2.7kv	1.2kv
~ 200m past gate	2.5kv	1.0kv
~ Behind cattle 1km	1.7kv	
~ Fence load approx 25Ω		



RESULTS OF TEST

- ~ MR 5000 is overloaded.
- ~ M600 would not hold these cattle.
- ~ M600 would be dangerous to adjoining road users.



AFETY RECORD OF HIGH POWERED ELECTRIC FENCE

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more than 40,000 high power over 25J energizers in service worldwide over 14 years – ***perfect safety record.***

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more than 400,000 over 9J energizers in service world-wide over 30 years.

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installed base exceeding 5 million energizers.

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- ~ The IEC meeting in Sydney in December 2004 resoundingly rejected the proposal to restrict the Standard, put up as a French proposal.
- ~ Just Europe will be denied this modern technology needed for low cost farming.
- ~ The world uses the proven safe IEC standard.
- ~ European farmer organisation need to get involved. ???

QUESTIONS

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