



ICMSA

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Ref. 070871.

27 August, 2007.

Mr. Dave O'Connell,
Case Officer,
Advocacy Division,
The Competition Authority,
Parnell House,
14 Parnell Square,
Dublin, 1.

**Re: Competition Authority Professions
Study – Veterinary Surgeons.**

Dear Mr. O'Connell,

Further to your letter of 11 June, 2007 and subsequent telephone call, the following are a number of observations on the Veterinary Services Market which ICMSA believe the Competition Authority should examine.

- A key development in the provision of Veterinary Services has been the re-designation of many veterinary medicines to POM (Prescription Only Medicines). The result of this change has been that many medicines that were previously available in Co-op stores and licensed merchants are now only available from vets and pharmacists with the result that prices have increased substantially since their designation as POM. Why has this price increase occurred since re-designation and who has benefited?

The tradition has been that for POM's, farmers purchase the medicine from the vet who writes the prescription. While a farmer is entitled to a prescription for up to a six month supply of veterinary medicine, the evidence to date is that vets are not providing prescriptions of this length and a farmer has to go back and get another prescription each time he/she wishes to get another routine bottle of medicine. ICMSA fully accepts the need to maintain food safety and to ensure the proper use of veterinary medicines. However, ICMSA believes that the prescription regime and designation regime can be amended to improve competition while maintaining food safety.

- Generic brands of veterinary medicines are typically available at a more economically attractive price for the farmer. Under the Veterinary Medicine Regulations, a vet is only obliged to specify two brands of a product. Therefore, it is possible that a vet will specify two brands that are only available from his/her outlet locally. ICMSA is proposing that the active ingredient only should be specified on the prescription. The relevant control authority would produce a list of products that are acceptable for

administering the active ingredient and the prescriber of the medicine would be legally obliged to select one of the products listed. This would allow for greater competition while maintaining food safety and animal health.

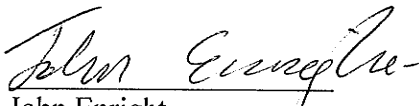
- Growth of Veterinary Partnerships: A growing trend of recent years has been the growth of veterinary partnerships with the result that in many areas, farmers only have the choice of one veterinary practice as a result of mergers. Thus, competition has been eliminated in that area. The veterinary services market is local in nature and thus, merging of veterinary practices is eliminating competition.

- Unavailability of Vets: In many remote parts of rural Ireland, the unavailability of Vets has now become an issue with the local vet in some extreme cases over 80km from farms. Measures need to be taken to encourage veterinary practices to set up in these areas again. An increase in the number of places at veterinary college would be an important measure in this regard.

- Testing Fees: ICMSA is concerned that the cost of TB testing is very similar throughout Ireland and that no real competition exists. The annual TB/Brucellosis test now represents a significant cost on farms. ICMSA is proposing that a Vet should have to state in writing the cost of testing to the farmer in advance of the test.

- There is serious concern amongst farmers regarding the availability of veterinary services into the future and in particular outside normal working hours. To address this, a substantial increase in the number of veterinary training places in Ireland is an obvious solution. In addition, the recognition of veterinary qualifications from abroad needs to be reviewed.

Yours sincerely,


John Enright,
Senior Policy Executive.