

Appeal No. VA11/3/014

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Hermitage Pedigree Pigs Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2206909, Office(s), A.I. Station at Lot No. 1A/2, Whitesland, Callan Rural, Callan, County Kilkenny.

B E F O R E

John O'Donnell - Senior Counsel

Chairperson

Aidan McNulty - Solicitor

Member

Fiona Gallagher - BL

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF JANUARY, 2012

By Notice of Appeal received on the 25th day of July, 2011 the appellant appealed against the determination of the Commissioner of Valuation in deeming the above described property Relevant Property pursuant to Schedule 3 of the Valuation Act, 2001.

The grounds of Appeal are set out in the Notice of Appeal and two additional pages, copies of which are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 12th day of December, 2011. At the hearing the appellant was represented by Mr. Owen Hickey, SC instructed by Mr. Brian Kiely of Poe, Kiely, Lanigan Solicitors. Mr. Ned Nolan, Managing Director and Mr. Ronan Murphy, Master of Agricultural Science, Technical Director of Hermitage Pedigree Pigs Ltd. gave evidence on behalf of the appellant. Mr. Conor O'Brien, Chartered Surveyor and Mr. Liam Gamble also attended. Mr. David Dodd, BL, instructed by the Chief State Solicitor appeared on behalf of the respondent and Mr. Briain Ó'Floinn, a District Valuer in the Valuation Office, also gave evidence. Both parties having taken the oath adopted their respective précis which had previously been received by the Tribunal as their evidence-in-chief. From the evidence so tendered, the following emerged as being the facts relevant and material to the appeal.

The Property

1. The property consists of a boar-house of just under 2,000 sq metres together with a link building, associated offices, a car park and two feed silos in the townland of Whitesland, Callan, Co. Kilkenny. The property is described by the respondent as "*Offices & A.I. station*".

Valuation History

2. The property does not appear previously to have been treated as being rateable. However, Mr. Briain Ó'Floinn, on behalf of the respondent, visited the premises and on the 8th December 2010 issued a proposed certificate in which he arrived at an RV of €88 but excluded the boar-house. Following representations by the appellant in October 2010, Mr. Ó'Floinn, on the 22nd November 2010, issued a final certificate with an RV of €240. The description at that stage was amended to read "*Offices & A.I. Station*". An appeal from the occupier on the 31st December 2010 was unsuccessful. On the 25th July 2011 the occupier appealed to the Tribunal against the decision of the Commissioner.

The Issue

3. The issue for determination is whether or not the property in question is a relevant property which is not rateable having regard to the provisions of Schedule 4 of the Act.

4. Schedule 4 of the Act provides (at Paragraph 5) that “*farm buildings*” are amongst the properties which are deemed to be “*relevant property not rateable*”. Section 3 of the Valuation Act, 2001 defines farm buildings as meaning (inter alia):

“(b) *Buildings, parts of buildings, or other structures, used solely for the production of livestock, poultry or eggs or for the breeding of bloodstock or other animals.*”

It should be noted in this regard that while the appeal had previously included a contention that the building in question was a farm building within the meaning of sub-section (a) (being a building etc., “*used solely in connection with the carrying on of agricultural activities on that land*”) this argument was not being proceeded with. The parties thus agreed in advance of the evidence that the issue is whether the nature of the activities carried on in the premises in question constitute “*the production of livestock*” or “*the breeding of [..] animals*” within the meaning of the sub-section in question.

The Appellant’s Evidence

5. On behalf of the appellant, Mr. Ned Nolan, Managing Director of Hermitage gave evidence. He indicated his parents had commenced the business in 1958 as pedigree pig farmers who had bred and sold breeding animals. His evidence was that as far as he was aware the lands in question had been used for the selling and breeding of pigs since that time. Approximately 30 years ago the breeding of pigs by the use of artificial insemination became more and more prevalent. The collection and distribution of pig semen was a central, integral part of the process of breeding. Over the last 30 years the premises in question had been used to collect, test and distribute semen collected from pigs.
6. Mr. Nolan said it was common, then and now, for Hermitage to sell male pigs from these premises. In this regard the facility replaced another facility at Sion Road which has offices and has a semen dispatch centre. Mr. Nolan indicated that he paid rates at Sion Road but did not and had never paid rates in relation to these premises over the previous 30 years; nor was he aware of rates ever having been paid in these premises

in the past. Mr. Nolan also indicated that while rates were paid now in respect of the Sion Road premises, rates were not paid in respect of the animal accommodation or staff facilities there in the past.

7. Mr. Nolan indicated he believed that the buildings in question had always been treated as "*farm buildings*" within the meaning of the legislation and accordingly have been deemed to be not rateable.
8. Mr. Nolan then went through the business carried on by Hermitage at the premises. All the animals on the premises belong to Hermitage. The primary element of the business is the collection of semen from boars which is then tested and distributed onwards by way of sale to those who might be interested. In addition, some animals are sold, though they are tested first to establish their capability of breeding before sale. Some are sold for breeding; a small amount are sold for slaughter.
9. Mr. Nolan indicated that he believed he was (and believed he was known as) a "*pig breeder*" or "*pig farmer*".
10. In cross-examination he indicated that a boar produced approximately 150mls per ejaculate, with ejaculates being collected from each boar approximately three times a fortnight. The ejaculate collected had to be evaluated and occasionally have preservatives added so that it could be maintained in its condition while being shipped. The prices of ejaculate sold depended on whether the "doses" were paternal doses for future breeding or terminal doses (for the production of meat and ultimately slaughter). 10% of the doses were paternal doses selling at approximately €10 per dose with the balance being terminal doses at €4 per dose. He agreed the value of the doses (being 25,000 per month) was approximately €10,000 per month; he agreed the facility produced between €1.3 million and €1.4 million turnover per annum from the collection and sale of boar semen.
11. He indicated also that Hermitage sold animals also, at a rate of approximately 20 per month or 240 a year. Of the 20 per month, 10 would be sold to the slaughter house at a price of approximately €60 each while the other 10 would be sold for breeding at a price between €1,500 and €5,000 each.

12. He indicated that some of the boar semen collected was used to propagate Hermitage's own herd of pigs.
13. In his estimation, approximately 70% of the turnover at Hermitage was from the collection and sale of semen, with the balance of 30% being broken down further, 24% coming from sales of animals for breeding and the remaining 6% coming from the sales of animals for slaughter.
14. Mr. Nolan also added that he had another, similar, premises in Castlewarden for approximately 22 years which had never been rated.
15. Evidence was also given by Mr. Ronan Murphy, Master of Agricultural Science, Technical Director of Hermitage. Mr. Murphy adopted his précis of evidence as his evidence. In passing he noted that there are 20 acres around the site which are used to spread slurry, noting that the planning permission required any domestic residence must be not less than 400 metres from the facility in question because of the odour and noise.
16. Mr. Murphy explained how the boars in question are housed individually in accordance with EU animal welfare legislation. He gave evidence as to the manner in which the boars were individually led in, and were, through the use of a mannequin, prevailed upon to provide (voluntarily) semen. He also gave evidence as to how the semen was then collected and tested.
17. In Mr. Murphy's view the business of Hermitage was known as a pig breeding business. Mr. Murphy also produced a table where he broke down the process of natural insemination and artificial insemination respectively to different constituent parts. He indicated that 90% of the breeding of pigs in Ireland occurs through the process of artificial insemination rather than natural insemination.
18. In his view the pig breeding process being carried out through the medium of artificial insemination involved five different components:

- (a) Housing (the boars are housed in boar pens).
- (b) Collection and processing of semen.
- (c) Insemination (the females are then inseminated in the insemination area of the relevant farm).
- (d) Gestation (the females are moved to the gestation area of the farm).
- (e) Birth (the females are moved to the farrowing area to give birth).

19. In his experience, the act of insemination of these sows took place at a different location to where the act of collection and processing of the semen in question took place. He pointed out that it was obligatory that various elements of the artificial insemination method of pig breeding took place at different areas within the farm or farms. So, in the instant case, the housing of the boars and the collection of the semen from those boars took place in the current property. In his view, it was quite common for the semen to be collected in one area and to be utilised by way of insemination in another area or in another farm altogether. He pointed out that while the thoroughbred industry did not permit artificial insemination, in the sport-horse sector it was extremely common for semen to be collected in one location and a mare to be inseminated at a different location.

20. In his view, the business's aim was to breed and develop female and male lines of animal. Given the preponderance of artificial insemination he believed the collection and distribution of boar semen was an integral component of the pig breeding process in Ireland today.

21. In cross-examination he was referred to the website of the company which referred to Hermitage as a "*Top 10 global pig genetics company*". He agreed that this was part of the business of the company. He confirmed that sows were not kept on the premises, though he indicated that he would be entitled to do so, and had done so on Sion Road. He confirmed that the ejaculate collected was used solely and exclusively for the purposes of inseminating other animals elsewhere in order to propagate further lines of animals. He agreed that steps (c), (d) and (e) in the five-step process outlined by him did not occur in this building. He indicated however that steps (a) and (b) mostly did not occur at the same farm or location as where steps (c), (d) and (e) took place.

The Respondent's Evidence

22. On behalf of the respondent, Mr. Briain Ó'Floinn, District Valuer, gave evidence and adopted his précis of evidence as his evidence.
23. In his view, no breeding took place in the boar-house or the ancillary linked area. The purpose of the boar-house was to produce boar semen for sale in Ireland or abroad. The collection and distribution of animal semen may be part of an animal breeding process, but the actual breeding only took place where the sows were fertilised on another farm. In his view the building could not be said to be "*producing livestock*"; it was simply an A.I. station. Animals were kept only for their genetic merits and the sole purpose of the building was the collection and distribution of semen. In his view, this did not, without more, constitute breeding.
24. In cross-examination he accepted that it did appear a number of animals bred by Hermitage were sold on, either for further breeding or for slaughter. However the larger business was the collection and distribution of semen. He accepted, however, that production of livestock may occur where boars are sold, especially those sold on for slaughter when they are deemed unsuitable for breeding.
25. He accepted that he had not initially included the boar-house as a rateable property because he believed it was a farm building, since animals were contained in it. However, representations were made by Mr. Nolan in relation to the offices. Mr. Ó'Floinn said he warned Mr. Nolan that if representations were made he could end up finding that the boar-house would be included as a rateable rather than non-rateable property. On receipt of submissions from Mr. Nolan, Mr. Ó'Floinn examined the matter more closely, consulted colleagues and gave the matter further thought and ultimately came to the decision that since no breeding was taking place in the boar-house in question, the boar-house should be regarded as rateable.
26. He denied that he had changed his view of the boar-house (and determined that it be regarded as rateable) because he was annoyed at Mr. Nolan having made representations. He agreed that in his initial report he described the premises as being involved in the "*provision of A.I. and breeding services relating to the pig farming*

industry”; this was compiled post his initial inspection in June 2010. However he said this was simply a draft, pre-certification report and was compiled prior to receiving submissions. He denied attempting to conceal the fact that he was both the original valuation officer and the subsequent revision officer and indicated he was simply describing how he had acted in different capacities during the process.

27. He confirmed his view that the “*breeding*” within the meaning of the section occurred on the farms belonging to customers to which the semen is transported where the insemination of the animals in question takes place. The collection and distribution of semen did not constitute breeding. It was put to him that the entire process of breeding of animals does not generally happen on one farm under one roof anyway. In his view, he did not accept that breeding (by which he meant fertilisation, gestation and parturition) doesn’t generally happen under the one roof; in his experience it did. While he accepted that there could be fertilisation of ova “*in vitro*” this was unlikely to be commercially viable.

28. He denied that he was uncomfortable about the merits of his decision as revision officer, involving as it did a change of heart from his initial review of the building. He was unable to comment on the assertion that an “*identical facility in Sion Road had always previously been regarded as relevant property which was not rateable*” and indicated that he did not even know whether there was a boar-house present there or whether the facilities there were truly “*identical*” to the facilities offered on these premises.

29. In reply to the Tribunal he indicated that the sole use of the semen produced was for the insemination of sows.

Submissions

30. Both parties had previously made helpful written submissions. In addition both parties made oral submissions.

The Appellant’s Submissions

31. On behalf of the appellant, Mr. Hickey, SC refers to **Nixon –v- Commissioner of Valuation [1980] IR 340** where it was suggested (by Henchy J) that the words “*farm buildings*” in Section 14 of the Valuation (Ireland) Act, 1852:

“Should be given their ordinary meaning, namely buildings on a farm which are used in connection with the farming operations on the farm.”

32. He referred us also to the decision in the Court of Appeal in **Thompson –v- Milk Marketing Board [1952] 2 QB 817** which concerned the issue of whether or not buildings used for the artificial insemination of cattle were used solely in connection with agricultural operations within the meaning of the English 1928 legislation, relying in particular on the statement of Lord Justice Birkett (at page 823):

“The work of the centre must be considered as a whole when answering the question whether the buildings are used solely in connection with agricultural operations on the land. Nor do I think that, because the insemination of the cows takes place away from the centre, the buildings where the semen is collected are thereby taken outside the scope of Section 2. The produce of a farm is commonly sold away from the farm itself, and the fact that the insemination of the cows takes place on neighbouring farms does not seem to me to be an objection to the centre qualifying for exclusion from the valuation list.”

33. Mr. Hickey submitted that the ordinary meaning of the word “*breeding*” should be utilised by the Tribunal in coming to its decision.

34. He referred also to the Judgment of MacMenamin J in **Nangles Nurseries –v- Commissioner of Valuation [2008] IEHC73** where a Court expressed the view that it was “*a noteworthy feature of this case*” that another nursery operated in a more rural part of Cork had always been accepted as not being rateable. Mr. Hickey suggested that similar consideration should apply here, having regard to the fact that the premises in question (and the previous premises located in Sion Road) had never been treated as rateable, without any explanation at this apparent difference of treatment. Mr. Hickey suggested that the word “*breeding*” should be regarded as a noun describing a process rather than one single act or acts.

35. Mr. Hickey referred us also to the guidelines to be operated in construing the Act in the Nangles Nurseries case by MacMenamin J (at paragraphs 26 to 40 and in particular paragraph 39 thereof). In addition, in his view, if the use of the literal approach led to an absurdity the Tribunal should resort to a schematic or teleological approach. In his submission, it was important to consider the context within which the Act is expected to operate, and also the long title of the Valuation Act, the relevant part of which long title in his view was the part which read “*An Act [...] to make new provision in relation to the categories of properties in respect of which rates may not be made [...]*”

36. Mr. Hickey also referred us to **The Irish Legal System (Fifth Edition) (2009) (Byrne & McCutcheon)** where reference is made to the importance of examining the wider statutory context of an Act where a Court rejects - because of absurdity - the literal interpretation of an Act (see paragraph 14.43 thereof). The same text notes the decision of the Supreme Court in **The Inspector of Taxes –v– Kiernan [1993] 1IR 231** where the Supreme Court notes (Henchy J) that:

“A word or expression in a given statute must be given meaning and scope according its immediate context, in line with the scheme and purpose of the particular statutory pattern as a whole.”

The Respondent’s Submissions

37. On behalf of the respondent, Mr. Dodd, BL submitted there were two issues to be decided:

- (i) Did the activities constitute the “*breeding*” of animals?
- (ii) Did the activities constitute the “*production*” of livestock?

38. Mr. Dodd referred to the decision of the Supreme Court in **Lawlor –v– Flood [1999] 3 IR 107** at 136 where Denham J, as she then was, indicated:

“In applying the ordinary meaning of the words the Court is enforcing the clear intention of the Legislature. This aspect of statutory construction is an

essential part of the separation of powers. Further, it is an illustration of the appropriate respect by one organ of government to another. [...] there is no necessity to step beyond the literal approach. There is no ambiguity. The literal interpretation of the section does not give rise to an absurd or unreasonable interpretation. The purpose of the Legislature is not in doubt.”

39. Mr. Dodd submitted that the meaning of “*breeding*” in the Act was clear from the literal meaning of the words and it was not necessary to go beyond the literal interpretation in the circumstances.
40. Mr. Dodd also referred to the decision of MacMenamin J in **Nangles Nurseries**. He also referred to the construction set out at paragraph 39 of that Judgment. He noted that in that case MacMenamin J indicated as one of the principles of construction that “*Exemptions or relieving provisions are to be interpreted strictly against the ratepayer*”. So far as buildings used for the breeding of animals were exempt by this provision, the provision had to be given strict interpretation against the ratepayer. Likewise, MacMenamin J had suggested that ambiguities in an exemption are to be interpreted against the ratepayer.
41. Both parties agreed that the rateable treatment of A.I. stations was not of relevance and neither party sought to rely on decisions in relation to A.I. stations.
42. Mr. Dodd also referred to **Thompson –v– Milk Marketing Board**. However, in his submission the Thompson and Nixon cases were not of any great assistance since they related to the issue of whether or not the activities concerned could be regarded as being connected with agricultural (or in the Nixon case, farming) operations. Here, however, the issue was more specific and more defined: Did the activities constitute breeding or the production of livestock?
43. Mr. Dodd did draw our attention to extracts of **Eastwood Limited –v– Harrod (Valuation Officer) 1971 AC 160**. In the course of his Opinion, Lord Reid indicated (at page 168):

“I am reinforced in my view that the strong impression that this de-rating was intended to benefit agriculturalists but not those conducting commercial enterprises where the use of agricultural land plays only a small part in the enterprise.”

Lord Reid also noted (at page 169) that:

“The contest developed in the Scottish cases is whether this was really an independent enterprise or was simply an instance of the system of farming the agricultural land. And a similar test could be applied to the rearing of poultry.”

Lord Reid continued (at page 170):

“Generally, breeding and fattening all kinds of livestock are agricultural operations for they are closely connected with the use of land. But it does not follow that breeding and fattening must always be regarded as agricultural operations no matter where or how they are conducted.”

44. Mr. Dodd submitted that the appropriate definition of “*to breed*” was to “*to cause an animal to produce offspring*”. However, no mating of any sort took place in the building in question. In essence, breeding must mean mating; while there may be other procedures which must be undertaken before breeding and mating can take place, if there is no “*mating*” no breeding takes place.
45. Mr. Dodd accepted that the production of animals for sale, whether for further breeding purposes or for slaughter, could constitute the production of livestock within the meaning of the first part of sub-section (b) of Section 3 of the Act. However, the collection and distribution of semen could not be regarded as being the production of livestock. Both parties were agreed, however, that if the activities in the building constituted a combination of the production of livestock and the breeding of animals solely, but no other activity was taking place, the activities would come within the definition under the Act as relevant property which was non-rateable.

46. By way of reply, Mr. Hickey submitted that the interpretation contended for by the Respondent amounted to a new imposition of rates under the Act on an activity that had not previously been rated, and as such any looseness or ambiguity is to be interpreted strictly to prevent the imposition of a liability from being created unfairly by the use of oblique or slack language (see MacMenamin J in **Nangles Nurseries** (paragraph 39)).
47. Mr. Hickey noted that in **McCann –v– O’Cualachain [1986] IR 196**, a relieving provision had been interpreted in favour of the taxpayer where the process of artificially ripening bananas was held to constitute “manufacture” within the meaning of the section in question. In his submission, the interpretation of the concept of “*breeding*” to include the selection and distribution of semen was a far less dramatic leap than the leap performed in **McCann –v– O’Cualachain**.
48. Mr. Hickey also noted that if the Legislature had wished to expressly make rateable this kind of activity it could have done so by listing this kind of building in the list of buildings which would otherwise be regarded as rateable, being expressly excluded from the definition of “*farm buildings*” under Section 3.

The Law

49. There is no previous Determination to which the Tribunal’s attention has been drawn relating to the manner in which sub-section (b) of Section 3 of the Act in relation to the definition of “*farm buildings*” should be interpreted in this context.
50. The definition of breeding provided by Mr. Dodd includes “*cause [an animal] to produce offspring, especially in a controlled and organised way*”. The phrase used without an object has also been defined as meaning “*mate and then produce offspring ...develop for a particular purpose or quality ... rear and train to behave in a particular way or have certain qualities*”. It may be noted that the headings used for the training of bloodstock and other animals are expressly excluded from the definition of farm buildings within the meaning of Section 3 of the Act.
51. The Shorter Oxford English Dictionary lists a variety of definitions including (as a transitive verb) “*bring (offspring) forward from conception to birth ... give rise to; be*

the source of; ingender, develop; produce” and as an intransitive verb, “Of an animal species; produce young, reproduce ... come into being or existence; be produced; arise, originate”.

52. Having regard to the helpful evidence given in particular by Mr. Ronan Murphy, the Technical Director of Hermitage, it seems to us the suggestion that the process of pig breeding using artificial insemination can be broken down into five separate component parts is an indication of the level of sophistication with which the breeding of animals in modern context occurs today. The unchallenged evidence of Mr. Murphy was that 90% of the breeding of pigs today takes place through the process of artificial insemination rather than by natural insemination.
53. It may also be noted that the evidence of Mr. Ó’Floinn was that the sole and exclusive use of the semen collected and distributed at the facility was for the insemination of sows. Aside from the fact that elements of the semen collected and distributed are evaluated and tested, it seems to us that the activity in question under consideration (being the collection and distribution of semen) takes place solely and exclusively for the purpose of breeding and for no other purpose.
54. On behalf of the respondent, however, it is suggested that this is not sufficient. The buildings in question must be used for the breeding of animals, i.e. the actual “mating” between the animals in question must take place on the premises in question. Having regard, however, to the evidence of Mr. Murphy, it seems to us that the definition of “breeding” as simply constituting the mating of animals (and the subsequent gestation and parturition) is restrictive (and artificially so, if one may use an apposite phrase in this context). The process of breeding animals in a modern setting is a complex, multidimensional process. Given the prevalence of artificial insemination as a method of pig breeding, the collection and distribution of semen is but one component of the process of breeding. In truth it is hard to see how artificial insemination could take place, unless semen were first collected and then later used for insemination.
55. It seems to us irrelevant that the act of insemination takes place at a different time or a different location to the act of collection and distribution of the semen in question. In

one sense this is an inevitable consequence of the use of the methodology of artificial insemination as a breeding process.

56. We note the warnings given by Counsel for the respondent in respect of reliance on cases such as **Nixon, Thompson** and **Eastwood**. However, the fact that the semen collected in these premises is used on other premises for insemination does not of itself mean that the collection of semen is not part of the breeding process. One may also consider the issue from a slightly different angle by posing the rhetorical question: *“If the activity (of collection and distribution of semen) carried out in the building is not used for the breeding of bloodstock, what is it used for?”*

57. In our view, therefore, the buildings in question are used for the collection and onward distribution of semen for artificial insemination. The word “*breeding*” in the context (as here) of the methodology of artificial insemination includes, as part of the process of breeding, the collection of semen. We believe this is so in the ordinary meaning of the words in its statutory context, but it is also true of the meaning of the word in the particular context of pig breeding utilising the methodology of artificial insemination having regard to the evidence of Mr. Murphy. It may be observed in passing that to define the concept of “*breeding*” as including the collection of semen, is certainly a less flexible “extension” of the definition, than, say to define as “*manufacturing*” the artificial ripening of bananas in **McCann –v– O’Cualachain**.

58. In **McCann –v– O’Cualachain** the Supreme Court urged that it was insufficient simply to ask whether an ordinary person would attribute the word “*manufacture*” to the ripening process; one must ensure that the ordinary person, as so contemplated, is one adequately informed as to, *inter alia*, the scheme and purpose of the statute. McCarthy J indicated:

“The scheme and purpose of the relevant part of the statute appeared to me to be the very context within which the word is used and the requirements of which must be examined in order to construe it.”

59. In his view the manifest purpose of Part IV of the Act of 1976 was:

“By tax incentives, to encourage the creation of employment within the State and the promotion of exports – naturally outside the State – objectives of proper, social and economic kind which the State would be bound to encourage.”

60. In the instant case it seems to us that the Act of 2001 was an Act not simply to impose rates on properties; it was also an Act to make “*new provision*” in relation to categories of properties in respect of which rates may not be made. In exempting the process of breeding of livestock from rates, it seems to us the Legislature made a clear, conscious and deliberate decision to exempt all components of the breeding process rather than to exclude simply certain parts thereof. In our view, it would do violence to the intention of the Legislature apparent in the Act (and in particular in the section in question) as well as to the wording of the section itself if we were to hold that the exemption of rates in respect of breeding applied only to certain parts of the breeding process. We find that the process of breeding through artificial insemination necessarily includes as a component part the collection of semen for which this property is undoubtedly used.
61. In summary, therefore, we are of the view that insofar as the property is used for the collection and distribution of semen which occurs solely for the purposes of insemination as part of the breeding process, the buildings in question are relevant property not rateable within the meaning of the Act.
62. We note also the parties appear to have agreed that insofar as the remainder of the activities carried out on the premises, being the rearing for sale for further breeding or slaughter of animals, this constitutes the production of livestock, and so this latter activity likewise comes within the meaning of sub-section (b). Accordingly, insofar as the property in question is used for the purposes of producing animals which are sold on for further breeding or for slaughter the property is used for the production of livestock and is likewise a relevant property not rateable within the meaning of the section in question.
63. We note in passing the parties did not seek to distinguish in their submissions between the manner in which the boar-house and the link building should be treated, on the

one hand, and the ancillary offices and staffing facilities used to administer the activity in question. It seems to us that the adjoining offices of what may be termed “*administrative spaces*” are a necessary and inescapable adjunct to the activity in question and would properly be regarded as being part of the buildings in this context. However, it is conceivable (given that we were not expressly addressed on the issue) that the respondent would wish to maintain that the offices and administrative areas should still be separately rated, notwithstanding the non-rateability of the boar-house and linked area.

64. In coming to our conclusion, therefore, our understanding is that the parties are agreed that the entirety of the premises, including the office building, are to be treated the same, but in deference to the possibility that this was not the agreed position of the party we will give liberty to the parties to apply in respect of this aspect of the Determination, particularly if the respondent should wish to do so.

Determination

65. And the Tribunal finds that the property the subject matter of this application, being the boar-house, feed stiles, link building, offices and car park of Hermitage Pedigree Pigs Limited of Whitesland, Callan, Co. Kilkenny are “*farm buildings*” within the meaning of Section 3 of the Valuation Act, 2001 and accordingly are relevant property not-rateable within the meaning of Schedule 4 of that Act.

And the Tribunal so determines.