

Macra na Feirme Response to Food Vision Dairy Group Interim Report

The main feedback that encompasses the entirety of the response from Macra na Feirme to the Interim report centers around the need for a greater focus on generational renewal and creating real pathways for the transition from one generation to the next. The actions that arise from the report must also be based on science and have a grounding that allows for science to prevail while also allowing time for farmers to transition from certain long-established practices to new more modern alternatives.

At the core of the report, a greater focus is needed on the support that needs to be provided for the transition. That encompasses knowledge, and education but there also needs to be a clear ask and demonstration that substantial financial support will be needed along with industry buy in to achieve the necessary objectives.

In the introductory pages of the report, there needs to be a heightened focus on the economic importance that the Dairy sector plays both in terms of farmers, farmworkers and those working in the industry along with a focus on the economic benefit to rural Ireland and the businesses that are dependent on the long term sustainability and growth of the sector.

In the initial sections of the document, it outlines that one of the “Goals of the Food Vision Dairy Group”, is that it must take into account the requirement for the dairy sector to contribute towards the achievement of legally binding targets set for the agriculture and land-use sector in the Climate Action Plan 2021.” The Food Vision 2030 Strategy under which this group was established did not outline this as a requirement for the group nor did it state it in the final report published last year, as this reference is inaccurate and should be removed.

Just as the report highlights recent changes in legally binding climate targets in Ireland there also needs to be a greater focus on the impact of The War in Ukraine on food security and food production. With trends from across the EU showing a slowing in milk production and indeed beef production any curtailment in production in Ireland is unjustified and also places a further risk to food security at an EU level but also in the context of the global situation of food security.

On page 6 there is a reference to the capital investment made by the Processing Industry of €1.5bn over the past number of years. It needs to be highlighted that the Co-op nature of our processing industry that has farmer funds used to develop and grow processing capacity which in some instances members are still repaying for. It is also necessary to highlight the on-farm investment by farmers over the past decade in response to quota removals and also to the policy environment that prevailed. With the average Dairy farm debt around €100,000, this needs to be focused on and shown to demonstrate the investment that has been made by Dairy Farmers. It is also necessary to highlight that access to processing facilities for new entrants has been curtailed in recent years by several Co-ops and that there is a need for greater capacity to allow new young people into the sector.

There is also a reference on page 6 to processing capacity at peak times. It should be noted here that some processors have adjusted their peak milk management policies in recent weeks in response to lower milk intakes in the first quarter of 2022. It must also be stated that the building of the additional facility in Belview by Glanbia will add to capacity in the coming years along with improvements in processing facilities in general. There also needs to be the inclusion that there are no legal barriers to the construction of additional facilities to process milk. The ruling by the Supreme in February this year which Mr Justice Hogan highlighted the significant importance of the dairy sector and also

pointed to the Macro Economics of increasing demand for milk-based products globally as a factor in consideration.

The essence of the section mentioned would suggest that the group wants to push milk away from the peak months to the shoulders of the year. This is against all our market distinction points, our grass-based production would give farmers to less profitable and in the context of this group's work less environmentally friendly systems of milk production.

The final part to reinforce is the economic impact of the recommendations at an individual farm level. The economic impact assessment of the entire suite of proposals needs to be conducted to ascertain the effect of competitiveness of our dairy farms but also to indicate the necessary level of support that will be needed financially to assist the transition. This will need to be conducted prior to the implementation of the recommendations.

As has been highlighted by Macra na Feirme since the outset there needs to be cross-sectoral support for the proposals put forward. Livestock farmers and indeed tillage farmers must be represented and provide agreement before any recommendation is agreed upon that affects the entirety or cross-sectoral farming unit.

Finally, the economic return from the Dairy Sector over the past decade has provided an inviting proposition for many young people in the sector. The current uncertainty and daily changing position of some of our Co-ops along with the work of this group are proving difficult for young people to plan a future in the sector. There needs to be unanimous support across all stakeholders that young people entering the sector and growing within the sector will be facilitated and supported. The barriers that exist currently must be removed by the cross-sectoral effort that facilitates generational renewal not just on dairy farms but across all farming enterprises.

Macra na Feirme Feedback on recommendations

1. Consider Voluntary Retirement/Exit Scheme

Discussed at the fourth meeting of the Food Vision Dairy Group, a presentation on how a Voluntary Retirement Scheme may work; with an accompanying reduction scheme for farmers who wish to scale back activity proposed.

Response

The suggestion that the land that becomes available would not be used for breeding females does not under any circumstance allow for generational renewal and Macra na Feirme are opposed to the inclusion of this. The land that becomes available should be a priority be made available for young trained farmers regardless of their enterprise should the landowner want to lease or sell the land. Limiting the land to certain uses only further inflates a land market that young farmers cannot compete in and will reduce the value of the retired land should it be sold as some enterprises will not be able to compete for its purchase. The land that becomes available must be allocated to young farmers as a priority group regardless of their enterprise.

This scheme as is outlined is in essence a cow retirement scheme which is a quota/restriction on milk production by any other name. At no point during the process to date have Macra na Feirme agreed to any such imposition of quotas or restrictions.

Macra na Feirme has for many years called for a substantial retirement scheme that supports both the older farmer and the younger farmer. Submissions have been previously made to The Department of Agriculture on the design of such a scheme. The important aspects of any scheme are

1. Financial support for the older farmer and the freedom to express an interest in farming.
2. The land is farmed by a young farmer regardless of the enterprise.

The mention of diversification as an alternative also needs further explanation. Diversification is a loose term that is mentioned in political circles quite regularly with no substance to support such claims. Organics have long been proposed as an alternative to diversifying. This spring and last spring large amounts of organic lambs were sold at conventional prices, while also in France the organic demand from consumers shrank over the past number of months.

2. Explore the potential of the Cap-and-Trade methane-focused emissions model DAFM introduced three emissions mitigation policy options for the dairy sector at the third meeting of the Food Vision Dairy Group:

- (i) Cap and Trade: set an overall cap on methane emissions, assign methane or production rights, and allow dairy and beef farmers to trade their rights within an overall cap.
 - (ii) cow number constraint on production
 - (iii) milk-volume constraint on production
- While cow-number and milk volume constraints have been rejected as options by Group stakeholders, the Cap-and-Trade model was acknowledged as a least-worse option, should restrictions be needed and that it merited further consideration.

Response

Macra na Feirme is not in favour of any curtailments to the natural growth of the Irish Dairy sector. The proposal above deals with a worst-case scenario should a system need to be introduced. It is worth noting that in other counties that have investigated Cap and Trade the farming population has rejected such a proposal as unworkable at the farm level. The scientific framework does not currently exist to accurately reflect the work being carried out at the farm level. There is also a substantial gap in our understanding of the ability of soils for carbon sequestration along with natural features contained across all Irish farms.

There is also the need for other sectors to be involved in such a proposal and as such the Food vision Dairy Group would need the support of other sectors before this could be progressed as a recommendation.

3. Explore the possibility of monitoring carbon production at the individual farm level with a view to future carbon farming options

Response

Macra na Feirme agrees that a more accurate reflection of the carbon production and sequestration at the farm level is required. Production cannot be taken in isolation as sequestration must also be accounted for. It is also necessary that the latest science and research are reflected in the calculations. We are aware of the research being conducted by Teagasc that shows the current calculation for emissions from mineral soils is over calculated.

We must also be careful that credits that are created by farmers remain attributed to Agriculture and do not leak to other sectors. The farms that are conducting the action must be rewarded for their effort and the inventory must reflect the action.

The resources necessary for the creation of such a system also need to be mentioned and calculated. What is the cost going to be and who bears the additional costs and where does the labour come from to establish and run such a system?

4. Reduce chemical N use in the dairy sector by 35% in the short term

(Reduction from approximately 200k tonnes current usage to 130k tonnes)

Response

Macra na Feirme welcomes to ambition to reduce the reliance on chemical fertiliser and any move the reduce this dependence is welcome. However, the required actions by farmers to meet such a proposal must not be at the expense of grass grown on the farm. We cannot end up in a situation where we put at risk our competitive advantage at an international level by becoming more reliant on imported feed. We must be in a position to grow in excess of 14Tonnes of grass across perennial ryegrass swards. The research conducted by Teagasc on-farm profitability around reduced N application on Dairy farms must also be considered. It showed that a 10% reduction of applied chemical N reduced farm profitability by 5%.

The ongoing work on signpost farms around fertiliser use must be proven prior to any greater rollout across farms. The impact of reduced spreading of growth rates and at what times of the year need to be established first. With the inclusion of higher rates of clover, we are in full support. However greater knowledge transfer is needed on sowing, emergence management, grazing management and fertiliser application is needed across all farmers if the practice is to be adopted. There also needs to be consideration given to land type as heavier soils are more prone to poaching and therefore less suitable for certain varieties of clover inclusion.

The research on Multispecies swards is developing and time must be given to allow it to materialise. The on the ground reports from farmers highlights concerns over certain plants in the sward and their persistency over many grazing seasons. Once again the issue of poaching on soils becomes an issue with Multispecies swards as they are less resilient than ryegrass swards. What could happen should clover and multi-species swards become dominant is that farmers will have little opportunity to graze along grazing season either through lower growth rates at the shoulder of the year or unsuitable ground conditions. More research is required before full adoption.

5. Achieve an 80% replacement rate of CAN with Protected Urea by the end of 2025 for grass based dairy production systems

(If total N usage in the dairy sector is targeted to be 130k tonnes by end of 2025, approximately 100k tonnes of this projected total should be applied in form of a protected area)

Response

Macra na Feirme supports the above proposal. There are enabling factors that need to be further highlighted and considered. The cost implications for farmers of the initial purchase of protected areas can be and have been an issue, particularly on smaller dairy and dry stock farms. The availability of protected urea remains the main issue. This spring demand outstripped supply and some farmers wanted to protect urea but were unable to source it. Macra na Feirme also want to see protected P being included as a nutrient fertiliser that should be available in the protected format more widely on the market. Industry must play a role in supplying the products to support the transition.

6. Slurry amendments (acidification) - ensure 100% adoption of slurry additives by the end of 2025

Response

Macra na Feirme supports broadly the recommendation. There are however some enabling factors that must be considered. The first barrier will be costs to farmers and the perceived or actual benefit to the slurry when applied to soils. The second that may become an issue is the application or incorporation method of the product. The research also needs to be conducted on the impact that the

acidification agent has on the soil biome and pH when applied. We cannot result in a product that is beneficial from a carbon point of view but disrupts the soil biome and the soil pH. Finally, the palatability of the crops harvested or the grass-grown after application needs to be researched. As cows and cattle are selective grazers they will not eat the crop/grass if it is unpalatable.

7. Development of methane-mitigating feed technologies

Discussed in detail at the additional online meeting of the Food Vision Dairy Group.

Response

Macra na Feirme supports the recommendation. The research on a pasture-based system needs to be confirmed and any possible effect on milk established. There also needs to be an accelerated effort made to establish the research in the inventory so that it can more accurately reflect the real-life situation on Irish Dairy Farms. The outstanding question of funding also needs to be addressed, if the costs of such an additive are prohibitive then the adoption by farmers will not occur. Financial support for adoption may be required.

8. Development of Breeding Strategies

Discussed in detail at the additional online meeting of the Food Vision Dairy Group. There are two separate breeding strategies;

- (i) Continued selection on EBI, albeit with additional emphasis on carbon-related traits such as female fertility and
- (ii) selection of new traits within the EBI, such as the direct measurement of methane and/or earlier age at slaughter. Strategy 1 can be considered an enabling factor and more short term. Strategy 2 can be considered as having a direct impact and is medium to longer term.

Response

Macra na Feirme supports greater collaboration between all stakeholders concerned when it comes to breeding strategies. The concerns surround the potential narrowing of the genetic pool from which bulls are selected based on a single trait should too high a weighting be placed on the emissions calculation. We have seen in recent years the genetic variation of some of our top bull teams become quite narrow as a result of intensive selection for specific attributes.

The use of sexed semen provides an opportunity for the sector and should be embraced. For many years Macra na Feirme has called for greater funding and the establishment of our own self sufficient facilities. The demand for sexed semen this spring has outstripped supply in many cases with the top bulls. This once more highlights the need for the industry to play its role in meeting the demand and supporting the change that is already occurring across farms.

There are also countless benefits to a full genotyping of the National herd. It will differentiate us in international markets and also provide substantial information for both farmers and industry alike. An appropriate funding model must be established to facilitate this and as ICBF has highlighted is not hugely costly for the State but has huge benefits.

9. Common policy on milk intake from new entrants

Response

Macra na Feirme has highlighted its concerns around the provision of opportunities for young people to enter the sector. A common milk policy across all processors is a loose term that lacks clarity for farmers. What is the definition of a common milk policy and how would it be implemented given that there are processors which are Co-op owned and controlled and run by farmer members?

Any policy must allow for young people to enter the sector and grow within it. This is young people coming home to farm on their family farm, entering into a partnership, leasing land or taking on a farm

with the support of an existing established farmer as has been the case for many farmers and none more so that this year FBD Macra na Feirme Young Farmer of The Year winner Owen Ashton.

What is needed is a common policy on new entrants and young people entering and growing within the sector. That must encompass processors and state agencies also. If we are serious about having more young people actively farming these are the measures that are required.