



What happens when
governments take charge of
dairy's future ?

A grass roots Irish / EU
perspective



Agenda

1. Intro Facts: Australia -v- Ireland
2. Policy: How EU CAP Policy works
3. Government Policy (Good): Irish Dairy Industry Expansion
4. Government Policy (Challenging): EU CAP Reform 2023 – 2027
5. Take Home Messages



Intro



Australia - Ireland / EU



Country Comparison

| | Ireland | Australia | EU 27 |
|------------------------------------|---------|-----------|---------|
| Population (no) | 5.0 m | 26.6 m | 448.4 m |
| Area - Land (km2) | 6.8 m | 768 m | 423 m |
| Population Density (no/km2) | 69 | 3 | 117 |
| GDP (€Aus) | 902 bn | 1.3 tn | 29.7 tn |
| Unemployment Rate (%) | 6.7 | 5.6 | 6.0 |



Agri Comparison

| | Ireland | Australia |
|--|--------------------|-------------------|
| Total Farmers (no) | 140,000 /100,000 m | 135,000 /87,800 m |
| Agri Land % (%) | 66.1 % | 52.9 % |
| Forestry - Land (%) | 10.9 % | 16.2 % |
| Livestock Dairy & Beef (no) | 7.4 m | 28.8 m |



Dairy Comparison

| | Ireland | Australia |
|-----------------------------|---------|-----------|
| Dairy Farmers (no) | 18,000 | 5,213 |
| Herd Size (no of cows) | 84 | 276 |
| Milk Production (litres) | 8.8 bn | 8.2 bn |
| Cows (no) | 1.51 m | 1.44 m |
| Milk Yield per Cow (litres) | 5,629 | 5,665 |



2. How EU CAP Policy works

1. European Union 27
2. Common Agricultural Policy (CAP) 2023 -2027
3. EU Directives
4. National legislation
5. Policed by penalties on EU payments



What happens when governments take charge of dairy's future ?



What's coming at us and what are we going to do about it?

3. Government Policy - Good Example

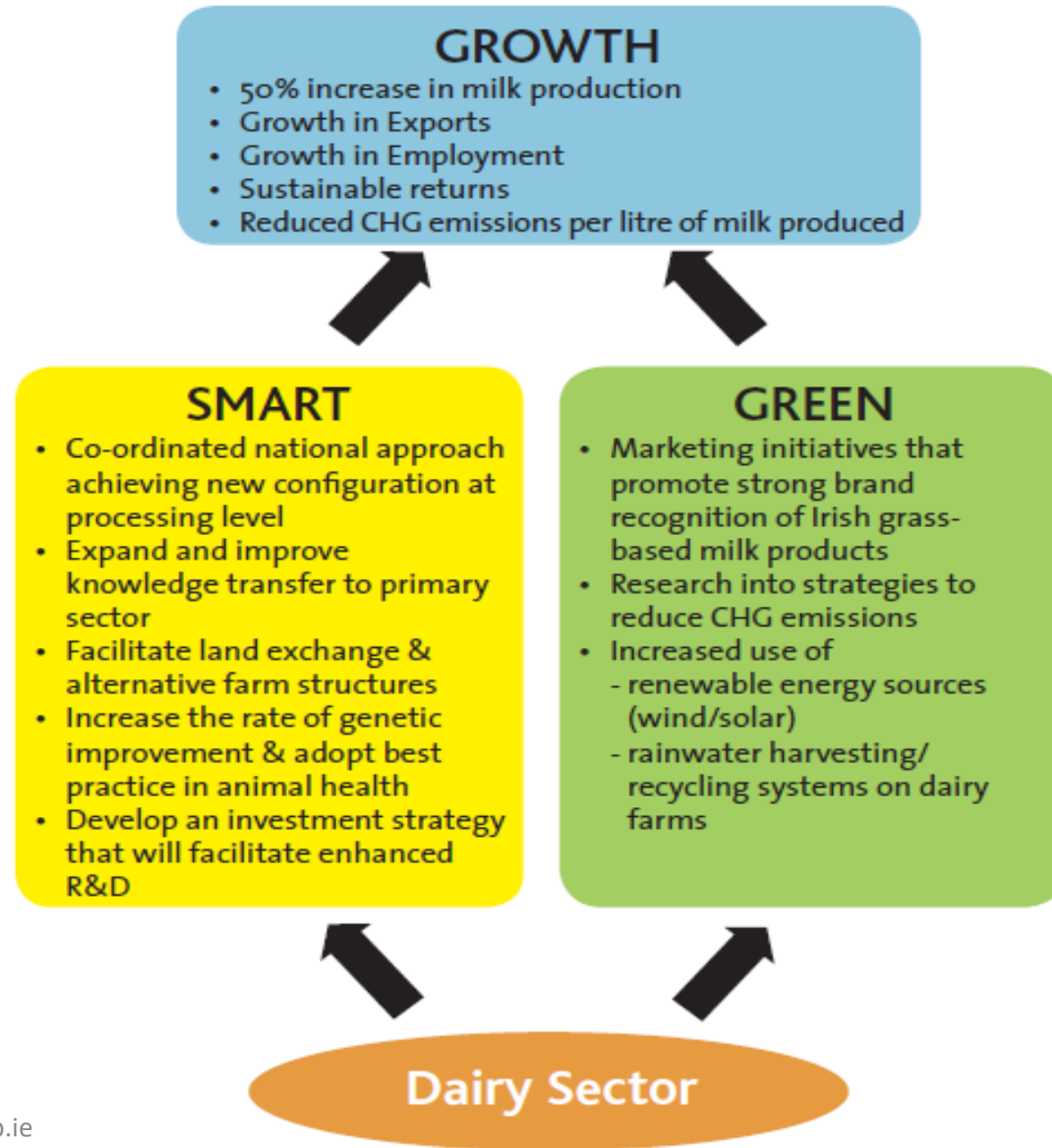
Irish Dairy Industry Planned Expansion 2011 – 2020



Contents

FOOD HARVEST 2020

| | | |
|-----------|---|-----------|
| 1. | Vision & Targets | 2 |
| 2. | National and International Context | 10 |
| 2.1 | Overview | 11 |
| 2.2 | National Fiscal and Economic Context | 12 |
| 2.3 | World and EU Commodity Markets to 2020 | 12 |
| 2.4 | EU Policy Framework to 2020 | 13 |
| 3. | Growth and Competitiveness | 14 |
| 3.1 | Overview | 15 |
| 3.2 | Farm Level Competitiveness and Growth | 18 |
| 3.3 | Industry Level Growth and Competitiveness | 20 |
| 3.4 | Environmental Sustainability | 22 |
| 3.5 | Customer & Consumer Focus | 29 |
| 3.6 | Value-Added Food and Beverage Sector | 33 |
| 4. | Recommendations by Specific Sector | 36 |
| 4.1 | Beef | 37 |
| 4.2 | Dairy | 41 |
| 4.3 | Sheep | 44 |
| 4.4 | Horticulture | 45 |
| 4.5 | Organic Production | 47 |
| 4.6 | Pigmeat | 48 |
| 4.7 | Cereals | 50 |
| 4.8 | Poultry | 50 |
| 4.9 | Seafood | 52 |
| 4.10 | Forestry & Bio Energy Crops | 54 |



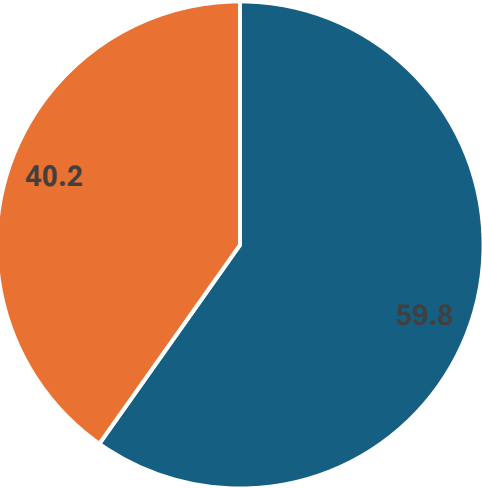
Dairy Industry Growth

| Year | Milk Production (million l) | Cow Numbers (million) | Milk Yield/cow (l) | Fat % | Protein % |
|-------------|---------------------------------|--------------------------|--------------------|-------------|-------------|
| 1984 | 5,422 | 1.549 | 3,811 | 3.51 | 3.27 |
| 2007/09 | 4,932 | 1.005 | 4,469 | 3.81 | 3.33 |
| 2014 | 5,651 | 1.192 | 4,740 | 3.99 | 3.43 |
| 2016 | 6,700 | 1.350 | 5,037 | 4.09 | 3.45 |
| 2020 | 8,293 | 1.511 | 5,485 | 4.20 | 3.55 |
| 2021 | 8,763 | 1.555 | 5,636 | 4.23 | 3.55 |
| 2022 | 8,830 | 1.569 | 5,629 | 4.27 | 3.55 |



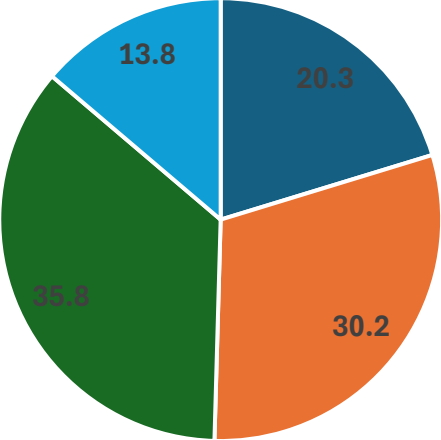
Growth Drivers

Cow No. Increase



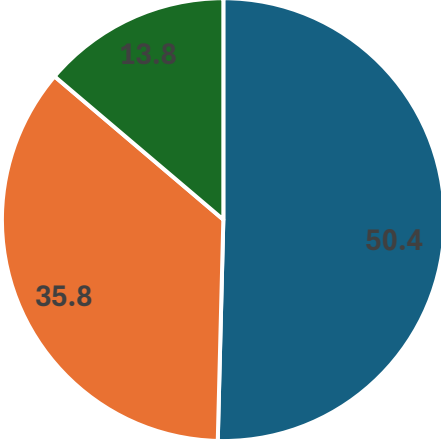
■ SR ■ New Land

Overall Milk Solids Increase



■ SR ■ New Land
■ Increased Milk Volume ■ Increased Fat & Protein %

MS Increase

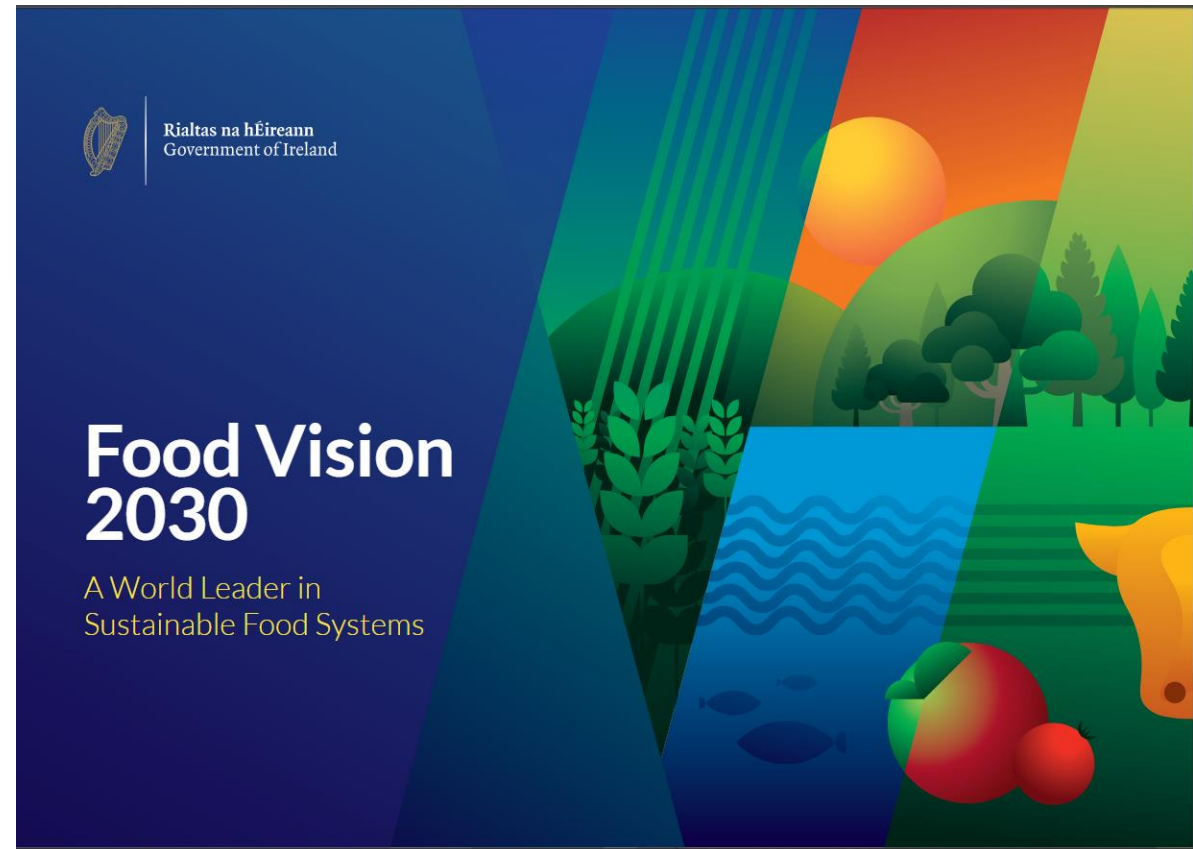
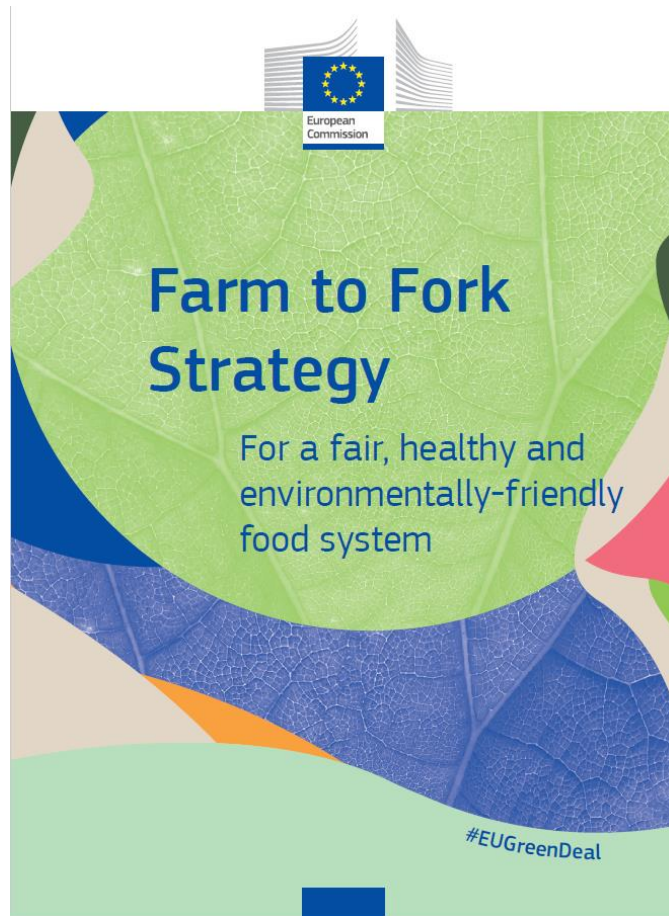


■ Increase Cow Numbers ■ Increased Milk Volume
■ Increased Fat & Protein %



4. Government Policy - Challenging Example

EU CAP Reform 2023 - 2027



To realise this Vision, the Strategy has adopted four high level Missions for the agri-food sector to work towards in the period to 2030.





40,000 farmers on tractors block Berlin in protest at new agricultural policy

By Florence Schulz | Euractiv.de | translated by Daniel Eck ⌚ Est. 5min

📅 27 Nov 2019



Co-funded by the European Union

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The measures, which include an action programme for the better protection of insects and additional restrictions on animal and plant protection products, are an unacceptable burden for German agriculture, according to protesters. EPA-EFE/OMER MESSINGER [EPA-EFE/OMER MESSINGER]



The long read

Nitrogen wars: the Dutch farmers' revolt that turned a nation upside-down

📷 Farmers protest against nitrogen policy rules in Bilthoven in the Netherlands in October 2019. Photograph: Robin van Lonkhuijsen/ANP/AFP/Getty



What's coming down the track . . .

- | | |
|------------------------------------|---------------------------------|
| 1. Water Quality: | Nitrates Directive & Derogation |
| 2. Biodiversity: | BISS Application - ECO Scheme |
| 3. GHG Emissions Reduction: | MACC – Carbon Plans |
| 4. Animal Welfare: | Live export ban? |



1. Water Quality - Nitrates Directive & Derogation

- EU Nitrates Directive (91/676/EEC) - Stocking Density of 170 kg of N/ha (2.0 cows/ha)
- Derogation to farm at a higher stocking rate - 250 kg of N/ha (2.9 cows/ha)
- Present derogation (2022 to 2025) - 220 kg of N/ha (2.1 – 2.75 cows/ha)

What happens from 1st of January 2026 ?



Example Farmer:

300 cows + 70 Replacement Units on 152 ha (2.4 lu/ha)

248 Kg N / ha

| | No | Kg N / head | Kg N | LU |
|--------------------|-----|-------------|--------|-----|
| Cows | 300 | 106 | 31,800 | 300 |
| R1 (0-1 year olds) | 70 | 57 | 3,990 | 28 |
| R2 (0-1 year olds) | 70 | 24 | 1,680 | 42 |
| Bulls | 5 | 65 | 325 | 5 |
| Totals | 445 | | 37,795 | 375 |



Example Farmer:

Nitrates Compliance Options:
300 cows + 70 replacement Units on 152 ha

| | Changes to meet Stocking Rate | | |
|-----------|-------------------------------|--------|-----|
| | | | |
| Kg N / ha | 170 | 220 | 250 |
| Cows | -114 | -42 | 2 |
| Hectares | 71 | 20 | -1 |
| m³ slurry | -4,999 | -1,837 | 61 |



2. Biodiversity - New EU CAP Payment requirements

- EU CAP Reform 2023 – 2027 change of emphasis
- BISS - ECO - CRISS

‘Increased expenditure, time and effort required to drawdown payments’



What is the Eco-Scheme?



Agri-Environmental Scheme that rewards farmers for undertaking actions that are beneficial to **climate, biodiversity, water quality** and the **environment**.



Eco-Scheme – Agricultural Practices



AP1

Space for Nature

AP2

Extensive Livestock
Production

AP3

Limiting Chemical Nitrogen
Usage

AP4

Planting Native Trees and
Hedgerows

AP5

Use of GPS Controlled
fertiliser Spreaders/Sprayers

AP6

Soil Sampling and
Appropriate Liming

AP7

Planting of a Break Crop

AP8

Sowing of a Multi Species
Sward

- 8 AP's - Farmers are required to select and complete 2 APs annually.
- Three enhanced options AP1, AP2 and AP4, can count as 2 actions where obligation is met.
- Criteria for each Agricultural Practice is set out in the Eco-Scheme section of the BISS Terms and Conditions.



Agricultural Practice 1



Space for Nature (Non-productive areas and landscape features) – 7% Standard / 10% Enhanced

- *Farmers who devote at least 7% (standard) of Eligible Hectares to Space for Nature – Meets 1 Eco-Scheme action.*
- **Enhanced Option (Counts as 2 practices):** *Farmers who devote at least 10% of their area to Space for Nature.*
- **By selecting this option Farmers/advisors are confirming that their AP1 estimate is accurate and the features exist on the ground.**

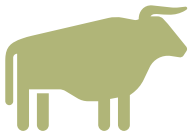
Eco-Scheme Space for Nature Feature/ crop types.

| | |
|--------------------|------------------------|
| Copse | Habitat |
| Designated Habitat | Natura - Scrub |
| Fallow | Scrub/Rock |
| Habitat | Rock |
| Orchard | ASSAP - Riparian Zone |
| Scrub | Pond |
| Wild Bird Cover | Hedge |
| Woodland | Drain |
| Stone Walls | Margin/Buffer (Arable) |
| Trees | |

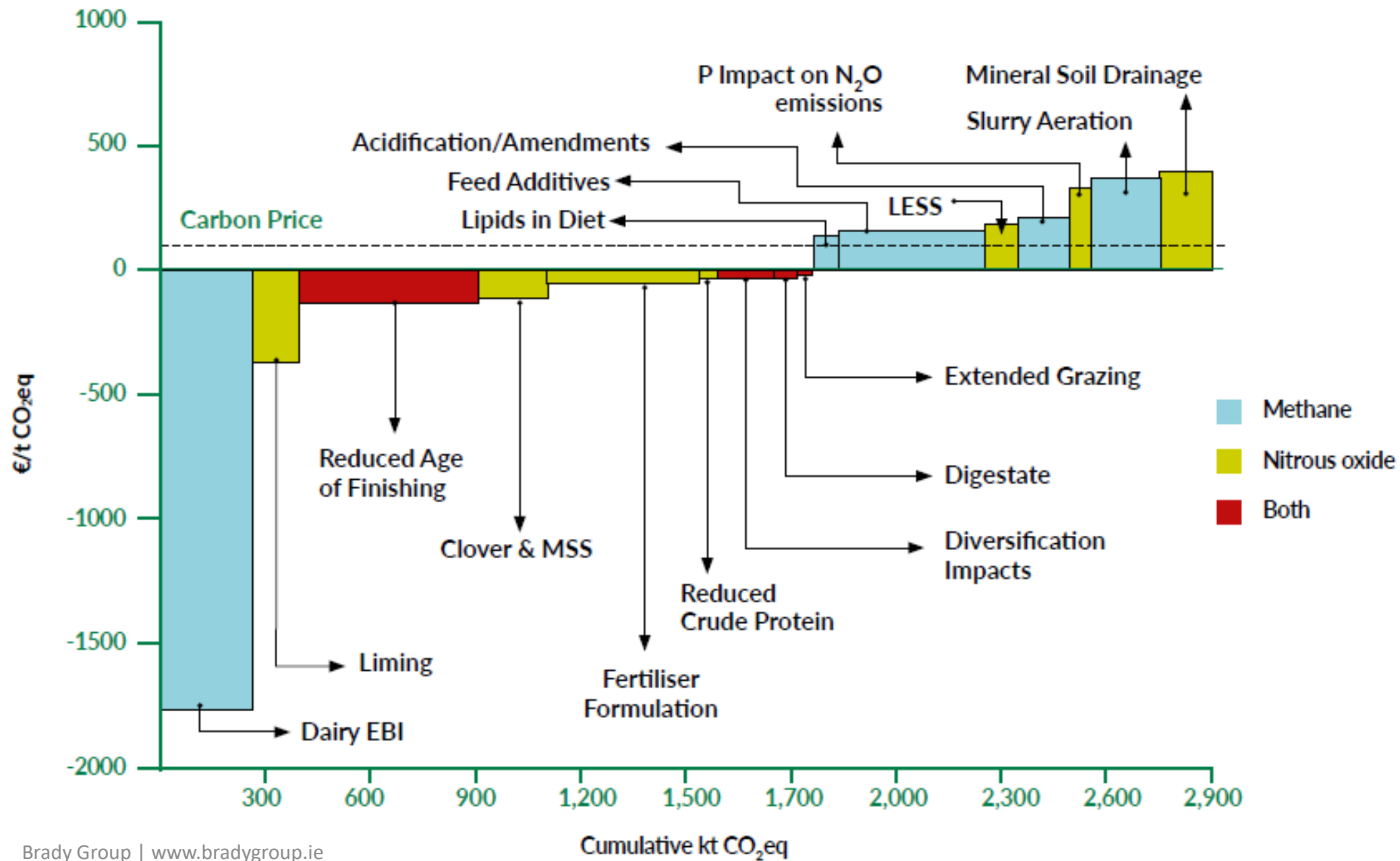


3. GHG Emissions Reduction

- 40% of Irelands GHG emissions are from Agriculture.
- National targets of 25 % GHG reduction by 2030 & Carbon neutral by 2050.
- Marginal Abatement Cost Curve (MACC).



‘ Carbon Plans will be as common as financial accounts in all dairy farm businesses ’.



4. Animal Welfare

- End to live shipping.
- Calf welfare improvements.



‘Society demands that Animal welfare standards must continue to improve’.

5. Take Home Messages

- A government backed 'dairy industry plan' with buy in from all stakeholders, is a good template to follow at state or federal government level for the Australian Dairy Industry.
- Decide whether you are an Early Adopter, in the Majority or a Laggard when considering the water quality, GHG emissions, biodiversity and animal welfare on your farm.
- Farm Businesses with robust Carbon and Agri Environmental Plans in place will be more resilient into the future – it is a barrier for new entrants to dairy.





Thank you.

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