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## The Irish Dairy sector – a good news story

There are 17,000 dairy farmers in Ireland who are supporting c40,000 indirect jobs in the industry across processing, haulage, sales and services<sup>1</sup>

This employment is in areas throughout the country where employment prospects are limited and purchasing power is lower. In Ireland, those living in rural areas have, on average, half the purchasing power of those in urban areas<sup>2</sup>.

1 Teagasc, Dairy in the Irish Economy: <https://www.teagasc.ie/media/website/publications/2019/Dairy-in-the-Irish-economy.pdf>

2 EU Commission: [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key\\_policies/documents/cap-strategic-plans-c2020-846-swd-ie\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/cap-strategic-plans-c2020-846-swd-ie_en.pdf)

- Since 2015, over €2.2bn was invested by dairy farmers on their farms along with over €1.3bn invested by milk processors in the sector. This investment has had knock-on benefits to the broader economy. Crucially, for every €1 of dairy product exported, 90c is spent within the Irish economy. In contrast, 10c per euro exported by the multinational sector is reinvested in the Irish economy. In 2020, dairy exports amounted to €5.2bn<sup>3</sup>.
- While milk production has expanded in Ireland, family farms remain at the heart of the industry. Today, Ireland's average herd size of just over 80 cows<sup>4</sup>. This is much lower than other major milk-producing countries such as the United States (273 cows) and New Zealand (435 cows).
- In 1983, prior to the introduction of milk quotas, the number of dairy cows in Ireland was c. 1.6m. Today the national dairy herd stands at 1.57m, lower than levels of the early 1980's<sup>5</sup>.
- The average dairy farmer with farm borrowings has farm debt of €117,039<sup>6</sup> – more than double the national average – these farmers need to be allowed to maximise efficiency on their farms to meet their financial commitments.
- Regarding water quality, Ireland is the only EU member state with 0% of groundwater stations reporting a nitrates concentration 50mg/l. The EU average stands at 13.3%<sup>7</sup>.
- Irish dairy farmers are actively engaged in measures to maintain water quality through programmes such as the Agricultural Sustainability Support and Advisory Programme (ASSAP)<sup>8</sup> which is tasked with improving the water quality of 390 catchments through diagnostic measures and prescriptive actions.
- Irish dairy farmers have also been early adopters of new technologies to reduce greenhouse gas emissions such as Low Emissions Slurry Spreading and Protected Urea use<sup>9</sup>.
- The carbon footprint of Irish milk has dropped by 7% since 2013<sup>10</sup>. Our grass-based milk production system makes us one of the most carbon-efficient countries in the world to produce milk.
- It is now accepted in many quarters that methane emissions from the dairy sector, which are biogenic in nature, merit differentiated treatment with regard to climate change. The Climate Action & Low Carbon Development (Amendment) Bill 2021 recognises the distinct characteristics of biogenic methane; this as a result of strong engagement in the issue by the IFA.
- The proposed Glanbia/Royal A-ware cheese plant will allow dairy farm families across Rural Ireland to develop their business in a sustainable manner. Preventing its development will not materially reduce dairy cow numbers; instead, it will put many farm families in financial jeopardy.
- The proposed cheese plant will generate 500 construction jobs in the economically vulnerable South East along with supporting 80 full-time roles following its completion.

3 Bord Bia Performance and Prospects Reports: <https://www.bordbia.ie/industry/insights/performance-and-prospects/previous-performance-prospects/>

4 Teagasc National Farm Survey 2019: <https://www.teagasc.ie/media/website/publications/2020/Teagasc-National-Farm-Survey-2019.pdf>

5 CSO: Livestock survey

6 Teagasc National Farm Survey 2019: <https://www.teagasc.ie/media/website/publications/2020/Teagasc-National-Farm-Survey-2019.pdf>

7 European Commission

8 Teagasc: <https://www.teagasc.ie/publications/2020/assap-interim-report-1.php>

9 DAFM: Personal Communication

10 National Farm Survey 2019 Sustainability Report: <https://www.teagasc.ie/media/website/publications/2020/NFS-2019-Sustainability-Report.pdf>