



**ICMSA**

**Submission**

**to the**

**Joint Committee**

**On**

**Agriculture and the Marine**

**On**

**The Nitrates Derogation and**

**Nitrates Action Programme.**

September, 2022.

Mr. Chairperson, Committee members, ICMSA wishes to thank you for the opportunity to present our views on the conditions attached to the Nitrates Derogation and the potentially very serious impact on family dairy farms. The Government agreed a derogation with the EU Commission in March 2022 and there are a number of elements of that decision that are of deep concern to ICMSA and could lead to the demise of family dairy farming as we know it and severely damage the economic backbone of many rural communities. In this Submission, ICMSA intends to detail our concerns and we believe that certain aspects of the Derogation decision need to be re-visited to protect our family farm model of agriculture while implementing measures to improve water quality.

The key issues of concern are as follows:

**1. Water Quality Trends:**

Water quality is hugely important for everyone including farmers and farmers have invested heavily and continue to invest heavily in water quality infrastructure on their farms and ICMSA is confident quality trends will move in the right direction in the very near future. The use of fertilisers is now also more structured and lime usage is likely to be at a very high level in 2022 while the ASSAP programme is delivering results in its catchment areas.

ICMSA believes that inadequate time is being given to allow for measures to show their effectiveness in improving water quality with a lag time of typically 12-18 months before water quality trends improve following the introduction of specific measures. Given this, we cannot fairly judge measures introduced in 2021 and early 2022 until the EPA water quality data for 2023/24 is released. Despite this, further new measures are being introduced under the Derogation that will have very serious impacts on family farms and adequate time is not being given to existing measures to show their effectiveness and

this is unacceptable to ICMSA. Despite commitments from Government on their support for family farms, the measures being introduced are a direct attack on family farms that directly undermine their business model and their ability to repay debts associated with farm development. There are also wider consequences for the rural economy given the reduction in output that will result from these changes. This should not be underestimated.

## **2. Climate Change:**

ICMSA recognises the climate challenge and agriculture like all sectors needs to play its role. ICMSA has engaged constructively with Government on climate matters and is a member of both the Dairy Vision Group and the Beef & Sheep Vision Group where possible measures to deliver a reduction in climate emissions are considered. However, at no stage were the proposals under the Nitrate Regulations discussed at the Vision Groups and ICMSA believes that the Government is using the Nitrates Regulations to meet our climate change commitment and this is totally unacceptable to ICMSA. The Interim Report of the Dairy Vision Group states the following “Ireland’s Fifth Nitrates Action Programme (NAP) has several measures that complement the measures set out in this report. These include the planned development of the Register of Chemical Fertiliser sales; improvements in compliance and enforcement such as an increase in derogations inspections from 5% to 10% and strengthening enforcement; chemical fertiliser control will start with a 10% reduction of chemical nitrogen applied nationally and may be increased to a 15% reduction nationally after the midterm interim review of the programme; increasing adoption of Low Emission Slurry Spreading (LESS); soil testing; limits on crude protein content in concentrated feeds; and amendment to livestock excretion rate bands. It is also important to acknowledge that in recent years, Ireland’s NAP has been used to address issues beyond water

quality including greenhouse gas emissions, ammonia emissions and biodiversity.” While consultations did take place on certain aspects of the proposed Nitrate changes, there was no consultation on the proposed move from 250kgs of N to 220kgs of N and as will be highlighted later in this Submission, this will have a substantial impact on cow numbers on individual farms. Despite comments from Government that there will not be a forced reduction in cattle numbers due to our climate change commitments, the reality today is that the changes in the Nitrates Regulations is leading to a forced reduction in cattle numbers and it will have a disproportionate impact on family dairy farms, the traditional model of dairy farming in Ireland and it will also impact on other sectors including the forestry sector. Indeed, one would have to ask the question, where is the “Just Transition”? Farmers followed Government policy, invested in expansion taking on significant debt and the Government is now implementing a regulation that will remove a large portion of the economic basis for that investment without any regard for the individuals involved.

### **3. Farmer Supports:**

The CAP Strategic Plan agreed with the EU Commission will result in a substantial reduction in support for family dairy farms under Pillar 1 while in Pillar II, the ACRES, the so-called flagship Agri-environment scheme is simply not suitable for the majority of dairy farmers. It should be noted that the payment under ACRES is broadly similar to payments levels in the 1990’s which shows complete disregard for the challenges facing farmers. The changes introduced under the Nitrates Derogation completely undermine many farmers business plans and this simply cannot continue to be ignored.

#### 4. Cow banding:

Under the current derogation, each dairy cow is equivalent to 89kgs of N per hectare. The new derogation introduces a system of cow banding for dairy cows where dairy cows are allocated a specific figure based on milk yield. No such banding system exists for any other category of livestock.

The banding system is as follows:

Band 1	<4,500kg of milk	80kgs of N
Band 2	4,501kgs to 6,500kgs of milk	92kgs of N
Band 3	>6,500kgs of milk	106kgs of N.

The band that applies to a particular farmer will be determined by the three-year average of the previous three years. Thus, for 2023, it will be based on the average figure for 2020, 2021 and 2022. We are still awaiting clarification on what cow numbers will be used to determine the band.

For a farmer in Band 3, the potential impact of this change is outlined in Table 1:

**Table 1: Impact of Cow Banding.**

Ha	Current 250kgs Cows	Band 3 250kgs Cows	Reduced Cow Numbers
10	28	24	-5
20	56	47	-9
25	70	59	-11
30	84	71	-14
35	98	83	-16
40	112	94	-18
45	126	106	-20
50	140	118	-23
55	154	130	-25
60	169	142	-27

The impact on a farmer in Band 3 farming 30 ha is that he/she will potentially have to reduce cow numbers by 14 which is a very substantial or alternatively,

acquire additional land or export slurry, all of which involve additional costs on the farmer.

## **5. The Potential Reduction from 250kgs of N to 220kgs of N:**

Under the Derogation decision of the 29<sup>th</sup> April, 2022, the following was agreed:

“Article 6

Conditions regarding application of manure and other fertilisers

1. The amount of livestock manure from grazing livestock applied to the land each year on grassland farms, including by the animals themselves, shall not exceed the amount of manure containing 250 kg nitrogen/ha per year, subject to the conditions laid down in paragraphs 2 to 6 of this Article. From 2024, as a consequence of the two-year review, this maximum amount shall not exceed 220 kg nitrogen/ha per year in the areas referred to in Article 12.”

“Article 12

Two-year review 1.

The competent authorities shall submit, by 30 June 2023, with the report described in Article 13, corresponding to the year 2022, an annex containing the results of monitoring as regards the nitrates concentrations of groundwater and surface waters and the trophic status of surface water bodies, based on the monitoring network and requirements of the Nitrates Directive 91/676/EEC and including at least maps showing those areas draining into waters where monitoring data reveal: (a) average values of nitrate concentrations above 50 mg/l or increasing trends of nitrates concentration compared to 2021; (b) “Eutrophic” status or “could become eutrophic” status

with a stable or worsening trend compared to 2021. Waters identified by either point (a) or (b) of the first subparagraph shall be considered as polluted, at risk of pollution or showing worsening trends. The data for the estimation of the average values shall cover the period from 1 January 2020 to 31 December 2022. For the assessment of trends, the data from 2021 and 2022 shall be compared.”

ICMSA is deeply concerned in relation to the open-ended nature of this decision and the possibility that large areas of Ireland could be reduced to 220kgs from 2024. While the nitrates issue is clear, the issue of eutrophication is very open-ended and no clarity has been given in the implementation of this aspect of the decision. Table 2 outlines the potential implications of this decision:

**Table 2: Impact of reduction to 220kgs of N.**

<b>Ha</b>	<b>Current 250kgs Cows</b>	<b>Current 220kgs Cows</b>	<b>Reduced Cow Numbers</b>
<b>10</b>	28	25	-3
<b>20</b>	56	49	-7
<b>25</b>	70	62	-8
<b>30</b>	84	74	-10
<b>35</b>	98	87	-12
<b>40</b>	112	99	-13
<b>45</b>	126	111	-15
<b>50</b>	140	124	-17
<b>55</b>	154	136	-19
<b>60</b>	169	148	-20

For illustration purposes, Table 2 assumes that the dairy cow is at the current N level of 89kgs of N. The implications of moving from 250kgs of N 220kgs of N for a farmer with a farm of 30ha is the loss of 10 cows or over 13% of his/her herd with serious implications for farm income.

## 6. Combined impact of Cow Banding and move to 220kgs of N:

The two significant changes in the derogation rules are cow banding and the potential move to 220kgs of N. Individual farmers in certain cases will be impacted by both of these measures and Table 3 outlines the combined impact of both of these measures on individual farmers:

**Table 3: Combined impact of banding and reduction to 220kgs of N.**

Ha	Current 250kgs Cows	Band 3 220kgs Cows	Reduced Cow Numbers
10	28	21	-7
20	56	42	-15
25	70	52	-18
30	84	62	-22
35	98	73	-26
40	112	83	-29
45	126	93	-33
50	140	104	-37
55	154	114	-40
60	169	125	-44

The combined impact of these measures is that a farmer with 30ha will have to reduce cow numbers by 22 while a farmer with 60ha will have to reduce cow numbers by 44 or a 26% reduction in cow numbers. How does the Government expect a farmer with investments based on a certain herd size to meet those debt repayments with 26% less animals? This is the scenario facing individual farmers and it is totally unacceptable that a policy has been put in place without any regard for the individual farmers concerned.

## 7. Slurry Export Rules:

The rules in relation to slurry spreading changed in 2022 with the result that a farmer must now export twice the amount of slurry in 2022 to achieve the same reduction in N compared to 2021. The total N contained in 1 cubic metre of cattle slurry was reduced from 5kgs of N to 2.4kgs of N from 2022. The consequences of this decision is that a farmer who exported for example 10 loads of slurry in 2021 in order to come below 170kgs of N/ha will have to



export 20 loads of slurry in 2022 thus making it significantly more difficult for farmers to access suitable land for slurry export.

### **8. Spreading Dates:**

The slurry spreading dates have been amended from 2022 adding to the complexities for farmers. Under the new rules, the spreading of slurry must be applied as follows:

- From 11th March 2022 all slurry generated on a holding must be applied by 8<sup>th</sup> October of that year.
- From 1st January 2023 all slurry generated on a holding must be applied by 1<sup>st</sup> October of that year.

In relation to the commencement of the closed period for slurry application, the Minister for Housing, Local Government and Heritage shall, following consultation with the Minister for Agriculture, Food and Marine, establish scientific criteria for the application of slurry, up to 15th October each year. These criteria will be published by the 1st September, 2022. Where these criteria are strictly met, farmers may be permitted to spread slurry up to the 15th of October each year.

ICMSA believes that the slurry spreading commencement date should be 15 October.

In the short time available to us, ICMSA decided to focus on the critical issues facing farmers in terms of the new Nitrate Regulations. The impact on family farms will be severe, the Government has been marked absent to date to terms of supports and ICMSA would ask the Committee to consider the following in its deliberations:

- That the Department of Housing, Local Government and Heritage and the Department of Agriculture, Food & Marine would immediately review the regulations to eliminate the need for a reduction in cow numbers.
- That the Department publish the expected reduction in total cow numbers as a result of this measure and has this been included in their climate emission calculations?
- That an economic assessment should be carried out in relation to the impact on farm families and the wider rural and national economy as a result of these changes.
- That proper supports are put in place including an ACRES scheme designed for derogation farmers.

Thank you.