



IRISH CATTLE AND SHEEP FARMERS' ASSOCIATION

Submission on the Environmental Analysis of Scenarios Related to Implementation of Recommendations of Food Harvest 2020

JULY 2012

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Introduction

Having been a member of the original Committee, the ICSA welcomes the vision and objectives of the Food Harvest 2020 Strategy and commends the drive to allow the Irish agri-food industry to grow and prosper sustainably through the delivery of high quality, safe and naturally based produce.

It is obvious that agriculture is of key importance against a backdrop of increasing international concern about food security, the need for alternatives to non-renewable fossil fuels and the global imperative to combat climate change. In the context of aiming to promote Irish-sourced food as green and sustainable, the ICSA appreciates the value of assessing the potential environmental impacts of the targets of Food Harvest 2020.

Account should be taken of the fact that the broad Irish landscape and rural environment is inextricably linked with farming activity. Farmers shape the rural landscape and are its custodians; this underpins a lot of what Ireland's tourism offering is all about. It is for all these reasons that the EU regularly refers to the concept of multi-functional agriculture. While the key traditional role of agriculture continues to be food production, so much more is dependent on its ongoing viability.

As promoting sustainability within Irish farming is a key pillar of the FH2020 strategy, the ICSA wish to advocate for associated government policies which can facilitate farmers in expanding their operations whilst at the same time contributing to environmental protection, which is of notable importance to 'Brand Ireland'.

ICSA have identified the key opportunities in the future of the Irish agri-food industry, all of which have implications for the environment, both on a global and domestic scale:

- Growing global demand for food;
- New, increasingly affluent markets opening up in China and India characterised by rapidly expanding middle classes;
- Falling supplies of key commodities such as dairy and meat within the EU, leading to increased deficits;
- Evidence that the long-run trend towards higher commodity prices is kicking off again after a hiatus due to the global economic downturn. This is manifesting itself in upward spirals beginning to be seen on oil, steel etc, world beef and dairy prices edging upwards and the fact that Irish beef prices have held up to date in 2012;
- While there is still considerable grounds to be concerned about the potential of South America to expand beef production, Russia, Ukraine and Romania to expand cereals and New Zealand/US/Canada to expand dairy; this is counterbalanced by global insecurity in relation to water supply and the difficulties in China with polluted ground;
- Climate change concerns will provide opportunities for the countries which respond most effectively to the demand for carbon footprint measuring and labelling, and who can adapt and demonstrate that their agriculture is part of the solution;
- Global commitments to biofuels which increases the demand for agricultural products, whilst potentially reducing the overall availability of food crops through conversion of farmland to biofuel crops;
- Phasing out of milk quotas provides opportunity to expand for existing dairy farmers and the possibility of converting low margin drystock farms into dairying.

Ireland's problematic climate change targets

Two of the pillar strategies of FH2020 aim to deliver a 50% increase in the *volume* of milk production, and a 20% increase of the *value* of beef production. Taken in isolation, these may be seen as reasonable expectations, but are considerably more challenging in the context of Ireland's climate change obligations under the Kyoto protocol. ICSA wish to highlight the problematic nature of Ireland's climate change targets relative to other countries. The current crucial part of the economy played by agriculture compared to other countries, means that Ireland will find it more challenging to meet emissions targets. Regardless of what emissions reduction Ireland achieves from agriculture, the overall effect on global climate change will be almost negligible, compared to the very significant contribution it makes as a food exporter. This is set to become even more important if the targets of the Food Harvest 2020 report are even partially met.

What the climate change targets fail to recognise is what is already inherent in Irish farming structures. For example, the long established propensity to keep livestock outdoors on permanent pasture is hugely beneficial compared with continuous monoculture arable farming, combined with feedlot cattle. Yet the Irish system will get no credit under an emissions reduction model precisely because the baselines are the recent past. On the other hand, a country where the farming system has traditionally been much more harmful can do much better in terms of emissions reduction by making changes to an Irish model. Indeed, the 2012 ESRI Environment Review states that "[i]f climate policies curtail Irish milk and beef production, production will move overseas to places like Brazil, without any global environmental benefit...Preserving emissions-efficient production within Europe would be preferable." Grassland-based agriculture is expected to persist in Ireland, given the maximum 5% land conversion limit proposed for the next CAP period, and the fact that milk (being more profitable per hectare than cereal farming) will expand in production following the abolition of quotas in 2015. Such a grassland-based system, with reduced levels of

ploughing, contributes to a great degree of carbon sequestration within soils, and should be looked upon more favourably by climate change policymakers.

Considering the limited options for agriculture to reduce emissions, the ICSA believe that the primary production sector should be treated independently. Agriculture has capacity, although currently limited, to reduce emissions; possibly the post-2013 CAP may provide some assistance to farmers in achieving these goals. Already improved nutrient management has delivered a 35% reduction in nitrogen fertilizer usage over the past ten years, delivering a 0.5 MT emission reduction per year. It is also critical to point out that when agriculture offsets emissions, for example through planting forestry or producing electricity through anaerobic digestion units, the carbon savings are attributed to another sector, resulting in agriculture not being awarded the carbon credit for a commodity subsequently then owned by the State. This also needs be reflected in changes to policy so that agriculture is given due credit in contributing to the fight against climate change.

Conclusion: Significant work by government is needed at UN and EU level to achieve special handling of Irish agriculture in relation to greenhouse gas emissions calculations. Given its predominantly grass-based system for livestock rearing, Ireland has a clear advantage in being able to produce beef and lamb at a lower equivalent carbon emission per kg of end product when compared to other countries within Europe and beyond. This needs to be fully recognised in any future discussions.

Much more precise analysis is required to establish what agriculture has to do to meet the climate change targets and how this can be achieved in practice. Further clarification is required as to what constitutes emission reduction for each agri-sector. Following from this, there must be a clear vision of a regulatory and policy framework so that farmers have a transparent reference of how they can farm in a viable way while playing a feasible part in the climate change effort.

The value of agri-environment schemes in Ireland

In recent years there have been several very hasty and ill-considered decisions to impose severe cut-backs on key environment-related supports for farmers, most notably the decision to close REPS to new entrants and by definition to begin the process of phasing it out altogether. The subsequent AEOS scheme has been significantly more restricted in scale, in both geographic and financial terms. Regardless of whether all targets of FH2020 are pursued to their full extent, it is difficult to see Ireland can avoid some negative impacts to the rural environment without clear government commitments to the funding of well-designed agri-environment schemes.

Conclusion: There is a need for the Minister to increase his engagement with all farming organisations, with a view to the implementation of a robust and substantial agri-environment scheme in the post-2013 CAP framework. This is especially important in light of a proposal at EU level that agri-environment schemes should account for at least 30% of Rural Development funding. Farming organisations and their members will need to be consulted in relation to the design, targeting and implementation of any new scheme. Only through compiling the experience and practical knowledge of farmers can new schemes be effectively and efficiently designed to account for regional differences in farming practices and agricultural landscapes. Schemes which facilitate simple monitoring of their implementation and outputs are advocated, as these will allow farmers to demonstrate their engagement with the overall protection of the rural environment.

Development of a robust and workable framework for agri-environment schemes is of course dependent upon funding. It is of critical importance that the government strive to secure 50:50 European funding for agri-environment schemes from CAP Pillar II, thereby maximising the capital which can be applied to new measures aimed at protecting and enriching the environment. Such schemes can be applied in tandem with the expansion

envisaged under FH2020, and may in some cases be designed specifically to match the types of agricultural sector growth that are proposed.

Some examples of new agri-environment schemes which the ICSA would support the development of include:

- Nitrogen-reducing AE scheme – Farmers would receive payments for sowing a percentage of their land with clover or legumes for grazing or silage production. Such pasture would have the benefit of reducing the overall farm requirement for fertilizers, which by association reduces GHG emissions in the production of such products and reduces the risk of waterbody eutrophication. As red clover swards in particular tend to lose vigour after three years on average, AE funding is required to allow farmers to re-seed or over-seed to maintain productivity levels;
- Various REPS measures related to hedges, namely hedgerow coppicing, hedgerow laying, hedgerow establishment and additional hedgerow maintenance were widely taken up by farmers and resulted in extensive hedgerow regeneration around the country. It is strongly recommended that a new replacement AE scheme be introduced with even greater objectives toward expanding and reinforcing Ireland's hedgerow network. In a country predominantly devoid of forests, hedgerows provide a significant proportion of Ireland's carbon sequestration resource. Such a measure should be applied in tandem with government pressure to have other habitats beyond forestry factored into Kyoto carbon calculations;
- Protection of watercourses leading to improvement in local water quality is of key note in the expansion proposals of FH2020. As in REPS, farmers should be rewarded for increasing river margins and excluding livestock from waterbodies. Promoting

farmer engagement in this regard will also assist in the delivery of the requirements of the Water Framework Directive;

- A new agri-environment-climate scheme should be developed utilising the benefits of permanent pasture from an emissions perspective, by targeting land that is farmed in a sustainable way (i.e. involving an absolute minimum amount of ploughing and fertilizer application);
- In relation to farm forestry, ICSA wish to highlight concerns over budget-related discussions which have suggested the idea of reducing the farmer-specific premium from 20 years to 15 years. These premiums are vital in incentivising farmers to establish and manage plantations which act as carbon stores and are valuable in relation to biodiversity conservation. As such, it is strongly recommended that the current 20-year premium period is maintained.

Overall ICSA recommendations

A substantial agri-environment scheme needs to be put in place to replace REPS. AEOS is not that scheme, as it is too limited in scope, ambition and relevance to be of much use to productive farmers especially.

Expansion of any farm product needs to be in line with an increase in viable markets. ICSA is concerned about the 40% target for increased beef output, set out by the FH 2020 Beef Activation Group in the absence of clear evidence that such increases can be achieved while retaining or improving current beef price. Instead, the original FH 2020 target of a 20% increase is more realistic in our view.

Ireland needs to engage more at international level to have the focus for agriculture shifted away from blunt emissions targets. Accordingly, agriculture should be treated differently because of its specific relative importance in our economy but also because of the global imperative for increased food output to deal with population growth and the food security challenge. Hence, the focus needs to be on both emissions and sequestration with fair allocation of sequestration to the farm sector. Emissions need to be assessed on the basis of emissions per kg of output and this must in turn be compared with the international alternatives.

Bord Bia work on ensuring that we can stand over the environmental credentials of our food needs to continue and to be supported at government level with a view to clearly communicating our green credentials on our export markets.