



IRISH CATTLE AND SHEEP FARMERS' ASSOCIATION

Submission on the
Agriculture
Sectoral
Roadmap

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Introduction

ICSA welcomes the opportunity to make this submission on the draft Climate Action and Low Carbon Development Bill 2013. Allowing the Irish agri-food industry to grow and prosper sustainably through the delivery of high quality, safe and naturally based produce, whilst also contributing to Ireland's targets on climate change is a key balancing act that will require creative thinking and novel solutions.

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 and market Irish-sourced food as green and sustainable, the ICSA notes the importance of assessing the potential emission impacts of implementing the targets of Food Harvest 2020 (FH2020).

As promoting sustainability within Irish farming is a key pillar of the FH2020 strategy, the ICSA wishes 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 has 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 wishes 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.

Options for the Sectoral Roadmap

Considering the limited options for agriculture to reduce emissions, ICSA believes 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 to be reflected in changes to policy so that agriculture is given due credit in contributing to the fight against climate change.

Teagasc modelling and projections described in the *‘Environmental analysis of scenarios related to the implementation of recommendations in Food Harvest 2020’* note that a shift towards a ‘high technology’ approach in Irish agriculture has the potential to actually reduce greenhouse gas emissions through more efficient use of inputs, improved genetic merit,

advanced manure management etc. Such an output is dependent on the delivery of increased efficiency across all agricultural sectors. An example of how such a high technology scenario can be implemented by the drystock sector as part of its commitment to GHG abatement is the Beef Genomics Scheme as announced by the Department in Budget 2014. This programme will provide a payment to suckler farmers whilst collating a comprehensive genomic database through representative DNA sampling of the suckler herd. The development of this database and its implications for improved genetic merit of the suckler herd could form the backbone of the suckler and beef sub-sectors' contribution to the overall agriculture sector's attempts to control and reduce emissions.

Some examples of new and better targeted schemes which ICSA advocates developing in Ireland as part of a drive towards GHG emission abatement 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;
- 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. This should be applied in tandem with government pressure to have other habitats beyond forestry factored into Kyoto carbon calculations;
- 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. an absolute minimum amount of ploughing and fertilizer application);

- In relation to farm forestry, ICSA wishes 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.

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. The ESRI Environment Review 2012 noted that there is a concern that problematic GHG emission reduction targets could drive food production overseas without any net environmental benefit. The report concluded that *“Preserving emissions efficient production within Europe would be preferable. Consideration should therefore be given to seeking, at EU level, a special mechanism for managing agricultural emissions within Europe”*. In this context, ICSA advocates that the Government should aim to pursue negotiations at EU level in this regard.

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.