



Independent Merchant Group

ACORN's Submission Regarding S.I. No. 788 of 2005

Issue Date: 8th February 2006

The six members of the ACORN Independent Merchant Group are:

Brett Brothers
Limited,
Callan,
Co. Kilkenny

Kevin Cooney Group,
Raheenduff,
Oulart,
Gorey, Co. Wexford

J. Grennan & Sons,
Rath,
Birr,
Co. Offaly

McDonnell Bros.
(Agricultural Suppliers) Ltd.,
Coolagown,
Fermoy, Co. Cork

Liffey Mills,
Bunnow,
Roscrea,
Co. Tipperary

Quinns of Baltinglass Ltd.,
Baltinglass,
Co. Wicklow

ACORN's Perspective:

The members of the ACORN Group are advocates of good farming practice, & in no way see this objective to be in conflict with Ireland's environmental health. We fully accept that the level of N & P applied to farmland must ensure total & full protection of our water. However it must also ensure viable crop yields and animal production, or agriculture as we know it, becomes uneconomic & unsustainable. The Directive (as proposed) most definitely protects our water, but in so doing it seriously disadvantages commercial farming. ACORN believes that in this legislation (as proposed), we are running the risk of sacrificing commercial agriculture for indiscernible environmental gain. The agriculture industry cannot allow this to happen !

Given Ireland's innate ability to grow high yields of grass & other crops & because of our long-growing season, it is possible to farm in an environmentally friendly manner above the 170 kg/ha organic N restriction, without posing any risk to water quality ? **The science is there to support this argument ?**

While agriculture, in addition to the many other sources such as municipal & industrial waste, may have contributed in a small way to the deterioration in Ireland's water quality, - this is in the past. Ireland's water quality has improved consistently & today, ranks 23rd in the world according to the 2006 edition of the Environmental Performance Index, compiled by Columbia & Yale universities. Food production continues to be our biggest indigenous industry & as a major exporter of food, Ireland's clean image has to be & is of vital importance to us all.

Providing nutrient/fertiliser advice to both arable & livestock farmers, is a key function of ACORN's technical sales team, the majority of whom are qualified agriculturalists (B.Ags). In the case of arable crops, account is taken of both agronomic conditions (ie. yield potential of the crop, soil type, previous cropping history etc) & environmental risk factors (eg. distance from water, slope, etc.) in providing nutrient advice. **Indeed in practice, we find that the economic return of the crop will dictate the quantity of fertiliser which a farmer will use. Fertiliser is expensive & is not/will not be used liberally.**

We work closely in line with the general Teagasc fertiliser recommendations detailed in the Green Book, which was last updated in 2004. On grassland farms fertiliser advice is based on supplying sufficient grass to meet livestock demand, taking in to account stocking rate, animal performance, soil type, sward age/quality, grazing conditions & of course local knowledge.

We would always urge farmers to factor in to their fertiliser calculations the nutrient contribution from organic manures (ie. FYM & slurry) & we would recommend farmers to carry out a soil testing programme. We find that this measure, in itself, tends to be self correcting, in that an over application of fertiliser in one year will be corrected following a soil test in the following year/s.

It is our firm belief that in the vast majority of cases, nutrient supply is matched to crop demand, both in terms of the quantity applied & the timing of spreading, at all times taking in to consideration, local soil & climatic conditions.

The Bigger Picture:

We have major concerns about the ability of many of our arable & livestock customers to farm profitably into the future as a **direct** result of the draconian measures contained in S.I. No. 788. **We, of course, have a vested commercial interest - if our customers are not making money, this obviously does not bode well for our agri-supply businesses.**

IRISH CEREAL PRODUCTION

Irish cereal growers are amongst the best in the world, however this Directive as it currently stands will undoubtedly lead to a significant reduction in our national production level. Reduced yields will hit already hard-pressed growers 'in their pockets'. Indeed reducing yields for many growers will render their enterprise uneconomic. The rigid line currently being adopted by the legislators is rendering Irish cereal growing uncompetitive. As an industry we cannot allow this to happen.

THE FUTURE FOR PIG & POULTRY PRODUCERS

Unquestionably, the Directive as it currently stands, will destroy the Irish pig & poultry sectors, who are major customers for our native grain. This Directive has the potential to effectively put half of Ireland's pig farmers out of business. Pig farmers with a limited land base & those not located in a tillage area are facing an enormous struggle. Pig farmers cannot survive, if they cannot dispose of their valuable fertiliser by-product. Talk of anaerobic digestion & vermi-culture composting may provide (economic) solutions in the longer term? But what about in the short to medium term? It is imperative that the harsh **nitrate & phosphate** constraints on the spreading of pig slurry, contained in the Directive, are deferred for 3 - 4 years. We are advised that a 'parking' of the phosphate element of this Directive has been achieved in other countries. **In Ireland, we need to have movement both in the nitrates & the phosphates.** We understand the Dutch Authorities have until 2015 to achieve phosphate balance, & phosphate for the Dutch is of far greater concern. Irish pig farmers have seriously invested in their facilities in recent times in order to comply with European Animal Welfare regulations & are committed to this business for the long term. **Common sense must prevail!**

A hard hit pig & poultry sector will, in turn, have an enormous negative impact on the future of Irish cereal growing. The cruel reality is stark: **No pig & poultry – no cereals!**

ANIMAL FEED PRODUCTION

Demand for Irish animal feed has stabilised in recent years at around 3.5 million tonnes, which provides a consistent home for Irish grain. Some authorities believe the Nitrates Directive will lead to a further increase in animal feed sales going forward. It is vital that native grain continues to be a key component of Irish manufactured feeds & that, as a country, we do not become even more reliant on imported feed ingredients.

THE NEED FOR SCALE

Teagasc have rightly advocated over the last number of years the importance of both cereal & dairy farmers achieving scale, in order to survive & prosper going forward. The cloud of pessimism which currently hangs over the industry, as a direct result of this legislation, is more likely to drive good people away from farming. In order for scale to happen, the regulatory climate needs to be conducive. Our legislators & Teagasc, as advisers to our legislators, need to keep this reality in mind.

ACORN's 2 Key Objectives:

1. In the national interest we would seek a delay in the implementation of the slurry spreading regulation for both pig & poultry farmers. Both the nitrates & the phosphates measures are too restrictive. Maintaining pig & poultry enterprises in business is central to the future viability of the Irish cereal growing industry. We would propose that the Action Programme needs to be amended to include, in fact, **an incentive** to encourage farmers to utilise locally produced organic fertiliser. While recognising that this turns 'the polluter pays' principle on its head, we believe, it is in no one's interest to have pig & poultry manure transported greater distances on our roads & spread over more ground.

2. We would urge Teagasc to take this current opportunity to re-look at Nitrogen as well as Phosphorus. The N legal maxima contained within the current S.I. do not permit commercial farming to continue. The N figures will pose major difficulties for both arable & livestock producers, but are most constraining for intensive grassland farmers.

Furthermore (and this may be an argument for another day), we believe relying on a derogation which may allow a farmer exceed the 170 kg/ha of organic N is not a satisfactory solution for, in particular, intensive dairy farmers. A derogation on nitrates is a possibility, but by no means a certainty. If the anticipated 250 kg of nitrogen per hectare per annum is not achieved, this **will prove disastrous for intensive dairy & beef producers.**

FOCUS ON SPECIFICS:

CEREALS

Spring Milling Wheat – in our experience this crop cannot be grown successfully without a minimum of 160 units/acre (200 kgs/ha) of Nitrogen. The current regulation permits from 40 kg/ha to 140 kg/ha under the various indices, which we believe to be insufficient.

Annually approximately 35 - 40,000 tonnes of home-grown milling wheat is grown, (typically 18 – 20% of total spring wheat volumes) & we are advised that there is real potential & interest in getting this 40,000 tonnes up closer to 100,000 tonnes. If the regulation goes through, without amendment, this effectively wipes out the growing of milling wheat. **Can we allow a ministerial pen to end the growing of Milling Wheat in Ireland ?**

Oats – In the Directive there is no differentiation whatsoever between winter & spring oats which we find impossible to comprehend. In practice winter oat yields are consistently 0.75 - 1 tonne/acre higher than spring oats. A standard differential of 25 – 30 units of nitrogen per acre (31 – 38 kgs/ha) should apply.

In addition on page 41 of the Directive there is no flexibility in nitrogen application included, where higher yields of oats are achieved, as there is for both wheat & barley. We are at a loss as to why this logic which applies to wheat and barley is not extended to oats ?

Beans – Firstly there is no differentiation between Field Beans & Peas within Table 10. Field Beans are categorised as an Index 3 crop in Table 10 (Pg 37 of the S.I.). This effectively means that growers will avoid putting Field Beans in their rotation because they will be unnecessarily restricted in their nitrogen usage in the following crop. We would question whether Field Beans are included in the correct index ?

Field Bean haulm at harvest is a lignified woody material which when ploughed in contributes little to the organic nitrogen reservoir. Pea haulm however is a protein-rich material which when ploughed in leaves significantly more nitrogen in the soil for the following crop. In our opinion Field Beans would be more appropriately classified within Index 2.

Break Crops - With the imminent demise of sugar beet, break crops such as oats & beans will come more to the fore in rotations & it is important that our regulatory climate supports this all important development.

Winter Wheat – the nitrogen restrictions contained in the Directive will not permit the successful growing of winter wheat on 'hungry' ground, in continuous tillage areas. Index 1 permits 190 kg/ha (152 units per acre) for a 9.0 t/ha (3.6 t/ac) crop. While there is flexibility to increase this by an additional 20 kg N/ha for each additional tonne of grain above the 9.0 t/ha, we believe this is still too restrictive. In practice, in the field up to 250 kg/ha (200 units per acre) is required in order to deliver viable yields. When you look at growing winter wheat under the other nitrogen indices the nitrogen constraint becomes even more pronounced.

Table 10 - Determining the Nitrogen Index for Tillage Crops. Index 4 = any crop receiving frequent dressings of organic manure. What constitutes 'frequent' dressings ? It takes huge effort over many years to bring the soil N index from Index 1 up to Index 4. A dressing with organic manure 1 year in 4 will not improve the fertility index. ACORN questions whether Table 10 is intrinsically flawed ?

Establishment of a green cover – we would have concerns that we may be creating a disease bridge & promoting volunteer cereals in the subsequent crop.

Phosphorus Deficiency - In the field in recent seasons we are witnessing Phosphorus deficiency in some crops. This is especially the case in crops, grown on REPS farms, experiencing cold stress during the spring.

Application of Biosolids – The majority of winter wheat is sown from the 15th of October onwards & the application of organic fertiliser is prohibited from 15th Oct to 12th Jan. ACORN proposed that the application of chemical & organic manure should be weather-driven rather than in accordance with strict dates. Is there a case for operating a permit system, (given today's modern means of communication), within the prohibited period to cater for days when it would be environmentally acceptable to spread manure ? Is the Department of Environment prepared to revisit this issue ?



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GRASSLAND

Derogation – In order for intensive dairying & beef farming to continue, it is **imperative** that Ireland will succeed in its application for a derogation in organic N up to 250 kg/ha. **This is core to the future competitiveness of Ireland's grass-based agriculture.**

Calculation of permitted maximum fertiliser levels - To physically calculate the amount of N & P which may be applied is far too complex.

Inaccuracy of Soil Testing - In our experience soil testing is an inaccurate science. There is a huge standard error associated with a single soil test. **Is it justifiable that a relatively inexact science will now be used as a basis for a precisely regulated phosphate-spreading regime ?**

Impractical Precision - With regard to phosphate application. No machinery found on a grassland farm is capable of the level of precision which is being sought. 1 kg Phos/ha is equivalent to 10 g/m² !

N restrictions - are more strict than those that apply under REPS ? Intensive farming systems cannot operate under such a draconian regime.

Variability in Slurry - Variability in analysis of FYM & slurry are not being considered in the S.I. (Refer to Green Book)

Table 9 (Pg 36) Nutrient availability in fertilisers - How is the availability of nitrogen within pig slurry & FYM increasing going from 2006 to 2010 ? What is the science supporting this premiss ? ACORN believes this is nothing other than a 'stealth tax' on the application of chemical fertiliser. Is this acceptable ?

Who will want pig slurry ? - Many of the customers for pig manure are intensive dairy farmers, who –in their own right – will be under pressure to comply with the directive, without importing any pig manure onto their farms. No grassland farmer will be prepared to put themselves under the microscope even more. The Department of Agriculture now holds a big stick over farmers – their Single Farm Payment (SFP). The fear of losing or having their SFP reduced because of inadvertent or minor errors being picked up by the DAF/EPA/Local Authority personnel is very real.

Maintaining Productivity - Poor quality swards will 'run out of steam' in July unless the N restrictions are liberalised.

Young Swards - Reseeded swards deliver a huge boost to animal productivity on grassland farms, as clearly identified by Teagasc (Moorepark & Kildalton trials). The Teagasc Green Book recommends 25% more nitrogen for pastures less than 3 years old & provides recommendations for pasture establishment which are proven to work. It is imperative that grassland farmers have productive, robust swards, yet the S.I. provides no flexibility to increase the fertiliser level which may be applied to young swards & includes no clause to encourage reseeded. **'Robbing Peter to pay Paul'** is not an option, under a whole farm approach, that is as restrictive as what is currently in place. This in our opinion is a major deficiency & must be addressed.

PROPOSED SOLUTION:

We believe no tables should be included within the Directive. However if the tables are to be included, all relevant footnotes & qualifications, as they appear in the Teagasc Green Book, should also be included.

The Teagasc Green Book should be reinstated as the definitive reference document that guides farmers' use of fertilisers. The document is clearly the best advice that Teagasc possesses & this document was acceptable to both Departments (Agriculture & Environment) & by the EC Commission in 2004 when the specifications for REP 3 were agreed & throughout all communications/discussions in 2005.