



**Address by IFA President Joe Healy to the
Joint Oireachtas Committee on Agriculture, Food and the Marine
on the Future of the Tillage Sector in Ireland**

26 September 2017

Chairman and Committee Members, I want to thank you for inviting IFA to address you today on the future of the tillage sector in Ireland, an area of real concern to all involved.

I am joined for this presentation by Liam Dunne, IFA Grain Chairman, Damian McDonald IFA Director General and Fintan Conway IFA Grain Executive.

Firstly, I would like to thank this Committee for its support to IFA and farmers in securing a weather-related crop loss scheme for affected growers in harvest 2016.

Unfortunately, as I speak a number of growers are struggling to complete this year's grain harvest and save straw as weather has taken a turn for the worse.

It is vitally important that we collectively devise an action plan to address the serious and deepening income crisis in the Irish tillage farming sector, as we are now into the fifth consecutive year of low grain prices.

This cycle looks set to continue given the forecast for high world carry-over grain stocks for the end of the current marketing year (June 2018) and intense competition from the Baltics / Black Sea.

Current estimates put world stocks to use ratio for all grains at an all-time high of 23%.

In light of this, we need to take specific actions in order to build a solid foundation off which we can revitalise this important sector.

Failure to do so in a prompt and meaningful fashion will accelerate the decline of crop production particularly in peripheral counties, further reducing biodiversity.

Continuing low, if not negative, crop margins have seen a significant swing away from cereal production over the last 10 years, with the sown area down by over 142,000 acres - close on 20%.

For the 2017 harvest, sowings were down by a massive 37,000ac on the previous year.

This trend is expected to accelerate as we look towards the 2018 crop. The prospect of another year of low grain prices will see many growers struggle to cover out production costs.

Forward selling prices for 2018 are at a small premium to current prices but offer no income generating opportunity, assuming average yields.

Action Plan for Survival of Tillage Sector

As I outlined, since I took up office, political intervention is needed on a number of fronts to revitalise arable crop farming. A vibrant tillage sector is the basis of which we can further expand our livestock sector and our world-renowned drinks industry.

Implementation of the following action plan is critical to the survival of a central element of our farming system:

1. Temporary abolition of the clawback on the sale of entitlements for tillage farmers who need to raise cash or stand back from taking over-priced con-acre.
2. Under CAP Post 2020, the stacking of entitlements should be reintroduced as an option for tillage farmers
3. A derogation for Ireland on greening requirements given our difficult climatic conditions.
 - a. Crop diversification rules exasperated crop losses in 2016 and again in 2017, particularly in coastal areas and in western counties.
 - b. Equivalence thresholds for the establishment of catch crops should be aligned with the crop diversification rules and not at 100%.

This would deliver greater environmental benefits, reduce unnecessary bureaucracy and increase biodiversity.
4. The reintroduction of the SBCI Agriculture Cashflow Loan Support Scheme to give greater access to competitively priced credit.
 - a. The scheme must be expanded so that tillage farmers can access affordable credit on an ongoing basis.
 - b. Many of our EU colleagues can access funds from 1% to 2%.
5. Full support from all industry stakeholders for the use of native Irish grain. It is unacceptable that native grain continues to trade at a discount to imported given Ireland is not self-sufficient.

- a. We need mandatory Department inspection and screening of grain imports to exclude economically damaging weed seeds such as blackgrass and sterile brome
 - b. Establishment of a certification scheme to maximise the use of native grain and proteins in Irish livestock rations
 - c. Increased use of native grain and Irish malt in the production of Irish whiskies and artisan / craft beers to grow our malting barley sector
6. Action by the EU to lower input costs
- a. Support for the IFA case for the immediate suspension of anti-dumping duties on ammonium nitrate and the abolition of tariffs on fertiliser imports.
 - b. EU fertiliser manufacturers have pushed through significant price increases in recent months with CAN prices now up €50/t over the last 3 months. This is despite the fact that natural gas prices remain significantly below historical levels.
 - c. Retention of key active ingredients including glyphosate, triazoles and diquat among others to ensure that we can produce competitively priced produce.
 - d. Review by DG Competition of the cost of plant protection products

7. Stronger tillage sector support under Farm Schemes
 - a. A specific environmental payment to encourage beneficial crop rotation
 - b. Increased funding to allow for the expansion of the protein crop area eligible to receive the full coupled payment

8. The development of a National Policy on the Bio-economy including:
 - a. The roll out of a properly targeted Renewable Heat Incentive (RHI) scheme to drive on the development of a successful bioenergy sector using crop residues.
 - b. Funding for the development of regional biomass trade and logistic centres (BTLC) that optimise the sustainable mobilisation of Ireland's biomass resources.

Conclusion

Collectively we need to devise and urgently implement a robust action plan to reverse the dramatic fall in tillage fortunes.

The sustainability of our livestock and drinks manufacturing industries are dependent on a vibrant arable crop sector. An increased reliance on grain and non-grain feed ingredient imports will undermine the provenance of the Irish food brand.

National policy must instil confidence in growers showing that Government is serious about revitalising the tillage sector. The development of a targeted tillage action plan will send a strong message of support to all growers.

Thank you.