



Milk Quality Ireland Co-operative Society Ltd.

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Website: www.milkquality.ie

CAP Rural Development Division,
Agriculture House,
Kildare Street,
D02 WK12

03 September 2021

Re: Dairy Equipment Scheme

To whom it may concern,

Milk Quality Ireland is extremely concerned at the potential exclusion of dairy equipment from the on-farm capital investment scheme under Ireland's CAP Strategic Plan 2023-27.

Milk Quality Ireland includes representatives from ICOS – the Irish Co-operative Organisation Society, Teagasc, the Milking Machine Manufacturers, the MQI Register of Milking Machine Technicians and Dairy Co-ops.

We are a collaborative body with the stated aim to improve milk quality standards in Ireland and to ensure that Irish milking machine installation and testing standards equate with the best international standards.

The Irish dairy industry makes a significant contribution to the rural and national economy as Ireland's largest indigenous industry. The dairy industry includes over 17,000 dairy farmers and supports a further 60,000 jobs, with dairy economic output valued at €11.3 billion and exports valued at €5.2 billion in 2020.

There is a substantial multiplier effect across the rural economy due to the dairy industry as every €1 of dairy sector exports represents a 90 cent spend within the Irish economy. In stark contrast, every €1 of goods exported by multinational companies represents a much smaller 10 cent spend within the Irish economy.

The milking equipment sector is one of the most important service providers to the Irish dairy industry and makes a vital contribution to the milk production supply chain through the installation, testing and servicing of milking equipment.

The provision of grant aid for new dairy equipment in our strongly held view meets the objectives of the new CAP and the needs assessment carried out by DAFM, which identifies environmental efficiency, support for young farmers, improved animal health & welfare and farm safety as specific priorities.

The provision of grant aid for dairy equipment including milking equipment, storage and cooling has greatly enhanced and improved milk quality standards, animal welfare and labour efficiency on Irish dairy farms.

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Labour efficiency is an important challenge on Irish dairy farms, with average herd sizes increasing from approximately 60 to 90 cows following the abolition of milk quotas in 2015 and in support of the Food Harvest 2020 and Food Wise 2025 strategies.

The milking process takes up approximately one third of the working day on a typical dairy farm and having sufficient milking units is needed to reduce daily labour input. The ideal target is to have seven or eight rows of cows with many dairy farms milking way in excess of this.

It is essential that labour saving technologies such as automatic cluster removers (ACR's) and innovative technologies that will improve technical efficiency and animal welfare & health are supported under the next CAP.

The new Food Vision 2030 strategy for the agri-food sector is grounded on the basis that sustainability is defined as a balance between environmental, economic and social sustainability factors. Whilst there is no doubt, environmental objectives must be to the fore during the next CAP period; reflecting the objectives of the EU Green Deal, Ag Climatise and Ireland Climate Action Bill, however, a balance is needed to ensure social sustainability is equally protected. The modernisation of dairy equipment will play an important role in reducing working hours, labour efficiency and improved work-life balance for farmers and their families.

Additionally, the continuation of public support through grant aid to upgrade essential farm infrastructure such as dairy equipment will be needed under Ireland's CAP Strategic Plan to further improve milk quality standards, given current challenges related to the transition to non-chlorine cleaning protocols and the new legal requirements around Selective Dry Cow Therapy, which will require a significant increase in milk recording levels in the coming years.

The transition to non-chlorine cleaning protocols will require the continuation of public support through grant aid to upgrade essential equipment such as auto-washers. Aid in this area would enable more efficient and accurate use of detergents and would further improve overall milk quality and hygiene standards on farms.

We are also concerned that the exclusion of grant aid for new dairy equipment will encourage the installation of more second-hand milking machines contributing to lower milk quality standards. At the same time, support must continue to enable farmers to replace older milk cooling equipment, which is less efficient from an environmental and carbon footprint perspective.

The bottom line is that Investment in modern dairy equipment will improve animal welfare outcomes, hygiene and quality standards and thus protect and enhance Ireland's international reputation for sustainable, traceable and safe dairy products and ingredients.

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Moreover, given the environmental challenges and the requirement to reduce the carbon footprint of each farm, dairy farmers in particular will need support to invest in new technologies such as variable speed drive pumps, plate coolers and heat recovery systems that will deliver energy efficiency improvements and contribute to better environmental outcomes.

Finally, we believe it is critical that the new CAP facilitates pathways for new entrants into dairy farming, to support a vibrant and sustainable sector and that the family farm model of dairy farming in Ireland is protected and supported by Government policy.

The provision of grant aid for dairy equipment for new entrants and farmers seeking to invest in their family farm to ensure it is viable and sustainable into the future is absolutely essential in this regard.

On behalf of Milk Quality Ireland and the wider Irish dairy industry, I look forward to entering into meaningful discussion with the Department of Agriculture on the matters raised in this submission.

Yours sincerely,

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Milk Quality Ireland

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