Farmer Newsletter

Spring/Summer 2024

Sustainable Quality Assurance Scheme members' communication



Positive market signals for summer

- How to join AgNav?
- Audit data: Increased use of LESS and protected urea
- The US dairy market and Kerrygold
- Irish Grass Fed Beef PGI launches in Italy

BORD BIA
IRISH FOOD BOARD

Origin Green IRELAND

20 years of the Chefs' Irish Beef Club

The Chefs' Irish Beef Club is an exclusive forum of leading chefs who endorse Irish beef by serving it in their fine-dining restaurants. To celebrate the 20th anniversary of the club, Bord Bia has invited 54 chefs and 10 journalists from eight countries to Ireland on a four-day trip to showcase the best of Irish beef and other artisan produce. Taking place from May 12-15th, the itinerary will include visits to Quality Assured beef farms to meet farmers producing grass-fed Irish beef.



Pictured at Jim Hogan's farm in Rathrush, Carlow, are members of the Chefs' Irish Beef Club on a visit in 2013.

Online modules to support farmers

Since October 2021, Bord Bia has been offering free, online learning to farm members. Almost 10,000 farmers have registered for the Farm Sustainability Learning Hub to access short optional modules on topics such as soil health, water quality, energy efficiency, and farmland biodiversity. New modules on animal welfare and pollinator friendly farming have recently been added. All modules are available to certified members and can be completed in 45 minutes or less. Access the modules online at farm.bordbia.ie.

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Japanese dairy buyers visit



In April, Bord Bia hosted 17 dairy buyers from Japan on a five-day visit to Ireland, as part of an EU co-funded campaign: *European Dairy - Ireland working with nature.* The group, which includes buyers from Japan's largest dairy companies, attended Bord Bia's annual Dairy Markets Seminar in Naas, Co. Kildare on April 16th where they spoke with Minister Martin Heydon T.D. Last year, Ireland exported just under 17,000 tonnes of dairy to Japan, valued at over €79 million.



In March, Irish Grass Fed Beef with Protected Geographical Indication (PGI) status went on sale across 170 outlets of the premium Italian supermarket chain, Esselunga. Pictured in Milan are Minister Charlie McConalogue T.D; Fusar Poli Massimiliano of Esselunga; and Bord Bia CEO, Jim O'Toole. Bord Bia will run trade and consumer promotion in Italy over the coming months before launching the PGI in Switzerland, Belgium and France.

Sustainability spotlight

On March 7th, a new €60 million 'Farming for Water' project was launched by the Department of Agriculture, Food and the Marine, and the Department of Housing, Local Government and Heritage under the European Innovation Partnership (EIP). Farming for Water aims to deliver targeted measures to improve water quality at local, catchment, and national levels. It's the largest ever EIP in Ireland.
An operational group has been established by the Local Authorities Waters Programme in partnership with Teagasc, Bord Bia and other stakeholders. Plans will be made in partnership with farmers to implement actions at farm level to improve water quality. The programme will run until 2028, focusing on areas needing the most attention to protect water quality.

FARMING for WATER
Water European Innovation Partnership - AGRI

Growing importance of US for Irish dairy exports



Pictured (l-r): Jim O'Toole, Bord Bia CEO and Minister Pippa Hackett with Lindsay Brady, President Ornua Foods North America, on a visit to the US retailer, Wholefoods, during the trade mission to the US.

The United States has become a crucial hub for the Irish dairy industry, with exports reaching €681 million in 2023 - double the value of 2019. This growth has contributed significantly to Ireland's overall expansion in dairy exports. During the four years between 2019 and 2023, the US accounted for nearly 26% of total Irish dairy export growth. In 2023, 24% of all Irish butter exports found their way to American households, alongside 6.5% of cheese exports. The US market also accounts for approximately 20% of Ireland's casein exports: a highly valued dairy ingredient used for a variety of applications including medicine and dietary supplements.

US dairy consumption

The US is one of the world's largest consumers of dairy with the average US citizen consuming approximately 295kg of dairy per annum according to the United States Department of Agriculture (USDA). Consumption continues to grow with 2023 figures released by the USDA showing an increase across several categories, particularly butter and cheese, which are two important categories for Irish dairy products in the US.

Proving Irish grass fed

Growing consumer demand for 'natural' products has led to increased interest in grass fed dairy and products claiming to be grass fed, often without any real proof. The 'Bord Bia Grass-fed Standard,' is the first national programme that verifies that products carrying it have been produced from milk from cows with at least 95% of their diet from grass.

GRASS FED VERIFIED
BORD BIA
IRISH FOOD BOARD

Choice is king

Choice remains a priority for US consumers, reflected in the abundance of dairy products available on American grocery store shelves. US retailers often stock twice as many products compared to their Irish or European counterparts, especially evident in the expanding dairy section.

Sustainable sourcing

Part of Bord Bia's remit in the US is to regularly meet with influential trade customers to build preference for Ireland as a preferred dairy supplier. These customers are placing increased significance on environmental sustainability in their procurement strategies. On a recent government-led trade mission to the US, meetings were held with several important retail and foodservice customers. Notably, these buyers commended the Irish dairy sector for its commitment to a more sustainable supply chain, from on-farm through to processor level.

The Kerrygold Story

Ornua
THE HOME OF IRISH DAIRY

The Kerrygold brand is Ireland's most successful food export and the only Irish made and owned food brand to reach over €1 billion in sales globally. In the US, Kerrygold holds the number two position for branded butter and number one for imported butter.

Having first launched in the US in 1990 with Kerrygold cheese, the very first pallet of Kerrygold butter arrived to US shores nine years later. Since then, Kerrygold has grown from strength to strength, underpinned by Ornua's investment in the brand and focus on building strong connections with US consumers. Ireland's grass-based farming system distinguishes Kerrygold from other dairy products available in the market. Kerrygold lovers value the premium quality and great taste owing to the grassfed difference, along with the strong sustainability credentials of Irish dairy.

Communicating this 'green advantage' and Ireland's reputation as a sustainable producer of dairy, is supported by a programme of engagement with key buyers and influencers from global markets, including the US. This involves bringing buyers to visit farms and meet the families that work tirelessly to produce the world-class milk that makes Kerrygold a world-famous butter.

Irish dairy farmers continue to improve sustainability on farm

Bord Bia has been carbon footprinting Irish dairy farms since 2014 through the Sustainable Dairy Assurance Scheme (SDAS).
We now have ten years of audit data, which shows a steady improvement in carbon efficiency and an increase in output per cow. Results from audits conducted in 2023 indicate a dairy carbon footprint of 0.90 down from 1.03 in 2014*.
After years of rising average milk solids, 2023 was the first year without an increase. Average milk solids per cow remain at 443kg, having risen from 429kg in 2021. The current poor weather conditions are likely to impact cow output and will be reflected in next year's data.

MACC measures

The average (SDAS) dairy herd again increased last year, from 97 to 100 cows. The greatest source of emissions on Irish dairy farms is from the animals themselves. An increase in the average herd size, corresponds to an increase in the average total farm emissions. However, dairy farmers continue to make positives strides by reducing total chemical N spread, increasing the use of protected urea, and using low emission slurry spreading (LESS) technology. These are all important actions, as recommended by the Teagasc MACC, that farmers are taking to reduce their GHG emissions. (See figures 1 and 2).

Milk recording

Another measure being undertaken by dairy farmers that improves farm productivity and efficiency is milk recording. Almost 70% of dairy farmers undertake milk recording of their herd. Milk recording can be a useful process to detect herd health issues and identify the most efficient cows. It can also be used to assist in breeding decisions to ensure that the genetic merit of the most carbon efficient cows are retained in the future herd.

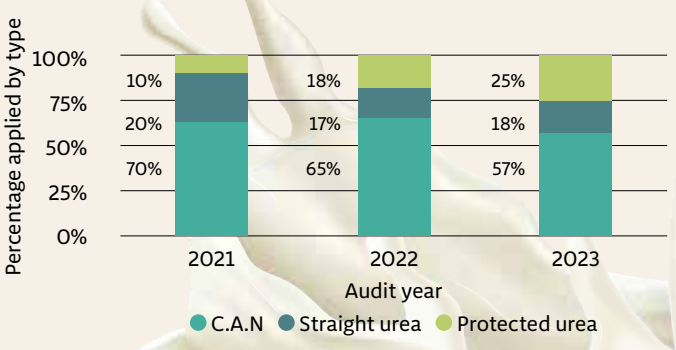


Figure 1. Forms of N applied (SDAS)

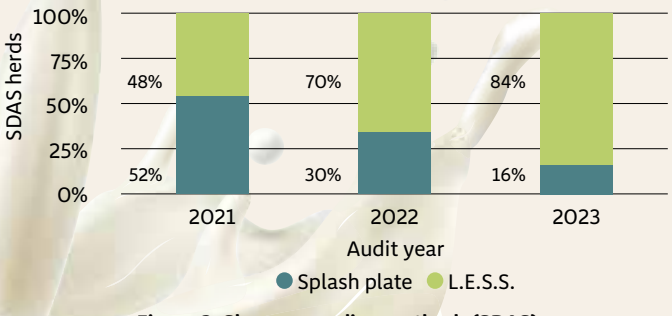


Figure 2. Slurry spreading methods (SDAS)

**About the data: AIMS data is used in the carbon footprint calculation and to display livestock units and stocking rate. The data gathered from the sustainability survey is provided by the farmer as part of their audit and is reliant on the accuracy of records provided. Milk data is provided by dairy co-ops and is used to calculate fat and protein corrected milk (FPCM) and milk solids. A minimum of nine months milk supply data is required to calculate the carbon footprint. Carbon footprint is reported as kg CO2e (Carbon Dioxide Equivalents) per KG of FPCM for dairy.*



Tom Power pictured with media and influencers from the US who visited the Power family farm in Co. Waterford during a Kerrygold 'Taste of Ireland' media tour hosted by Ornua.

Farm visits also provide an unrivalled opportunity to showcase the deep-rooted commitment of Ireland's dairy farmers to consistently enhance sustainable practices, supported through programmes like the SDAS.
Kerrygold has built a large consumer following in the US, yet there is significant scope for further growth. Building towards future growth will be supported through the recent doubling in production capacity of Ornua's flagship butter production facility, Kerrygold Park in Mitchelstown, Co. Cork. This major investment underpins Kerrygold's plans to become Ireland's first €2 billion food brand.
The development of the facility, which can now produce up to one million retail packs of Kerrygold butter each day, responds to the continued growth in demand for Kerrygold in major international markets like the US. The brand is well-placed to meet that demand and reach more dinner tables across the US, supported by the continued confidence retailers and consumers have in the quality of the product and the high standards of sustainability through which it is produced.

Tight supplies and strong demand in sheep trade

The deadweight lamb trade hit record levels during spring 2024, driven by tighter supplies of suitable hoggets for processing and increased demand for product around Easter and Ramadan. The tight supply situation has not been confined to Ireland, with hogget throughput in the UK so far this year operating 5% behind 2023 levels. The latest supply forecast for the EU has indicated a 2% decline in throughput during the first half of 2024 which equates to a 580,000 head reduction in the sheep kill.

The deadweight hogget price during the week ending April 14th was €8.77/kg, significantly higher than the €7.32/kg paid in the corresponding week last year. The trade in mainland Europe and GB have also remained strong. The price differential between northern and southern hemisphere prices makes the European markets very attractive to Australia and New Zealand product with some indications of a growing levels of trade in the early months of 2024 relative to previous years.

Sheep market forecast

While ewe census figures are not available at time of print a further reduction in the ewe flock is expected for December 2023. The size of the flock will have an obvious impact on the lamb crop available for processing in the second half of the year. While there were some indications of a slight improvement in scanning rates in 2024 the extremely wet weather in many parts of the country throughout March and April could have a further negative impact on lamb mortality rates and also negatively impact lamb performance, thereby pushing out finishing dates slightly.

Consumer demand

Lamb has the highest price point of all the proteins and is therefore most susceptible to changes in consumer purchasing behaviour. However, demand in our key export markets during 2024 to date has been firm despite the rising prices, underpinned in part by the weaker supplies discussed above but also by growing Muslim populations which have a cultural preference for lamb over other proteins. The latest information on lamb purchasing behaviour across our key export markets have generally indicated higher levels of consideration of lamb amongst consumers.



Strong UK beef demand but EU sluggish

There was a positive start to the 2024 for beef producers with reported prices trending above 2023 levels, however the trade has levelled off in recent weeks and recorded a slight decline in some cases. With cattle slow to get to grass this year and dwindling fodder supplies on many farms, costs of production have been driven up across the board. While cattle throughput has come back in recent weeks, the overall prime kill for the year to date is operating 3% ahead of last year.
As we move through the second quarter of the year, prime cattle supplies are expected to remain tight before recording some moderate improvement at the back end of the year.
Cow throughput remains particularly strong with high input costs, lower prices and concerns around nitrates banding all contributing to a particularly strong dairy cow kill.
The average R3 steer price during the week ending April 21st was €5.21/kg, trending 6c/kg below of the same week last year. Irish beef prices are sitting just above average EU prices, a position supported by a very strong UK market. The average R3 steer price in the UK during week ending April 21st was the equivalent of €5.68/kg.
During 2023 49% of Irish beef exports in volume terms were destined for the UK market. This trend has carried into the early months of 2024 with the latest trade statistics indicating 39,349 tonnes of beef were exported to the market to the end of February, accounting for 48% of total exports.

Beef market forecast

The UK beef market remains strong with firm demand for Irish beef on the back of tighter UK cattle supplies for processing. The EU cattle kill forecast also indicates a decline in cattle availability, particularly in the second half of 2024 which may help provide some stability to the beef trade. Consumer demand in Europe remains relatively sluggish.

This has been particularly evident in the foodservice channel which also remains competitive due to higher levels of non-EU imported beef being offered at lower prices.



Optimum carcase grades

The major processors have a strong preference for steer and heifer carcases between 280-380kg, grading O= and better and with a fat cover between 2+ and 4=. Beef produced from these carcases fulfils the widest range of customer specifications across our domestic and export markets. While there are market outlets for beef from carcases outside this range, particularly breed specific option such as Aberdeen Angus or Hereford, they are generally much more limited to specific customers and markets.

Live trade

Calf exports have faced several challenges in 2024 with later calvings, lower availability of ferry crossings and poor weather all impacting the level of trade. Despite this slower start to the year there has been a welcome increase in calf exports in recent weeks. The short-term outlook is positive, but the longer to medium outlook remains challenging with ongoing pressures on the calf export trade. Exports of stores and adult cattle are trending higher due to demand for Irish cattle in Northern Ireland and strong international trade with shippings to Morocco, Tunisia, Algeria and Turkey.

Irish beef farmers adopting key sustainability measures

Beef farmers are taking measures to reduce farm emissions, as shown by recent audit data from the Sustainable Beef and Lamb Assurance Scheme (SBLAS). Results from SBLAS audits conducted in 2023 show an increase in the use of LESS technology and a fall in the use of the splash plate (see figure 1). Soil testing is being carried on at a high rate with 70% of SBLAS members reporting that they soil tested in the previous year. SBLAS farmers use low rates of chemical N with an average of 78kg per hectare over the past three years. Lime application has increased significantly with 26% of beef members reporting that they applied lime, up from 9% in 2021. The use of CAN-based fertilisers is falling. Last year, CAN accounted for 75% of chemical N applied, having accounted for 85% of all chemical N applied in 2021 (see figure 2). Five years ago, CAN accounted for 90% of chemical N applied. These are all important actions, helping to reduce emissions from beef farming.

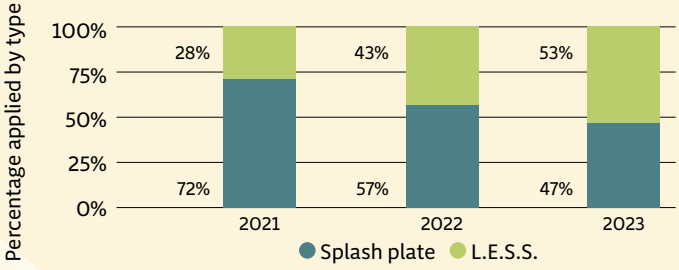


Figure 1. Slurry spreading methods (SBLAS)

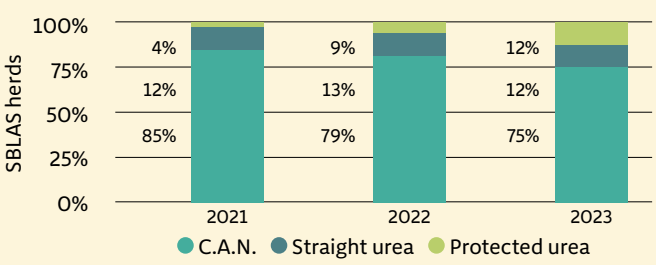


Figure 2. Forms of N applied (SBLAS)

About the data: the data is provided by the farmer through the sustainability survey as part of their audit and is reliant on the accuracy of records provided.

Joining AGNAV to reduce farm emissions



AgNav is a sustainability platform developed in partnership between Bord Bia, Teagasc, and the Irish Cattle Breeding Federation (ICBF). AgNav provides farmers with accurate information and advice to support decision making on their farm, with the aim of reducing farm emissions. Over the past 12 months, AgNav was trialled with Teagasc advisors and Signpost demonstration farms though a pilot phase. The functionality and usability of AgNav continues to be developed and improved.

Three step process

The AgNav process can be broken down into three steps:

Assess

AgNav assesses current farm performance across key environmental indicators using data from Bord Bia and ICBF.

Analyse

Farmers and/or their advisors determine the impact of specific sustainability measures using the AgNav Forecaster tool.

Act

Using the AgNav Action Planner, farmers create a farm sustainability plan based upon the most appropriate actions for their farm. The plan serves as a roadmap for farmers, guides farmer-advisor engagement, and demonstrates progress at farm level.

Using AgNav

Currently, there are two recommended routes to using AgNav: through the free Teagasc Signpost Advisory programme or through affiliated processor programmes.

1. Teagasc Signpost Advisory

Last year, Teagasc established a new, targeted advisory programme to support climate and sustainability actions on farms. This programme is available to all farmers and is free of charge. A team of new advisors has been established within each advisory region to deliver the service. The service will be closely linked to the ongoing advisory support services offered by Teagasc, ensuring consistency and good integration into existing advisory programmes. To join the Signpost Advisory and begin using AgNav, you must first register for the programme. Registration is quick and can be done online (scan the QR code) or by visiting your local Teagasc advisory office. Farmers will be supported to implement the plan through a range of advisory supports, including both group-based and individual follow-up and advice. Participation in the programme will be for three years.

2. Processor programmes

AgNav partners are regularly meeting with farming and industry stakeholders to keep them informed of developments to AgNav. Several processors have initiated the integration of AgNav into their farm sustainability programmes to support the development of farm specific action plans to improve the sustainability of their supply base. AgNav aims to support these initiatives and be the one-stop shop for farmers implementing farm sustainability actions.