

Final

# 2024 Milk Supplier Survey – overall results



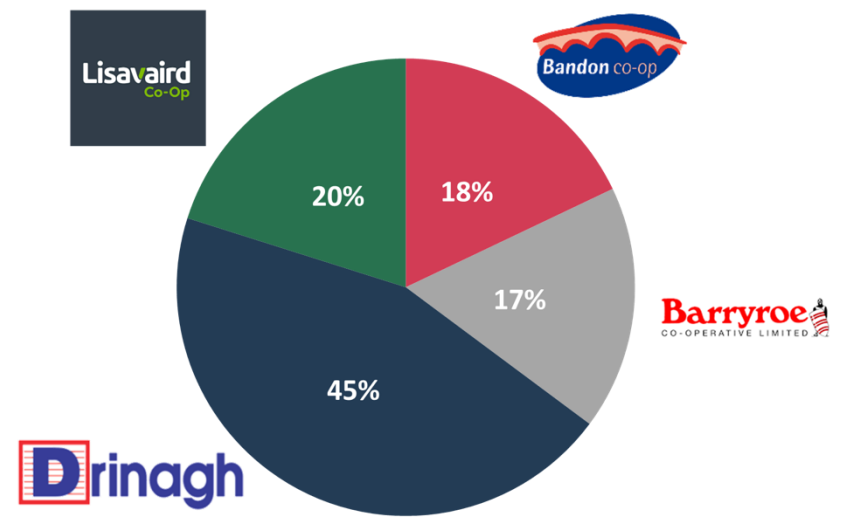
CARBERY

# Key Figures At A Glance



Representation of  
Total Supplier Base

80%



Online Survey-  
Proportion of Total  
Returns



85%



Pen & Paper  
Survey- Proportion  
of Total Returns

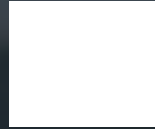
15%

# About the Farmer



# Farmers age profile

35 years or under



10%

36-44 years



16%

45-55 years



33%

56-65 years



29%

65 years or over



12%

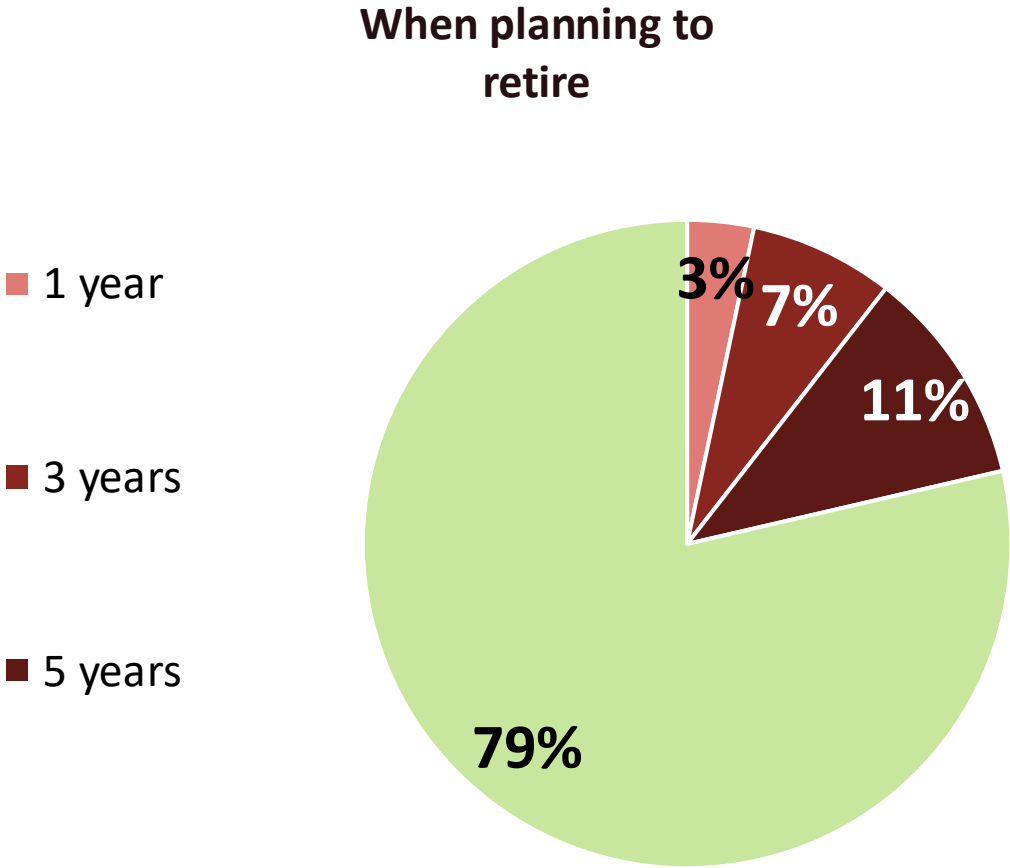
## Age Breakdown by Supplier Scale

	0 - 70 cows	70 – 120 cows	121+ cows
Under 45	20%	29%	35%
45+	80%	71%	65%

### Key Takeaways

- While aging profile of our farmers has been a concern, only 12% are over 65%
- We can also see that % under 35 is low at 10%, so definitely a need to look at measures to encourage young farmers
- 1/3 of our farmers under 45 have +121 cows with 2/3 of over 45 having +121 = bigger farmers are older and more established

# Retirement



## Key Takeaways

- Only 3% of suppliers planning to retire in next year and 10% in next 3 years.
- 79% with no plans to retire

Q6.1 Do you plan to retire in the next...

Q6.2 If you plan to retire in the next 5 years, please outline your primary reason for retirement?

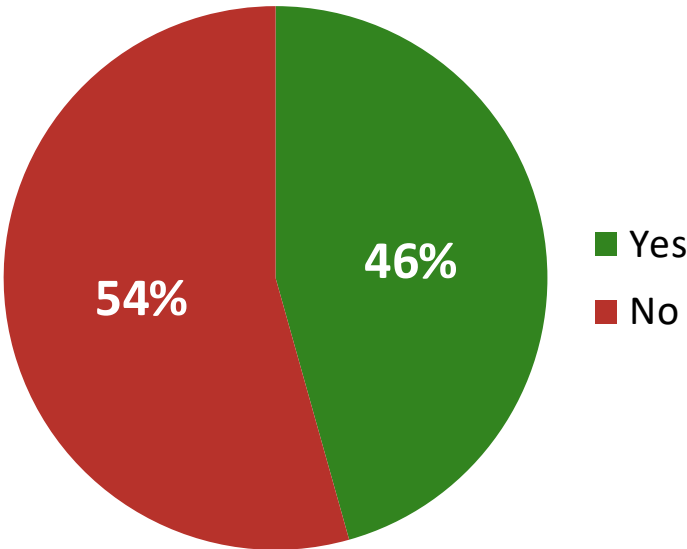


Photo by Anastasia Shuraeva from Pexels



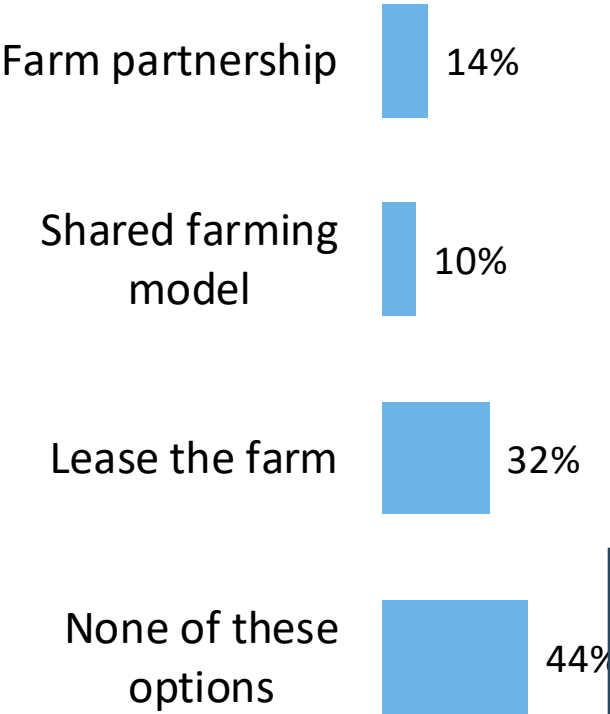
# Succession

Have Identified  
Successor

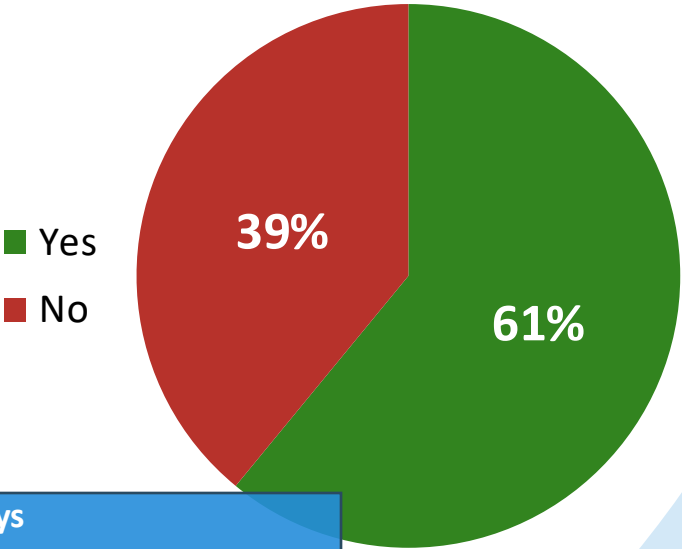


Have Identified a Successor					
	35 or under	36-44	45-55	56-65	65 or over
Yes	25%	23%	49%	59%	67%
No	75%	77%	51%	41%	33%

Alternatives to  
a successor



Open to engaging with  
co-op on succession



## Key Takeaways

- Two thirds of farmers aged 65 and over have identified a successor
- Work to do with the one third that haven't, the majority of farmers (61% are open to engaging with their coops on succession – opportunity there

Q5.3 - Have you identified a successor who in time might take over your dairy business?  
Q5.6 - Would you like more information on these options for future reference?  
Q5.7 - Are you open to engaging with your Co-op on succession?

# Succession

**46%** Of Carbery Suppliers have identified a successor

**27** Years Old  
Average Age of Successor

**33%**

Carbery suppliers aged over 65 have not identified a successor

Those Who Have Identified a Successor by Supplier Scale			
	0 - 70 cows	70 – 120 cows	121+ cows
Have Identified a Successor	40%	47%	56%

• Q5.3 - Have you identified a successor who in time might take over your dairy business?

5.4 If yes, what age is the likely successor?

# About the Farm





# 118 Acres

Total Land Farmed

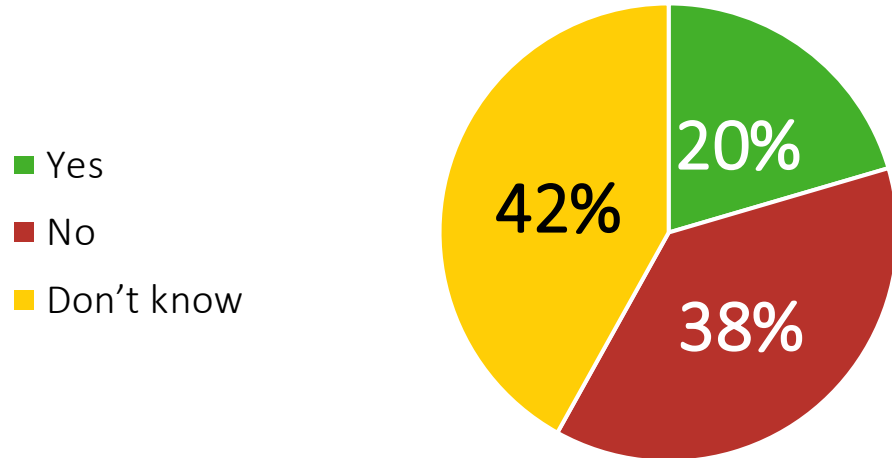
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# 60 Acres

Total Milking Platform

# More Land Leasing and Purchase Opportunities Expected in Next 3-5 Years

Think there will be more opportunities to lease or purchase land in your area in the next 3-5 years



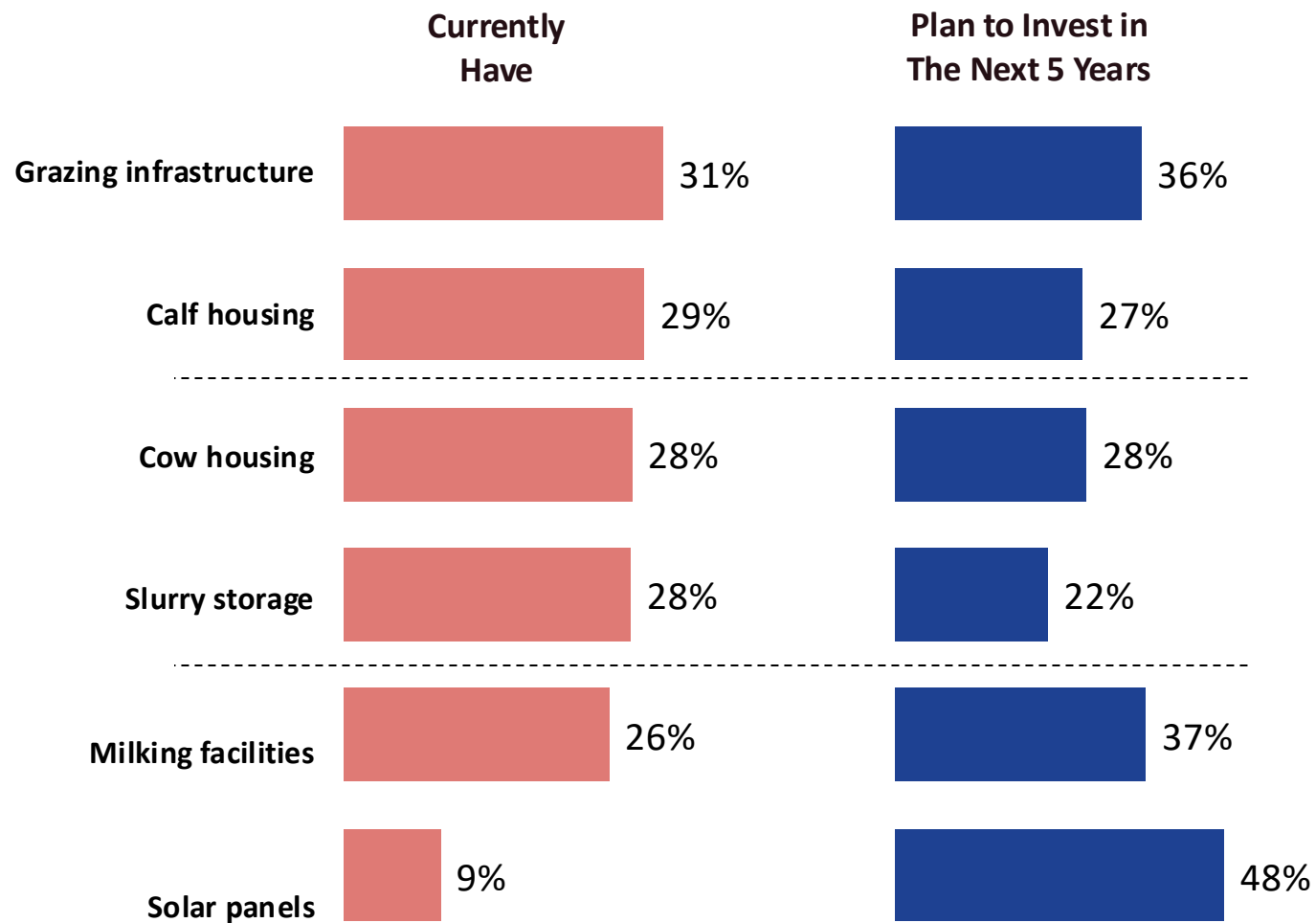
Q1.7 Do you think there will be more opportunities to lease or purchase land in your area in the next 3-5 years?

## Key Takeaways

- Only 20% of our suppliers think there will be land available to lease or purchase in their area in 3-5 years
- Our perception of shortage of land available and expensive is supported here



# Infrastructure Future Investment Areas



## Key Takeaways

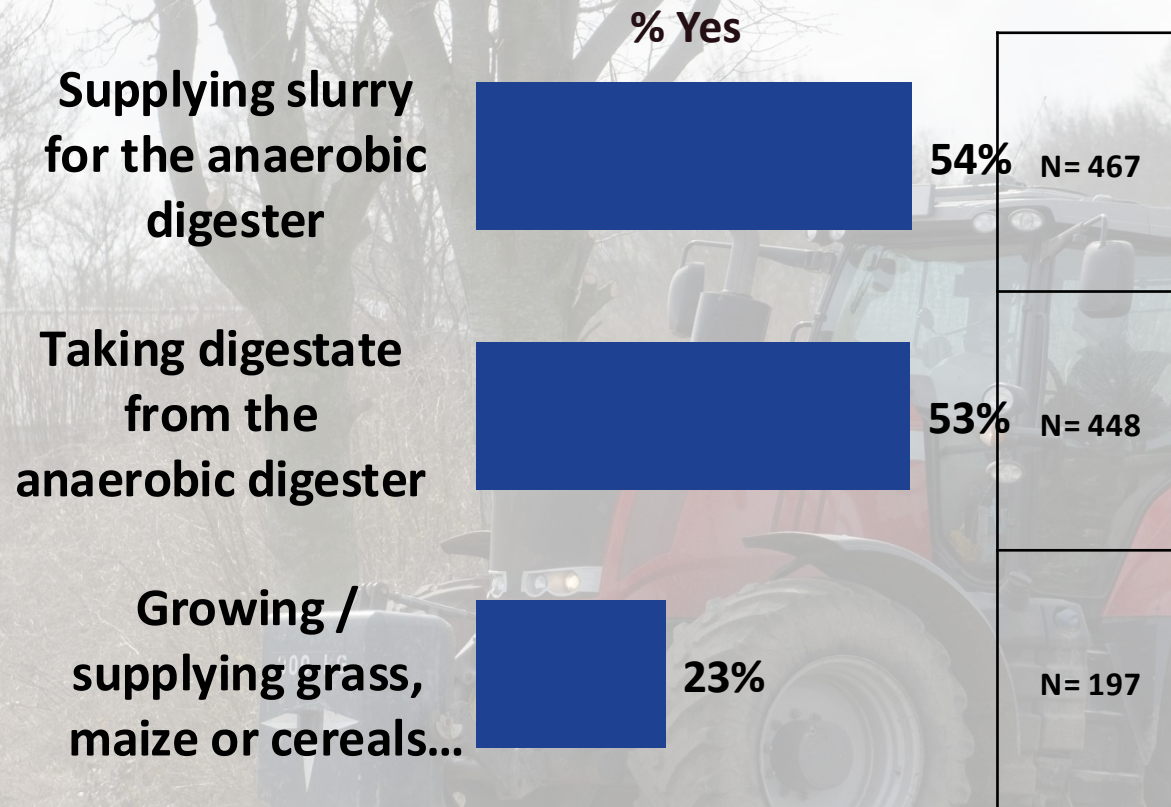
- Solar is a major area of interest for investment in 5 years
- Significant number looking at investing in grazing infrastructure
- 22% plan to invest in slurry storage, what would number look like if we had N derogation certainty

Q4.12 Do you plan to invest in the following infrastructure in the next 5 years?

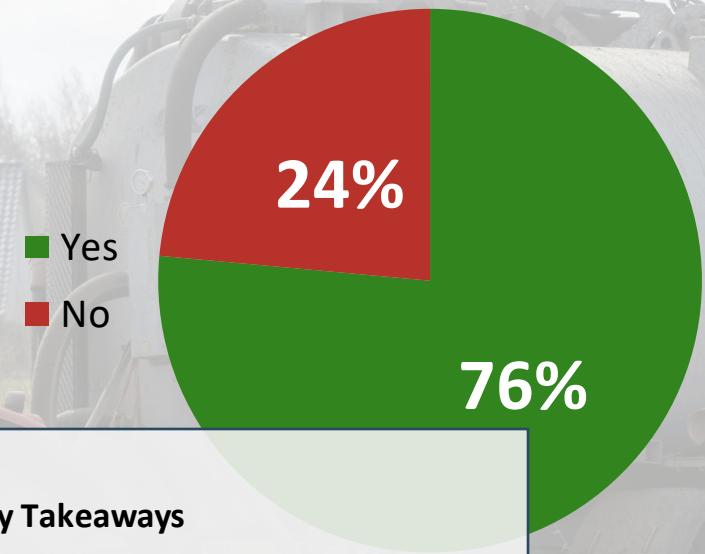


# Investing in slurry storage

## Preferred form of engaging with anaerobic digester



## Value in investing in slurry storage?



### Key Takeaways

- 76% see value in investing in slurry storage – so between derogation pressures and water quality, message is getting through
- Interesting data on AD.

6.3- If there was an anaerobic digester convenient to your farm, would you be interested in ?  
6.4 - Do you see value in investing in slurry storage?

# About the Herd

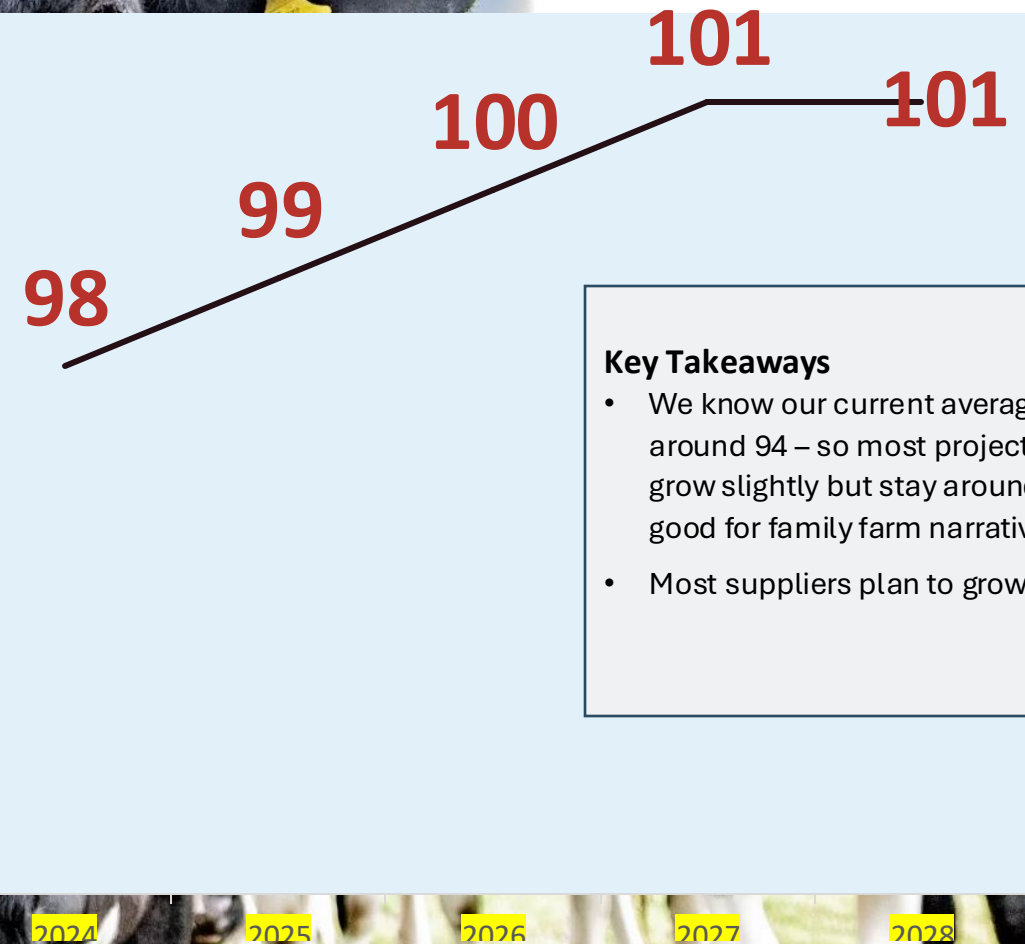


# Ideal Cow Number

104

Ideal Number of  
Cows to Milk

# Forecast Cow Numbers



## Key Takeaways

- We know our current average size is around 94 – so most projected to grow slightly but stay around that – good for family farm narrative.
- Most suppliers plan to grow slightly



# Forecast Cow Numbers by Supplier Type

Forecast Cow Numbers by Supplier Type			
	0 - 70 cows	70 – 120 cows	121+ cows
2024	48	93	194
2025	48	93	195
2026	50	93	196
2027	48	95	196
2028	48.7	92	197

### Key Takeaways

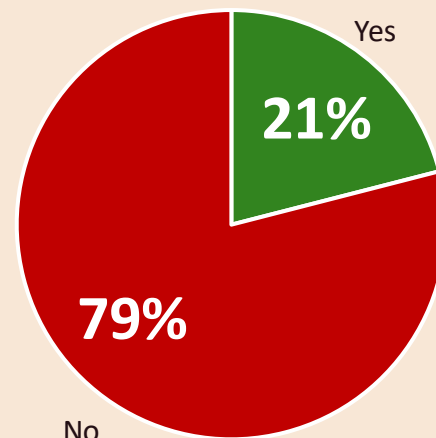
- Across all 3 categories of herd size, plans to increase cow numbers are very modest (and non-existent for 0-70 cohort)
- So plans to increase output must be based on improved performance



# About the Environment

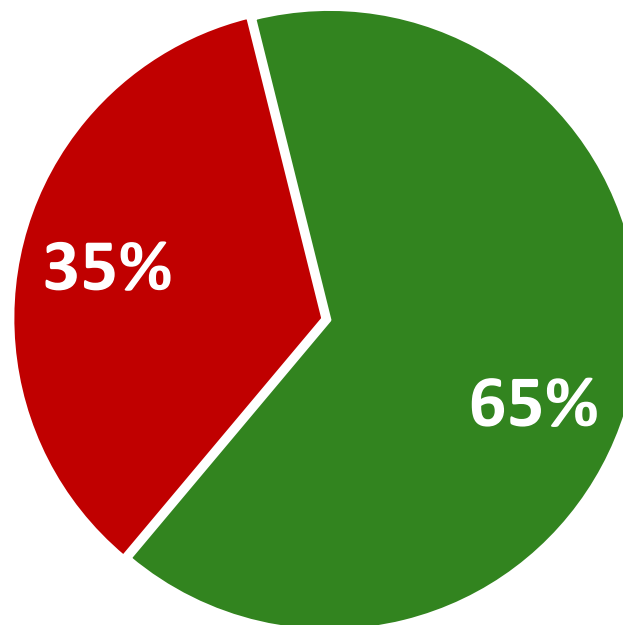
# Nitrates Derogation

Intention to apply for the nitrates derogation in the next five years?



Q4.5 If you are not currently availing of the nitrates derogation, do you intend to apply for the nitrates derogation in the next five years?

Are you currently availing of the Nitrates Derogation?



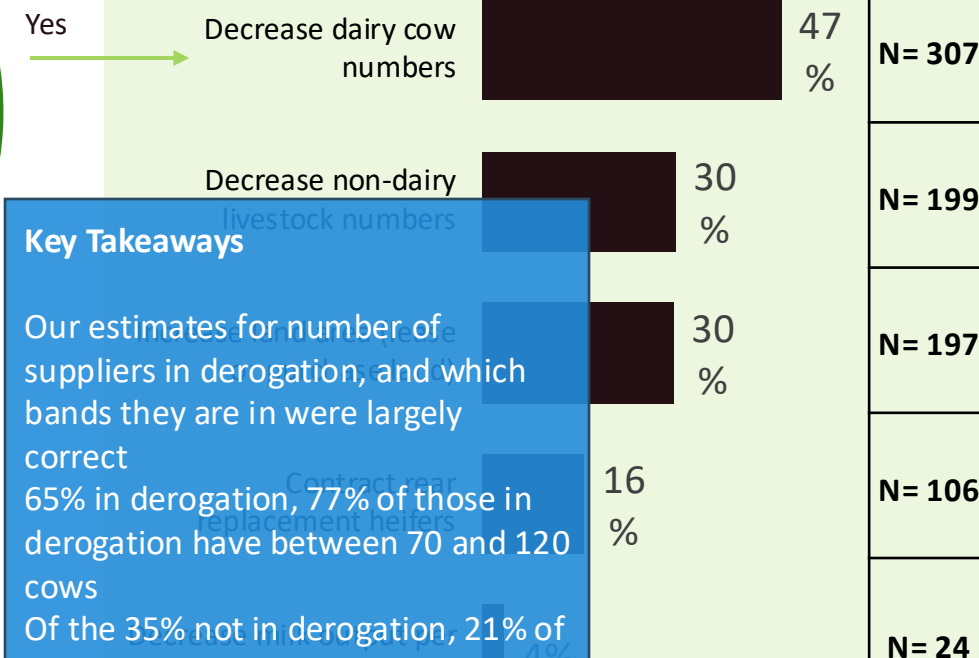
Currently Availing of Nitrates Derogation by Supplier Scale

	0 - 70 cows	70 – 120 cows	121+ cows
Currently Availing	43%	77%	40%

Intend to Apply for Nitrates Derogation by Supplier Scale

	0 - 70 cows	70 – 120 cows	121+ cows
Intend to Apply	17%	27%	37%

Options if Maximum Nitrates Derogation Limit is Reduced



## Key Takeaways

Our estimates for number of suppliers in derogation, and which bands they are in were largely correct

65% in derogation, 77% of those in derogation have between 70 and 120 cows

Of the 35% not in derogation, 21% of these farmers plan to apply for it in next 5 years

Of those in derogation, almost half (47%) would decrease dairy cow numbers if derogation limit is reduced.

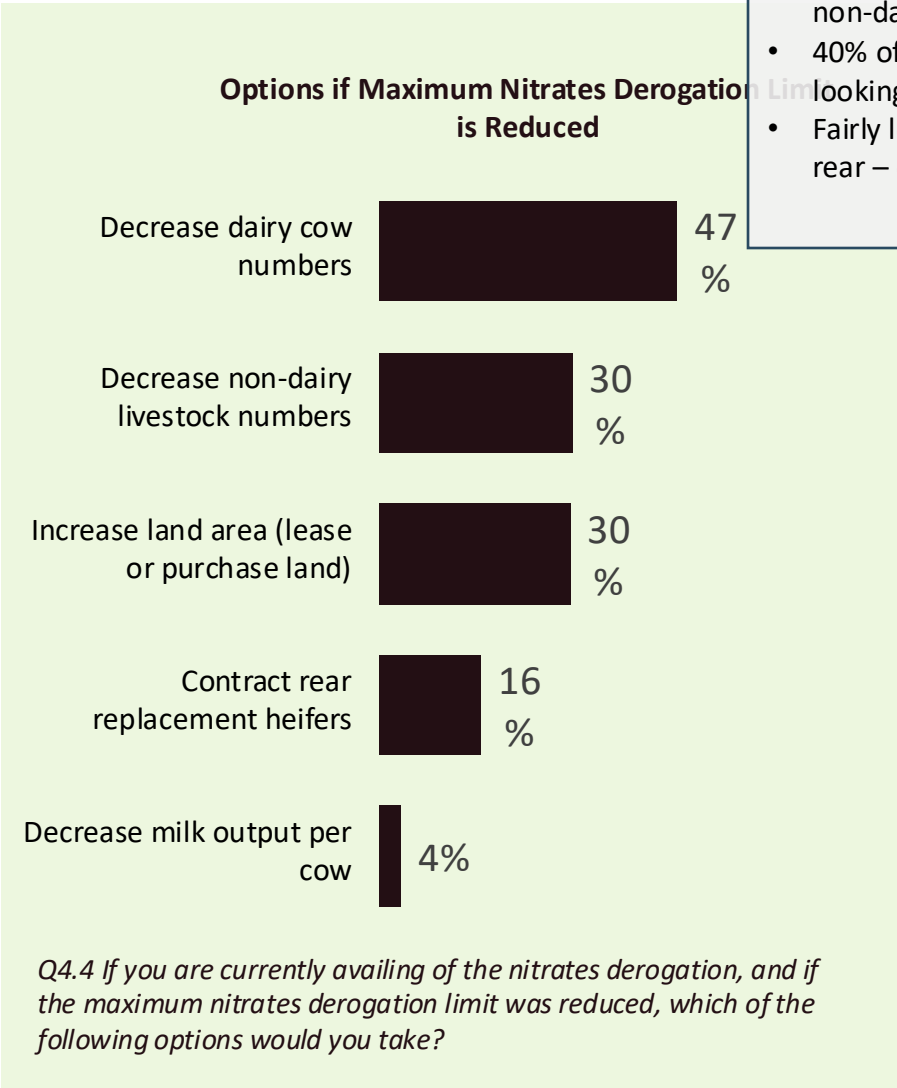
Q4.4 If you are currently availing of the nitrates derogation, and if the limit was reduced, which of the following options would you take?



# Options if Maximum Nitrates Derogation Limit is Reduced by Banding

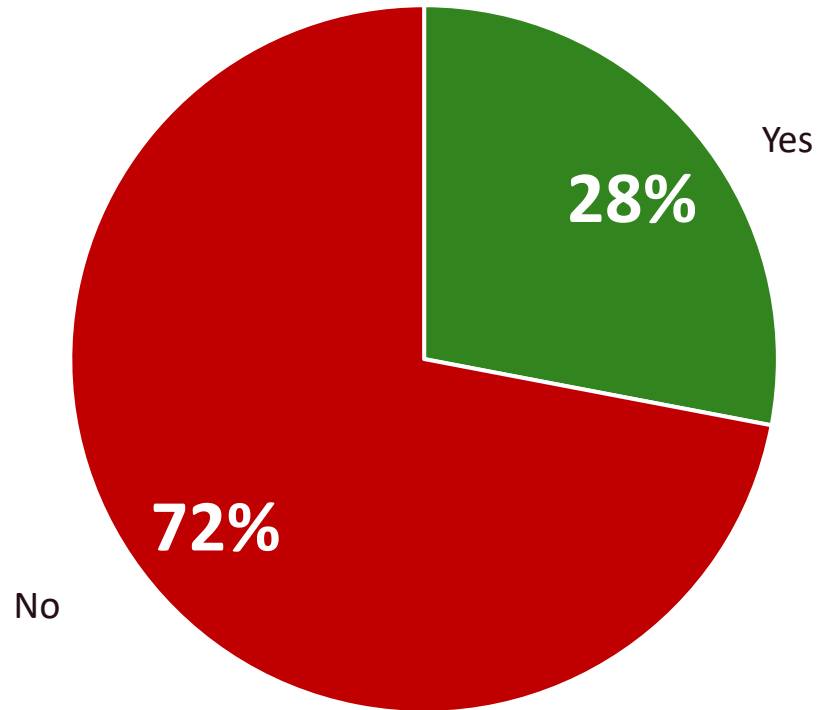
Key Takeaways

- Across the 2 higher bands, the most common option to meet N derogation limit is decreasing cow numbers. In band 1 most would opt for decreasing non-dairy livestock numbers
- 40% of those in band 3 would also be looking to increase land area
- Fairly low numbers opting to contract rear – can more be done here?



Nitrates Derogation			
	Band 1 (<4,500kg milk)	Band 2 (4,501kg - 6,500kg milk)	Band3 (>6,500kg milk)
Decrease dairy cow numbers	27%	51%	44%
Decrease non-dairy livestock numbers	55%	28%	31%
Increase land area (lease or purchase land)	18%	32%	40%
Contract rear replacement heifers	12%	18%	13%
Decrease milk output per cow	4%	2%	8%

# Exporting Slurry



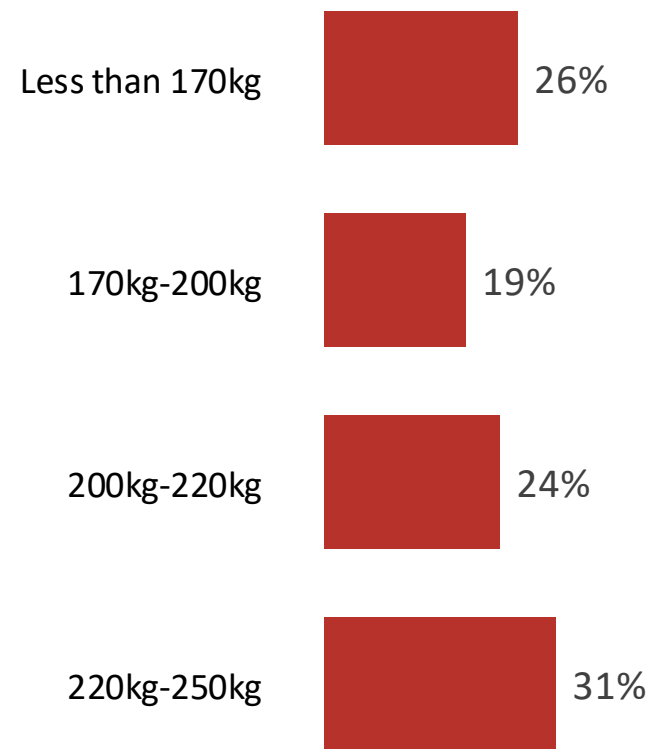
## Key Takeaways

- Lower numbers of those exporting slurry which is to be expected given high percentage in derogation

Q4.6 Are you currently exporting slurry?

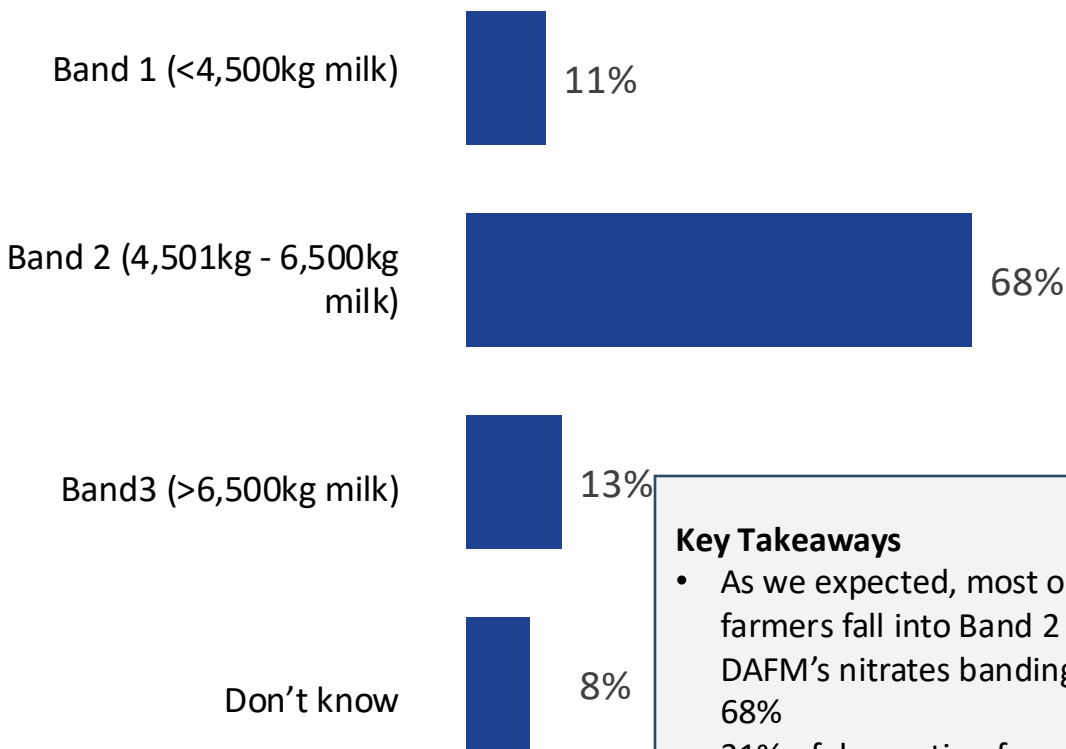
Photo by Mirko Fabian from Pexels

# Whole Farm Stocking Rate



Q4.1 What is your Whole Farm Stocking Rate (Bovine livestock manure kg N/ha), as per the Nitrates Directive? Please select one of the following options

# Nitrates Banding



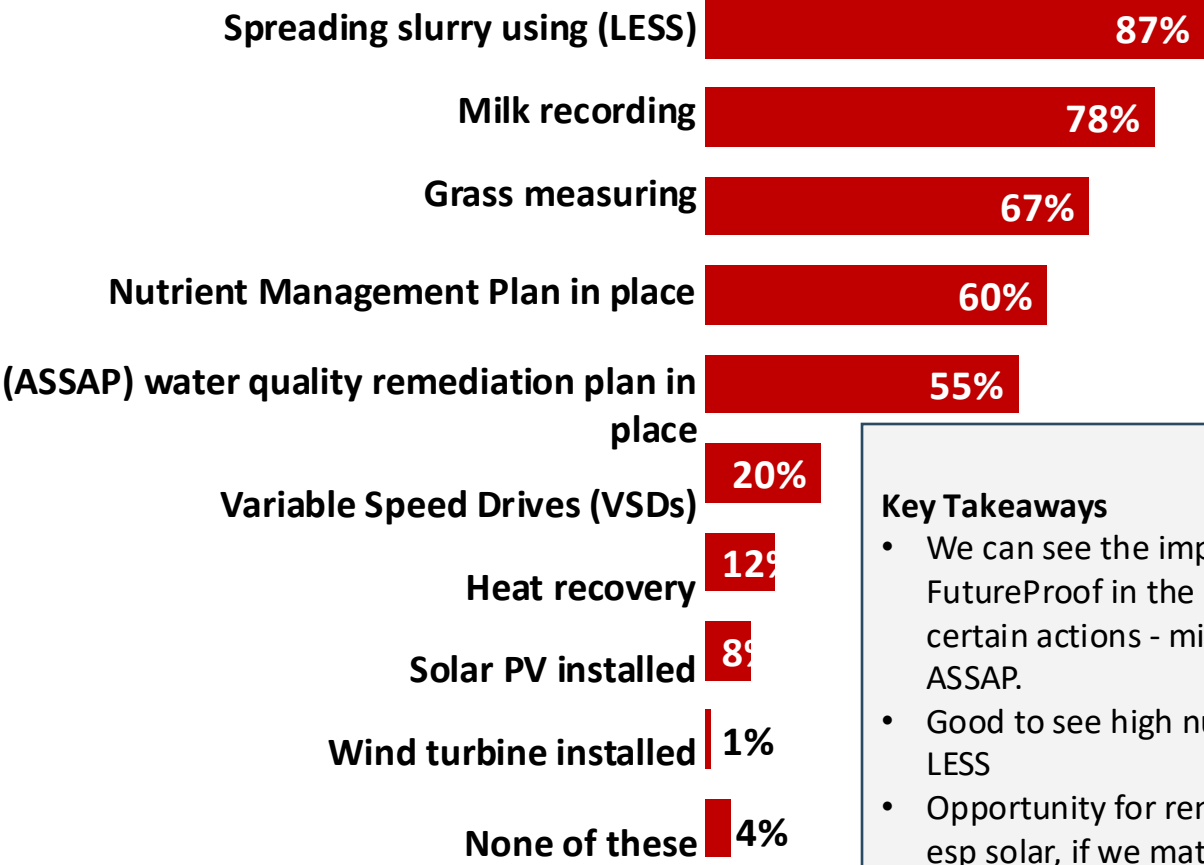
Q4.2 Under DAFM's Nitrate Banding system, which band do you fall into?

## Key Takeaways

- As we expected, most of our farmers fall into Band 2 under DAFM's nitrates banding system – 68%
- 31% of derogation farmers are impacted at nitrates limit of 220. 55% of derogation farmers are impacted if derogation limit is set at 200.



# Current Sustainability Actions



**Key Takeaways**

- We can see the impact of FutureProof in the high uptake of certain actions - milk recording, ASSAP.
- Good to see high numbers using LESS
- Opportunity for renewable energy esp solar, if we match with the level of interest in solar from an investment point of view

Current Sustainability Actions by Supplier Scale			
	0 - 70 cows	70 – 120 cows	121+ cows
Spreading slurry using Low Emission Slurry Spreading (LESS)	76%	95%	98%
Milk recording	65%	86%	93%
Grass measuring	44%	82%	89%
Nutrient Management Plan in place	43%	67%	81%
Agricultural Sustainability Support & Advisory Programme (ASSAP) water quality remediation plan in place	42%	62%	69%
Variable Speed Drives (VSDs)	6%	23%	43%
Heat recovery	4%	15%	24%
Solar PV installed	2%	11%	14%
Wind turbine installed	1%	1%	3%
None of these	10%	1%	0%

# Challenges to Adopting Technologies & Practices to Address Environmental Challenges

% Yes

I have concerns regarding the cost of adopting new technology/equipment

83%

I have concerns regarding the availability of labour

66%

The benefits are unclear

64%

I am uncertain of what actions to take

62%

I feel that there is insufficient availability of technology/equipment

45%

4.11 What are the challenges on your farm to adopting technologies and practices to address environmental challenges?

**83% of suppliers cite cost as the main challenge with regard to adopting new technology**

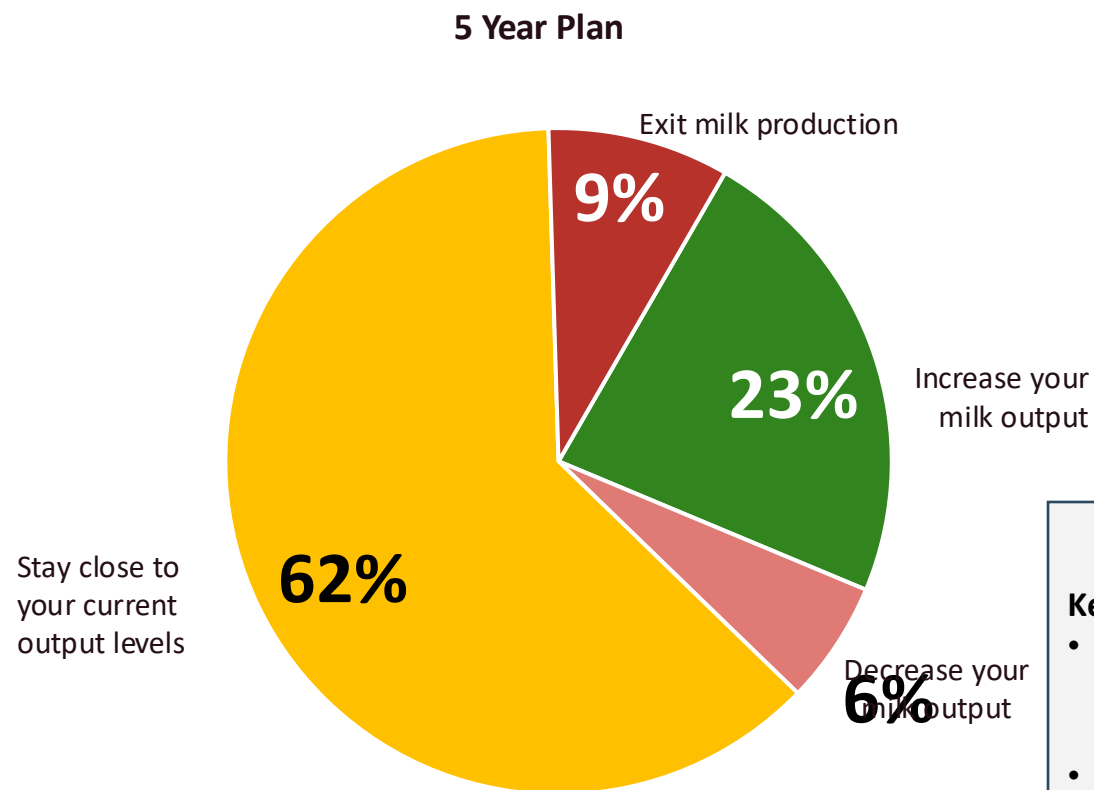
## Key Takeaways

- Cost is the major barrier for adoption of new technologies and practices, with uncertainty around labour, benefits and what actions to take all evenly split.

# Future Focus



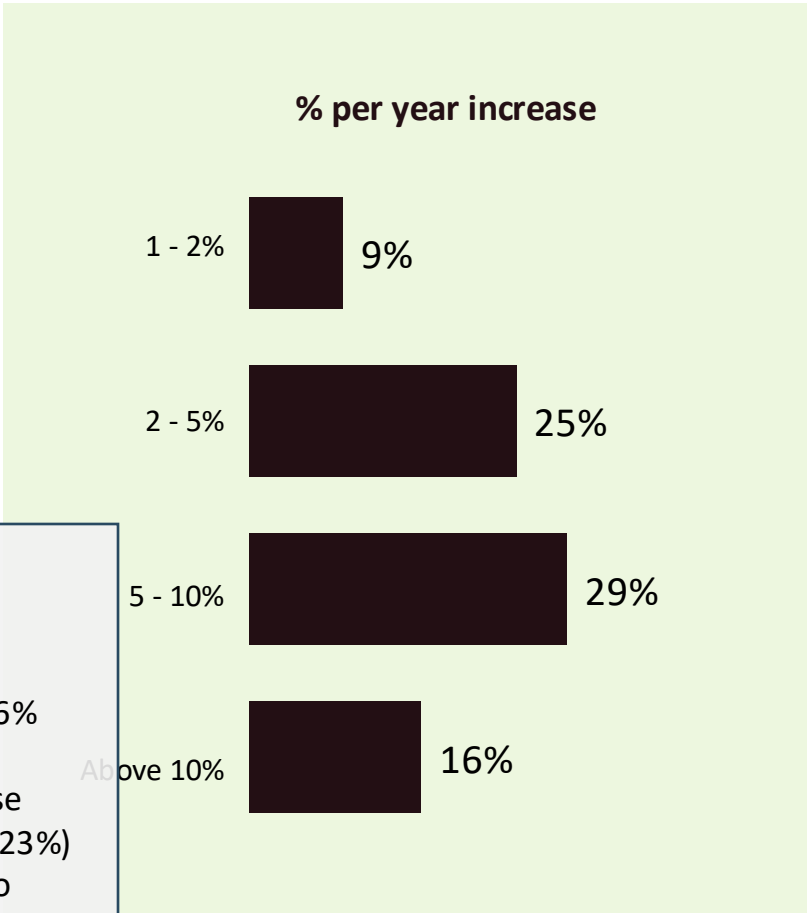
# Milk Output Forecast (Increase)



Those who claim that they will increase their milk production over the next 5 years

**Key Takeaways**

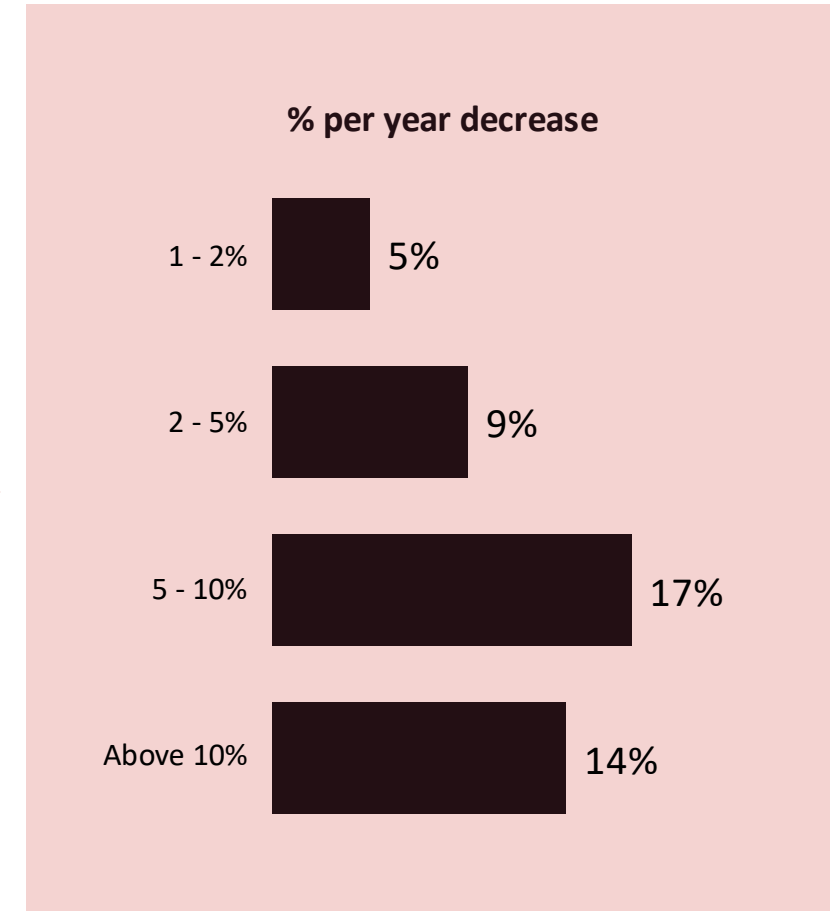
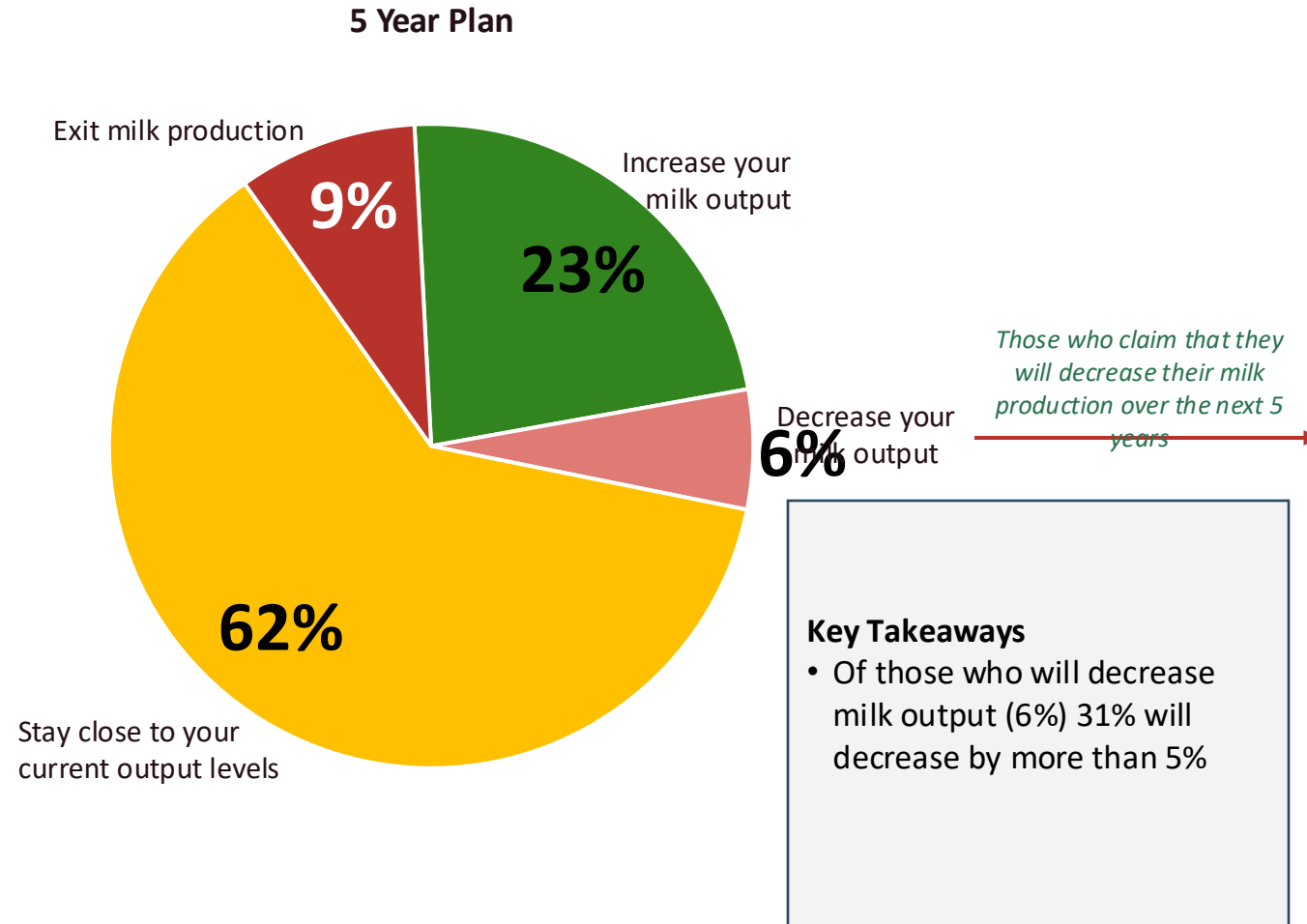
- Only 9% plan to exit milk production in 5 years, with 6% decreasing output.
- Rest will maintain or increase
- Of those who will increase (23%) we will look closer at data to identify where major ambition lies (16% planning to grow above 10%)



Q3.1 With respect to your milk output, over the next 5 years (up to 2029) do you plan to:

Q3.2 If you plan to increase milk output over the next 5 years - what percentage increase per year are you planning:

# Milk Output Forecast (Decrease)



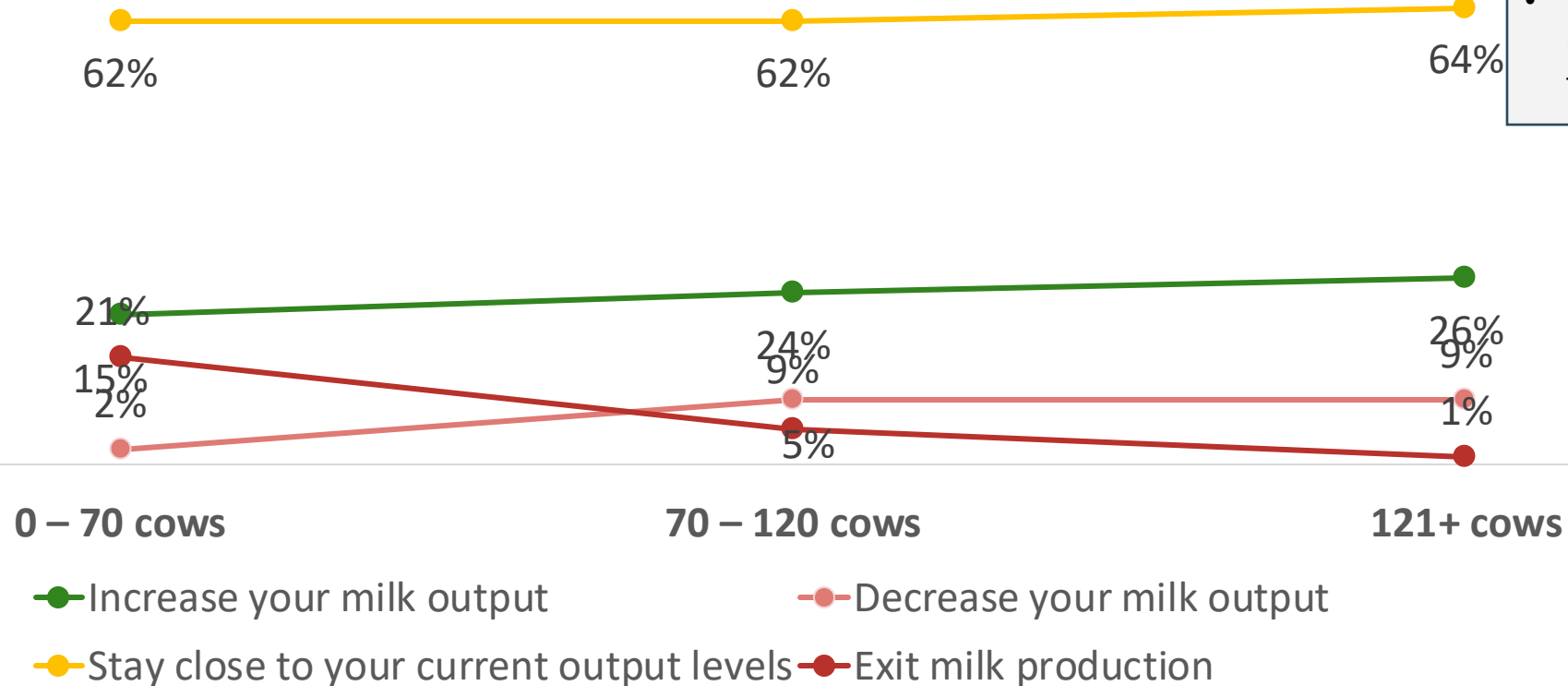
Q3.1 With respect to your milk output, over the next 5 years (up to 2029) do you plan to:

Q3.3 If you plan to decrease milk output over the next 5 years - what percentage decrease per year are you planning:

# Milk Output Forecast by Supplier Type

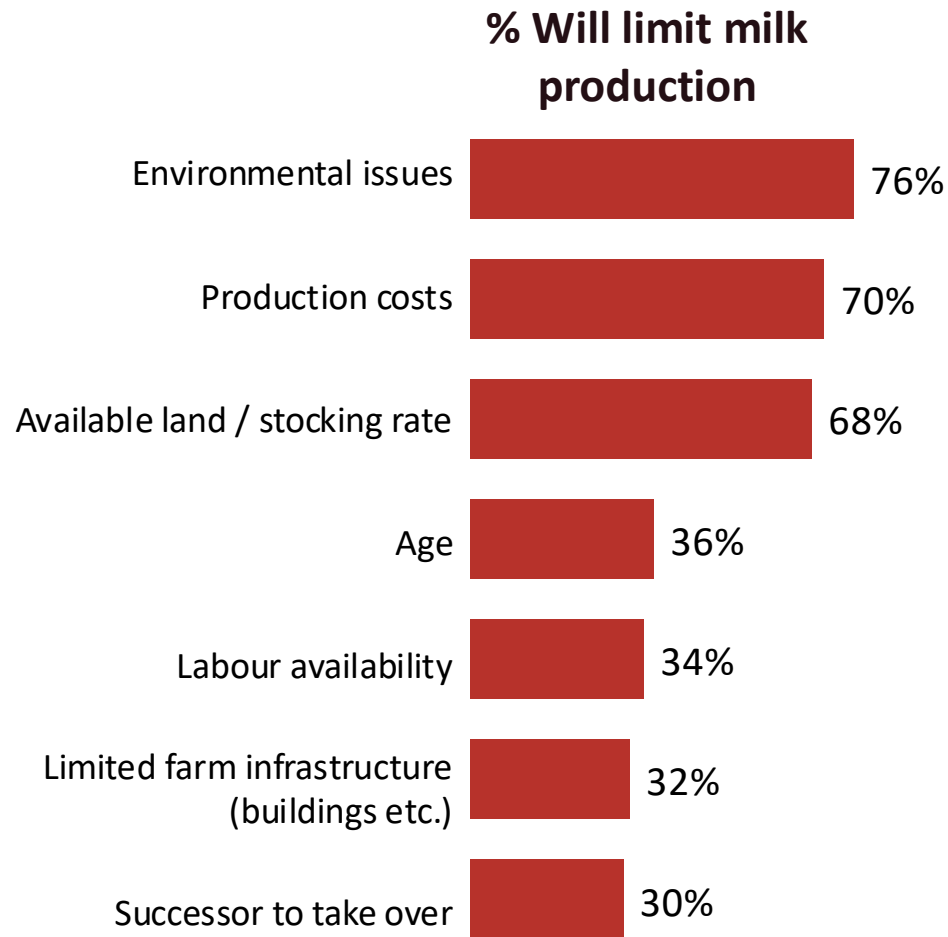
## Key Takeaways

- Most of our suppliers (two thirds) across all groups will stay close to current output levels.
- An average of 23% will grow
- Those who plan to exit or reduce output are mostly in the 0-70 cows bracket





# Future Limitations on Milk Production



## Key Takeaways

- Top 3 issues that will limit milk production are environmental issues, production costs and available land/stocking rate.
- Successor is lowest at 30% but still significant

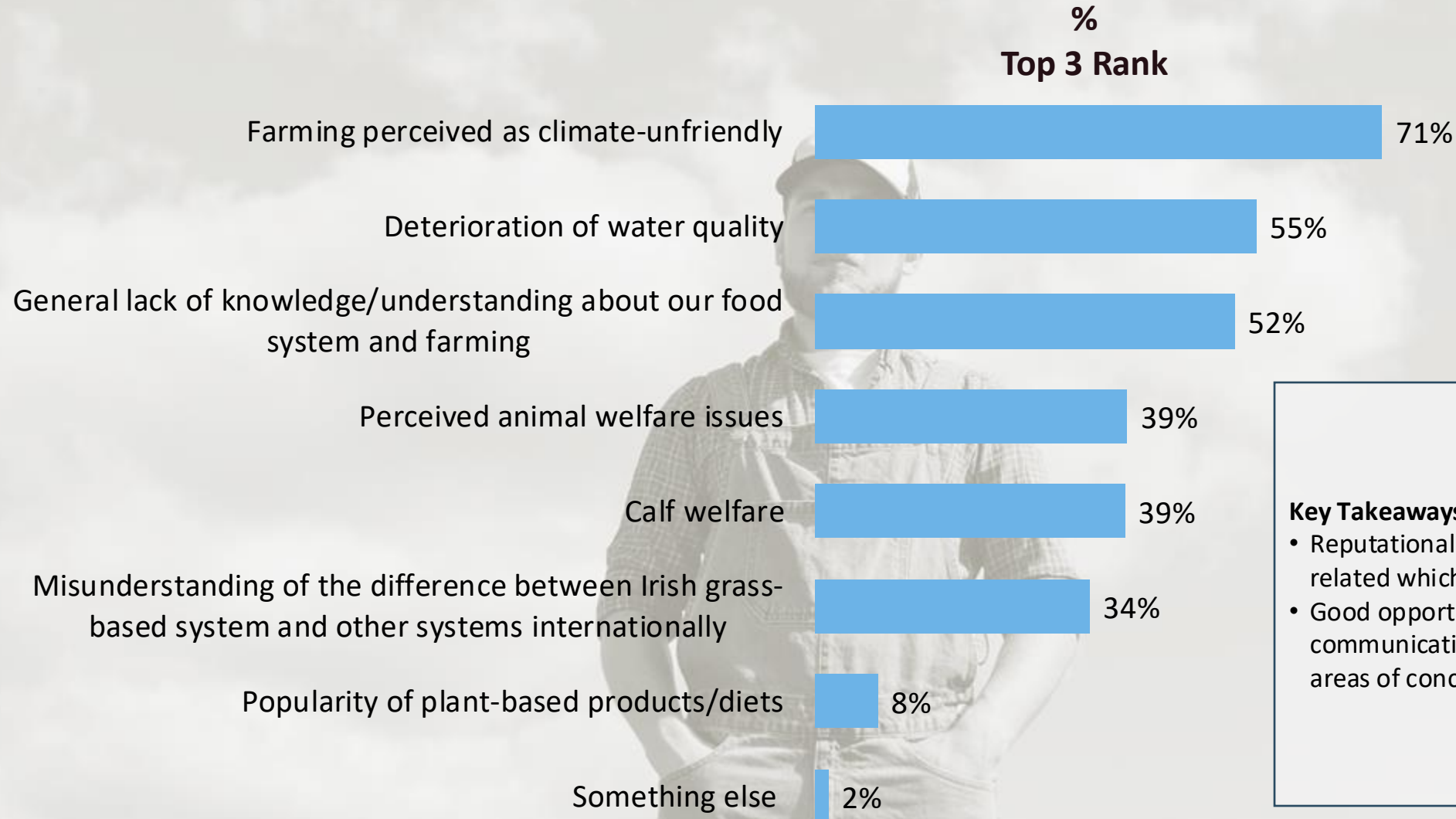
Q3.6 Please indicate whether each of the following factors will limit your milk production over the next 5 years?



<https://unsplash.com/photos/herd-of-cow-on-green-grass-field-during-daytime-1Q325K41E>



# Biggest Reputational Risks to the Sector



## Key Takeaways

- Reputational risks, top 2 are climate related which is not surprising
- Good opportunities to focus communication and lobbying efforts on areas of concern

# Overall analysis

- Responses to survey overall are probably more positive than sentiment has indicated they might be
- Good to have some data to check against the anecdotal perception (from farmers) that situation is dire within farming
- Specifically in areas like projected output, retirements, succession, responses are more positive than we had expected
- Fair to say that responses and comment combined presents a cautiously optimistic but concerned view.
- While there is notable frustration about regulations and pricing, there's also a clear openness to support, innovation, and constructive change.
- Farmers are seeking more backing from Carbery/Co-ops to address regulatory and financial hurdles, as well as support for younger farmers.
- Climate and sustainability, though not the primary focus, are recognized as important themes for the future of the industry.
- This perspective suggests that efforts to address financial stability, streamline regulatory compliance, and support young farmers would be good areas to focus on to strengthen relationship with shareholders.