



**CARBERY**

**FutureProof**

# FutureProof Phase Two



# Introduction

In 2022, Carbery and your co-op introduced FutureProof, a sustainability bonus available to milk suppliers who implemented certain impactful sustainability measures on their farms.

Throughout 2023 and 2024, 85% of our supplier base implemented these measures, resulting in a very positive impact on protecting water quality, reducing emissions at farm level and improving productivity in West Cork.

We want to continue to be at the forefront of supporting the sustainability measures that will have the biggest impact on reducing emissions, and that will assist farmers in their transition to more sustainable farming methods. With this in mind, we are evolving the FutureProof criteria for 2025. A summary of the changes is below, with more details available in this booklet.

With these changes, the possible bonus achievable will also increase, from 1cpl of milk supplied to 1.25cpl.

Areas of impact	Current measure	2025 measure	Payment
Water Quality	Agreeing to undertake an on-farm ASSAP assessment (mandatory to receive bonus)	Sign up to AgNav and agree to an engagement with a Carbery advisor to manage the Nitrogen balance on your farm.	Mandatory
Protected Urea*	A subsidy for protected urea	The subsidy will continue but we have introduced a sliding scale and are giving a higher subsidy for products that have a higher emissions saving.	0.33cpl
Milk Recording*	Milk Recording four times a year	No change	0.33cpl
Breeding*	Implementing Economic Breeding Index for genetic gain	This will now be known as the breeding pillar and will include a dairy/beef (DBI) element. 2025 will be a lead in year and there will be no changes to the EBI actions to achieve payment.	0.33cpl -EBI: 0.22cpl -Beef: 0.11cpl
Soil fertility	n/a	Introducing a subsidy of €25/t lime up to 0.25cpl	0.25cpl conditional on implementing 2 of 3 (Milk Recording, Protected Urea, Breeding)

\*2 of these 3 measures must be completed to obtain a payment.

As with the previous measures, these measures have been selected because they are measurable and proven to work. Importantly, we believe they will have significant impact on environmental indicators, especially around emissions and water quality. See terms and conditions at the end of this booklet for bonus payment scenarios.





## Water Quality — Nitrogen Balance

### What am I being asked to do?

Under FutureProof phase 2, we are asking every participating farmer to sign up to AgNav (form included) and agree to an engagement with a Carbery sustainability advisor, who will provide guidance on actions to reduce their Nitrogen balance (details below on how to get this number). This measure is mandatory to participate in FutureProof phase 2.

### What is AgNav?

AgNav is a sustainability toolkit jointly developed by Teagasc, ICBF and Bord Bia that provides farmers with accurate and verifiable data to support decision making on farm to help meet agriculture's Climate Action Plan. Get started here: <https://www.agnav.ie/landing>.



### What is Nitrogen Balance?

#### Nutrients imported

- Synthetic fertiliser
- Meal
- Milk replacer
- Fodder
- Livestock
- Manure



#### Farm gate system boundary



#### Nutrients exported

- Synthetic fertiliser
- Meal
- Milk replacer
- Fodder
- Livestock
- Manure



$$\text{Nutrient imported} - \text{Nutrient exported} = \text{Balance}$$

### What is the Nitrogen Balance figure?

Nitrogen Balance follows a nutrient accounting approach. Farm gate inputs of Nitrogen (e.g. purchased fertiliser, feeds, livestock, imported organic manures) are calculated minus farm gate outputs of Nitrogen (e.g. sales of milk, livestock, manures exported) to give a Nitrogen Balance per hectare figure. Your Nitrogen balance figure shows the amount of Nitrogen that is available to be leached to water or lost in the air. This Nitrogen Balance figure will be a strong indicator of how efficiently nutrients are used on farm.

### AgNav Requirements

1. Sign the consent form to be automatically enrolled in AgNav. Once enrolled, AgNav will generate a Nitrogen balance number for your farm using information from your previous SDAS audit.
2. Agree to a visit from a Carbery sustainability advisor to go through your N balance data, explain what it is and how you can improve this number.

### Why is this important?

Ireland is currently at risk of losing its Nitrates Derogation because our waterbodies must reach good or high ecological status as per the 2027 EU Water Quality Framework Directive. Nitrogen is the primary nutrient of focus in the Carbery catchment, and its management is key to protecting and improving water quality. Nitrogen balance will give farmers a tool to use to understand how much Nitrogen they are potentially losing from their farms and into waterways.

### What are the benefits of this measure?

- N balance will give farmers a better idea of how good their farm's Nutrient Management Planning (NMP) is.
- It will give farmers additional tools that they can use to improve water quality. e.g. lower crude protein ration.
- Any farmer shareholder that completes this measure and previously completed the ASSAP Assessment is applicable for an additional €250 euro annually in EIP funding. (This is funding from Europe under the European Innovation Partnership – the funding can be applied for via your Carbery sustainability advisor. Details here; [farmingforwater.ie/measures/](https://farmingforwater.ie/measures/)).





## Protected Urea (PU)

### What is the measure?

**We will continue to pay a subsidy to support the use of Protected Urea.** However, we have introduced a sliding scale and are giving a higher subsidy based on the N content of Protected Urea that will favour the products that have a higher emissions saving.

### How do I receive the bonus for this measure?

Protected Urea products purchased from your co-op will have the subsidy applied, as per the sliding scale below.

### How does the sliding scale work?

- All products with a Nitrogen content of 38% or greater will receive a subsidy of €200/tonne.
- All Protected Urea products with a Nitrogen content between 29%–37% will receive a subsidy of €150/tonne.
- All Protected Urea products with a Nitrogen content between 24% and 29% will receive a subsidy of €100/tonne.

### What are the benefits of protected urea.

- Nitrogen (“N”) is a key input to achieve grass growth potential in Ireland, however, Nitrogen fertiliser also plays a role in gaseous N losses and water quality. Using PU in grassland results in lower nitrous oxide (N<sub>2</sub>O) emissions than calcium ammonium nitrate (“CAN”) and lower ammonia losses than urea. This makes it the most sustainable fertiliser N source for meeting both greenhouse gas and ammonia loss emission commitments (Teagasc Protected Urea Factsheet, 2022).
- Protected Urea is urea which is treated with an active ingredient called a urease inhibitor. The urease inhibitor moderates the rate at which the urea-N converts to ammonium.
- PU can be spread across the growing season at times when you would otherwise spread CAN or unprotected Urea. Published Teagasc trials have shown that Protected Urea consistently yields as well as CAN in Irish grasslands with no difference in annual production between the two fertilisers.
- Protected Urea has 71% lower nitrous oxide emissions than CAN.



There is no change to this measure.

**What am I being asked to do?**

Commence/continue milk recording in your herd.

**What is the measure?**

Minimum of 4 milk recordings in 2025.

**Benefits (Environmental)**

Milk recording is an opportunity to invest in the long-term profitability of your herd.

- Reduce Antibiotic use – Selective Dry Cow Therapy
- Identify individual cow performance
- Manage Somatic Cell Count (SCC)
- Culling & Breeding tool.

To get the most from your milk recording, do your first milk recording within 6 weeks of starting calving, and the last within 30 days of drying off.





The Breeding Pillar of FutureProof has been updated to include a Dairy-Beef component alongside the existing Economic Breeding Index (EBI) component. **The EBI component will remain unchanged**, with a payment structure now divided into two-thirds (0.22 cpl) allocated to EBI and one-third (0.11 cpl) to Dairy-Beef.

#### EBI Component

In Phase 1 of FutureProof, the EBI action was introduced to encourage and financially reward farmers for improving the EBI of their dairy herd. Teagasc research demonstrates that every €10 increase in EBI contributes to a 1% reduction in emissions. This is achieved through:

- More fertile animals = reduced replacement rate + reduced calving interval = lower methane emissions.
- Compact calving, leading to more grass in the diet.
- Reduced age at first calving.
- Increased milk constituents = lower emissions per kg of product.
- Improved herd health.

To qualify for the EBI payment, farmers must meet one of the following criteria:

1. Herd in the top 50% within the Carbery catchment for EBI.
2. Herd in the top 50% within the Carbery catchment for annual EBI gain.
3. If less than 25% of cows have an EBI, or if the above criteria are not met, genotyping 25% of milking cows qualifies.

For Phase 2, EBI requirements remain the same, but the maximum payment available for EBI will now be 0.22 cpl.

## Dairy-Beef Component

The Dairy-Beef element is introduced to improve the saleability and profitability of calves from the dairy herd while reducing the number of lower-value calves entering the beef chain.

Developed by Teagasc in 2019, the Dairy Beef Index (DBI) supports informed breeding decisions. The DBI:

- Promotes high-quality beef cattle bred from dairy herds with better commercial beef value (CBV).
- Balances calving traits like calving difficulty and gestation length with beef traits such as carcass weight and conformation.
- Is expressed in monetary terms, with higher DBI values translating to increased profitability over an animal's lifetime.

For example, a bull with a DBI of €150 produces calves €50 more profitable per head than one with a DBI of €100. Over four years, with 20 calves per year, this could yield an additional €4,000 (€50 x 20 calves x 4 years). High-DBI calves also have lower carbon footprints due to higher daily weight gains and faster finishing times, often completing their growth before the second winter housing period, reducing greenhouse gas emissions.

	2025 – Lead in year	2026 - onwards
<b>Requirements</b>	<ul style="list-style-type: none"><li>• Genotype all stock bulls on farm</li><li>• Record the sires of all the calves born on the farm in 2025.</li></ul> <p><b><u>Recommended</u></b></p> <ul style="list-style-type: none"><li>• Use beef AI sires that meet 2026 criteria</li></ul>	<ul style="list-style-type: none"><li>• All stock bulls and AI sires must have minimum of 3-star rating on the Dairy Beef Index (DBI) within and/or across breed.</li><li>• All stock bulls and AI sires must have a minimum of 3-star rating on the Beef Sub-Index of the DBI within and/or across breed.</li><li>• At least 40% of the calves born must be sired by a bull that meet this criteria.</li><li>• All calves born during the year must have a sire recorded.</li></ul>
<b>Payment</b>	Payment for this action will be paid in January 2026.	Payment for this action will be made in January 2027.

The payment breakdown of the breeding pillar is as follows if both the EBI and Dairy/Beef measures are implemented.

EBI	0.22cpl
Dairy -Beef	0.11cpl
Total payment	0.33cpl

Available on all milk supplied during the year once all of the necessary criteria have been met.





## Soil Fertility — Liming Measure

An additional measure being added to FutureProof phase 2 is a liming action which **can be claimed by completing 2 out of these 3 measures—milk recording, use of protected urea, and meeting breeding criteria**. There are several benefits to spreading lime\*, some of which are:

- Liming is the first step on the journey of optimising soil health.
- It can release up to 70kg of soil Nitrogen (N)/ha/year. As a result, it reduces the need for chemical Nitrogen.
- Liming will increase the soil's pH which can lead to an extra 10-15% grass growth.
- The economic value of spreading lime is high. For every €1 you spend on lime on a dairy farm, you get back €7 in extra pasture production (Teagasc).

By achieving the optimal soil pH through lime application, Nitrogen efficiency is improved. As a result, less Nitrogen is lost as greenhouse gases, leading to both more effective nutrient use and reduced environmental impact.

### The liming subsidy proposal is as follows:

Subsidy Per Tonne:

- €25 per tonne of lime.

Max Payment:

- Capped at 0.25cpl of milk supplied the previous year.

**Calculation of the formula is as follows:**

- Max Payment (€) = Milk Supplied x 0.25cpl
- Eligible Tonnes of Lime = Max Payment ÷ €25 per tonne

**Milk Supplied and eligible tonnes:**

Milk Supplied (litres)	Max Payment (€) at 0.25cpl	Lime (tonnes) at €25 Subsidy
250,000	625	25
350,000	875	35
500,000	1250	50
600,000	1500	60
1,000,000	2500	100
2,000,000	5000	200
2,500,000	6250	250

\*Based off Teagasc research

**Proof of Purchase:**

**Farmers send proof of lime purchase (print from fertiliser data base) to your co-op.**  
Subsidy is only paid on quarry ground lime in 2025.



# Payment scenarios

Example of potential payments under FutureProof

The examples below are based on a farmer who is supplying 500,000 litres per year.

Measure	Farmer A	Farmer B	Farmer C	Farmer D	Farmer E	Farmer F	Available Money (€)
Water Quality - Nutrient Balance	●	●	●	●	●	●	0.0
Milk Recording (4 times per year)	●	●	●	●	●	●	1666.6
Protected Urea (Sliding scale)	100% of PU Allowance	50% of PU Allowance	50% of PU Allowance	No PU Allowance	100% of PU Allowance	30% of PU Allowance	1666.6
EBI (Economic Breeding Index)	●	●	●	●	●	●	1110.6
Beef (DBI)	●	●	●	●	●	●	556
Lime Subsidy	●	●	●	●	●	●	1250
Total Payment (€)	6250	5417	3750	0	5694	3421	

## Terms and Conditions:

- The Water Quality/Nitrogen Balance measure is mandatory and must be conducted to avail of any FutureProof payment, being a full or partial bonus ("FutureProof Payment").
- To receive any FutureProof Payment, a supplier must maintain SDAS certification.
- Any farmer prosecuted for breach of Department of Agriculture, Food and the Marine or Cork County Council laws or regulations is not eligible for any FutureProof Payment.
- Completion of all 5 measures will result in a 1.25 cent per litre ("cpl") payment for 2025 milk supplied.
- To receive a partial bonus, you must complete 2 of the 3 measures: breeding, milk recording, or protected urea.
- From 2025 and onwards, to participate in FutureProof you must sign up to and agree to the terms of AgNav, the sustainability support framework operated by Bord Bia, ICBF and Teagasc (<https://www.agnav.ie/landing>) unless Carbery agrees otherwise.
- The purpose of AgNav within FutureProof is to enable Carbery and its partners to track and assess farm-level sustainability metrics, provide tailored support to farmers, and ensure compliance with programme measures aimed at improving environmental and economic outcomes.
- By agreeing to and signing these terms and conditions, you agree that Carbery may sign you and your farm up to AgNav for and on your behalf. You further confirm and agree that:
  - (i) you are to be signed up to AgNav for participation in the Carbery Futureproof Sustainability Programme. This agreement shall constitute an "Application" in accordance with the terms and conditions for AgNav available at <https://www.agnav.ie/tandcs>;
  - (ii) authorise and agree to allow the 'AgNav Partners' (ICBF, Carbery, Bord Bia and Teagasc) to have access to and share Farm Data, relevant Personal Data (as such terms are defined in the AgNav terms and conditions), and any other data that may be required for the purpose of operating AgNav;
  - (iii) you have read, understood, and agree to comply with and be bound by the terms and conditions for AgNav available at <https://www.agnav.ie/tandcs>; and
  - (iv) your data (including but not limited to Farm Data and relevant Personal Data) on AgNav will be managed in accordance with the AgNav Privacy Notice available at <https://www.agnav.ie/privacy>.
- Determination of whether each of the measures have been completed will remain at Carbery's and your co-ops discretion.

- Carbery and your co-op will agree and determine whether each of the five measures have been completed at their discretion.
- For 2025, the breakdown of payments is as follows:
  1. 0.33cpl for at least 4 x milk recordings completed;
  2. 0.22cpl for meeting the EBI metrics; and 0.11 for Dairy-Beef Index
  3. A Protected Urea subsidy from the co-op you supply (capped at 0.334 cpl) based on a sliding scale depending on the product purchased.
  4. 0.25cpl subsidy for Lime purchased (conditional on completing at least 2 of the 3 criteria above)
- To avail of the payment detailed at point 3 above:
  - you do not need to purchase your full PU allowance, i.e. you can purchase any amount of PU but the incentive will be capped at 0.33 cpl; and
  - you must purchase the PU from the co-op you supply
- FutureProof Payments will be reviewed annually by the board of Carbery and metrics and rates of payment may change as a result.
- These terms and conditions and the terms of FutureProof may be amended from time to time by Carbery. Any such amendments to these terms and conditions or the terms of FutureProof will be notified to you in writing.
- By participating in FutureProof, you agree to be automatically enrolled for each calendar year under the terms and conditions of the program, which may be updated and communicated to you by Carbery. Your continued participation shall be deemed to constitute acceptance of any updates. If you wish to opt out for the following year, written notice must be provided to your co-op by 30 November. Notices can be sent to to your co-op.
- The continued operation of FutureProof is at the sole and absolute discretion of Carbery together with your co-op and Carbery and your co-op reserve the right to discontinue FutureProof at any time and without consultation.
- These terms and conditions are not intended to be legally binding, and no legal obligations or legal rights shall arise between you and Carbery hereunder.



