Rapid Expansion, Structural Change and Future Plans

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Overview

- Change in scale and structure of Irish dairying post milk quota removal
- Future change – demand and supply
- Key considerations and future plans
Starting off on the right foot…

Not just discussing ‘labour’ shortages – not just a case of more bodies on the ground

We are discussing how our industry attracts, develops and retains the people that make up the workforce

The people – farmers, successors, full and part time employees

Remember – we are competing! Why will any of the above choose our industry?
National cow numbers

• Actual change 2010 to 2017 and projected change to 2025

Cow numbers +32%
Litres +48% litres
Milk solids +53%
Top 3:

Extra cows
Cork – 77,000
Tipp – 43,000
Lim – 23,000

% increase
Laois – 46%
WestM – 43%
Offaly – 41%

Ave herd size
Meath – 97
Waterford – 95
Louth - 93

Ulster 3
+19,000 cows
+25%

Connacht
+16,000 cows
+ 29%

Leinster
+102,000 cows
+36%

Munster
+191,000 cows
+29%
Dairy farmers milking >100 cows

Source – CSO 2005-16

Average herd size of this group 155 cows
## Farm Structural Survey 2016

<table>
<thead>
<tr>
<th>Statistic</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>National herd size</td>
<td>1,038,000</td>
<td>1,346,000</td>
</tr>
<tr>
<td>Specialist Dairy Farmers</td>
<td>15,600</td>
<td>16,600</td>
</tr>
<tr>
<td>% of Farmers &lt;35</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>% of Farmers &gt;65</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Family members working on farm</td>
<td>18,400</td>
<td>17,800</td>
</tr>
<tr>
<td>Non family employees</td>
<td>2,900</td>
<td>4,100</td>
</tr>
<tr>
<td>% of farmers working 1,800hrs/year+</td>
<td>86%</td>
<td>80%</td>
</tr>
</tbody>
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Source – Central Statistics Office (CSO)
Irish dairy expansion

• No increase in production costs
  » Total debt per kgMS has reduced

• Improved land mobility
  » 35,000 acres via Macra Land Mobility Service
  » Long term leasing
  » Poor alternative profitability to dairying
Initial expansion prediction - No people shortage?

- Record numbers in Ag education?
  - Plenty of supply?

- Average herd size in 2013 of 64 cows.
  - Plenty of room for increase without major labour demand?

- We are expanding faster than was predicted
Overview

- Review of change in herd size
- Projections for future demand and supply
- Issues to be addressed
# Projections for the future

<table>
<thead>
<tr>
<th>KPI</th>
<th>2016</th>
<th>2025</th>
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</thead>
<tbody>
<tr>
<td>Number of farmers milking &gt;30 cows</td>
<td>15,339</td>
<td>15,426</td>
</tr>
<tr>
<td>Dairy cows in these herds</td>
<td>1,338,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Average herd size</td>
<td>87 cows</td>
<td>104 cows</td>
</tr>
<tr>
<td>Total milk pool (litres)</td>
<td>6.4 billion</td>
<td>8.3 billion</td>
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<tr>
<td>Export values</td>
<td>€3.4 billion</td>
<td>&gt;€4.5 billion</td>
</tr>
</tbody>
</table>

**Requirements:**

- 2,300 employees to work on larger scale farms (255 per year)

- 3,900 future farmers to replace those who plan to retire (433 per year)
Skills projection - 2025

Projection – 15,426 farmers milking 1.6 million dairy cows
104 cows per farm
• What type of work force will we have

1,300 full time
5,400 part time

Farm assistant
Herd manager
Farm manager
Farm business owner

15,426
448
298
Industry Action

- June 2017 – Teagasc People in Dairy Report

- October 2017 – Minister puts in place an industry steering group to develop an action plan

- June 2018 – Minister launches People in Dairy Action Plan
The People in Dairy Action Plan

1. Address immediate labour shortage
2. Desirable farm work places
3. Improve employer HR skills
4. Excellent formal and informal training
5. Provide Career Progression Pathways
6. Promotion of dairying as a career
Next steps and in the pipeline

- Programme manager to be taken on to drive the People in Dairy Action Plan
- HR skills for farmers
- Great Farm Workplaces initiative
- LEAN Farming
- New Teagasc Education Strategy being implemented
- More resources to support progression of young people
Conclusions

- There has been a huge change in both scale and structure of Irish dairying

- Huge future demand for people – 4,000 – 6,000 people depending on herd size growth

- Future success now rests on the successful implementation of the People in Dairy Action Plan