

Where there's grass, there's money

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Teagasc's decision to set a four-year target to increase grass production and utilisation within our livestock sector to 10 tonnes per hectare (ha) is not complex

The figures speak for themselves: grow more grass and turn it into money. An extra tonne of grass utilised is worth €180 per hectare (ha) to a dairy farmer and upwards of €100 per ha for dry-stock farmers. For a beef farmer running a 40ha farm, that's worth €4,000 per annum. The average figure for grass grown and utilised on dry stock farms is 7.5 tonnes/ha.

By increasing that figure to 10 tonnes, as Teagasc is targeting, the total worth to that farm should be €10,000. That is a quite incredible figure. There is so much effort and lobbying put into securing various subsidies and yet, within the farm gate, there is an annual payment, or repayment, available of €10,000 for growing and using more grass.

Increases

Now, let's spread that money across the entire grassland sector. The country has up to four million ha, or 10 million acres, of grassland. The vast amount of it can grow more grass than it does now with improved management and infrastructure. A one tonne increase, on average, in grass availability every year would be worth an extra €400m! Now, bring the figure up to the Teagasc target of 10 tonnes average grass utilisation per ha. The figure comes to an extra €1bn per year!

This is not pie in the sky. The figures are an accurate assessment of the financial potential of Irish grassland. Not only that, but the figures used are only extrapolated from the increased return from dry stock. In reality, that €1bn per annum would be significantly higher if it were to take the extra potential return from dairy farming into account. Given that a large part of our grassland acreage is devoted to dairying, the figure increases to well above €1bn per annum, given that the returns to dairy farms from an average one tonne increase in grass utilised is almost double that of dry stock farming at €180 per hectare.

Matching supply and demand

Goldmines are usually found beneath the ground. In this case, the green gold is growing on top, waiting to be harvested. The Teagasc target is to be achieved by 2020. It coincides with an anticipated period of growth in output, both from dairy and cattle production, so it could, if successful, allow those increases to be achieved without recourse to the purchase of extra bought-in feed. There will be extra demand for all of this extra grass, supposing that it is produced. This is the great unknown.

What exactly can Teagasc do that they have not been doing before to encourage farmers to grow more grass? Some of the extra grass will come about almost automatically because of higher stocking rates on some farms, most notably dairy farms that are scaling up after quotas.

However, there has been an undeniable lack of success in persuading a large swathe of grassland farmers to up their game in terms of increasing output through increased grass production. Teagasc has a range of initiatives planned to deliver its ambitious target. It remains to be seen whether it can succeed. It is good to see that it has the courage to set out such unambiguous and definite targets in terms of both tonnage and timeline.

Best for success.

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