Opening Statement by Kieran McEvoy, IFA Grain Chair

to the Joint Oireachtas Committee on Agriculture and Food

1st October 2025

Current challenges facing the Tillage Industry

Chair and Committee Members, thank you for inviting IFA to address you today. I am joined by Max Potterton, IFA Grain Policy Executive.

Challenges in Irish Tillage Sector

The challenges facing the tillage sector in this county at the present time are numerous, systemic and complex. The area devoted to tillage has been as a percentage of the utilisable agricultural area has been in significant decline in the post-war period due to fundamental changes in the Irish agricultural system.

Since the beginning of this century the area devoted to tillage had largely appeared to stabilise between 350-400,000ha, however, since 2012 the sector has shrunk further to sit between 300-335,000 hectares. The recent decline in area can be principally attributed to a reduction in cereal production which has dropped by 50,000ha since 2012. Ireland now has one of the lowest percentages of land devoted to arable cropping in the EU-27 at about 6.5% of Utilised Agricultural Area (UAA). This is despite is 36% of Irish soils or approximately 2.5m hectares being classified as highly to moderately suitable for tillage production in the Irish Soil Information system.

Government policy has, to some extent, recognised the decline in our tillage area, with the inclusion of a target under the Climate Action Plan to increase the tillage area to 350,000ha by 2025 and 400,000ha by 2030. This was in recognition of the tillage sector's favourable carbon emissions profile relative to other agricultural sectors and the potential reduction in agricultural emissions that a greater tillage area could bring about.

The tillage sector has faced deepening income pressure since 2023 and without coordinated action, the 400,000ha target is all but a pipedream at the present time. Incomes dropped by nearly 70% in 2023 and made only a modest recovery in 2024.
The sector is in crisis at the present time and farmer morale is at an all-time low. The level of desperation and complete lack of confidence amongst farmers and the wider sector was recently highlighted by an IFA tillage crisis meeting in Co. Kildare in which over 1,000 farmers attended on the night. This meeting had one of the highest attendances of any IFA meeting in at least 10 years.

According to CSO data there are 4900 specialist tillage farmers in Ireland, when over 20% of them attend a meeting, this speaks volumes about the significant challenges the sector is facing. Support from the Government Budget 2026 is urgently needed to keep tillage farmers in business ahead of 2026. The Programme for government commits to investing significantly in our tillage sector. IFA believe that €65 million must be pledged towards the sector on Budget Day, the 7th of October in order to secure the survival of the sector.

I will now outline some of the individual challenges affecting our sector at present as IFA see them in the present day.

Grain Prices

Grain price levels below or very close to the cost of production are a significant challenge affecting the tillage sector at present. This is not a new challenge; since the end of the EU intervention pricing, Irish and European producers have been totally at the mercy of world commodity market pricing with little or no market protection. It has been frequently commented that grain prices are at their lowest in forty years. While this is strictly not true, relatively low grain prices combined with a massive increase in overall cost of production have combined to decimate tillage farmer margins.

Current grain prices, when inflation is factored in, are thereabouts equivalent to those received in the 1980's but with much massively higher input and overhead costs. The reasons for this are multi-factorial but can be largely attributed to a general rise in grain yields and production at a global level and this exceeds demand/population growth.

While cereal yields in continents such as the EU are generally attributed to have risen by around 1% per annum thanks to improved plant breeding, European production has largely remained static in this century. However, the rise in yield potential of coarse grains such as maize has been much greater through adoption of GM and hybrid breeding technologies in other regions outside of the EU. This coupled with a complete revolution in production of all grains in the emerging economies of Brazil and Russia has completely changed the supply and demand dynamics of the global market.

Costs of Production

While volatility in individual input costs such as fertiliser have affected the tillage sector in recent decades, the period since the pandemic in 2020 has seen significant inflation in all fixed and variable costs overheads associated with tillage production. The outbreak of war in Ukraine caused a further dramatic escalation in key variable cost centres such as fertiliser and fuel. IFA analysis indicates that input costs have risen by 106% on tillage farms in the period between 2017 and 2023.

The significant increase in world grain prices in the period between 2021 and 2022 coupled with favourable production conditions meant that Irish tillage incomes were insulated from these input cost spikes. However, since the second half of 2023, grain prices have dropped substantially, while input cost have remained historically elevated which has left tillage farmers extremely exposed and margins strongly negative on rented land and razor thin on owned land.

EU Direct Payments

EU direct payments play a crucial role on tillage farms. Specialist and mixed operations, largely based in the midlands, eastern and southern coastlines hold higher entitlement values and typically farm larger areas which results in higher annual direct payments.

Direct payments on tillage farms typically made up 70-80% family farm income for many years, however, for 2023 and 2024, direct payments have made up an average of 110% of income in these years.

It cannot be understated the damage that introduction of convergence and CRISS/front-loading under the 2023-2027 CAP programme has had on the competitiveness of the sector. Higher direct payments have been a valuable safety net from periods of unprotected world market prices in the past 20 years; however, this protection blanket has now been totally removed.

The introduction of specific tillage schemes such as the Straw Incorporation Measure or measures such as cover crops under agri-environmental or EIP schemes has helped recover some direct payments for tillage farmers, but it is important to note that these are based around a cost incurred-income forgone principal, thus reducing their overall capacity to add to a tillage farmer's income.

Land Access

Given the smaller size, fragmented nature of Irish farm ownership and the need for a higher degree of scale, participation in the leased or rented land market by tillage farmers is high. It is generally accepted that at least 40% of the tillage area is grown on rented or leased land, about twice the average of all Irish farms. Therefore, the cost associated with rented or leased land has significant bearing on the economic health of the wider sector.

Changes in Irelands maximum stocking rates under the nitrates derogation have a very disruptive impact on the price of rented land which has totally eroded tillage farmers ability to compete in the land market and particularly in areas such as south Leinster and east Munster where dairy and tillage enterprises are dominant. Removal of the nitrates derogation would be extremely detrimental to the tillage sector. Teagasc analysis indicates that 112,000ha of land would be required by the dairy sector in the event of the derogation being lost, equivalent to the size of county Kildare. It is not inconceivable that much of this would be land currently in tillage; loss of this level of land from the sector would be a catastrophic blow.

The inflation in land prices owing to nitrates policy changes is clearly demonstrated in the annual agricultural land market review conducted by Teagasc and the Society of Chartered Surveyors Ireland. Average land costs have increased from €385/ha in 2017 to a whopping €792/ha in 2024. I would like to illustrate the impact that this change has on tillage farm margins. Using a new land cost figure of €700/ha for rented tillage land with trend yields for the five main cereal crops in 2025, IFA analysis shows the weighted average loss is minus €600/ha before direct payments. If 40% of tillage land is rented, this equates to a net economic loss of €63 million alone for the sector in 2025 which is not sustainable for future years.

Imported Grain

It is widely accepted by that Ireland cannot produce enough grain to meet its annual requirements.
The significant increase in feed demand to 5.5 million tonnes in the past decade coupled with some structural industry changes in the way grain is traded has placed more of reliance on imported grains and feedstuff ingredients.

The increase in demand and volatility in input prices has meant that the least-cost-formulation model now appears more prevalent than ever with low or no consideration given to the sustainability credentials of native Irish grains and pulses.

Some farmers and merchants are now regularly faced with the situation of native grains such as wheat, oats and beans being carried over from harvest to harvest which defies logic in a grain deficient country. This is as a result of some feed mills purchasing very limited amounts of native grain and choosing instead to rely on imports for their requirements.

While imported soya-meal is a necessary protein source, the increasing use and promotion of feedstuffs such as palm-kernel-expeller, GM maize and dried distillers grains imported from half-way around the world while Irish grain remains unused is incredibly frustrating for Irish farmers and Irish merchants who are committed to purchasing Irish grain.

IFA believe that an inclusion rate for native grains and pulses, set an appropriate percentage, must now be given serious consideration by all stakeholders to ensure that all native Irish grains are valued and remain at the forefront of the Irish agricultural production.

Future Solutions

IFA strongly believe that government support is needed to ensure survival of the sector.

Since March 2024, IFA has called for the introduction of €250/ha tillage survival payment to help mitigate the challenges facing the sector. Such a proposal would require a budget of €65 million annually over a 5-year period.

Future European CAP proposals cannot be allowed to strike another blow on the tillage sector. Given Ireland now has one of the lowest areas devoted in the EU-27, Ireland as a member state must give serious consideration to extending coupled income support beyond protein crops to strategically important crops such cereals. The world we know today faces threats from geopolitical factors, tariffs and economic uncertainty. Now is not the time to let an important indigenous industry such as our tillage sector to shrink into a non-existent state.

Finally, greater recognition of the sustainable and environmentally friendly credentials of our native grains must be considered a priority action in addressing the challenges of the tillage sector.

Conclusion

Tillage cannot be left to decline further into an unviable entity, and it is now very clear that the sector is acutely vulnerable and facing significant existential challenges in the remaining years of this decade. IFA call on all elected public representatives and government officials to support our tillage sector and ensure it survives this current crisis.

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Information Note

The IFA is Ireland's largest farming organisation, with over 72,000 farmer members covering all production systems. The Association is structured with 947 branches and 29 County Executives across the country. The IFA President and various Committee Chairmen, along with branch and county representatives are democratically elected by the farmer membership. IFA represents all farming sectors at National, European and International level. Through our office in Brussels, the IFA represents Irish farmers on the European umbrella body of farm organisations COPA/COGECA. In addition, the IFA is the representative for Irish farmers on the World Farmers' Organisation.