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Almost two in three dairy farmers plan increased milk output post quota abolition

- **Leinster farmers planning greater increases than Munster or Connaught/Ulster farmers after dairy quotas go on April 1st**

Almost two thirds of Irish dairy farmers plan to increase milk output after the quota is abolished on April 1st, taking advantage of what many dairy farmers perceive to be the greatest opportunity for the sector in the short to medium term.

Younger farmers and those in the Leinster region are planning the greatest increases in milk supplies, according to new research carried out by Ipsos MRBI for Allied Irish Banks (AIB). Farmers in Connaught/Ulster are least likely to consider an increase in milk output.

Overall, the research found that almost half (49%) of those planning increased supplies expect to increase output by up to 10% in the next five years; while over one in ten (13%) expect to increase output by more than thirty per cent on existing levels.

Expanding herd size was the principal strategy for increased milk output among farmers in Leinster, while increasing milk yield per cow, improving on-farm efficiencies and grass utilisation were more commonly cited by farmers in the Munster region.

Anne Finnegan, AIB's Head of Agri Sector, said: "While the opportunity to increase output is open to all dairy farmers, it is important to remember that increased farm profitability is as dependent on cost control and technical management as it is on scale. The priority should be to improve and maximise existing efficiencies before considering expansion. Dairy farmers should aim to become Better Before Bigger."

"As the number one bank for Irish dairy farmers, AIB are committed to supporting the continued development of the sector at this time of opportunity. I would encourage farmers contemplating farm investment or seeking additional working capital to contact AIB to see how best we can support their individual needs," she added.

AIB last year announced a €500 million fund and a doubling of its Agri-advisor team to greater support the investment and working capital needs of the Agri-sector at farm level.

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