



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

1

Paper Title	Nitrogen use efficiency of milk production – A comparative study of the Republic of Ireland and the Netherlands
--------------------	--

2

**Contributed Paper prepared for presentation at the 91st Annual
Conference of the Agricultural Economics Society, Royal Dublin Society
in Dublin, Ireland**

3

4

5

6

24 - 26 April 2016

Abstract	<i>200 words max</i>
<p>Policymakers are increasingly interested in the sustainability of milk production due to the intensive nature of the production system and the associated risk to the environment. This study uses national extensions of the EU Farm Accountancy Data Network to derive nationally representative farm gate level nitrogen use efficiency indicators for specialist dairy farms in the Republic of Ireland and the Netherlands between 2006 and 2014. The Republic of Ireland and the Netherlands are of particular interest as dairy production is an important sector in both countries and milk production has grown in these two Member States following the removal of the EU milk quota regime in 2015. Results indicate relatively similar N balances per hectare across both countries with the Netherlands returning significantly higher N use efficiency and lower N surplus per kg of milk solids produced. Results generally show improvements in nutrient use over the study period across both countries, due to efficiency gains, but highlight differences between a grazed grass system and a more concentrate feed high input orientated system and illustrate the need for the development of a life-cycle analysis approach to fully capture the full scale environmental efficiency of differing systems of milk production.</p>	
Keywords	Nitrogen balance, Nitrogen use efficiency indicators, EU FADN
JEL Code	Environmental Economics: Pollution Control Adoption and Costs Q520

7

8

9 **Nitrogen use efficiency of milk production – A comparative study of**
10 **the Republic of Ireland and the Netherlands**
11

12 C. Buckley*¹, C.H.G. Daatselaar² T.Hennessy³ H. Vrolijk²

13
14 ¹Agricultural Economics and Farm Surveys Department, Teagasc, Athenry, Co. Galway.
15 Republic of Ireland

16 ²Wageningen Economic Research, LEI Wageningen UR, Wageningen, The Netherlands.

17 ³Department of Food Business and Development, University College Cork, Republic of Ireland

18 * Corresponding author: cathal.buckley@teagasc.ie
19

20 **INTRODCUTION**

21 Feeding a growing global population while concurrently complying with
22 environmental legislation is one of the great challenges facing modern society. The
23 dairy sector, in particular, is coming under increasing pressure to improve
24 environmental performance due to the resource intensive nature of production
25 systems. This is especially true in the European Union where, since the removal of
26 the milk quota system in 2015, production is no longer constrained yet member states
27 are bound by environmental legislation such as the Water Framework Directive
28 (WFD) which sets deadlines for EU waters to achieve good status (European
29 Parliament and Council, 2000).

30
31 Now under the umbrella of the WFD, the EU Nitrates Directive (ND) (OJEC, 1991)
32 was one of the first pieces of water quality legislation introduced into the EU statute
33 books in 1991. The ND aims to optimise nutrient use on agricultural land and to
34 avoid incidental losses to water bodies (Jordan et al., 2012). Although initial
35 implementation of the ND was slow, it has been ratified into national legislation
36 across member states. The directive sets limits on the magnitude, timing and
37 placement of inorganic fertiliser and organic manures. In EU member states that have
38 adopted a whole country approach, the regulations represent the most complete set of

39 measures to manage diffuse transfers of nutrients from agricultural land (SurrIDGE and
40 Harris, 2007; Jordan et al., 2012). The Republic of Ireland first implemented the EU
41 Nitrates Directive in 2005-06 on a whole country basis. In the Republic of Ireland
42 the Good Agricultural Practice (GAP) regulations put this into effect since 2006, these
43 regulations constrain the use of N on farms to agronomic optima and ensure that
44 infrastructure and nutrient management practices are in place to minimise losses to the
45 aquatic environment. These regulations include closed periods for the application of
46 slurry (liquid manure) from mid October to mid to mid/late January and setting a
47 stocking rate limit of 170 kg organic N ha⁻¹ as standard¹. Grassland farmers in the
48 Republic of Ireland can however apply for a derogation or exemption from this limit
49 to allow stocking rates at levels up to 250 kg organic N ha⁻¹. This necessitates them to
50 meet more stringent recording and reporting requirements and has principally been
51 availed off by dairy farmers. The Netherlands started implementation of the ND in
52 1994 but regulations became more restrictive from 2006 onwards. The national
53 manure laws defines application standards (limits) for the use of minerals from
54 fertilizers and organic manure. These standards are soil and crop dependent.
55 Regulations also prescribe that the spreading of liquid manure is restricted to the
56 period of the 1st of September until mid of February. Like in Ireland dairy farmers
57 can apply for derogation to allow for application up to 250 kg organic N ha⁻¹. The
58 main conditions are a minimum of 80% of grass land, the need for a manure
59 application plan and periodic soil sampling. In practise, the large majority of dairy
60 farmers have applied for derogation.

61

¹ In the Republic of Ireland one dairy cow is equivalent to 85 kg organic N yr⁻¹. In the Netherlands this value depends on milk production and urea content of the milk. At a milk production of 8,000 kg cow⁻¹ yr⁻¹ and a urea content of 23 mg kg⁻¹ (values close to Dutch averages) this value is 118 kg organic N yr⁻¹

62 Inefficient use of nutrients in agricultural production has significant implications for
63 the aquatic environment as well as economic consequences for farmers (Oenema and
64 Pietrzak 2002; Buckley and Carney 2013). The European Environment Agency
65 (2012) notes that despite progress, diffuse pollution from agricultural production is
66 still significant in over 30-40% of Europe's rivers, coastal waters, lakes and
67 transitional waters. Jordan et al. (2012) note that as a package of measures to mitigate
68 eutrophication impacts in water bodies, the ND has twin objectives of increasing the
69 efficiency of nutrient use and decreasing loss from land to water. Hence,
70 policymakers are increasingly interested in the environmental efficiency and
71 performance of different farming systems, especially dairying, and seek reliable
72 indicators of improvements in sustainability (Brouwer 1998; Halberg et al. 2005).
73 This is particularly relevant in a post milk quota environment where milk production
74 across Europe is growing and especially at a rapid pace in some Member States with
75 favorable conditions for milk production.

76

77 Gerber et al. (2014) notes that several frameworks have been developed for the
78 assessment of nutrient use in livestock based systems. These can be broadly classified
79 into four categories: nutrient balance, nutrient use efficiency, material flow analysis
80 and life cycle assessment. Material flow analysis and life cycle assessment provide
81 much more information on environmental pressure and impacts but they have a major
82 drawback in being data intensive. Nutrient balance and nutrient use efficiency
83 indicators are less data intensive and have been widely used as a means of assessing
84 farm level nutrient management efficiency while also providing an indicator of
85 environmental pressure for water quality. Nutrient balance and use efficiency
86 indicators rely on the same data to measure nutrient inputs onto a farm, mainly

87 through imported feeds and fertilizers, and subtract quantities exported from the farm
88 through outputs such as milk, meat, crops and organic manures (Ondersteijn et al.
89 2003; Nevens et al. 2006; Bassanino et al. 2007; Treacy et al. 2008; Buckley et al.,
90 2015; 2016a,b).

91

92 The objective of this study is to use nationally representative farm-level data from
93 Ireland and the Netherlands to derive and compare farm gate level nutrient use
94 efficiency indicators for nitrogen across specialist dairy farms over a 9 year study
95 period. This is the first time that a standardized approach and harmonized dataset has
96 been used to develop indicators across 2 countries in the scope of the EU FADN. The
97 Republic of Ireland and the Netherlands are selected as two Member States that were
98 expected to expand milk production following the removal of the milk quota policy
99 and hence the sustainability of this expansion is of particular interest. The Irish
100 government has set the ambitious target to increase national milk production by 50
101 percent in the first five years following milk quota removal (DAFM 2010).
102 Predictions for milk expansion in the Netherlands vary from less than 10% (Jongeneel
103 et al, 2013) to more than 20% (Jongeneel and Van Berkum, 2015) compared to the
104 national milk quota of 2014. Because of the introduction of phosphate rights in 2017-
105 2018 in the Netherlands, it is expected that the growth in milk production will be
106 reduced. It should be noted that the current Dutch milk production is more than twice
107 the Irish production: so, expressed in billions kg of milk, the growth could be quite
108 comparable.

109

110

METHODOLOGY

111 *Data*

112 The EU FADN data are used for this analysis. FADN, a European system of
113 harmonized farm level data collection, is conducted annually to collect structural and
114 accountancy data on farms across the EU in order to monitor the income and business
115 activities of agricultural holdings and to evaluate the impacts of the Common
116 Agricultural Policy (CAP). Holdings are selected to take part in the survey on the
117 basis of sampling plans established at the level of each region in the Union. The
118 methodology aims to provide representative data along three dimensions: region,
119 economic size and type of farming. FADN does not cover small or semi-subsistence
120 farms but focuses on commercial farms which produce for the market. For 2013, the
121 sample consisted of approximately 83,000 holdings in the EU-27, which represents
122 nearly 5.0 million farms (40%) out of a total of 12.2 million farms. This is
123 approximately 90% of the total utilized agricultural area (UAA) and about 90% of the
124 total agricultural production. The FADN is the only harmonized source of micro-
125 economic data on farming in Europe. In this study we use the national extensions of
126 FADN which also cover the environmental performance of farms. This analysis was
127 conducted through the EU-FP7 Flint project, which aims to extend the traditional
128 FADN dataset to include more environmental and social indicators.

129

130 The scope of the FADN survey covers only farms whose size exceeds a minimum
131 threshold so as to represent the largest possible proportion of agricultural output,
132 agricultural area and farm labor, of holdings run with a market orientation. It is
133 important to note that the minimum threshold for the sample varies by country to
134 reflect the structure of farming in each Member State. In Ireland the minimum
135 threshold for participation in FADN is €8,000 of standard output, or approximately 6

136 dairy cows, the threshold for the Netherlands is €25,000 of standard output (8 to 9
137 dairy cows).

138

139 Table 1 presents summary statistics for the samples used in this analysis. In both cases
140 a balanced panel of dairy farms was generated consisting of 104 farms for Ireland and
141 122 for the Netherlands. The Irish sample can be aggregated to represent 6,767 farms
142 nationally or approximately one-third of the total dairy farming population. While the
143 Dutch sample represents 9,107 farms or just over 50% of the Dutch dairy farming
144 population. A balanced panel approach was used across each country to track year on
145 year changes across a consistent cohort of farmers devoid of sampling frame issues.

146

147 *Sample Profile*

148 Farm size, in terms of land area, is similar in Ireland and the Netherlands with
149 more of the land area devoted to grassland in the Republic of Ireland. On average 96
150 per cent of farm area was devoted to grassland in the Republic of Ireland compared to
151 83 per cent in the Netherlands. Ireland has a climate that is well suited to grass growth
152 between April and October (Hennessy and Roosen, 2003) and one of its major
153 competitive advantages is the potential to produce between 12 and 16 tons of grass
154 dry matter per hectare over a long growing season (O'Donovan et al., 2010; Laepple
155 et al. 2012). Hence cows in Ireland tend to be mostly fed off grass with a relatively
156 low use of concentrate feeds but also resulting in relatively lower output per cow.
157 Natural conditions for forage production (grass and maize) on own farmland are also
158 good in the Netherlands (Reijs et al., 2013). Dutch dairy farmers apply more manure
159 and fertilizer and face lower prices per kg of concentrates than in other countries, due
160 to lower transportation costs of overseas ingredients that arrive at the port of

161 Rotterdam. Prices of purchased roughage tend to follow the prices of concentrates
162 which eases the purchase of roughage in the Netherlands. These factors explain the
163 higher stocking rates and higher milk production per cow in the Netherlands.
164 Average dairy herd size is about one-third larger in the Netherlands and stocking rates
165 are also circa 10 per cent higher than in the Republic of Ireland. It has been argued
166 that the relatively restrictive rules governing the transfer of quota from exiting to
167 expanding farmers in Ireland in the 1990s and 2000s hampered structural change and
168 resulted in relatively smaller herd sizes in Ireland than in the Netherlands or Denmark
169 where quota trade was not as restricted (Donnellan et al 2009). Milk solids produced
170 per cow and per hectare in the Netherlands are almost double those achieved in
171 Ireland, but in both countries output per cow and per hectare has been following an
172 upward trajectory over the study period as outlined in Table 1.

173

174

175 <Table 1>

176 ***Indicators derivation***

177 Farm level indicators are generally derived either at the farm gate level or on a
178 whole farm basis. The farm gate approach limits the analysis to nutrient imports and
179 exports over which the farmer has direct control (passes through the farm gate). This
180 eliminates the need to account for elements outside the control of the farmer such as
181 biological fixation, atmospheric deposition and mineralization of nutrients in soils and
182 losses to air and water. Farm gate level indicators are acknowledged as useful in
183 assessing nutrient use and environmental pressure (Schroder et al., 2004).

184

185 Three indicators were derived at the farm gate level for each farm in both countries
186 for each year in the study period. The first was an N balance, this is an indicator of
187 pressure on environmental quality all other things being equal, and is derived by
188 subtracting the total quantities of N exported from the total quantities imported on a
189 per hectare basis. Nitrogen use efficiency (NUE) was the second indicator derived.
190 This is a measure of agronomic efficiency and based on the proportion of N retained
191 within the production system and is derived by dividing total quantities (kg) of N
192 exported by total quantities imported, expressed as a percentage. The final indicator
193 derived was N surplus per kilogram of milk solids produced. This is estimated from
194 surplus of N (imports – exports on a kg basis) generated by dairy² enterprise per
195 kilogram of milk solids (protein and butterfat) produced. This is analogous to
196 emissions per unit of production.

197

198 The three indicators require a full audit of N imports and exports passing through the
199 farm gate. The main N imports through the farm gate in this study were those

² Where other livestock or crop enterprises exist, allocation of surplus is based on livestock unit equivalents and area dedicated to enterprise.

200 contained in chemical fertilizers, concentrate feeds, forage feeds, livestock purchases
201 and organic manures in the case of the Netherlands. Exports of N primarily included
202 milk, livestock, cereal / forage crops and organic manures in the case of the
203 Netherlands. Transport of manures in the Netherlands are closely monitored and
204 sampled because of national manure laws. Table 2 provides an overview of the
205 standardized approach used for both countries in converting imports and exports to kg
206 of N ha⁻¹. The coefficients for milk and animals have been derived from the
207 Netherlands Enterprise Agency (2015).

208

209 <Table 2>

210

RESULTS

211
212 Results in Table 3 confirm that the Netherlands is a higher N inputs and output based
213 system. Total N inputs for the Republic of Ireland ranged from circa 191 to 222 kg N
214 ha⁻¹ over the period compared to 253 to 273 kg N ha⁻¹ in the Netherlands. However, it
215 is notable that in the Netherlands, N imports through fertilizers and concentrates are
216 similar in magnitude with each component responsible for 44% of total N imports on
217 average. This was in contrast to Republic of Ireland based dairy systems where
218 fertilizers accounted for 80 per cent of total N imports with concentrates on average
219 responsible for a further 16 per cent. Typically N imports in the Republic of Ireland
220 were circa 77 per cent of total imports in the Netherlands.

221
222 Total N exports for the Republic of Ireland dairy farms in the sample ranged from
223 circa 40 to 45 kg N ha⁻¹ over the period compared to 100 to 130 kg N ha⁻¹ in the
224 Netherlands. Results indicate that on average 80% of exports in Republic of Ireland
225 related to milk off-takes compared to 66% for the Netherlands. Livestock based N
226 exports accounted on average for 19% of total off-takes in the Republic of Ireland
227 compared to 11% in the Netherlands. Notably, 20% of total exports of N in the
228 Netherlands³ are accounted for by organic manure moved off farm, this is not a
229 typical practice in the Republic of Ireland⁴ and in fact no farm in the Irish sample
230 exported organic manure. Typically total N exports in the Republic of Ireland were
231 40% of that in the Netherlands.

232

³ This is highly regulated and there are significant economic costs and incentives associated with import/export and application of this manure.

⁴ As reported by Hennessy et al., (2011) a total of 6% of dairy farms imported or exported organic manures. No data was available on the volumes imported or exported, hence this cohort were excluded from the analysis.

233 Farm gate N balances were broadly similar across both countries ranging from 148–
234 178 kg N ha⁻¹ for the Republic of Ireland compared to 143–160 kg N ha⁻¹ for the
235 Netherlands. As shown by Table 3, N balances in the Republic of Ireland tended to be
236 more temporally volatile, this is associated with weather volatility (rainfall), which
237 tends to significantly influence balance and use efficiencies in grazing orientated
238 systems (Buckley et al., 2016a,b). Due to the nature of the dairy systems in the
239 Netherlands (higher levels of imported feeds, export of organic manure, animal
240 genetics) N use efficiencies were significantly higher on average (80 per cent higher
241 on average). This was also reflected in farm gate level N surpluses per kilogram of
242 milk solids.

243

244 Table 3 indicates that although temporally volatile (especially in the case of the
245 Republic of Ireland) results show a general trend of declining N balances and
246 increasing N use efficiency over the study period across both countries. This is
247 particularly reflected in the N surplus per kg of milk solids (which is analogous to
248 emissions per unit of product) which decreased by circa 11% for the Republic of
249 Ireland and 22% for the Netherlands between the start (2006) and end of the study
250 period (2014).

DISCUSSION

251

252 The national FADN systems have been used previously to evaluate the environmental
253 performance of farms for instance nutrient use efficiency on Irish farms (Buckley and
254 Carney, 2013; Buckley et al., 2015, 2016a,b) and on Dutch farms (Daatselaar et al.,
255 2015) as well the carbon efficiency of milk production in Ireland (O'Brien et al. 2015)
256 and the Netherlands (Dolman et al., 2014). However to date this data has not been
257 used to generate international comparisons of environmental performance of milk
258 production using harmonized methods and datasets. The EU-FP7 FLINT project has
259 contributed to the development of the EU FADN and has resulted in data to a level
260 where a standardized approach to generate farm gate balances and N use efficiency
261 indicators is possible. This required additional data to be collected across both
262 countries and is different to other studies in this area which have used the EU FADN
263 to-date which tended to rely on some modeling or imputing elements of the inputs or
264 outputs (Dalgaard et al. 2006; Nevens et al. 2006). FLINT aims to broaden the EU
265 FADN system to cover more environmental and other sustainability issues. Such a
266 broadening is required to be able to also monitor and evaluate the broader set of
267 objectives of the CAP. The FLINT project has evaluated the possibilities to extend
268 the data collection in each of the 9 partner countries. On a pilot of 1000 farms, farm
269 level data has been collected to calculate environmental, social and economic
270 indicators. This study could not have been conducted without such additional data
271 collection. In the EU FADN system no information is available on quantities on
272 important flows such as fertilizers and concentrate feed, inferring these from the
273 financial values would lead to much less reliable figures.

274

275

276 Results generally show improvements in overall nutrient use efficiency over the study
277 period across both countries. Results indicate that the Netherlands has similar N
278 balances to Ireland, but significantly higher N use efficiencies and lower N Surplus
279 per kg milk solids. While the Netherlands is well-known for its' efficiency of
280 production system (OECD, 2015; Barnes and Revoredo Giha, 2011) some of the
281 disparity in environmental performance reported here requires further elaboration and
282 context. While farm gate balances and nutrient use efficiencies are well established
283 for over 2 decades (Aarts et al., 1992), there are several limitations associated with
284 these metrics as highlighted by Godinot et al., (2014). These limitations are
285 particularly relevant in this comparative study when comparing two distinct
286 production systems, namely the Irish grazing orientated system to the higher feed
287 importing and organic manures export system in the Netherlands. Firstly, as
288 highlighted earlier, farm-gate level indicators do not consider all N inputs into the
289 farm system such as symbiotic N fixation, atmospheric N deposition or changes in
290 soil organic matter stocks. Secondly, these indicators exclude losses associated with
291 the production of inputs that occur outside the farm gate e.g. purchased feed crops
292 produced elsewhere. This is a significant difference between the comparative
293 countries here as the Netherlands is purchasing much higher levels of concentrates
294 and forage crops compared to the Republic of Ireland, three times the quantity on
295 average.

296

297 Thirdly, in mathematical terms NUE increases when the same value is added to both
298 the numerator and denominator. This therefore leads to potential “purchase resale”
299 bias where NUE is higher for systems relying on external inputs compared to systems
300 that are more self-sufficient. This is relevant in a comparison between the Republic of

301 Ireland and the Netherlands, where farms in the Republic of Ireland are using mainly
302 chemical fertilizer to pre-dominantly grow their own feed. Fourthly, these indicators
303 do not distinguish among outputs valuing 1 kg of N output as manure is equivalent to
304 1 kg of animal/crop based output. By considering that all N outputs have the same
305 value; NUE for example expresses the efficiency of minimizing N losses and not of
306 producing agricultural products. Indeed, some have argued for excluding manure
307 output from the N efficiency calculation, as it is not an end product for human
308 consumption (Simon et al., 2000). Others have argued that when manure output
309 exceeds manure input it should be represented as a negative net input instead of a
310 positive net output as organic manure exports are considered to offset inorganic
311 fertilizer inputs (Godinot, 2014).

312

313 While the EU FADN data collection schedule has been widened across the countries
314 in this comparative study to enable farm gate level indicators to be developed, future
315 work should focus on how to develop the indicator to a stage where a life cycle
316 assessment based (LCA) indicator could be calculated. This could potentially address
317 the issues identified in this paper, in terms of arriving at a more holistic comparison of
318 milk production systems across comparator countries. As outlined by Gerber et al.
319 (2014), LCA takes a unit of product as a reference and examines all upstream and
320 downstream activities and related environmental impacts. It is a holistic accounting
321 system that captures environmental pressure related to the production, usage and
322 disposal of a product. LCA is interestingly being applied to agricultural commodities
323 and is growingly accepted as a valuable environmental management tool for decision-
324 makers. LCA is however a data intensive approach, which can represent a
325 considerable constraint to its development. Future work could also benefit from the

326 integrated data collection on economic and environmental issues in the FADN system
327 by analysing the variation in economic and environmental performance among farms
328 (Dolman et al, 2012) and analyzing the trade-off and jointness of these measures.

329

330 The relationship between N balance and loss to the aquatic environment and
331 atmosphere are very complex and are highly dependent on local influences such as
332 soils, hydrology, weather, farm structures and management practices (Jordan et al.
333 2012). Results here indicate a general declining trend (all be it with some temporal
334 volatility) in N balances across specialist dairy systems in both countries over the
335 2006-2014 period. This coincides with the decline observed in nitrate concentrations
336 in rivers across the Republic of Ireland and the Netherlands over the period. In the
337 case of the Republic of Ireland the number of sites⁵ monitored by the Irish
338 Environmental Protection Agency with average concentrations of less than 10 mg l⁻¹
339 NO₃ (2.3 mg l⁻¹ NO₃-N) increased from 55 per cent in 2007 to 71.5 per cent in 2012.
340 This decline is accredited to a number of influences including several related to
341 agriculture including reduced chemical fertilizer applications; improved manure
342 storage facilitates; and spreading practices associated with the implementation of the
343 EU Nitrates Directive based Good Agricultural Practice regulations (Environmental
344 Protection Agency, 2013). In the Netherlands about 75% of the dairy farms had
345 average concentrations of less than 50 mg l⁻¹ NO₃ (The EU-threshold) in the period
346 2012-2015 (Fraters et al, 2016), about 10% more than in the period 2004-2011. The
347 decline in the Netherlands can be accredited to more stringent manure legislation with
348 tighter rules on the application of manure and the way farmers respond to this
349 legislation. Dairy farmers are allowed to use lower nitrogen and phosphate excretion

⁵ The number of operational and surveillance river monitoring stations for which data was available in 2012 was 1521 covering 682 rivers.

350 values for their cattle if they can prove these lower values with adequate registration
351 and calculation (Netherlands Enterprise Agency, 2015). Both the tighter standards and
352 the possibility to work with lower excretion values have stimulated a more efficient
353 use of nutrients, which reduces the surpluses of nitrogen and phosphate.

354

355

ACKNOWLEDGEMENTS

356 This work was partly funded by the EU Seventh Framework Programme grant
357 number 613800. The opinions expressed in this paper are not necessarily those of the
358 EU.

359

360

REFERENCES

361 Aarts, H.F.M., E.E Biewinga, and H, van Keulen. 1992. Dairy farming systems based
362 on efficient nutrient management. *Netherlands Journal of Agricultural*
363 *Science* 40:285-299.

364 Barnes, A and G. Revoredo-Giha. 2011. A Metafrontier Analysis of Technical
365 Efficiency of Selected European Agricultures, EAAE 2011 Congress, Zurich,
366 Switzerland.

367 Bassanino, M., C. Grignani, D. Sacco, and E. Allisiardi. 2007. Nitrogen balances at
368 the crop and farm-gate scale in livestock farms in Italy. *Agriculture,*
369 *Ecosystems and Environment* 122, 282-294.

370 Brouwer, F. 1998. Nitrogen balances at farm level as a tool to monitor effects of agri-
371 environmental policy. *Nutrient Cycling in Agroecosystems* 52:303-308.

372 Buckley, C. and P. Carney. 2013. The potential to reduce the risk of diffuse pollution
373 from agriculture while improving economic performance at farm level.
374 *Environmental Science & Policy* 25:118-126.

375 Buckley, C., D.P. Wall, B. Moran and P.N.C. Murphy. 2015. Developing the EU
376 Farm Accountancy Data Network to derive indicators around the sustainable
377 use of nitrogen and phosphorus at farm level. *Nutrient Cycling in*
378 *Agroecosystems* 102:319-333.

379 Buckley, C., D.P. Wall, B. Moran, S. O'Neill, P.N.C. Murphy. 2016a. Phosphorus
380 management on Irish dairy farms post controls introduced under the EU
381 Nitrates Directive. *Agricultural Systems* 142:1-8.

382 Buckley, C., D.P. Wall, B. Moran, S. O'Neill, P.N.C. Murphy. 2016b. Farm gate level
383 nitrogen balance and use efficiency changes post implementation of the EU
384 Nitrates Directive. *Nutrient Cycling in Agroecosystems* 104:1-13.

385 Curran M.A. 2013. Life Cycle Assessment: a review of the methodology and its
386 application to sustainability. *Energy Environ Eng React Eng Catal.* 2:273-
387 277.

388 Daatselaar C.H.G., J.W. Reijers, J. Oenema, G.J. Doornewaard, and H.F.M. Aarts.
389 2015 Variation in nitrogen use efficiencies on Dutch dairy farms. *J Sci Food*
390 *Agric* 95:3055-3058.

391 Dalgaard, R., N. Halberg, I.S. Kristensen, I. Larsen. 2006. Modelling representative
392 and coherent Danish farm types based on farm accountancy data for use in
393 environmental assessments. *Agriculture, Ecosystems & Environment* 117:
394 223-237.

395 Department of Agriculture, Fisheries and Food. 2010. Food Harvest 2020. A vision
396 for Irish Agriculture and Fisheries.

397 Dolman, M.A. H.C.J. Vrolijk and I.J.M. De Boer. 2012. Exploring variation in
398 economic, environmental and societal performance among Dutch fattening pig
399 farms, *Livestock science* 149:143 – 154.

400 Dolman MA, M.P.W. Sonneveld, H. Mollenhorst, and I.J.M. de Boer. 2014.
401 Benchmarking the economic, environmental and societal performance of
402 Dutch dairy farms aiming at internal recycling of nutrients. *J Cleaner Prod*
403 73:245–252.

404 Donnellan, T., T. Hennessy, and F. Thorne. 2009. Perspectives on the
405 Competitiveness of EU Dairy Farming. *Eurochoices* 81: 23-29.

406 European Environment Agency. 2012. European waters — assessment of status and
407 pressures.

408 Environmental Protection Agency. 2013. EPA report under Article 29(1)(b) of the
409 European Communities (Good Agricultural Practice for Protection of Waters)
410 Regulations 2010. Access July 10, 2015.
411 <http://www.environ.ie/en/Publications/Environment/>

412 Fraters B, A.E.J. Hooijboer, A. Vrijhoef, J. Claessens, M.C. Kotte, G.B.J. Rijs, A.I.M.
413 Denneman, C. van Bruggen, C.H.G. Daatselaar, H.A.L. Begeman, and J.N.
414 Bosma. 2016. Agricultural practises and water quality in the Netherlands;
415 status (2012-2014) and trend (1992-2014): Monitoring results for Nitrates
416 Directive reporting. Bilthoven, RIVM (National Institute for Public Health and
417 the Environment). Report 2016-0076 (in Dutch, English version forthcoming)

418 Gerber, P.J., A. Uwizeye, R.P.O. Schulte, C.I. Opio, I.J.M de Boer. 2014. Nutrient
419 use efficiency: a valuable approach to benchmark the sustainability of nutrient
420 use in global livestock production? *Current Opinion in Environmental*
421 *Sustainability* 9–10:122-130.

422 Godinot, O., M. Carof, F. Vertès, P. Leterme. 2014. SyNE: An improved indicator to
423 assess nitrogen efficiency of farming systems. *Agricultural Systems* 127:41-
424 52.

425 Guinee JB, 2002. Handbook on life cycle assessment operational guide to the ISO
426 standards. *Int J Life Cycle Assess*, 7:311-313.

427 Halberg, N. G. Verschuur. G. Goodlass. 2005. Farm level environmental indicators;
428 are they useful? An overview of green accounting systems for European
429 farms. *Agriculture, Ecosystems & Environment*. 105:195-212.

430 Hennessy T., C. Buckley, M. Cushion, A. Kinsella, B. Moran. 2011. National Farm
431 Survey of Manure Application and Storage Practices on Irish Farms. Teagasc,
432 Athenry, County Galway. Accessed 10 July, 2015.
433 <http://www.teagasc.ie/publications2011/1001/TeagascNationalFarmSurveyOf>
434 [ManureApplication.pdf](http://www.teagasc.ie/publications2011/1001/TeagascNationalFarmSurveyOf). Accessed 01 February 2014

435 Hennessy, D. A. and J. Roosen. 2003. A cost-based model of seasonal production
436 with application to milk policy, *J. Agric. Econ*. 54:285-312.

437 Jongeneel, R, S. Van Berkum, M. Van Leeuwen. 2013. LEI Market Outlook Agri &
438 Food 2013. The Hague, LEI-Wageningen-UR (not published).

439 Jongeneel, R. and S. Van Berkum. S. 2015. What will happen after the EU milk quota
440 system expires in 2015? An assessment of the Dutch dairy sector. The Hague,
441 LEI-Wageningen-UR, Report No. 2015-041.

442 Jordan, P., A.R. Melland, P.E. Mellander, G. Shortle, D. Wall, 2012. The seasonality
443 of phosphorus transfers from land to water: implications for trophic impacts
444 and policy evaluation. *Science of the Total Environment* 434:101-109.

445 Laepple, D., T. Hennessy, and M. O'Donovan. 2012. Extended Grazing: A detailed
446 analysis of Irish dairy farms. *Journal of Dairy Science*. 95: 188-95.

447 Netherlands Enterprise Agency. 2015. Handreiking bedrijfsspecifieke excretie
448 melkvee. The Hague, the Netherlands (in Dutch).

449 Nevens, F., I. Verbruggen, D. Reheul, and G. Hofman. 2006. Farm gate nitrogen
450 surpluses and nitrogen use efficiency of specialized dairy farms in Flanders:
451 Evolution and future goals. *Agricultural Systems* 88:142-155.

452 O'Brien, D., T. Hennessy, B. Moran, and L. Shalloo. 2015. Relating the carbon
453 footprint of milk from Irish dairy farms to economic performance. *Journal of*
454 *Dairy Science*. 98:7394-7407

455 O'Donovan, M., E. Lewis, T. Boland, and P. O'Kiely. 2010. Requirements of future
456 grass based ruminant production systems in Ireland. Pages 11–41 in *Proc.*
457 *Grasses for the Future Conf.*, Cork, Ireland. Teagasc, Carlow, Ireland.

458 OECD, 2015. Dynamics of dairy farm productivity growth: cross-country
459 comparison, Accessed 10 July 2015 [http://www.oecd-](http://www.oecd-ilibrary.org/docserver/download/5jrw8ffbzf71-en.pdf?expires=1481631165&id=id&accname=guest&checksum=CC6E293065D48FBAFB76396C525429E0)
460 [ilibrary.org/docserver/download/5jrw8ffbzf71-en.pdf?expires=1481631165](http://www.oecd-ilibrary.org/docserver/download/5jrw8ffbzf71-en.pdf?expires=1481631165&id=id&accname=guest&checksum=CC6E293065D48FBAFB76396C525429E0)
461 [&id=id&accname=guest&checksum=CC6E293065D48FBAFB76396C52542](http://www.oecd-ilibrary.org/docserver/download/5jrw8ffbzf71-en.pdf?expires=1481631165&id=id&accname=guest&checksum=CC6E293065D48FBAFB76396C525429E0)
462 [9E0](http://www.oecd-ilibrary.org/docserver/download/5jrw8ffbzf71-en.pdf?expires=1481631165&id=id&accname=guest&checksum=CC6E293065D48FBAFB76396C525429E0).

463 Oenema, O., and S. Pietrzak. 2002. Nutrient management in food production:
464 achieving agronomic and environmental targets. *Ambio* 31:159-168.

465 Ondersteijn, C.J.M., A.C.G. Beldman, C.H.G. Daatselaar, G.W.J. Giesen, R.B.M.
466 Huirne. 2003. Farm structure or farm management: effective ways to reduce
467 nutrient surpluses on dairy farms and their financial impacts. *Livestock*
468 *Production Science* 84:171-181.

469 Reijs JW, C.H.G. Daatselaar, J.F.M. Helming, J. Jager, A.C.G. Beldman. 2013.
470 Grazing dairy cows in North-West Europe: Economic farm performance and
471 future developments with emphasis on the Dutch situation. The Hague, LEI-
472 Wageningen-UR, Report No. 2013-001.

- 473 Schroder, J.J., D. Scholefield, F. Cabral, G. Hofman. 2004. The effects of nutrient
474 losses from agriculture on ground and surface water quality: the position of
475 science in developing indicators for regulation. *European Journal of*
476 *Agronomy* 7:15-23.
- 477 Simon, J.C., C. Grignani, A. Jacquet, L. Le Corre, J. Pagès. 2000. Typologie des
478 bilans d'azote de divers types d'exploitation agricole: recherche d'indicateurs
479 de fonctionnement. *Agronomie* 20:175-195.
- 480 SurrIDGE, B. and B. Harris. 2007. Science-driven integrated river basin management:
481 a mirage? *Interdisciplinary Science Reviews* 32:298-312.
- 482 Treacy, M., J. Humphreys, K. Mc Namara, R. Browne, C.J. Watson. 2008. Farm-gate
483 nitrogen balances on intensive dairy farms in the south west of Ireland. *Irish*
484 *Journal of Agricultural and Food Research* 47:105-117.

485

Table 1 Production profile of sample

	Production Profile - Republic of Ireland										Production Profile - Netherlands								
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Farm size (ha)	41.2	41.9	42.4	43.0	44.1	44.7	44.8	45.1	46.6	44.1	44.6	45.4	46.2	46.0	46.9	47.7	48.6	47.3	
Grassland (ha)	40.1	41.1	41.3	42.0	43.1	43.7	43.8	44.2	45.7	36.6	36.6	37.0	38.0	38.2	39.2	40.0	40.9	40.6	
Arable (ha)	1.1	0.8	1.1	1.1	1.1	1.0	1.0	0.9	0.9	7.4	8.0	8.4	8.2	7.7	7.7	7.7	7.7	6.7	
Total livestock units	79.5	79.4	80.1	82.4	82.0	82.6	83.6	85.2	89.5	88.7	90.5	93.6	94.7	96.8	98.0	99.2	103.4	103.0	
Dairy cow livestock units	49.9	51.9	53.5	55.0	54.4	56.5	57.4	58.4	61.1	68.5	70.6	74.2	74.9	75.9	77.3	78.8	82.5	82.0	
Other livestock units	29.6	27.5	26.5	27.4	27.5	26.1	26.2	26.8	28.4	20.2	19.9	19.4	19.8	20.8	20.8	20.4	20.9	21.0	
Stocking rate (lu ha ⁻¹)	1.93	1.90	1.89	1.92	1.86	1.85	1.87	1.89	1.92	2.01	2.03	2.06	2.05	2.11	2.09	2.08	2.13	2.18	
Milk solids kg ha ⁻¹	695	675	659	622	694	699	686	709	741	960	1003	1029	1026	1061	1052	1028	1061	1093	
Milk solids kg cow	343	345	336	316	359	365	351	361	370	618	633	629	633	642	639	622	625	630	
No of sample dairy farms	104	104	104	104	104	104	104	104	104	122	122	122	122	122	122	122	122	122	
Population weighted*	6767	6767	6767	6767	6767	6767	6767	6767	6767	9107	9107	9107	9107	9107	9107	9107	9107	9107	

486

* Based on average weight of the selected farms during reference period (2006-2014)

Table 2: Standardized co-efficient used to generate indicators

Main Import	Co-efficient applied
Chemical Fertilizer	Kilograms * N per cent in fertilizer
Concentrates and forage crops	Kilograms *dry matter% * (crude protein % / 6.25)
Animals	Kilograms of live weight purchases * 0.0294 (0-1 years) Kilograms of live weight purchases * 0.0241 (1-2 years) Kilograms of live weight purchases * 0.0225 (> 2 years)
Organic Manure	Kilograms * N per cent in manure (per manure category)
Main Export	Co-efficient applied
Milk	Kilograms of milk protein solids exported / 6.38 (Ref)
Animals	Kilograms of live weight sales/deaths * 0.0294 (0-1 years) Kilograms of live weight sales/deaths * 0.0241 (1-2 years) Kilograms of live weight sales/deaths * 0.0225 (> 2 years)
Crops	Kilograms of crops sold * dry matter%* (crude protein % / 6.25)
Organic manures	Kilograms * N per cent in manure (per manure category)

Table 3: Nutrient use efficiency indicator results

	Republic of Ireland									Netherlands								
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006	2007	2008	2009	2010	2011	2012	2013	2014
Imports																		
N Fertilizer kg ha ⁻¹	181.1	164.3	149.1	157.3	161.0	155.5	155.5	172.9	169.3	119.6	123.7	114.3	117.6	112.3	109.0	111.5	111.7	124.4
N Concentrates kg ha ⁻¹	33.6	29.4	39.5	30.0	33.1	28.9	33.9	40.3	32.0	113.3	111.2	114.7	108.2	113.9	117.8	120.0	125.5	123.9
N Forage Feeds kg ha ⁻¹	4.8	5.2	4.2	5.1	5.1	5.9	6.5	7.8	7.8	15.5	21.5	18.9	15.9	31.3	17.5	18.6	17.9	15.7
N Livestock Imports kg ha ⁻¹	1.0	1.2	0.9	1.0	0.6	0.9	0.9	0.7	0.6	2.0	2.3	1.4	0.9	1.1	1.0	0.7	0.9	0.6
N Organic manures kg ha ⁻¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.4	7.5	11.4	10.2	9.4	12.3	11.0	8.8	8.8
Total N Imports kg ha ^{-1*}	220.5	200.0	193.7	193.4	199.9	191.2	196.8	221.7	209.7	259.9	266.3	260.7	252.8	268.0	257.5	261.9	264.8	273.4
Exports																		
N Milk Exports kg ha ⁻¹	32.6	33.5	32.7	31.1	34.3	35.3	34.7	35.5	36.8	65.8	69.1	71.1	70.8	73.3	72.6	71.3	73.7	75.9
N Livestock Exports kg ha ⁻¹	9.4	9.0	8.1	7.9	8.1	7.6	7.7	7.0	7.5	12.8	12.4	12.5	11.6	11.0	11.0	10.4	10.7	10.9
N Crops Exports kg ha ⁻¹	0.7	0.7	0.8	0.5	0.7	0.7	0.6	1.0	0.6	3.2	6.2	5.2	4.4	3.9	3.3	3.8	3.5	5.1
N Organic manures kg ha ⁻¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.	17.7	21.3	18.9	15.0	21.3	19.7	22.2	22.2	38.7
Total N Exports kg ha ^{-1*}	42.8	43.1	41.6	39.5	43.1	43.6	43.0	43.5	44.9	99.5	109.0	107.7	101.8	109.5	106.5	107.8	110.1	130.5
Balance and indicators																		
N Balance kg ha ⁻¹	177.8	156.9	152.1	153.9	156.8	147.6	153.8	178.2	164.7	160.4	157.2	153.0	151.0	158.5	151.0	154.1	154.7	142.8
Nitrogen use efficiency %	20.9	23.1	23.0	21.6	22.4	28.1	22.6	23.4	22.0	38.3	40.9	41.3	40.3	40.8	41.3	41.1	41.6	47.8
N Surplus per kg milk solids	0.27	0.23	0.25	0.26	0.24	0.22	0.23	0.26	0.24	0.17	0.16	0.15	0.15	0.15	0.14	0.15	0.15	0.13
No of dairy farms	104	104	104	104	104	104	104	104	104	122	122	122	122	122	122	122	122	122
Population weighted*	6767	6767	6767	6767	6767	6767	6767	6767	6767	9107	9107	9107	9107	9107	9107	9107	9107	9107

*Based on average weight of the selected farms during reference period (2006-2014)

