

Phosphate reduction in the Netherlands

The Netherlands have to reduce phosphate production in 2017 to a level that will allow the country to keep its derogation. This article outlines the technical details of the scheme for dairy farms, without further commenting on it.

The measures for phosphate reduction in 2017 consist of three parts:

- Phosphate Reduction Regulation 2017
- Feed in the dairy sector
- Subsidy regulation for farms ceasing dairy production

Regulation for 2017 phosphate reduction scheme

The phosphate reduction scheme targets two groups:

- Dairy farms that produce milk for consumption or processing
- Cattle farms that do not produce milk for consumption or processing

Dairy farms

Since 1 March, dairy farms producing milk for consumption or processing have had to lower their phosphate production step by step. They must reduce their dairy herd to the size it had on 2 July 2015 minus 4%. Grassland-based farms are exempted from this additional 4% reduction.

Phased reduction

A target is set for each dairy farm. It corresponds to the number of dairy cows (converted to livestock units) that were registered on 1 October 2016 in the identification and registration system (I&R). This figure is then reduced by a specific percentage. The percentage depends on the phase.

Reduction targets are imposed based on two-months periods.

- Farms that fail to meet their target have to pay a fine.
- Farms that meet the target of the phase but have not reduced their herd to the level they had on 2 July 2015 minus 4% pay a lower fine.

Farmers who bring their herd back under the level they had on 2 July minus 4% get a bonus funded from the fine revenues.

Phases:

Phase 1: 1 March up to and including 30 April 2017

Phase 2: 1 May up to and including 30 June 2017

Phase 3: 1 July up to and including 31 August 2017

Phase 4: 1 September up to and including 31 October 2017

Phase 5: 1 November up to and including 31 December 2017

After 31 December 2017, phosphate production in the dairy sector will be limited by the phosphate rights granted for dairy herds.

Levy

Farms that fail to meet their target and do not comply with the phased reduction have to pay a fine. This amounts to 240 euros per month and per livestock unit above the reference number. In the first phase, March and April will be settled together on the basis of the figures from April. The fine per surplus livestock unit in April will be 480 euros. If a farm has to pay a fine for the first month of the phase, but meets the target in the second month of the phase, the fine for the first month will be cancelled.

Solidarity levy

Dairy farms that reduce their herd by the number of cows imposed for a certain phase but still fail to meet the reference number have to pay a solidarity levy on all livestock units still to be reduced. In phase 1, this will be 112 euros for every remaining surplus livestock unit. In the subsequent phases, it will be 56 euros per month. The solidarity levy is not imposed on farms that do not deliver milk.

Bonus

Dairy farms that have less livestock units than their reference in a specific month get a bonus. In the first phase, the bonus will be 120 euros per livestock unit below the reference number based on the April average. In phases 2 and 3, it will be 60 euros per month and in phases 4 and 5 the bonus will be 150 euros per month. The number of livestock units per farm eligible for a bonus is limited to 10% of livestock units below the reference number. Just like the levies, the total amount of the bonus will be determined based on the average number of cows per month.

Non-dairy cattle farms

Cattle farms that do not produce milk for consumption or processing have also had to reduce their herd since 1 March 2017. They have to reduce their herd to the size it had on 15 December 2016.

Feed in the dairy sector

In order to reduce the phosphate level in manure, the phosphate content in mixed feed has to be lowered. This measure will be fully implemented by the feed industry. Feed suppliers will reduce the phosphate content in mixed feed for dairy farms. This measure will allow phosphate production to be reduced by 1.7 million kilos in 2017.

Subsidy regulation for terminating dairy farming

Dairy farmers who cease milk production in 2017 can be eligible for the 'subsidy regulation for dairy farms'. The first round was opened on 20 February and closed on the first day of the measure as the target had already been exceeded. Almost 500 milk producers applied, reducing the number of livestock units by 40,000.

The premium paid per livestock unit is 1,200 euros. This measure is intended to lower phosphate production by 2.5 million kilos.

This scheme has of course caused a lot of emotions and discussions and many farmers are caught between different regulations. Numerous lawsuits are being prepared.

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