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**FARMING**  
**With Subsidies**  
**&**  
**Without Subsidies**

# Jim McCarthy

First generation Farmer Farming 400 hectares in County Kildare, Ireland. With subsidy of €160,000.

Shareholder in Dairy Farming Business in Missouri USA. 7,000 cows on grass based system.

One of the founding partners of Agro Terra Ireland which fund raised \$56,000,000 in 2006, purchased 12,300 hectares of farmland in Argentina, presently the C.E.O. of that business.

Retention Tax in Argentina, soya 35%, corn 20%, wheat 23%.

Corporate tax 35%. Ease of doing business 115<sup>th</sup> in the world. The UK 4<sup>th</sup>.

# Subsidies in Europe

Granted under the treaty of Rome in 1957. One of its main aims was to provide a stable income for farmers and in doing so improve food security.

Over seven million farmers receive €42billion or €5,300 each.

U.K. farmers receive €220/Hectare and Ireland receives €270 the EU average.

# Subsidies in Europe emphasis has changed

To protect the environment, and maintain the traditional appearance of the countryside.

To ensure food security at home and combat food security abroad

Support Farmers.

Farmers pay a far higher price for this support than they realise.

It allows farmers to stay in business, thus slowing the corporatisation of agriculture.

Denied the most exciting technology GM crops.

Industry demands a much higher price for input sales to farmers

# What Gm Crops Mean

Greatly reduced inputs and growing costs, with much higher yields and profits.

Much more consistent yields because of multiple trait stacking.

Greatly improved environment, thanks to a large reduction in synthetic inputs.

Will not be available in Europe until farmers start demanding it.

Eco fundamentalism has to be challenged by science.

# Farming with Nature



# Personal Responsibility

“Have to have syndrome”. Condition of the larger subsidy recipient. Newest and best equipment. Many farmers grossly over mechanised.

Sadly we demand a compensation system that justifies the activity.

The smaller subsidy recipient depends on his subsidy for survival and would no longer be on the land only for it.

Farming in the unsubsidised world divides into either large scale or subsistence farming

# Argentina

Average farm size 500Hectares.

Large land rental companies cropping half a million acres not unusual as 60% of cropping land is leased.

Enormous buying and selling power with many achieving 20% return on capital. They suffered very badly in2008/2009 drought.

Farming seen as a very good career path. Two of our management team hold MBAs.

There is an excellent supply of highly qualified people.



# Argentina

Excellent web based computer systems with remote access, on which all the information of the business is captured.

On arable farms all fences are removed and land farmed as per soil type down to block sizes of 20 HA. And up to 400 Ha

Blocks with limited yield capacity returned to pasture or forestry.

Very careful risk management through the judicious use of inputs. Soil type and crop type carefully matched.

Farms are farmed through a system of protocols

# FARMS



↕ **Salta to Rosario:** 1,000 km.

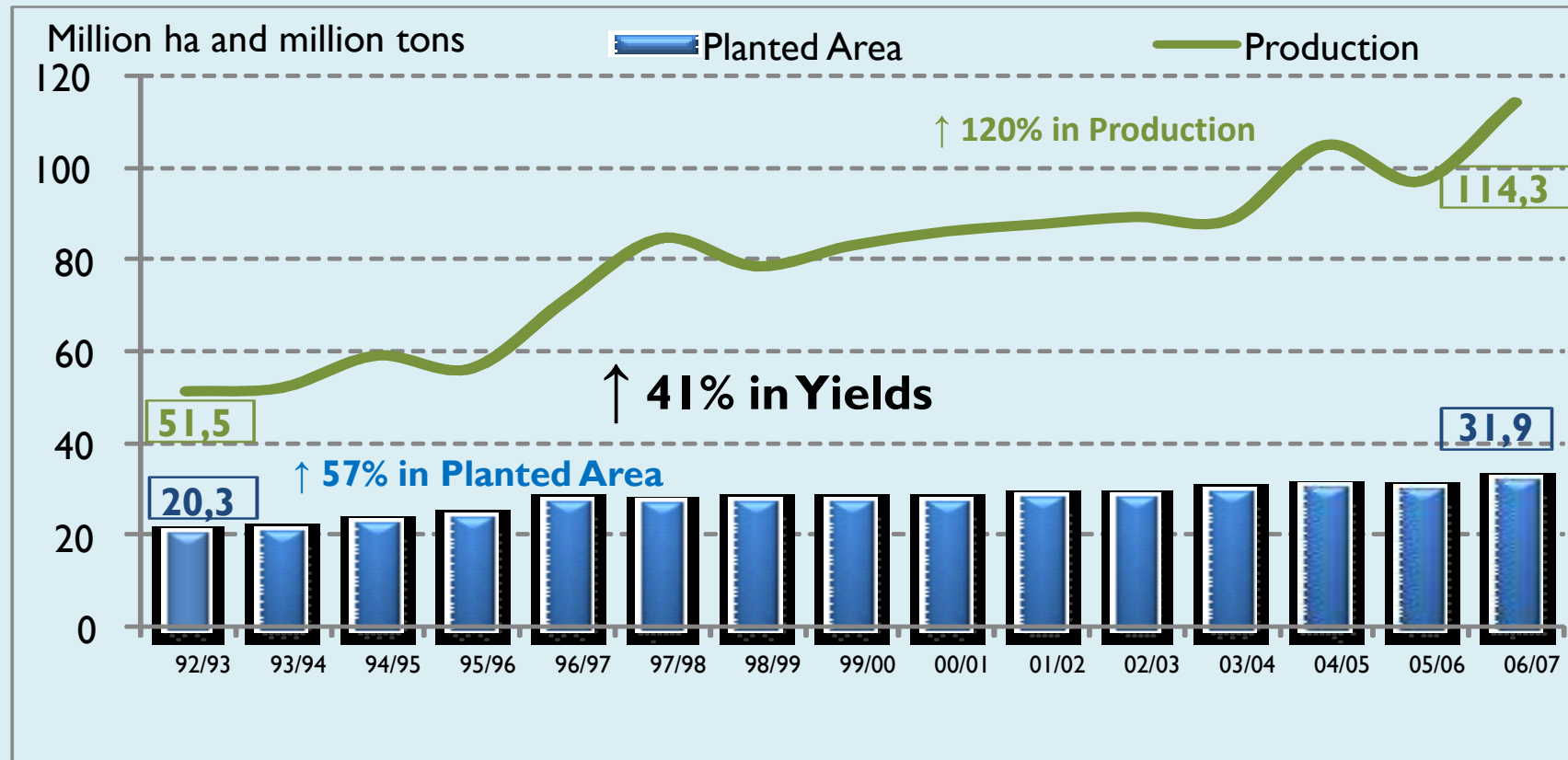
↕ **Salta to Tres Arroyos:** 1,600 km.

↕ **Tres Arroyos to Rosario:** 600 km.

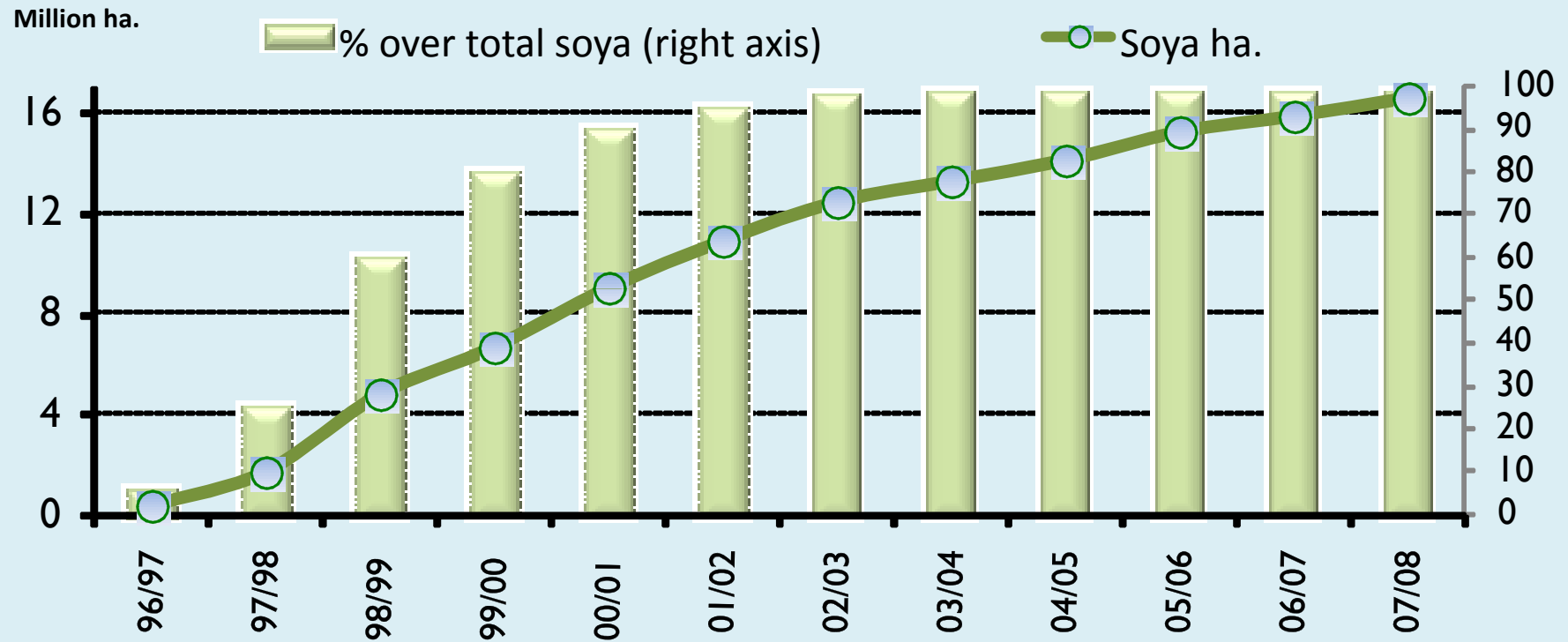
# Contractors



# Evolution of Grain Production



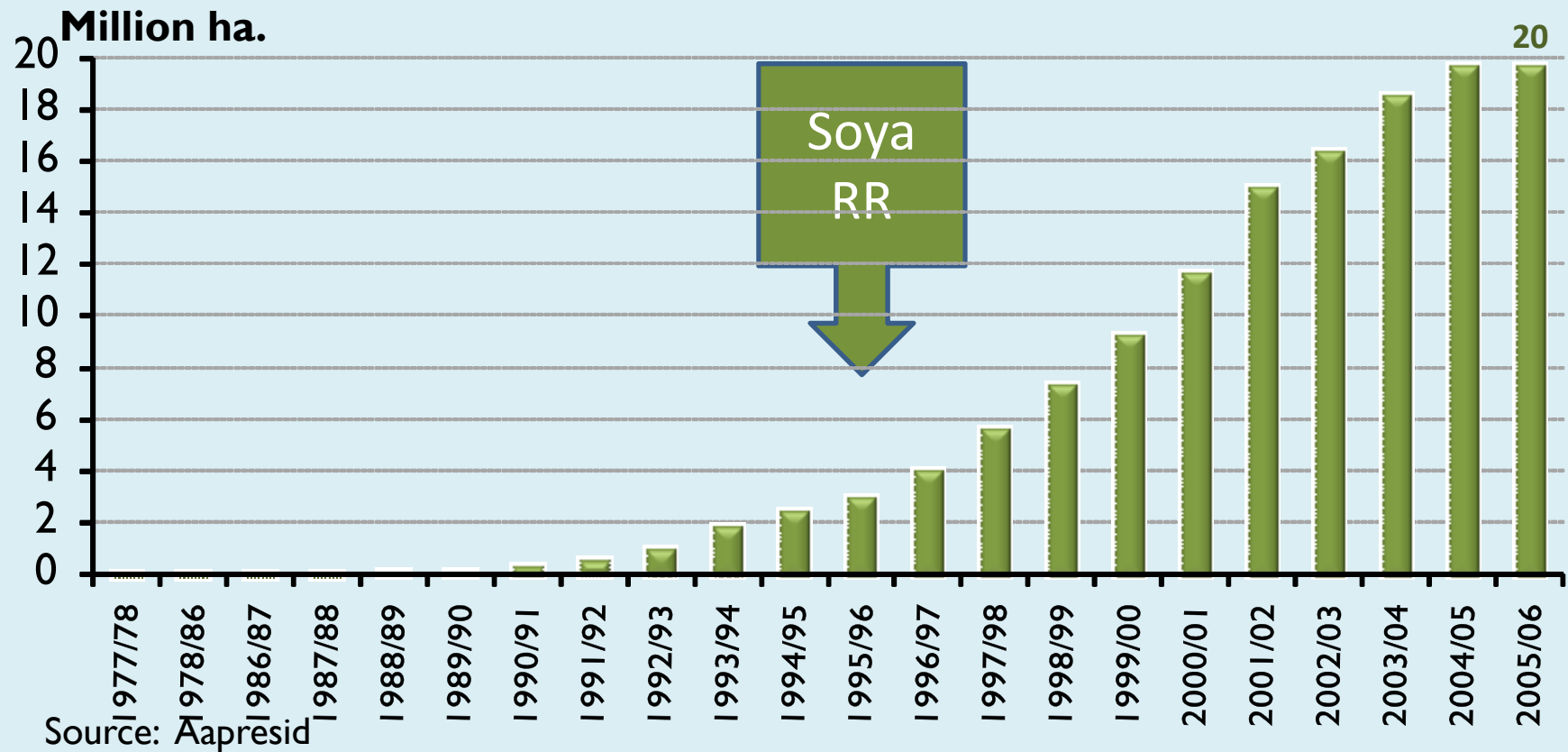
# EVOLUTION OF AREA OF RR SOYA



Source: ArgenBio, 2008

RR: tolerant to herbicides (roundup ready)

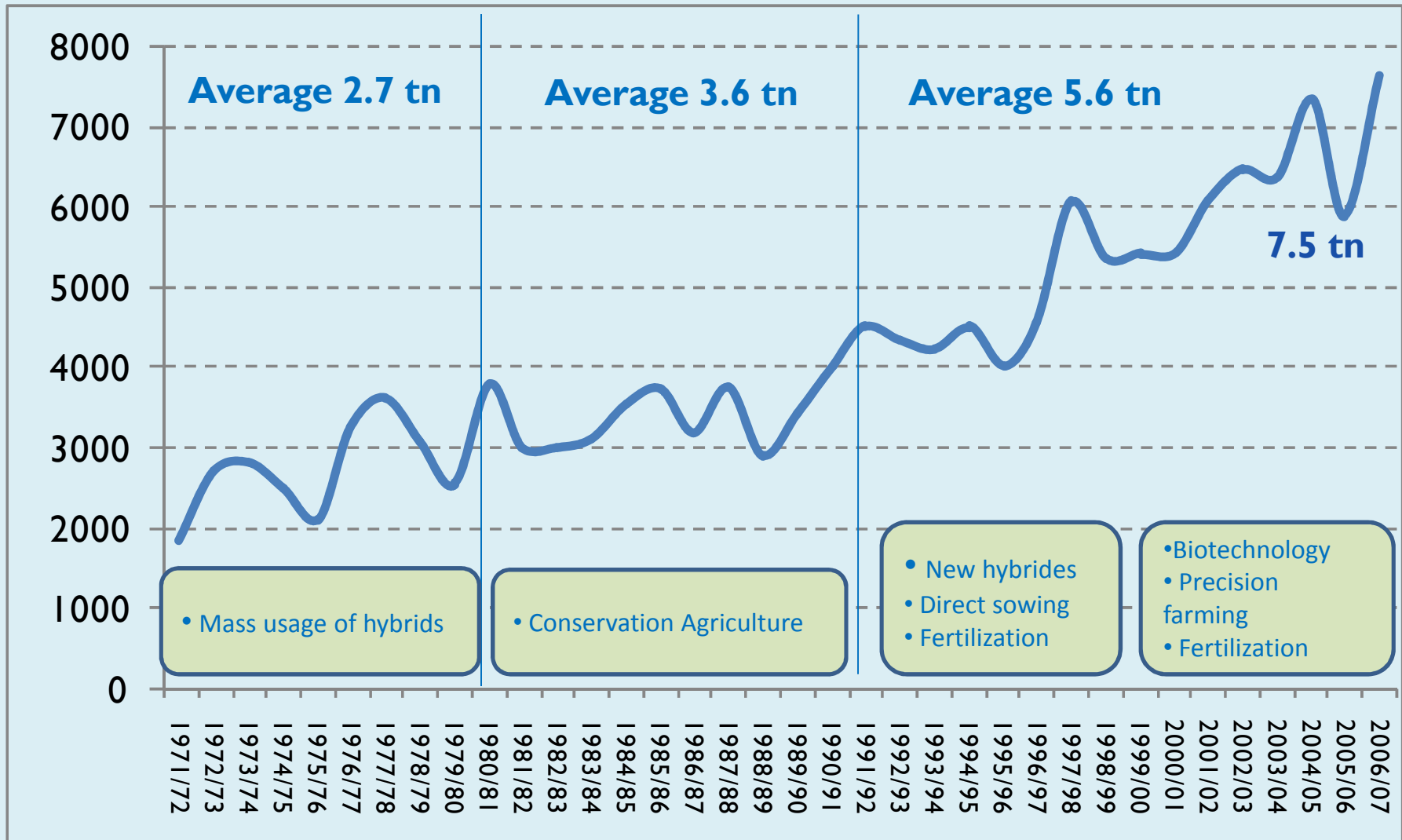
# NO -TILL BIOTECHNOLOGY



# No-Till



# IMPACT OF NEW TECHNOLOGIES ON CORN YIELD



Source: SAGPyA



# Simple Storage



# Stock Control



# Productivity Gains

Productivity gains driven by lack of subsidy safety net.

Are the productivity gains in Argentina an aberration.

New Zealand in the twenty years before the removal of subsidies  
1% productivity gain per year.

In the 20 years post subsidy removal 5.1% per year productivity  
gain.

Agriculture in Europe is stagnating under the present mountain  
of emotion fuelled bureaucracy. Productivity gains are  
discouraged. Farming has to demand a science based future..

# Conclusions

Subsidies are holding back the development of commercial agriculture in Europe.

For 80% of European farmers subsidies are a survival necessity because of a lack of scale 500HA in Argentina 30Ha in Europe.  
Average cow herd size in the south Island 470.

Commercial European farmers have traded their silence for subsidy.

We need a different farm policy for the 20% of farmers who produce the 80% of the production.