

GLANBIA IRELAND VOLUNTARY RETIREMENT SCHEME



Glanbia Ireland (GI) is offering a once-off, voluntary milk production retirement scheme for suppliers who may be evaluating their future options.

Scheme objectives:

- Offers a farmer a once-off opportunity to exit from milk production with a monthly retirement income for the next five years;
- Allows diversification into other on-farm activity such as beef, tillage, heifer-rearing etc;
- Permits the leasing of part or all of the farm, other than the milking facility;
- Establishes peak processing headroom for remaining suppliers who are contributing to the funding of the retirement scheme.

COMPONENT	DESCRIPTION
Commencement Date	Open to applications from April 2021
End Date	Applications close on 31 July 2021
Date of Retirement	Cease milk production no later than 1 January 2022
Retirement Payment	<p>Retirement Payment based on milk supply in 2020.</p> <p>Retirement Payment will be based on volume supplied in 2020 calculated on the basis of:</p> <ul style="list-style-type: none"> • 4cpl for all volumes 0 - 100,000 litres • 3cpl for all volumes 100,001 - 200,000 litres • 2cpl for all volumes greater than 200,001 litres <p>Subject to a maximum Retirement Payment €15,000 per year, equating to €75,000 over 5 years.</p>
Condition for Participation	Suppliers need to be in milk production in 2021 (supplying volumes broadly similar to previous years) and have had a Milk Supply Agreement with GI or with a Corporate Shareholder Supplier for the previous 5 years.
Cessation of Milk Production under the Retirement Scheme	In exchange for the Retirement Payment, the supplier must agree to cease milking cows on the farm holding for a duration of 6 years - to December 2027, regardless of whether it is the retired farmer or family members etc.
Payment	The Retirement Payment will be made by Glanbia to the retired farmer on a monthly basis for a duration of 5 years (January 2022 to December 2026).

YOUR QUESTIONS ANSWERED

Q: When can I apply?

A: The scheme opens for applications in April 2021 and will close on 31 July 2021. An expression of Interest form will be posted to farmers over the coming weeks.

Q: When will I know if I am successful?

A: Successful applicants will be notified within one month of the closure of the scheme.

Q: How much will I receive under the Voluntary Retirement Scheme?

A: A retiring farmer will receive a monthly payment from GI for a period of five years (2022 – 2026). The amount received will be related to the volume of milk supplied in 2020. The maximum amount that can be received will be capped at €15,000 per year. Payment Rates will be:

- 250,000 litres - €8,000 per year,
- 350,000 litres - €10,000 per year,
- 450,000 litres - €12,000 per year,
- 600,000 litres or more - €15,000 per year.

Q: How will I receive these payments?

A: Payments will be made monthly, directly into your bank account.

Q: Can I continue farming while also availing of this schemes?

A: Yes you can continue to farm and engage in all other on-farm activities, with the exception of milk production. Your milking parlour must not be used for the duration of the scheme. You can also lease out some or all of your farm land. A lessee of the farming land may rear animals on the farm. The retiree's land can be leased out to a dairy farmer for any purpose (e.g. forage production or heifer rearing) but the leasee can not milk cows on the farm or use the retiree's milking facility.

Q: Can I or a member of my family recommence milk production after the 6 years?

A: Yes. From 2027, you can apply to recommence as a milk supplier and if successful in that application you will be deemed a New Entrant at that time.

Q: How will the retirement scheme be funded?

A: It will be funded by a contribution of 0.075cpl on all milk supplies from existing suppliers from 2022 – 2026. These contributions will be mandatory and will be part of the GI Milk Purchasing Policy.

Q: If I want to retire but can't exit because of herd restrictions, can I still avail of this scheme?

A: Glanbia Ireland will examine all of these applications on a case-by-case basis.

Q: How does the Voluntary Retirement Scheme impact my contractual commitments to Glanbia Ireland? e.g. Fixed Milk Price Scheme, Autumn Calving Scheme, etc.

A: GI will facilitate a successful applicant exit any existing contractual commitments.

Q: Can I start to supply another milk processor at any stage before 2027?

A: No, you must ensure that no cows are milked on your farm until at least 2027. You may not supply any other processor while you are receiving Retirement Payments from GI. An annual audit will be carried out on behalf of GI to ensure compliance with the Retirement Scheme.

NEXT STEPS

- 1 Over the coming weeks, Glanbia Ireland will issue an expression of interest application form.
- 2 In the event of further questions, please contact your Farm Development Manager.

Farm Development Manager	Region	Mobile
Dan O'Dwyer	Barrowvale	087 2463210
Liam Phelan	North Kilkenny	087 2859667
John Murphy	East Waterford / South Kilkenny	086 0496995
Eoin O'Riordan	Donaghmore / Monasterevin South	087 9863967
Michael Daly	South Wexford	087 2505095
Michael Cullen	North Wexford / East Wicklow	087 2801680
Donal Corkery	Castlelyons / West Waterford / South Tipperary	087 9863965
John Hennigan	North East	087 2602087