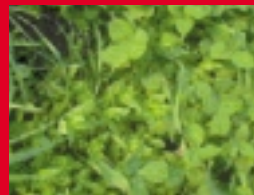


Report of the Organic Development Committee



**Report of the
Organic Development
Committee**

April 2002

Foreword

In March 2000 the AgriFood 2010 Committee made a number of recommendations about the organic sector, one of which was the setting up of an Organic Development Committee to draw up a coherent strategy for the development of the sector¹.

Mr Noel Davern TD, Minister of State at the Department of Agriculture, Food and Rural Development with responsibility for organic farming, launched the Organic Development Committee in November 2000. The Committee was given the following terms of reference:

To recommend a coherent development strategy to achieve expansion in production, processing and marketing of Irish organic produce and to secure an increased share of the growing national and export markets; and to consider the broad actions necessary for the most advantageous long-term future development of the Irish organic sector while protecting its integrity.

The members of the Committee were drawn from twenty-two organisations, including the organic farming bodies, the mainstream farming organisations, the food processing and retail sectors, a number of semi-state bodies, the Consumers' Association and the Food Safety Authority. The Committee's wide-ranging composition recognised the fact that there are many stakeholders in the organic sector and was designed to ensure that all of them had an opportunity to contribute to its conclusions.

In carrying out its task, the Committee was happy to make use of the comprehensive studies of the organic sector carried out by Bord Bia, Teagasc and the Western Development Commission. Many of the recommendations in these reports are reflected in the Committee's findings. The Committee's deliberations on livestock standards drew on the joint standards drafted by the three organic farming bodies²,

who also explained the main differences between their standards and those laid down in EU Regulations.

At its first meeting, the Committee identified the most important areas for consideration as information and training, marketing, and the standards for organic food. It established three Sub-Groups and gave them specific terms of reference relating to these three areas³. These Sub-Groups met a number of times during 2001. They advertised for submissions from interested parties and consulted widely before reporting their recommendations to the main Committee in November 2001. The Committee then formed an expert group to examine some outstanding issues related to livestock standards. The Committee concluded its work in March 2002.

I must acknowledge the creative and constructive way in which all the participants approached their task. This was evident both in the Organic Development Committee itself and in the three Sub-Groups. It is largely for this reason that the Report which we now present to the Minister of State is, I believe, a substantial document that can make a real contribution to the development of a sector with much potential.

Finally, I wish to thank the officials in the Organic Unit of the Department of Agriculture, Food and Rural Development who provided an efficient secretariat and support service throughout the deliberations of the Committee.

John Fox
Chairperson
April 2002

¹ See Appendix 1.

² Demeter Standards Ltd, Irish Organic Farmers and Growers Association and Organic Trust Ltd.

³ The terms of reference of the Sub-Groups, together with their membership and the membership of the main Organic Development Committee, are given in Appendix 2.

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Summary of Recommendations

The Organic Development Committee has concluded that some additional structures are required to assist the development of the organic sector. A Steering Group, drawn from among the stakeholders on the Organic Development Committee, should be set up as a driving force for the development of the organic sector and a basis for advancing the partnership between the organic sector and the other principal essential interests. A Partnership Expert Working Group should be established to co-ordinate, facilitate and monitor the provision of training, education, advice and research. An Organic Market Development Group should be established under the co-ordination of Bord Bia, with overall responsibility for developing a national marketing strategy for organic food.

The Committee believes that the establishment of these structures* should be given high priority.

The Committee has concluded that arrangements to collect information about the organic sector and make it available to all stakeholders in the sector are essential. A census of organic farming should be taken at intervals and the first such census should be carried out in 2002. When this first census is completed, the results should be analysed to explore whether targets can be set for the development of individual areas within the organic sector. Pending this closer analysis, the Committee believe that a target of 3% of land area in organic farming by 2006 is achievable.

To ensure the effective dissemination of information, the Organic Unit of the Department of Agriculture, Food and Rural Development should establish, maintain and manage an organic database and website into which information should be fed by the Department itself and other stakeholders. This action should be given high priority.

The Committee has made other recommendations for action by various stakeholders in the organic sector and these are set out in the following table.

*(see Appendix 7)

	Priority	Time-frame⁴
<p>Regulations for organic farming</p> <p>The Department should make national regulations for organic produce incorporating the specific recommendations in Chapter 7 of this Report. Such regulations need to be sufficiently rigorous to maintain consumer confidence and competitiveness against foreign organic produce, but it is equally important to avoid over-regulation and unnecessary restrictions.</p>	High	Short-term
<p>Research, Training and Education</p> <p>Teagasc should carry out a commercial appraisal on the key products within the main organic food sectors, in collaboration with Bord Bia, Bord Glas, Shannon Development and Enterprise Ireland. The appraisal should include case studies, product cost and price analysis, marketing costs input, to assess profit potential. Further research to identify market opportunities and consumer attitudes to organic products should also be included.</p>	High	Short to Medium-term
<p>A full range of courses, including accredited courses from FETAC⁵, should be established to meet the needs of the organic sector.</p>	Medium	Medium-term, ongoing
<p>A network of strategically located demonstration farms is required. These should be identified by Producer Groups, Teagasc and Partnership Groups and should be supported financially by the Department of Agriculture, Food and Rural Development and other sources of funding.</p>	High	Short to Medium-term
<p>A range of organic publications should be developed by stakeholders and Teagasc should take the lead in producing a user-friendly management handbook.</p>	High	Short-term
<p>A Teagasc adviser should be available in each county, complemented by a core national team of trained specialist organic advisers.</p>	Medium	Medium-term, ongoing
<p>Existing advisory and information centres should be further developed and a facility should be provided in the east of the country to foster the development of the horticultural industry.</p>	High	Medium-term
<p>It should be explained to consumers that there are objective justifications for the price commanded by organic food.</p>	Medium	Medium-term

⁴ Short-term: < 1 year
Medium-term: 1-3 years
Long Term: > 3 years

⁵ Further Education & Training Awards Council

	Priority	Time-frame⁴
<p>Research should target the priority areas listed in Appendix 3 and sufficient funding should be made available for these priority areas.</p>	Medium	Medium-term, ongoing
<p>Producer Groups and Co-operatives should be commercially focused and be encouraged to expand their activities and act as organic discussion groups.</p>	Medium	Medium-term, ongoing
<p>The existing Teagasc discussion groups should be extended to incorporate organic discussion groups. Teagasc should provide technical assistance to these groups.</p>	Medium	Medium-term, ongoing
<p>Market Development</p>		
<p>The Organic Market Development Group should employ the services of an appropriate design agency to devise a national label for Irish organic food on the basis of a design brief and a clear set of rules defining its use.</p>	High	Short-term
<p>The establishment of a quality assurance scheme for organic food should be kept under review as the sector expands. In the meantime, organic producers should be encouraged to take part in the existing quality assurance schemes operated by Bord Bia and Bord Glas.</p>	Medium	Medium-term, ongoing
<p>There should be an examination of the feasibility of developing a new distribution channel for small and medium organic food producers to link to Central Distribution Centre systems.</p>	Medium	Medium-term
<p>Initially, the promotion of organic food should focus on Irish products, which have already achieved a niche in the market.</p>		
<p>As supply increases there should be a growing emphasis on developing export markets.</p>	Medium	Medium-term
<p>The role of the farming organisations</p>		
<p>The main farming organisations should recognise that the organic sector represents a significant opportunity for farmers and should give it due priority. As part of their services to members they should provide advice and assistance in marketing organic produce.</p>	High	Short-term, ongoing

	Priority	Time-frame⁴
<p>Financial supports</p> <p>Amendments to the Rural Environmental Protection Scheme (REPS) are recommended so that</p> <ul style="list-style-type: none"> ● farmers with commonage lands or grazing rights can participate, under strict criteria, in the organic supplementary measure of the scheme ● organic farmers can receive the in-conversion financial support for the equivalent of their full conversion period ● the area eligible for payment of the organic supplementary measure would be increased. 	High	Medium-term
<p>The Department of Agriculture, Food and Rural Development should re-examine the condition in REPS that organic livestock producers receive payment computed on the basis of a minimum stocking level of 0.5 livestock units per hectare of eligible forage area.</p>	Medium	Medium-term
<p>The Scheme of Grant Aid for the Development of the Organic Sector should be amended as necessary to allow for support where appropriate for the Committee’s recommendations. The funding allocated to the Scheme should be kept under review to ensure that it remains adequate.</p>	High	Short-term
<p>Funding should be available from the Scheme of Grant Aid for the Development of the Organic Sector – or from relevant mainstream schemes – to assist producers who find it necessary to upgrade animal housing or other facilities to meet organic standards.</p>	High	Ongoing
<p>The Department of Agriculture, Food and Rural Development should review its mainstream schemes of grant aid and consider whether they can be modified to assist the development of the organic sector.</p>	Medium	Medium-term
<p>The Department of Agriculture, Food and Rural Development should review the funding available for the development of the organic sector so that it can assist in developing necessary infrastructure – including Producer Groups – to support the sector.</p>	Medium	Short-term
<p>Cross-border cooperation should be promoted. Organic operators and producer groups should work closely and be encouraged to explore possible sources of funding such as Interreg, the International Fund for Ireland and the PEACE Initiative.</p>	High	Short-term

	Priority	Time-frame⁴
<p>Cross-border cooperation should be promoted. Organic operators and producer groups should work closely and be encouraged to explore possible sources of funding such as Interreg, the International Fund for Ireland and the PEACE Initiative.</p>	High	Short-term
<p>Funding should be provided to facilitate and foster the establishment of partnerships and to grant aid partnerships to deliver research, training and advisory programmes.</p>	High	Short to Medium-term
<p>Local development programmes including LEADER, County Enterprise Boards and Area Partnerships should be encouraged to give maximum support to the development of the organic sector.</p>	Medium	Medium-term, ongoing
<p>Developing the dairying sector</p>		
<p>The Milk Quota Review Group should consider assigning additional quota, if available, to one or a small number of processors who are willing to develop organic markets. At farm level this additional quota should then be allocated to organic farmers.</p>	High	Short-term
<p>The current Area Aid rules should be re-examined in the context of the CAP mid-term review, with the aim of facilitating expansion of the organic sector and allowing some flexibility to accommodate the requirements for organic producers due to the rotational nature of their production base.</p>	Medium	Medium-term
<p>The major dairy processors should give most serious consideration to allocating processing facilities to organic milk and encouraging some of their larger suppliers to convert. The dairy processors should consider manufacturing organic products which have sustainable demand and which give an acceptable return to dairy farmers i.e. subject to commercial feasibility.</p>	High	Medium-term, ongoing
<p>Processors who take positive steps to develop the organic dairying sector should be given the greatest possible practical support by the Department of Agriculture, Food and Rural Development, by the relevant state agencies and by the mainstream farming organisations.</p>	High	Ongoing

Chapter 1 — The Context

Organic farming is a distinctive kind of farming and can be an option for many Irish farmers. The organic sector is still very small in Europe, and it is even smaller in Ireland. But several factors are coming together that give it an opportunity to grow substantially. Consumers are influenced in their choice of food by concerns about health and safety and, in many cases, about animal welfare and the environment. There is a certain wariness of conventional agriculture, which some believe to be over-intensive and heavily dependent on artificial inputs. Greater affluence means that many consumers are prepared to pay the price commanded by organic food.

At the same time, developments in the EU's Common Agricultural Policy are coming to favour more extensive and sustainable farming practices, and in some quarters organic farming is singled out as a sector that should be given particular support.

There are opportunities here for Irish farmers and the Irish food industry, and this report sets out to identify them and recommend how they can be exploited.

The consumer's attitudes and expectations

Consumers want their food to do them good, not harm. Many, probably still the majority, accept that basic standards of food safety are adequate and effective. They buy, for the most part, food that is not distinguished by special claims about its origin or the way it was produced.

Other, generally more affluent consumers are not constrained by cost when they choose what to eat. If they believe that a product, though it costs more, is also more wholesome, then many people will consider buying it. This is the big opportunity for the organic sector.

The consumer does not have to make a simple choice between two kinds of food, organic and conventional. There are diverse kinds of farming and food production, ranging from intensive farming at one extreme to organic farming at the other. Consumers are now offered fruit and vegetables, meat, eggs and poultry with full traceability to the farmer who produced them. Poultry is advertised as having been reared on antibiotic-free and, increasingly, GM-free feed. Potatoes and other vegetables are sold as having been grown without chemical fertilisers. Many consumers are already prepared to pay more for these products.

As more and more quality and safety-assured food comes from conventional farming, the organic sector has to keep asserting its distinct identity. If it is to keep and increase its market share, consumers must continue to accept that it is different from all other kinds of farming and has something special to offer that they want.

The European Union and the Common Agricultural Policy

There has been a strong impetus in the EU over the last decade to integrate environmental concerns into agricultural policies, and to encourage and develop sustainable systems of agriculture. It culminated most recently at the European Council in Gothenburg in June 2001. The Council received a report from the Agricultural Council on efforts to achieve environmental integration and sustainable development and a Commission Communication on Sustainable Development. Among the Conclusions of the Gothenburg Council were that—

- a strategy for sustainable development should become a third, environmental, dimension to the economic and social strategy

- the Common Agricultural Policy and its future development should, among its objectives, contribute to achieving sustainable development by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity.

While food production still remains an important objective of agricultural policy, the growing affluence of citizens in the EU and the diminishing concerns about the security of food supply allow a stronger emphasis to be put on sustainable agriculture in Europe.

CAP reform in 1992 shifted the emphasis from market supports (such as intervention and export refunds) to direct payments to farmers, and stressed the environmental dimension of agriculture. The 1992 reforms were reinforced in the Agenda 2000 agreement, and the CAP is moving further away from price supports towards more market orientation, accompanied by a regime of direct payments that will focus increasingly on sustainable development which takes into account a balance of environmental, social and economic needs.

After the 1992 reforms, a prominent role was given to agri-environmental instruments to support sustainable development of rural areas. Council Regulation 2078/92 provided the framework for agri-environmental measures, which facilitated the development of sustainable agricultural systems in member states, including organic farming (some member states already had a limited support framework in place for organic farming before 1992). Council Regulation 1257/1999 developed the framework further⁶.

⁶ Ireland introduced its agri-environmental measure, the first Rural Environmental Protection Scheme (REPS) in 1994, and in 2000 the second REPS was introduced under EU Council Regulation 1257/99.

The Agenda 2000 agreement runs until 2006 but there is a mid-term review commencing in 2002. Some other EU member states have already expressed strong support for a major change of emphasis in the CAP at the earliest possible opportunity; they argue that the shift from market supports to direct payments should go still further, with a greater emphasis on rural development and agri-environmental programmes. Ambitious targets are being proposed for the development of the organic sector.

The mid-term review is likely to include consideration of—

- change in emphasis (commonly referred to as modulation) from market supports towards rural development measures, including environmental measures
- decoupling aid from production in favour of the environment and extensive farming practices
- increased supports for organic farming
- more emphasis on verifiable evidence of origin and quality in food production
- greater emphasis on area-based payments rather than payments for production
- greater emphasis on compliance with environmental rules as a condition of eligibility for direct payments

The Copenhagen Conference and the European Action Plan for Organic Food and Farming

In May 2001 the Danish Ministry for Food, Agriculture and Fisheries organised a Conference on *Organic Food and Farming — Towards Partnership and Action in Europe*. At the close of the Conference Ministers

representing Ireland, Austria, Denmark, Estonia, Finland, Germany, Greece, Lithuania, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom signed a declaration. Some Non-Governmental Organisations also signed it. The “Copenhagen Declaration” called for a European Action Plan to be drawn up within two years, which should—

- Analyse the barriers to and potential for further growth within production, processing, trade and consumption of organic products in Europe.
- Present a consensus-oriented and market-based strategy, which involves all stakeholders within Europe as a whole, including the European Commission, national governments, consumers, farmers, producers, retailers, Non Governmental Organisations, researchers and other important stakeholders.
- Cover all aspects concerning the development of organic food and farming in Europe, including areas such as environmental protection, animal welfare, consumer-behaviour, market-development, food-safety, food-quality, regulation, certification and labelling, research and international trade. By the choice of themes the conference has itself covered all key-aspects and thereby produced a range of specific recommendations, which should be used as an input to the European Action Plan.
- Analyse the relationship between, on the one hand the opportunities for the further development of organic food and farming and, on the other hand the Common Agricultural Policy and other international agreements including WTO⁷ and Codex Alimentarius.

The European Commission is currently exploring the feasibility of formulating a European Action Plan for Organic Food and Farming.

A structure for future policy development

The stakeholders who have participated in the Organic Development Committee welcome its establishment and the remit given to it by the Minister. They believe that the recommendations in this Report can provide a sound basis for the development of the sector.

The context within which the Committee has carried out its deliberations is an evolving one, however. Many of the factors identified in this report will change over time, and the speed and extent of these changes cannot be foreseen. New factors may emerge. The Committee recommends, therefore, that a Steering Group, drawn from among the stakeholders who have produced this report, should be set up to be a driving force for the development of the organic sector as well as being a basis for carrying forward the necessary partnership between the organic sector and the other principal essential interests.

Recommendation

- **A Steering Group, drawn from among the stakeholders in the Organic Development Committee, should be set up to oversee and monitor the implementation of a national organic strategy and provide a basis for advancing the partnership between the organic sector and the other principal essential interests.**

⁷ World Trade Organisation

Chapter 2 — The Organic Sector in Ireland

Both the Irish agri-food sector as a whole and its organic component fit within the wider European context of changing consumer attitudes and the evolving priorities of the Common Agricultural Policy, but there are also local factors which must be taken into account.

The Common Agricultural Policy had a significant impact on agricultural systems after Ireland joined the EEC in 1973. There were substantial increases in animal and farm productivity and there is now more specialisation and more use of intensive agricultural methods. However the predominant livestock systems of beef, lamb and milk production in Ireland are still generally extensive and grass-based. Industrial farming is a comparatively small part of Irish agriculture.

Notwithstanding the trends towards intensification and specialisation, therefore, Ireland still retains a unique and varied landscape, which facilitates the practice of a great variety of agricultural systems. Agriculture, by providing a diversity of habitat, has greatly increased the variety of wildlife species and provides a rich landscape mix. The landscape has the potential to support many forms of sustainable agriculture and traditional products.

Ireland has made more use than most other EU member states of the agri-environmental instrument that emerged from the 1992 CAP reform. The Rural Environment Protection Scheme (REPS), which was introduced in 1994, facilitates the integration of agricultural and environmental policy and provides a framework for the development of environmentally friendly farming and extensification of production. REPS has been implemented as a broad-based environmental scheme incorporating a number of core environmental

requirements. There are also a number of optional Supplementary Measures including, importantly in the context of this report, Supplementary Measure 6 promoting Organic Farming.

Some 30% of Irish farmers joined REPS between 1994 and 1999 when the first scheme closed to new applications, bringing one third of agricultural land into the scheme. A second scheme, the same as the first in all major respects, was introduced in November 2000. The number of participants in the new scheme is projected to reach 70,000⁸ by 2006 — more than half of Irish farmers.

Description of the organic sector in Ireland

The organic sector in Ireland is very small and well below the EU average, both in production and consumption. The bulk of organic food sold in Ireland is imported. Whereas two thirds of Irish organic farmers produce beef and a quarter of them produce lamb, Irish consumers buy more organic fruit and vegetables (45%) than meat (25%) or dairy produce (10%)⁹. In the rest of the EU as a whole, however, the organic sector produces more fruit, vegetables, cereals and dairy produce than beef and lamb. This report concludes that the main opportunities for the Irish organic sector lie in expanding the production of beef and lamb to take advantage both of the growing market at home and the obvious potential abroad.

Organic farming in Ireland is at an early stage of development. At present, just over 1,000 organic operators are registered with the Department of Agriculture, Food and Rural Development. About 30,000 hectares of

⁸ Cf. CAP Rural Development Plan 2000-2006

⁹ Cf. Western Development Commission, *Blueprint for Organic Agri-Food Production in the West*.

farmland have either full organic or in-conversion status. Over 80% of the farms in Ireland are involved in either beef or lamb production, or a mixture of the two.

The Bord Bia report *Prospects for Organic Food in Ireland* (July 2000) estimated that the market for organic food in Ireland was worth between €25 and €32 million, or less than one per cent of the total retail food market. The report also predicted that Irish organic food production sector would grow by 20–30% a year over the following three years.

Support for the Organic Sector in Ireland

Financial Support

The largest source of direct funding to organic farmers is Ireland's agri-environmental measure, the Rural Environmental Protection Scheme (REPS), which is administered by the Department of Agriculture, Food and Rural Development. Grant aid for investment in the sector is also available both to farmers and to processors, through the Department's Scheme of Grant Aid for the Development of the Organic Sector.

There are other grant schemes administered by the Department which are available to primary producers and processors in both the organic and the conventional sectors. There are also important supports provided by various state agencies such as Teagasc, Bord Bia, Bord Glas, Enterprise Ireland and Shannon Development, and cross-border supports such as Interreg, the International Fund for Ireland and the PEACE Initiative.

The Rural Environmental Protection Scheme (REPS)

The first REPS was introduced in 1994 and by the time it closed to applications in December 1999 some 45,500 farmers had joined. It was

followed by a second scheme, launched in November 2000, which is one of the measures in Ireland's CAP Rural Development Plan 2000–2006. The new REPS is identical in all its most important respects to the 1994 scheme. REPS is a voluntary scheme available to all farmers, and is funded 75% by the European Union and 25% from the national exchequer.

Participants in REPS must carry out their farming activity for a five-year period in accordance with an agri-environmental plan drawn up for each farm under the scheme specifications. They receive an annual basic payment, which is area-related, and they may also undertake any Supplementary Measures. One of these is Supplementary Measure 6 (organic farming).

The objective of Supplementary Measure 6 is to encourage producers to respond to the market demand for organically produced food. A farmer must register as an organic operator with the Department of Agriculture, Food and Rural Development and have his or her operations inspected and approved annually. Financial support under the measure is provided to farmers who are converting to or continuing with organic farming production systems, as follows¹⁰:

Holdings of at least 3 hectares and up to 40 hectares:

- in conversion €181 per hectare
- full organic status €91 per hectare

Holdings less than 3 hectares:

- in conversion €242 per hectare
- full organic status €121 per hectare

¹⁰ Payments are in annual terms.

An applicant must be registered on the DAFRD¹¹ Database of Organic Producers at the time of application.

The in-conversion rate of payment is available for up to of two years, so an organic farmer with 40 hectares (the maximum area eligible for payment) can receive up to €13,280¹² a year during the conversion period, and up to €9,680 when full organic status is obtained.

REPS and its organic Supplementary Measure have certainly contributed to the number of farmers practising organic farming and consequently to the area in organic production. While the environmental benefits of organic farming have undoubtedly been achieved on these farms, there is some question as to how much REPS has contributed to the production of organic food. There are indications that many of the organic farmers in REPS are farming at a level of intensity which is low even by organic standards. It is also a cause for concern that much of their produce (particularly livestock) is being sold into the non-organic sector and never reaches the consumer as organic food; the Committee considers this further in Chapter 3. Indications that most of the organic farmers currently in REPS do not intend to increase production¹³ lead the Committee to conclude that the expansion of organic farming needs new entrants to the sector, particularly from among the more efficient and productive conventional farmers.

Notwithstanding these possible shortcomings, there is no doubt that REPS is and will remain a most important incentive to farmers to go into and remain in organic farming. The Organic Development Committee recommends that the Department of Agriculture, Food and Rural Development consider certain modifications to the scheme that would promote the

development of the organic sector. These relate to the eligibility of commonage for the organic supplementary measure, the in-conversion payment and the maximum areas eligible for payment.

At present, farmers with commonage lands or grazing rights can participate in the organic supplementary measure only for non-livestock enterprises. It appears to the Committee that the National Sheep Identification System has done away with the risk of confusing conventionally reared animals with organic ones, which was one of the reasons for the existing rule. The Committee accepts that there may still be other relevant considerations, but because of the importance of commonage and grazing rights in sheep farming (particularly in the West) it recommends that the Department should examine the feasibility of amending REPS so that such areas, under strict criteria, could be used for organic livestock production and be eligible for payment under Supplementary Measure 6.

If a farmer has entered the conversion period before the Department approves him or her for the organic supplementary measure in REPS, the intervening time is not reckoned for payment of the higher in-conversion rate. At present, therefore, most organic farmers joining REPS do not get the in-conversion rate for a full two years because it is not feasible for them to ensure that the beginning of their conversion period coincides with the start or anniversary of the REPS contract. The Department should allow payment of the in-conversion financial support for two years to all participants.

The maximum area eligible for payment under the organic supplementary measure is 40 hectares. For farmers with larger holdings, the payment is therefore less attractive. In view of the need to bring larger and more efficient farmers into the organic sector, the Department should consider increasing the eligible area for organic farmers.

¹¹ Department of Agriculture, Food and Rural Development

¹² These amounts include both the organic supplementary payments and the basic REPS payments.

¹³ Western Development Commission, *'Blueprint for Organic Agri-Food Production in the West'*

Finally the Department should re-examine the condition that organic livestock producers receive payment computed on the basis of a minimum stocking level of 0.5 livestock units per hectare of eligible forage area.

Scheme of Grant Aid for the Development of the Organic Sector

The Scheme of Grant Aid for the Development of the Organic Sector provides grant assistance to organic operators for investments in equipment and facilities for the production, preparation, grading, packing and storage of organic products. An allocation of €8.252 million was approved for the period 2000–2006. Supports under the Scheme are provided as follows:

- **On-farm capital investment projects** costing over €2,540 are eligible for 40% grant assistance up to a maximum of €50,790.
- **Off-farm capital investment projects** costing over €2,540 are eligible for 40% grant assistance up to a maximum of €253,948.

The Scheme was launched in May 2001 and a closing date of 29 June 2001 was set for the first tranche of applications. By that date the Department had received 69 applications. Up to March 2002, the Department had sanctioned grant assistance totalling just over €249,000.

The Committee recommends that the terms of the Scheme of Grant Aid be reviewed to allow for funding to be provided, where necessary, to support the recommendations it makes in this Report. The scope of the Scheme may need to be developed further than investment support and in particular (unless funding is made available from other sources) may need modification to accommodate the research, training and educational recommendations in Chapter 4 of this Report. The Department of Agriculture, Food and Rural Development

should keep the global funding allocation under review to ensure that it continues to be adequate.

Mainstream grant aid schemes

The Department of Agriculture, Food and Rural Development should review its mainstream schemes of grant aid and consider whether they can be modified to assist the development of the organic sector.

Non-financial supports for the organic sector

Further support was provided to the organic sector through the allocation of suckler cow premium quota from the 2002 National Reserve where organic farmers are now deemed one of the priority categories.

From this allocation, 49 organic farmers were allocated 318 premium rights, or 12.3% of the 2,575 quota rights available for distribution. The Committee welcomes this development and recommends that organic farmers should also be treated as a priority category for the allocation of ewe and milk quota.

In relation to the distribution of suckler cow quota from the national reserve, priority should be given to producers who either have the capacity to bring progeny to slaughter or sell their unfinished progeny to other organic producers. This should lead to a reduction in the leakage of organic produce to the conventional sector.

In Chapter 6, the Committee notes the potential importance of the organic dairying sector and the factors that inhibit its development. The Milk Quota Review Group should consider assigning additional quota, if available, to one or a small number of processors who are willing to develop organic markets. At farm level this additional quota should then be allocated to organic farmers.

Recommendations

- **The Department of Agriculture, Food and Rural Development should consider, in consultation with appropriate stakeholders, an amendment to the Rural Environmental Protection Scheme (REPS) so that farmers with commonage lands or grazing rights can participate, under strict criteria, in the organic supplementary measure of the scheme.**
- **The Department of Agriculture, Food and Rural Development should consider an amendment to the rules of the organic supplementary measure in REPS so that a farmer can receive the in-conversion financial support for the equivalent of their full conversion period.**
- **The Department of Agriculture, Food and Rural Development should consider an amendment to REPS that would increase the area eligible for payment of the organic supplementary measure.**
- **The Department of Agriculture, Food and Rural Development should re-examine the condition in REPS that organic livestock producers receive payment computed on the basis of a minimum stocking level of 0.5 livestock units per hectare of eligible forage area.**
- **The Scheme of Grant Aid for the Development of the Organic Sector (operated by the Department of Agriculture, Food and Rural Development) should be amended as necessary to allow for support where appropriate for the Committee's recommendations. The funding allocated to the Scheme should be kept under review to ensure that it remains adequate.**
- **The Department of Agriculture, Food and Rural Development should review its mainstream schemes of grant aid and consider whether they can be modified to assist the development of the organic sector.**
- **The Department of Agriculture, Food and Rural Development should deem organic farmers a priority category in the allocation of suckler cow, milk and ewe quota.**
- **The Milk Quota Review Group should consider assigning additional quota, if available, to one or a small number of processors who are willing to develop organic markets. At farm level this additional quota should then be allocated to organic farmers.**

Chapter 3 — Obstacles and Opportunities

All of the recent evidence from the organic food market indicates that there is a substantial and growing home market for organic produce. A great deal of organic food is imported because the market cannot be supplied from Irish produce¹⁴. There are significant opportunities for the Irish agri-food sector to exploit the growing market, but effective strategies are needed to bridge the significant gap between supply and demand. The potential for developing the Irish organic sector has to be assessed in the light of a realistic and pragmatic appreciation of the constraints and challenges that face the industry.

In this Chapter the Organic Development Committee identifies what it believes to be the main constraints, and puts forward some recommendations about how they can be addressed.

The Constraints

Information requirements

There is an information deficit in the organic sector. The lack of information available to producers, processors and the consumer inhibits the Sector's development significantly. There is a need to find, as a matter of high priority, the best ways to disseminate information to all the stakeholders to ensure that the sector can develop to its potential. The primary producer needs up to date technical information based on sound research findings to ensure optimum production. Market information needs to be managed to provide appropriate information to producers, processors, distributors, buyers and retailers in the organic sector. Information on the supply base and market demand at retail level needs to be analysed and communicated to

¹⁴ Up to 70% is imported in some categories, though as this includes fruit and vegetable that could not easily be produced in Ireland the figure should not be used to overstate the potential for import substitution.

all the links in the supply chain. The information needs of the consumer must also be addressed. Such information would facilitate greater co-ordination in the organic sector and could provide the catalyst for the necessary development of the production, processing and distribution sectors.

Supply Base

The small and fragmented supply base inhibits the development of the Irish organic market. This makes it very hard to achieve a consistent supply and necessary volume of quality products to meet market requirements. An essential element in developing the organic sector is an increase at production level to provide both a greater supply and a greater range of products for the domestic and export markets. However, this will only be sustainable through the closest linkage with the market and with maximum support for producer groups and contracts between suppliers and processors. The growth of the meat sector has been affected by a high dependence on expensive cereal for feed. The loss of unfinished organic cattle from the supply chain because of difficulty of finding organic farmers to finish the animals is another factor restricting output. Development of the supply of organic products requires a significant increase in the number of new entrants to organic farming, and technical support for both existing and new organic producers.

Concerns of potential producers

Farmers who might consider the organic option are put off by a number of things. The conversion process¹⁵ is one, in spite of the support offered through the Rural Environment

¹⁵ Organic crop and livestock production requires a two-year conversion period which may however be reduced to one year for pasturages, open air runs and exercise areas used by non-herbivore species. In the case of perennial crops other than grassland, at least three years before the first harvest of products is necessary.

Protection Scheme. Teagasc¹⁶ identified a number of other concerns that farmers have. They included profitability, sustainable price premia, animal health, animal housing standards, shortage of straw, soil fertility, feed supply, outlets for products, low yields and high costs. In addition extra labour is required for a number of enterprises, especially horticultural crops. The numbers converting to organic farming have been kept down by the shortage of technical and financial information and the perception that organic farming is governed by complicated and onerous rules. In a detailed survey by the Western Development Commission of organic farming in the Western Region¹⁷, the need for advisory and training services was identified as a major requirement when converting to organic farming. The WDC survey also highlighted costs of adaptation, such as in the housing of animals and manure management, as elements that needed to be addressed if conversion is to be encouraged. Finally most farmers are increasingly resentful of bureaucracy, and they fear that organic farming is even more highly regulated than the conventional sector.

Organic produce sold on the conventional market

A considerable amount of organic produce does not reach the consumer as organic food, but is sold into the conventional market. Bord Bia¹⁸ estimate that at least 15%, and it may be much higher, of all cattle produced organically and 6% of organic lamb is sold through conventional outlets. The Western Development Commission suggests, however, that up to 50% of organic cattle and 25% of organic lamb produced in the Western Region is sold through conventional outlets. As the WDC report points out, this highlights the need to improve market exchange between organic producers who are

buyers and sellers of unfinished organic livestock. One major reason for this leakage of organic produce to the conventional sector is undoubtedly the lack of organised market outlets. A number of marts specifically for organic livestock have been established and they have contributed to a reduction in the leakage to the conventional sector. The development and expansion of Producer Groups and co-ops (discussed later in this Chapter) can reduce further the leakage of produce to the conventional sector.

Concerns of the consumer

High prices for organic produce make people less likely to buy it. Bord Bia established that high cost was the main reason for consumers not purchasing organic food, and that the consumer was unlikely to buy if the price difference exceeded 20%.

Other consumer concerns that Bord Bia identified were the lack of availability (or sporadic availability) and limited range of organic food, and the fact that organic food sometimes does not have the same appearance as the equivalent conventional product.

Recognition of organic produce as Irish was also an issue. Organic food of Irish origin (both primary and secondary products) is, in the main, certified by one or other of the three private bodies¹⁹, who award their own labels. Bord Bia found that recognition of these labels among consumers was low; the British Soil Association label was better known, probably because it appears on many products stocked by retail multiples. Given that Irish consumers are generally disposed to favour Irish food, Bord Bia's finding may indicate that Irish organic producers do not enjoy this advantage to the same extent as their counterparts in the conventional sector.

¹⁶ Task Force Report *Organic Farming in Ireland*, 2000

¹⁷ *Blueprint for Organic Agri-Food Production in the West*, 2001

¹⁸ *Prospects for Organic Food in Ireland*, 2000

¹⁹ Demeter Standards Ltd, Irish Organic Farmers and Growers Association and Organic Trust Ltd

Processing and Market Outlets

Bord Bia notes that there has been a strong increase in the number of organic food processors in Ireland over recent years, especially in the meat sector. However, Bord Bia believes that the Irish organic food sector is reaching the stage where there needs to be increased activity by medium to large-sized conventional processors if the sector is to achieve its full potential. Access to an adequate supply base, in terms of quality, volume and continuity, is a critical factor in attracting processor involvement and this is an area where Producer Groups have a key role. The small scale of the organic farm sector has an impact on the development of localised markets for livestock and organic farm inputs. The absence of a localised market structure leads to extra transport costs and operational inefficiencies.

The agri-food sector should also be encouraged to investigate and develop added value organic food products.

The Solutions

Structures

It is clear that the organic sector, which is a distinct one with its own needs, requires additional structures to develop. Some of these will be autonomous; others will exist within larger structures that already serve the mainstream farming and food sectors.

The Committee has already recommended (Chapter 1) that a Steering Group, drawn from among the stakeholders who have produced this report, should be set up as a driving force for the development of the organic sector and provide a basis for advancing the partnership between the organic sector and the other principal essential interests. In Chapter 4 the Committee calls for the establishment of a Partnership Expert Working Group to advance the provision of training, education, advice and research. In

Chapter 5 it recommends that an Organic Market Development Group be established and given overall responsibility for developing a National Marketing Strategy for organic food.

These are national structures; organic producers can do much for themselves on a smaller, more local scale — particularly through producer groups and co-ops.

The role of producer groups and co-ops

Farmers would have more confidence in converting to organic farming if their production could be underpinned by some assurance, ideally by contractual arrangements, of viable outlets and a sustainable price premium. Experience with such groups as already exist shows that producer groups and co-ops have the potential to play a very important role in the development of the organic sector by co-ordinating support and advice services to producers. Formalised arrangements between processors and producer groups would provide the basis for developing contractual arrangements that would assure producers of secure market outlets and price stability. Marketing arrangements could be enhanced by establishing a database, which could be used to determine availability, buying/selling patterns and by putting buyers and sellers in contact. The development of marketing arrangements with processors and distributors could facilitate co-ordinated supply patterns, leading in turn to a more balanced supply and demand and creation of conditions that would increase the supply base.

Producer Groups and Co-operatives should be commercially focused and be encouraged to expand their activities and act as organic discussion groups. The existing Teagasc discussion groups should be extended to incorporate organic discussion groups. Teagasc should provide technical assistance to these groups.

The initiative in forming producer groups and co-ops must come from among organic farmers themselves. Once formed, however, they may need funding to get results. The Department of Agriculture, Food and Rural Development should examine the possibility of providing support through the Regional Operational Programmes under which the existing Scheme of Grant Aid for the Development of the Organic Sector has been approved.

Local development programmes including LEADER, County Enterprise Boards and Area Partnerships should be encouraged to give maximum support to the development of the organic sector; organic operators, co-ops and producer groups should be pro-active in exploring what these programmes can offer them.

The role of the Department

As the competent authority for the organic sector under EU Regulations, and as the main conduit of financial support to the agricultural sector, the Department of Agriculture, Food and Rural Development will inevitably have a major role in helping the organic sector to overcome the constraints. The Department must ensure that the rules governing the sector, while remaining faithful to EU legislation, are as straightforward, transparent and user-friendly as they can be. It should review its entire range of schemes and programmes, as and when appropriate, to reflect and cater for the place of the organic sector as part of mainstream farming.

With specific reference to the factors that may deter mainstream farmers from considering the organic option, the Committee has already recommended changes in REPS that would increase the area on which support could be given, and maximise support payments during the period of conversion. The Scheme of Grant Aid for the Development of the Organic Sector should also be used to help a farmer meet the capital costs of conversion.

The main farming bodies

The main farming bodies should recognise that they have a very important role in developing the organic sector. Generally speaking, it is existing conventional farmers who will become organic farmers. Very few people come into farming (whether conventional or organic) from other occupations. But the organic option needs more credibility among potential producers and processors. Those who are not persuaded by the philosophy of organic farming, or have not yet seen the commercial opportunity it offers, need further reassurance and encouragement. The main farming organisations, which represent the majority of conventional farmers, can and should help them to recognise and explore the possibilities of the organic option.

The Committee welcomes the active participation of the main farming organisations in its work and encourages them to build on this involvement, in a structured and formalised way, in the services that they provide for their members.

Cross-border cooperation

Cross-border cooperation in the organic sector is already a reality. The two Departments of Agriculture share information on organic farming. Producer groups in the Republic are trading with processors in Northern Ireland. The Irish organic farming bodies are certifying Northern operators. Ventures such as the Organic Centre at Rossinver in Co. Leitrim have benefited from cross-border funding.

Cross-border cooperation should continue and be extended at every opportunity. Organic operators and producer groups should work closely and be encouraged to explore possible sources of funding such as Interreg, the International Fund for Ireland and the PEACE Initiative.

Recommendations

- **The Department of Agriculture, Food and Rural Development should make funding available from the Scheme of Grant Aid for the Development of the Organic Sector – or from relevant mainstream schemes – to assist with capital costs of adapting animal housing, etc, at the time of conversion.**
- **Producer Groups and Co-operatives should be commercially focused and be encouraged to expand their activities and act as organic discussion groups.**
- **The existing Teagasc discussion groups should be extended to incorporate organic discussion groups. Teagasc should provide technical assistance to these groups.**
- **The Department of Agriculture, Food and Rural Development should review the funding available for the development of the organic sector so that it can assist in developing necessary infrastructure – including Producer Groups – to support the sector.**
- **Local development programmes including LEADER, County Enterprise Boards and Area Partnerships should be encouraged to give maximum support to the development of the organic sector.**
- **The main farming organisations should recognise that the organic sector represents a significant opportunity for farmers and should give it due priority.**
- **Cross-border cooperation should be promoted. Organic operators and producer groups should work closely and be encouraged to explore possible sources of funding such as Interreg, the International Fund for Ireland and the PEACE Initiative.**

Chapter 4 — Knowledge and Information

The knowledge and information deficit has already been identified as a problem that affects several aspects of the organic sector and threatens to inhibit its further growth. The solution to the problem must take account of the state of development that the organic sector has reached. Clearly, the needs of existing organic operators must be recognised in the planning and prioritisation of research, advice, training and education. But at the same time there is an urgent need to attract large numbers of new entrants to organic farming — especially larger-scale processors and experienced conventional farmers who are already operating at high levels of efficiency, and would have the capacity to increase the supply base to provide a critical mass to meet market requirements. Their information needs are at least as important as those of existing organic operators, perhaps more so.

The Committee acknowledges the resources already devoted to organic research by Teagasc and the educational institutions and the very significant research projects already being undertaken. It recommends that in allocating future resources to research, they take account of the priorities recommended in this Report.

A Partnership Approach for Training, Education, Advice and Research

A nation-wide advisory service, discussion groups, a network of strategically located demonstration farms and a dedicated web-site — all have an important role to play in the delivery of an effective advisory service to the organic sector. The nature and scale of the organic sector require that the planning and delivery of education, training, and advisory programmes should optimise the use of scarce resources. Key players, both in the private and

public sectors, need to work in partnership and make optimum use of the resources available to the organic sector for its development.

Training, education and advice can be provided through a partnership approach which would provide for the inclusion of Teagasc together with third level institutions, private sector bodies, VECs, local community groups, producer groups, farming bodies, LEADER, partnership companies, the organic farming bodies, organic farm enterprises and representatives of consumers.

A partnership approach will help achieve economies of scale and will capitalise on the expertise currently available in the sector to ensure that public, private and voluntary sectors can play a full and effective role in the provision of research, training, education, and advice. A partnership approach can provide the basis for maximisation of the number of research projects carried out in the short to medium term.

Realistically this cannot be achieved or sustained without a coordinating structure. Therefore the Organic Development Committee recommends that a **Partnership Expert Working Group** be established to co-ordinate, facilitate and monitor the provision of training, education, advice and research. Nominations to the Group should be sought by the Steering Group whose establishment the Committee has recommended in Chapter 1. The Partnership Expert Working Group should be a focal point for collaboration between the key delivery bodies (public, private and third/voluntary sector), and be action-oriented. It should have the following terms of reference:

- To assess and make recommendations on applications for grant aid of up to 70% of the costs associated with the provision of training, education, advice and research programme carried out by partnerships.

- To foster and encourage the establishment of partnerships to ensure the effective provision and delivery of training, education, research and advice at local, regional and national level.
- To foster and encourage private sector investment into the organic industry.

Operational Aspects

The Committee places a high value on achieving the co-ordinated delivery of appropriate training, education, advice and research using the various streams of expertise that are available. The Committee recognises that this would require an input by facilitators working on the ground under the guidance and direction of the Partnership Expert Working Group. Ideally the facilitators might be attached to an existing structure e.g. Teagasc.

The Partnership Expert Working Group would also require a secretariat to assist in its on-going operations. It is recommended that the Department of Agriculture, Food and Rural Development should provide the secretariat.

Grant Aid

Funding should be made available by the Department of Agriculture, Food and Rural Development, on the recommendation of the Partnership Expert Working Group, to provide grant aid to partnerships enabling them to deliver research, training and advisory programmes.

Applications for such grant aid should be clearly targeted to increase production and achieve specified targets. They should also meet the following conditions:

- Applications must have a minimum of three partners with a clear presentation of costings and objectives, whether they are for a research, training or advisory programme.

- Applications submitted for funding must be submitted by a partnership group and a minimum of 30% matching funding must have been secured already.
- Proposals for advisory and training programmes must be in partnership with an organic producer group.
- Where a proposal is approved for grant aid, 20% of the additional funding should be paid up front, 50% at the interim stage and 30% when the final project report has been accepted.
- No more than 50% of the funds available should go to either research, advisory or training proposals, to ensure that the funds available can be spread across the three programme areas.

Targets for Training, Advice & Research

At present, the necessary levels of research, awareness and training related activities cannot be carried out adequately within the resources available to existing state bodies or to private bodies working independently. If grant assistance were made available in the manner proposed, it would be possible over a five-year period to target about 3,500 participants on a range of short courses together with longer Certificate/Diploma courses. Some 750 could be targeted specifically for advisory services with an even larger group of participants at events such as one-day awareness sessions, farm walks, etc. At least 15 significant research projects should be completed over the period.

Research Priorities

The Committee has identified traceability in organic systems and the clear identification of veterinary and chemical products as matters of high importance across all areas of organic farming, and priority areas for research. In Appendix 3, the Committee identifies a further

twenty-one priority research areas, broken down into seven categories, together with some other areas of research that should be pursued as resources become available.

Some of these are already under investigation at Teagasc and other third level institutions. Priorities need to be listed and these priorities should be taken into account when funds and resources are allocated to research.

Advisory Services

The Teagasc Advisory and Information Centre at Athenry and Research Centre at Johnstown Castle together with the Organic Centre, Rossinver and An t-Ionad Glas, Drumcollogher should be further developed as information centres for advisors, existing organic farmers and new entrants to organic farming providing material in appropriate media including electronic format.

Irish organic farming is predominantly livestock-based and concentrated in the west of the country. In the east, where conditions would favour it, the horticultural sector is very underdeveloped. There is a need for a facility in the east of the country to foster the development of the horticultural industry.

A Teagasc adviser with a good knowledge of organic principles and standards should be available in each county, complemented by a core national team of trained specialist organic advisers.

A network of strategically located demonstration farms, modelled on the system of REPS demonstration farms, is required. These should be identified by Producer Groups, Teagasc and Partnership Groups and should be supported financially by the Department of Agriculture, Food and Rural Development and other sources of funding when required.

Training and Education

The following table is designed to illustrate the range and diversity of training and education needs in the organic sector and of the means by which they could be met.

Target Group	Course Description	Key indicative content	Key methodologies
Fully organic farmers	Short, local and possibly evening courses on technical aspects of production	Animal husbandry, soil science for organic agriculture, rotation planning	Demonstration farms, discussion group
In-conversion farmers and farmers in REPS organic supplementary measure	Compulsory 20-hour general introduction to organic farming Three-day / weekend courses on dealing with particular type of farming enterprise; beef, sheep, horticulture	Purpose of organic methods, technical aspects, business management and marketing, regulation and certification	Demonstration farms, discussion groups, distance learning, apprenticeships
Conventional Farmers	Awareness raising	Economics of organic farming, options available, regulation and certification	Leaflets, magazines, discussion groups, demonstration farms, farm walks
Young people, new entrants to farming, adults in continuing education	Optional electives and full time one-two year courses leading to FETAC ²⁰ certification FETAC certified courses	All aspects of production, marketing, management, accounting, enterprise development and regulation	Lecture based with farm apprenticeships with master farmers, demonstration farms and plots
Processors	Short course provision Awareness raising	Organic product and enterprise development, raw material sourcing	Seminars, overseas organic and natural food exhibitions, access to industrial kitchens
Professionals engaged in services to farmers	In-house courses Night classes	Development of organic farming in Europe, potential for development in Ireland, Regulation and certification	Publications, guest speakers, demonstration farms

²⁰ Further Education & Training Awards Council

A full range of courses, including accredited courses from FETAC should be established to meet the needs of the organic sector. These courses should be provided by Teagasc, other organic training centres, educational institutions, producer groups and the organic farming bodies.

A range of organic publications should be developed by stakeholders. There is a need in particular for a user-friendly management handbook and Teagasc should take the lead in producing it, in consultation with other stakeholders in the organic sector.

Recommendations

- **A Partnership Expert Working Group should be established to co-ordinate, facilitate and monitor the provision of training, education, advice and research.**
- **Funding should be provided to facilitate and foster the establishment of partnerships and to grant aid partnerships to deliver research, training and advisory programmes.**
- **Research should target the priority areas listed in Appendix 3 and sufficient funding should be made available for these priority areas.**
- **Existing advisory and information centres should be further developed, and a facility should be provided in the east of the country to foster the development of the horticultural industry.**
- **A Teagasc adviser should be available in each county, complemented by a core national team of trained specialist organic advisers.**
- **A network of strategically located demonstration farms is required. These should be identified by Producer Groups, Teagasc and Partnership Groups and should be supported financially by the Department of Agriculture, Food and Rural Development and other sources of funding when required.**
- **A full range of courses, including accredited courses from FETAC, should be established to meet the needs of the organic sector.**
- **A range of organic publications should be developed by stakeholders and Teagasc should take the lead in producing a user-friendly management handbook.**

Chapter 5 — Marketing Organic Food

There is already a significant gap between supply capacity and the demand for organic food. The marketing strategy used for organic foods needs to be complementary to the wider national mainstream food sectors — not competitive with them. The positive features associated with organic production should be accentuated but there should be no suggestion that other Irish produce is inferior.

An **Organic Market Development Group**²¹ should be established under the co-ordination of Bord Bia. The Group should have overall responsibility for developing a National Marketing Strategy for organic food and should —

- Monitor developments in the market
- Develop the organic retail multiple opportunity of the organic food industry.
- Review the approach to the successful development and promotion of organic products in EU countries
- Recommend marketing and promotional programmes.
- Review the Bord Bia Marketing Improvement Assistance Programme (MIAP)²² to explore the possibility of extending financial support for the marketing of fresh organic meat produce i.e. unprocessed.
- Explore mechanisms to encourage the agri-food sector to develop added value organic food products.

- Explore mechanisms that have potential for providing financial assistance to direct sellers of organic produce to facilitate their development

Producer Groups and Co-operatives should expand their activities to act as discussion groups.

Teagasc should carry out a commercial appraisal on the key products within the main organic food sectors, in collaboration with Bord Bia, Bord Glas, Shannon Development and Enterprise Ireland. The appraisal should include case studies, product cost and price analysis, marketing costs input, to assess profit potential. Further research to identify market opportunities and consumer attitudes to organic products should also be included.

In Chapter 3, the Committee recommended that the mainstream farming organisations give more priority, in the services they offer their members, to the development of organic farming. Advice and assistance in marketing should form part of what they do in this respect.

The consumer

The Bord Bia report *Prospects for Organic Food in Ireland* (July 2000) stated that organic food is perceived by an increasing proportion of consumers to be a healthier option than conventional foods due to the fact that no pesticides or other chemicals are used during production, contains more vitamins and minerals and tastes better. Organic farming is seen as a more natural way of producing food.

Fewer consumers mentioned concerns about genetic modification and BSE or the idea that organic farming was better for the environment. Consumers generally had a positive disposition

²¹ The Group would be a governing body and accordingly would assign responsibility to the relevant organisations for implementation of the various parts of the marketing strategy and monitor progress on its implementation.

²² All fresh meat products are excluded from receiving support under the current MIAP

towards organic food, but negative factors were the lack of availability and limited range of organic food, the price difference and the fact that organic food sometimes does not have the same appearance as the equivalent conventional product.

The consumer's dissatisfaction with the supply or the appearance of organic food can be resolved in time by the market itself, as a wider range of produce becomes more consistently available and producers compete to provide better-looking food. It is unlikely that the market will do away with the price difference, however; organic food will always be more expensive to produce and the deficit has to be made up to the producer somewhere. Where market forces do eliminate the price difference (as happened when the organic dairying sectors in Austria, Denmark and the UK became over-supplied and prices fell), the result is that organic producers become less viable and have to consider returning to conventional farming. Subsidies will keep the price difference down, but it is most unlikely that EU or national funding will be directed towards the organic sector in such quantities that producers can charge the same prices as for conventional food.

However the price difference can be explained without difficulty and indeed could be presented as a virtue in the marketing of organic food. It can be attributed to the strict and specific rules that the organic farmer has to follow, higher labour costs and lower yields. It can also be presented as a payment the consumer makes for the benefits to the environment – through production of food without chemical inputs – and to animal welfare.

Market intelligence

All the stakeholders involved in the supply of organic food in Ireland need access to reliable and relevant market, consumer and production information. An effective information system

should be put in place. Information can be provided by a number of sources including the Department of Agriculture, Food and Rural Development itself, the organic farming bodies²³, Bord Bia, Bord Glas, Teagasc, retailers, processors and Producer Groups.

For this information to be managed and disseminated effectively there needs to be a single point of contact and the Committee recommends that this be provided by the Organic Unit of the Department of Agriculture, Food and Rural Development. The Organic Farming Unit should establish, maintain and manage the organic database and website as outlined in Appendix 4. The Unit should be provided with the resources necessary to carry out this function effectively.

The periodic taking of a census of organic farming is also recommended and the data that should be collected are described in Appendix 5. The first such census should be completed by the end of 2002.

Quality Assurance

An organic certification label certifies that a product has been produced in accordance with organic standards, but it is not based primarily on a quality assurance system as generally understood. Bord Bia and Bord Glas both operate quality assurance systems which are open to all producers, including those in the organic sector.

Quality assurance gives many benefits in the market place. The Irish organic sector may not yet have developed to a point at which a specific quality assurance scheme for organic food is necessary but this is something that should be kept under review as the sector expands. In the meantime, organic producers should be encouraged to participate in the existing Bord Bia and Bord Glas schemes.

²³ Demeter Standards Ltd, Irish Organic Farmers and Growers Association and Organic Trust Ltd

Focus of promotional activities

A major objective at national level should be import substitution and not the replacement of conventional Irish produce with organic. With the Irish organic sector still at an early stage of development, however, imported products play a key role in bringing availability, product range and certainty to the market place. Promotion should focus on Irish products, which have already achieved a niche in the market. As supply increases there should be a growing emphasis on developing export markets. A more diffuse promotion of organic food could simply encourage people to buy more imports. Priority should be given to a comprehensive programme of education, advice and research for producers and processors, so as to position them to meet market demand.

A National Label

The three Irish organic farming bodies have their own labels, but these have a low level of recognition among consumers²⁴. A national label is desirable, which would take advantage both of the “clean green” image of Irish agriculture and also of the extra appeal of organic food. The use of the label designating Ireland as the country of origin on primary products would convey the strongest possible market advantage to the organic sector in the export market, while on the home market it would take advantage of consumers’ disposition to favour Irish produce.

This Committee proposes that the Organic Market Development Group (OMDG) should employ the services of an appropriate design agency to design a label for Irish organic produce on the basis of a design brief (see Appendix 6) and a clear set of rules defining its use.

Recommendations

- **An Organic Market Development Group should be established under the co-ordination of Bord Bia, with overall responsibility for developing a national marketing strategy for organic food.**
- **Teagasc should carry out a commercial appraisal on the key products within the main organic food sectors, in collaboration with Bord Bia, Bord Glas, Shannon Development and Enterprise Ireland. The appraisal should include case studies, product cost and price analysis, marketing costs input, to assess profit potential. Further research to identify market opportunities and consumer attitudes to organic products should also be included.**
- **The mainstream farming organisations should give their members advice and assistance in marketing organic produce.**
- **It should be explained to consumers that there are objective justifications for the price commanded by organic food.**
- **Initially, the promotion of organic food should focus on Irish products, which have already achieved a niche in the market. As supply increases there should be a growing emphasis on developing export markets.**
- **The Organic Farming Unit of the Department of Agriculture, Food and Rural Development should establish, maintain and manage an organic database and website into which information should be fed by the Department itself and other stakeholders.**
- **The Department of Agriculture, Food and Rural Development should ensure that a census of organic farming is taken at intervals and the first such census should be carried out in 2002.**

²⁴ Cf. Bord Bia, 2000

- **The establishment of a quality assurance scheme for organic food should be kept under review as the sector expands. In the meantime, organic producers should be encouraged to take part in the existing quality assurance schemes operated by Bord Bia and Bord Glas.**
- **The Organic Market Development Group should employ the services of an appropriate design agency to devise a national label for Irish organic food on the basis of a design brief and a clear set of rules defining its use.**

Chapter 6 — Targets

The Committee’s terms of reference were “to recommend a coherent development strategy to achieve expansion in production, processing and marketing of Irish organic produce and to secure an increased share of the growing national and export markets ...”

Such a strategy could not be considered in the abstract; the Committee had to take into account the practical reality in the various parts of the organic sector. From such a detailed examination of the sector the Committee has drawn conclusions about the targets that Ireland can aim at in the medium term. The targets are ambitious, but we believe they are achievable.

Beef and Lamb

Most Irish organic production is already in beef and lamb, and this is the best opportunity for the Irish organic sector in both the home and the export markets. Ireland already has a very large presence in the conventional export markets for beef and lamb, with some 90% of beef and some 70% of lamb being exported. Organic beef and lamb production are profitable farm enterprises, and currently the European market is particularly buoyant. However as production increases, the price differential will inevitably reduce.

In seizing the opportunities in organic beef and lamb, Ireland is limited at present by a number of factors. Most drystock farmers involved in organic beef and lamb production are small-scale operators, they are few in number and they are dispersed across the country. {At the same time it is recognised that beef enterprises are the largest group of organic producers; organic beef is the single highest volume organic product in Ireland}. The supply of product to the market is small, seasonal and sometimes sporadic. Carcasses vary in quality and weight. Even what supply there is can often be lost from the

organic sector because of the lack of organised market outlets. Retention of organically certified animals within the organic system could be greatly assisted by the introduction of a database of organic/in-conversion status animals.

The Committee has made numerous recommendations in the foregoing chapters that can help organic livestock farming to flourish in Ireland. Ireland has the capacity to build on the current level of organic beef and lamb production to meet an increased demand on the home market and establish a strong niche in export markets.

Milk

In spite of the size and commercial success of Ireland’s dairying sector, both at home and in the export market, there is a low level of organic milk production in Ireland at present. There are twenty-four milk producers²⁵ located across the country and one significant milk processor²⁶. Because so much depends on the immediate processing of the primary product, any further growth in the organic dairying sector is critically dependent on a synergy between producers and processors. There is a need to encourage more producers to increase the supply base, but they in turn need more processors in strategic locations who will convert a facility to organic milk production and give them some assurance of higher prices for a sustained period. The processors in turn, of course, require a cluster of suppliers to make it worth their while. Potential entrants to the organic dairying sector are discouraged, however, by reports of an oversupplied market particularly in Denmark and the UK, resulting in the loss of the price advantage.

²⁵ Some of these are in conversion and have not yet achieved full organic status.

²⁶ There are also some small-scale milk processors.

The Committee believes that there will be significant development in the dairying area only if at least one of the major dairy processors becomes seriously involved and is prepared to take a lead in encouraging some of its larger suppliers to convert. Any processor who does so should be given the greatest possible practical support by the Department of Agriculture, Food and Rural Development, by the relevant state agencies and by the mainstream farming organisations.

Cereals

Less than 600 hectares of land in Ireland is devoted to organic cereal production. This low level of production, resulting in high cereal and straw costs, is a major constraint on the development of the red and white organic meat sectors. A significant increase in the area of land devoted to the production of organic cereals is needed to address the development of the potential of the organic meat sector. However, increasing the area under cereals is much harder than increasing the organic grassland area. The lower yields of cereals from organic farming methods mean that proportionately more land has to be devoted to cereal production to obtain the feed requirements of the livestock. Cereals have to be part of a rotation in a mixed farming enterprise, so the holding must be several times the size of the area devoted to cereals in a year. In addition to the rotation requirements, the moist climate predisposes cereals to fungal diseases and weed infestations that are much harder to deal with in Ireland (using the methods permitted by organic farming rules) than in organic cereal growing areas in Europe which have a warm dry climate. The greatest potential for organic cereal production in Ireland is in the traditional cereal growing areas in the east, midlands and south of the country. The location of a high percentage of organic livestock production is however on the western seaboard. Thus a significant increase in the supply of indigenous cereals would require large-scale cereal growers to convert to organic

farming. Because of the limited potential for increasing cereal production in Ireland, the vast bulk of the cereal requirements for livestock will probably continue to be imported from countries where the balance of trade favours organic cereal production.

The development of the organic cereal sector is also inhibited by the rules governing the EU Area Aid scheme. The scheme needs to be modified to accommodate the specific requirements of the organic farming sector, so that land used for organic cereal production can be deemed eligible for arable payment.

Horticulture

The potential for organic horticultural crops is constrained by the limited availability of suitable land, the scarcity and cost of labour, pest and disease problems and the supply of organic seed. Because this sector is in its early stages in Ireland, crop production techniques are not fully developed and there is an absence of blueprints for production. The mismatch between the small and fragmented supply base and centralised purchasing procedures of the multiples has to be addressed if Ireland is to exploit its potential in supplying organic horticultural lines. Central distribution is now a key requirement of the multiple sector in Ireland and developing the supply base to meet the requirements of supermarkets is contingent on a capacity to participate in the marketing/commercial interface between the producer and the modern retail multiple Central Distribution Centre (CDC) system. There are opportunities for expansion of commercial organic horticultural crops such as potatoes and brassicas, mainly in the south, midlands and east of the country where climate and soil types are more favourable. There is also potential for development of protected crops. There are opportunities for expanding box delivery distribution systems. Specialised commercial operators have a key role to play in the advancement of the organic horticultural sector.

Opportunities exist to develop increased organic sales of fruit and vegetables through local links to agri-tourism and the catering industry.

Pigs and Poultry

The level of organic pig and poultry production is low. The current production levels of organic cereals and protein crops are major constraints to the development of these sectors. Potential producers require access to blueprints for production, but it is the cost and availability of organic feed, plus the availability of organic rations containing the necessary nutritional balance, which will determine the growth and development of organic pig and poultry production.

Targets for the Organic Sector

Every country has its own particular advantages. The balance of trade favours organic crop production in central Europe, but Ireland has a well-established advantage in grassland-based enterprises. Therefore grass-based production systems offer the greatest opportunities for expansion of the organic sector in Ireland in the short to medium term. The Committee recommends that Ireland should place major emphasis, in the short term, on developing the organic beef and lamb sectors as these have the potential not only to supply the home market but also to develop a thriving export market. There are also clear opportunities in dairying, and in fruit and vegetables too if the necessary intervention by commercial operators takes place. Opportunities in cereals, pigs and poultry are less apparent at this time.

Targets must be market-based and realistic, but they should not be over-cautious. The Committee believes that on the information available, and if its recommendations are given effect, it is feasible for Irish organic farming (counting both land in conversion and land in full organic status) to occupy 3% of the agricultural land area by 2006.

This target should be re-examined when the first detailed national census of organic agriculture is completed by the end of 2002. At that point, consideration can be given to setting specific targets for individual areas of the organic sector.

Recommendations

- **At present, organic beef and lamb production represent the main opportunities for expansion in the organic sector. Measures to foster the further development of these areas, identified in other chapters of this Report, include giving priority to organic producers in the allocation of quota (and giving priority within that group to producers who either have the capacity to bring progeny to slaughter or sell their unfinished progeny to other organic producers), amending aspects of the Rural Environmental Protection Scheme and grant aiding the conversion of housing to comply with organic standards.**
- **The major dairy processors should give most serious consideration to allocating processing facilities to organic milk and encouraging some of their larger suppliers to convert. The dairy processors should consider manufacturing organic products which have sustainable demand and which give an acceptable return to dairy farmers i.e. subject to commercial feasibility.**
- **Processors who take positive steps to develop the organic dairying sector should be given the greatest possible practical support by the Department of Agriculture, Food and Rural Development, by the relevant state agencies and by the mainstream farming organisations.**

- **The current Area Aid rules for cereal producers should be re-examined in the context of the CAP mid-term review, with the aim of facilitating expansion of the organic sector and allowing some flexibility to accommodate the requirements for organic producers due to the rotational nature of their production base.**
- **There should be an examination of the feasibility of developing a new distribution channel for small and medium organic food producers to link to Central Distribution Centre systems.**
- **A target of 3% of land area in organic farming by 2006 is achievable. This target should be reviewed on completion of the first census of organic agriculture in Ireland, when the possibility of setting targets for individual areas of the sector should be considered.**

Chapter 7 — Standards for Organic Food

If the main selling point of organic food is that it has been produced in a “natural” way under strict rules, that is because consumers have a high level of trust in organic standards. It is essential to keep that trust.

On the other hand – particularly when the sector needs to attract new operators – it is equally important to avoid over-regulation and unnecessary restrictions. Alleged over-regulation is now a major concern among farmers, who will be discouraged from considering a kind of farming that might encumber them with yet more rules. It is important that any proposals to switch to organic farming take account of the infrastructural development that has already taken place at farm level, for example in animal housing.

The organic sector is regulated by Council Regulation (EEC) No 2092/91, as amended. This Regulation lays down, inter alia, minimum standards for organic production of agricultural products.

The Department of Agriculture, Food and Rural Development and the three Irish organic farming bodies²⁷ have had discussions about the implementation of the Regulation in Ireland and the national standards for Irish organic food.

Agreement had been reached between the Department and the three organic farming bodies on certain standards that were additional²⁸ to those in the Regulation. Certain other issues had not been resolved, however, and were referred to the Organic Development Committee. The Committee makes the following recommendations on these.

Poultry numbers

The maximum number of birds allowed per poultry house should normally be as follows:

- 1,000 broilers
- 2,000 laying birds
- 1,000 guinea fowl
- 1,000 ducks
- 1,000 geese
- 1,000 turkeys

However the following numbers should also be allowed, subject to examination on a case-by-case basis and only where the welfare of the birds is not compromised.

- 4,800 broilers
- 3,000 laying birds
- 5,200 guinea fowl
- 4,000 female Muscovy or Peking ducks or 3,200 male Muscovy or Peking ducks
- 2,500 geese or turkeys.

The Committee notes that EU Regulation 2092/91 as amended limits the amount of organic nitrogen that can be applied per hectare per annum to 170kgs. In practice this will limit the number of birds that a producer can carry and will ultimately restrict the majority of producers to the lower figures.

Veterinary Products

The Committee recommends the following standards for maximum use of veterinary products and associated withdrawal periods.

²⁷ Demeter Standards Ltd, Irish Organic Farmers and Growers Association and Organic Trust Ltd

²⁸ Article 12 of the Regulation allows Member States to adopt more stringent rules for livestock and livestock products.

Maximum use allowed

With the exception of vaccinations, treatments for parasites and any compulsory eradication schemes established in the Republic of Ireland or Northern Ireland (as applicable), the following will apply:

- Animals for meat consumption: 1 course of treatment of chemically synthesised allopathic veterinary medicinal products or antibiotics is allowed within a twelve-month period.
- Animals for breeding: 2 courses of treatment within a twelve-month period.
- For dairy mastitis control: 2 courses of treatment for dairy mastitis control are allowed within a twelve-month period.

Where the above is exceeded the animal should then be either sold conventionally or undergo a further fifteen-month conversion period.

Withdrawal Periods after use of veterinary products

Where a zero withdrawal period is specified on the product, no withdrawal period should be required.

Where no withdrawal period is specified on the product, the withdrawal period should be 48 hours.

With the exception of treatment for mastitis, the withdrawal period for administering allopathic veterinary medicinal products should be twice the legal withdrawal period.

For mastitis treatments, the withdrawal period should be three times the legal withdrawal period.

Animal Housing

The Committee recommends that the Department of Agriculture, Food and Rural Development should draw up a National

Standard for animal housing in accordance with Council Regulation 2092/91 as amended, subject to the following provisos:

- The national standard will specify that housing is subject to inspection and approval.
- The minimum surface areas specified in Annex VIII represent the net area to be made available to each animal i.e. excluding any inaccessible areas.
- Dairy cows must have a minimum area of 6m² per animal.
- Cubicle systems will be allowed subject to the provision of 3 m² per individual animal for larger animals and pro-rata for smaller animals.

The Committee recommends that funding should be made available under the Department's Scheme of Grant Aid for the Development of the Organic Sector and from mainstream grant schemes for producers who find it necessary to upgrade their housing or other facilities to meet organic standards.

Origin of organic animals

The Committee recommends that beef calves must be born at least 3 months after the official commencement date of conversion to be eligible for the organic meat market. For all other livestock, with the exception of beef and poultry, only offspring conceived after the official commencement date of conversion may be eligible for the organic meat market.

Recommendations

- **National regulations governing the production of organic food need to be sufficiently rigorous to maintain consumer confidence and competitiveness against foreign organic produce. But it is equally important to avoid over-regulation and unnecessary restrictions.**

- **The Department of Agriculture, Food and Rural Development should make national regulations for organic produce taking account of the specific recommendations in this Chapter.**
- **Producers who find it necessary to upgrade animal housing or other facilities to meet organic standards should be assisted with funding from the Scheme of Grant Aid for the Development of the Organic Sector and from mainstream grant schemes.**

References

Bord Bia, *Prospects for Organic Food in Ireland*, 2000

Department of Agriculture, Food and Rural Development, *Report of the Agri-Food 2010 Committee*, 2000

Department of Agriculture, Food and Rural Development, *Agri Food 2010 Plan of Action*, 2000

Teagasc Task Force, *Organic Farming in Ireland*, 2000

Western Development Commission, *Blueprint for Organic Agri-Food Production in the West*, 2001

Appendix 1 — AgriFood 2010 Committee

In June 1999, the Minister for Agriculture, Food and Rural Development established the AgriFood 2010 Committee with the following terms of reference:

To propose a strategy for the development of Irish agriculture and food over the next decade, following the agreement on Agenda 2000, and in the light of the changes and challenges, which are likely to evolve nationally and internationally over that period.

In March 2000, the AgriFood 2010 Committee produced their report. The Committee recommended, *inter alia*, that the Government and the food industry should adopt ambitious targets for organic production and draw up a coherent strategy for the development of the sector. The Committee recommended that an Organic Development Committee should be established for this purpose and to consider appropriate actions for the following:

- The involvement of major processors and distributors is essential to provide some market certainty.
- A significantly increased research, training and advisory effort is required.
- Bord Bia, Bord Glas and the Irish Dairy Board need to take a focused interest in the organic market and in promoting Irish organic produce on the home and export market.
- Improved market intelligence needs to be collected and disseminated.
- A credible regulatory system must be put in place and the present confusion with competing inspection bodies ended.

- The problem of inadequate supplies of organic cereals for animal feed, organic seeds and reproductive materials will need to be addressed.
- The food safety aspects of organic foods should be further researched and should be included in broader food safety planning.

In August 2000 the Government's response to the AgriFood 2010 Report was published as the *AgriFood 2010 Plan of Action*. The Plan of Action undertook to establish an Organic Development Committee, which would have representatives of the widest interests in the organic sector including those involved in production, marketing and distribution as well as in the areas of research, training, advice and regulation.

Appendix 2 — the Committee and the Sub-Groups

*The Organic Development Committee*²⁹

Mr John Fox (Chairperson)	Assistant Secretary, DAFRD ³⁰
Mr Danny O’Toole	Associated Craft Butchers of Ireland
Mr Lorcan Bourke	Bord Glas
Mr Pdraig Brennan	Bord Bia
Ms Emer O’Siochru	The Consumers Association of Ireland
Ms Sally Ryan	Demeter Standards Ltd.
Mr Michael O’Donovan	DAFRD
Mr Martin Farrell	DAFRD
Dr. David Beehan	DAFRD
Mr Frank Macken	DAFRD
Mr Joe Fox	Enterprise Ireland
Dr Patrick J O’Mahony	Food Safety Authority of Ireland
Mr Fraser Tooley	Glanbia
Ms Fiona MacMahon	Irish Business and Employers Confederation (IBEC)
Mr Anthony O’Dwyer	Irish Co-Operative Organisation Society (ICOS)
Ms Kate Carmody	Irish Creamery Milk Suppliers Association (ICMSA)
Mr Kevin Harrington	Irish Farmers Association (IFA)
Ms Margaret Leahy	Irish Organic Farmers and Growers Association (IOFGA)
Mr Pat Ward	Irish Dairy Board
Mr Paddy Walsh	Irish Small and Medium Enterprises Association (ISME)

²⁹ Mr. Richard Auler and Ms Noreen Gibney on behalf of the Irish Organic Farmers and Growers Association (IOFGA), Ms. Helen Sheehan representing the Food Safety Authority of Ireland, Ms. Aisling Gildea representing Bord Bia and Messrs Tony Reid, Jerry Galvin and Niall Ryan representing DAFRD also attended meetings of this Committee.

³⁰ Department of Agriculture, Food and Rural Development.

Mr Shane Fitzgerald	Macra na Feirme
Ms Helen Scully	Organic Trust Ltd
Ms Marien O'Connell	RG Data
Mr Oliver Kehelly	Shannon Development
Dr Noel Culleton	Teagasc
Mr Bill Patterson	Tesco Ireland
Ms Caríosa Lynch	Western Development Commission

Sub-Group 1 (Standards)³¹

Terms of reference: To recommend standards on animal housing, poultry numbers and withdrawal periods having regard to EC Regulation 2092/91 as supplemented by Regulation 1804/99 and to the joint submission of the three organic inspection bodies dated 5 September 2000.

Mr Michael O'Donovan (Chairperson)	DAFRD
Ms. Dorothy Gallagher	The Consumers Association of Ireland
Mr John (Nav) Logan	Demeter Standards Ltd
Mr Frank Macken	DAFRD
Mr P J McArdle	DAFRD
Mr Christopher Robson	DAFRD
Dr. Martine Brennan	Food Safety Authority of Ireland
Ms Kate Carmody	Irish Creamery Milk Suppliers Association (ICMSA)
Ms Noreen Gibney	Irish Organic Farmers and Growers Association (IOFGA)
Ms Mary Lynch	For Irish Organic Farmers and Growers Association (IOFGA)
Mr David Couper	Organic Trust Ltd
Ms Helen Scully	Organic Trust Ltd
Dr Noel Culleton	Teagasc
Mr Richard Fallon	Teagasc
Mr J J Lenehan	Teagasc
Mr Bill Meaney	Teagasc

³¹ Ms. Amanda Byrne and Mr. Jerry Galvin representing DAFRD attended a meeting of this Sub-Group.

Sub-Group 2 (Market Intelligence, Quality Assurance, Marketing, Promotion and National Label for the Organic Sector)³²

Terms of reference: To identify sources of market intelligence relating to the organic food sector and to recommend approaches to the effective collation and analysis of this intelligence and its dissemination to organic producers and processors.

To identify the main measures necessary to establish an effective system of quality assurance for organic produce.

To identify the opportunities and measures (including direct selling by producers) for improved marketing of organic produce.

To make recommendations for the effective promotion of organic produce.

To consider and recommend a national label available to all Irish organic producers and processors.

Mr Martin Farrell (Chairperson)	DAFRD
Mr Pdraig Brennan	Bord Bia
Mr Lorcan Bourke	Bord Glas
Mr Silvan Delaney	Demeter Standards Ltd
Mr Joe Fox	Enterprise Ireland
Ms Fiona McMahon	Irish Business and Employers Confederation (IBEC)
Mr Anthony O'Dwyer	Irish Co-Operative Organisation Society (ICOS)
Ms Margaret Leahy	Irish Organic Farmers and Growers Association (IOFGA)
Mr Pat Ward	Irish Dairy Board
Mr Josef Finke	Organic Trust Ltd
Mr Oliver Kehelly	Shannon Development
Mr Cathal Cowan	Teagasc
Mr Bill Patterson	Tesco Ireland
Ms Caríosa Lynch	Western Development Commission

³² Ms. Anja Terpstra representing Demeter Standards Ltd. attended a meeting of this Sub-Group.

Sub Group 3 (Priorities for Research, Advice, Training and Education in the Organic Sector)³³

Terms of reference: To identify priorities in the areas of research, advice, training and education that would enhance the scope for development of the Irish organic sector, and to recommend appropriate actions to be taken by (a) the state sector, (b) the private sector and (c) jointly by both.

Mr Martin Farrell (Chairperson)	DAFRD
Ms Emer O’Siochru	Consumers Association of Ireland
Ms Sally Ryan	Demeter Standards Ltd
Ms Kate Carmody	Irish Creamery Milk Suppliers Association (ICMSA)
Mr Kevin Harrington	Irish Farmers Association (IFA)
Mr Pdraig Fahy	Irish Organic Farmers and Growers Association (IOFGA)
Mr Shane Fitzgerald	Macra na Feirme
Ms Helen Scully	Organic Trust Ltd
Dr. Noel Culleton	Teagasc
Mr John Whiriskey	Teagasc
Ms Caríosa Lynch	Western Development Commission

Secretariat to Organic Development Committee and Sub-Groups

The Secretariat was provided by the following officials of the Organic Unit at the Department of Agriculture, Food and Rural Development:

Mr Nick Stafford

Mr Nick Finn

Ms Ann Mockler

Ms Cathriona Cowman

³³ Ms. Dolores Keegan representing Organic Trust Ltd, Mr. Liam Scollan representing the Western Development Commission, Mr. Willie Murphy representing Teagasc and Mr. Frank Macken and Dr Ignatius Byrne representing DAFRD also attended meetings of this Sub-Group.

Appendix 3 — Research Priorities

Traceability in organic systems and the clear identification of veterinary and chemical products are important across all areas of organic farming. In addition three priority research areas have been agreed for each of seven categories below.

Animal husbandry

Stocking densities

Mineral status

Nutrition

Disease/Parasites in livestock

Acceptable parasite levels/optimum control for fluke and worms

Mastitis, drying off procedures/dry cow mastitis

Blowfly, viral and other endemic illnesses

Off Farm Activities

Policy supports

Research into alternative forms of marketing in particular local marketing of organic produce

Market studies to understand better the needs of customers, price elasticities and market trends

Feed

Grassland grass mixtures/clover establishment taking account of the different soil types and climatic conditions across the country

Fodder crops (legumes) suitable for protein supplementation

Protein sources and requirements

Fertilisers

Green fertiliser crops

Fertility

Management for minimum soil disturbance

Production System

Economic appraisals

Organic beef, sheep and mixed farm systems.

Conversion process for all organic production systems

Horticulture/Cereals

Potato Blight and methods of control thereof.

Pest and Weed control in cereals and horticultural crops (fruit & vegetables)

Establishment problems e.g. seed dressings and slugs

Other areas of research, which should be pursued as resources become available, are as follows:

Animal Husbandry

Breeds

Housing and welfare

Poultry production

Disease/Parasites in livestock

Medicinal herbs and plants

Off-Farm Activities

Consumer trends, profiles, perceptions and purchasing behaviour

Establishment of a distribution system at regional level

Feasibility studies into other organic enterprises with potential, aside from primary production and processing

Food Quality

Impact of organic versus conventional farming on the environment

Investigation into good practice in marketing of organic food overseas

Investigation into the success/failure of previously introduced organic product lines and/or organic marketing initiatives

New technologies on farms or in processing

Research into production systems for processing organic food (added value)

Sampling methodology – soil, faecal, other types

Sociological studies on the adoption of organic farming techniques

Tourism

Feed

Perennial fodder crops (to augment cereal farm inputs)

Production System

Fodder crops for winter feed/soil fertility/sustainable rotations

Levels of output

Mixed forestry/animal husbandry systems

Pasture rotation for parasite control

Suitability of production systems to soil and climate

Cereals

Seed production

Non-invasive reseeding

Under sowing

Horticulture

Large Scale Horticultural Crops

Seed production

Top and soft fruit production

Appendix 4 — Website

Key considerations for successful management of the website include the following.

- Funding is required to establish and maintain the website
- Department of Agriculture, Food and Rural Development would be overall owner of website.
- The involvement of website designers and consultants/experts to pull together the relevant information
- Links to all relevant organisations is required to provide pertinent information on the organic sector to all interested parties
- Each agency should be given specific areas to manage and they should be in a position to upload material for linkage to the main site
- Information would need to be regularly updated.

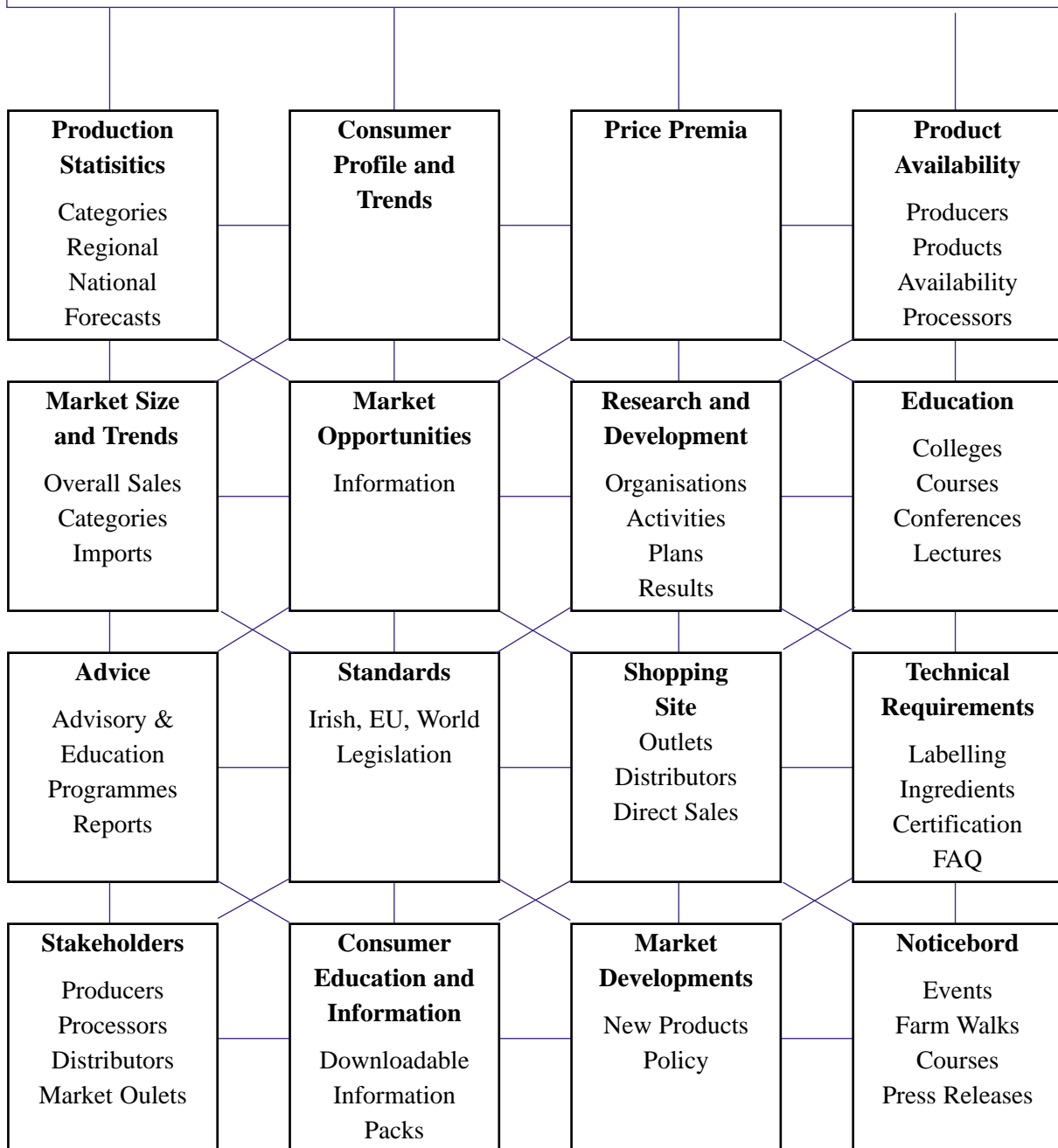
The following page gives a suggested breakdown of how the information could be disseminated.

National Website – Controlled by DAFRD as competent authority

Cover Page – General Information

Organisations

DAFRD, Teagasc, Bord Bia, Bord Gais, Western Development Commission, Demeter, IOGFA. Organic Trust, An t-Ionad Glas Drumcollogher, the Organic Centre Rossinver, FAS, International Research Organisations, Enterprise Ireland, Producer Groups etc.



Appendix 5 — National organic production census data

Compilation of producer data

The Department of Agriculture, Food and Rural Development should ensure that a national organic production census is carried out on the various organic production systems including livestock – cattle, dairying, pigs, poultry, sheep – cereals, horticulture, protected crops, etc.

The aim of the survey is to get a profile of the sector by farm, producer and market served with farm units surveyed by county. Open-ended questions would also be used to establish the barriers in place that inhibit expansion of the sector. The following is the information that should be collected³⁴.

Farmer/producer details

- Personal details
- Contact details (home and business): phone, fax, mobile, e-mail
- Acres/Hectares (farmed and owned)
- Crop Acres (Hectares) Grown – horticulture, tillage, grassland
- Area of Protected Crops – glasshouse or polytunnels
- Livestock Numbers cattle, sheep, pigs, poultry
- Livestock numbers available for sale each year – cattle, sheep, pigs, poultry
- Sales Outlets

- Sales Pattern/Availability of Product/Seasonality
- Farm Output (Turnover)
- Output Split by Enterprise
- Livestock Output Value cattle, sheep, pigs, poultry
- Employment Numbers – total, full time, part time, full time equivalents
- Future Plans – expansion, change of enterprise

Market details

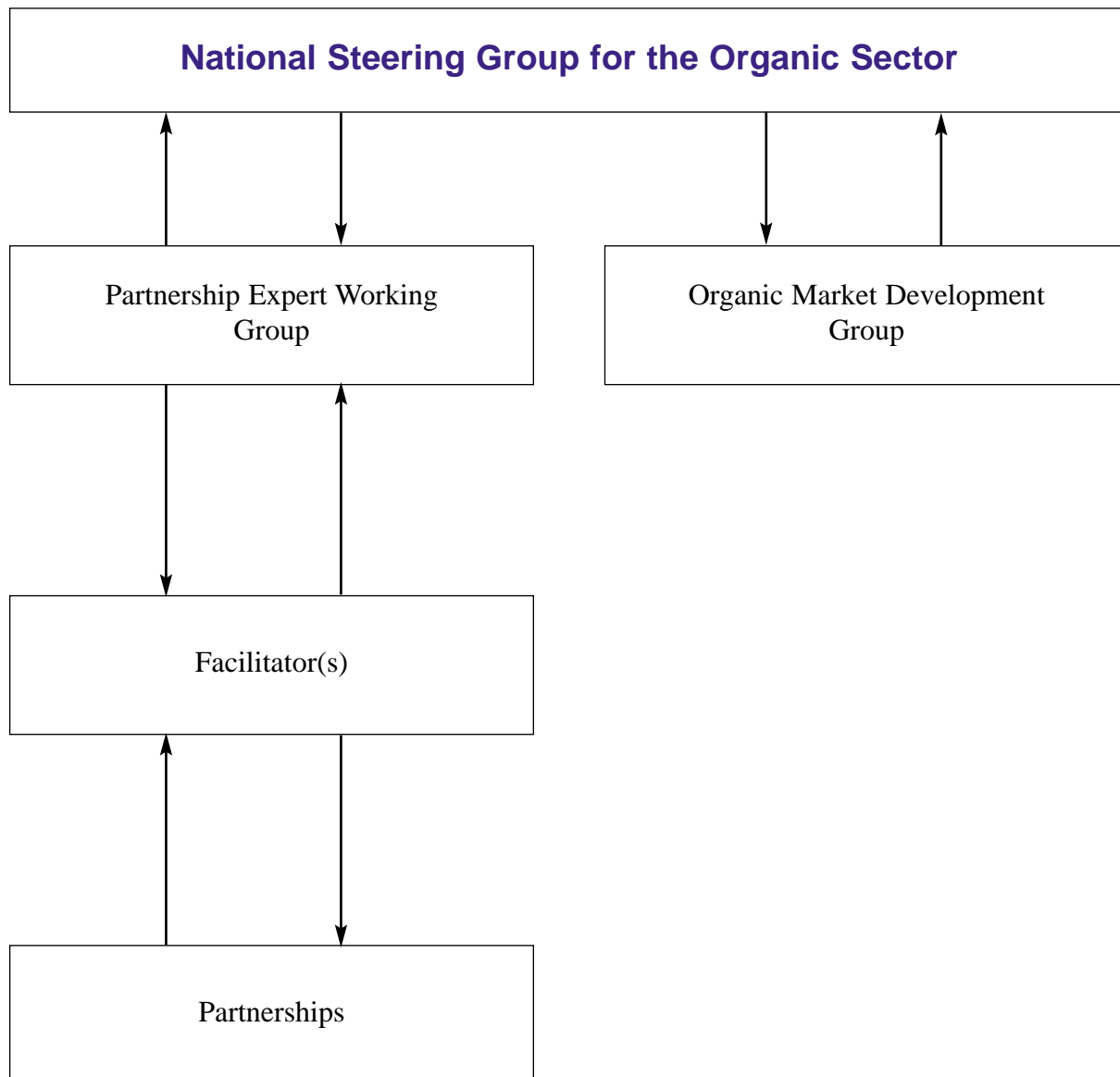
- Main market for produce/livestock
- Estimate of % fresh market by outlet and estimate of % processed market by outlet
- Member of a producer organisation or individual seller
- Production increase or decrease
- Barriers to expansion (open-ended question to producers)

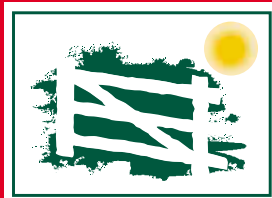
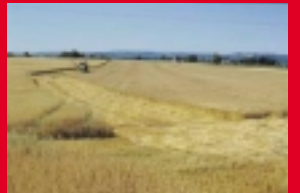
³⁴ The model for obtaining information on organic production is the Bord Glas approach for obtaining data to compile the National Potato Census, the National Soft Fruit Census and the National Field vegetable Census.

Appendix 6 — Design brief outline for a national label

What is the priority message?	
What other claims are there?	
What is the position of the product?	<ul style="list-style-type: none">- basic- mid- premium
Who will buy?	<ul style="list-style-type: none">- male- unisex- female
Why buy?	<ul style="list-style-type: none">- staple- impulse- gift
Frequency of Purchase	<ul style="list-style-type: none">- daily- weekly- monthly
Who are they buying for?	
What age group?	
How should the logo appear?	<ul style="list-style-type: none">- traditional or contemporary- serious or fun- elegant or bold- light/healthy or heavy/indulgent
Is there a benchmark?	
Are there other logos?	

Appendix 7 — Additional Structures





THE DEPARTMENT OF
**AGRICULTURE, FOOD &
RURAL DEVELOPMENT**
AN ROINN TALMHAÍOCHTA,
BIA AGUS FORBARTHA TUAITHE