

**Second Report**  
**from**  
**The National Steering Group for the Organic**  
**Sector**

**July 2005**

## Foreword

I would like to take this opportunity to thank all those who contributed to the continued development of the Organic Sector in 2004. In particular, I would like to sincerely thank all my colleagues on the National Steering Group for their hard work and endeavours during the year. I remarked in the initial report from the National Steering Group (NSG) for the Organic Sector that a lot had been achieved during the previous year and that a lot more needed to be done in the future. I am happy to report that further progress was made during 2004.

A number of bodies and individuals have contributed to the continued development of the Organic Sector and on behalf of the NSG I would like to take this opportunity to thank them.

The former Minister for Agriculture and Food, Joe Walsh TD, and the then Minister of State Noel Treacy were consistent during 2004 in their support for the development of the organic sector, and I thank Minister Treacy for the active interest he took in the work of the Steering Group. I am pleased to note that Minister Mary Coughlan has, since her appointment, identified the Sector as an area for potential development within the next few years.

The officials of the Department of Agriculture & Food have been very helpful at all times during the year and on behalf of the Group, I would like to express my appreciation to John Fox, Michael O'Donovan, Tony Reid, Oliver Healy, Frank Macken, Niall Ryan, William Murphy and Nick Stafford.

I would like to thank Teagasc for their commitment and dedication to the sector and in particular to Ger Shortle who took over the Chairmanship of the Partnership Expert Working Group during the course of the year, and to his predecessor Noel Culleton, to whom a special thanks is due. His contribution to both Groups was extremely valuable, due in no small measure to his great energy and astute judgement. Thanks also to Tom O'Dwyer, Chairperson and Jim Flanagan, Director for their continued support.

I would also like to convey our appreciation to Bord Bia for its great support and help during the past 12 months. In particular I would like to thank Mr Lorcan Bourke, and his predecessor Mr Padraig Brennan, for chairing the Organic Market Development Group.

I look forward to the year ahead and to the continued support of all involved in the organic Sector.

John Duggan  
Chairperson  
National Steering Group for the Organic Sector

### *Background and Current Structures*

The Report of the Organic Development Committee, which was published in April 2002, contained a number of recommendations to develop the organic sector in Ireland. The Committee's main recommendations have been implemented, including the establishment of a National Steering Group which held its first meeting in December 2002. By the end of 2004 this Group had met on eight occasions, and it continues to monitor the implementation of the other recommendations of the Organic Development Committee.

Besides the Steering Group, two other additional structures are in place:

- A Partnership Expert Working Group (PEWG) to co-ordinate, facilitate and monitor the provision of training, education, advice and research. Mr Ger Shortle of Teagasc is the Chairperson of this Group.
- An Organic Market Development Group (OMDG) under the co-ordination of Bord Bia with overall responsibility for developing a national marketing strategy for organic food. Mr Lorcan Bourke of Bord Bia is the Chairperson of this Group.

The NSG, the PEWG and the OMDG continue to be very active since their establishment. All 3 Groups are responsible for further progressing the recommendations contained in the Report of the Organic Development Committee. All 3 Groups hold regular meetings and bring together the key stakeholders of the Organic Sector to discuss relevant topics. This partnership approach is an important element in the development of the sector as a whole.

### Action by various stakeholders to date

- 7 Organic Demonstration Farms were selected in 2004 as a pilot project. This proved a big success and the initiative has been further extended to include a total of 12 farms in 2005. Valuable financial and practical production data were collected, as the selected farms participated in the Teagasc National Farm Survey and the Teagasc Monitor Farm Network. This information is made available to existing and potential organic operators and also to members of the public. The Department should consider inviting all REPS farmers to the open days, because potential new entrants to organic farming are most likely to come from that sector.
- A study of the organic poultry sector was published in May 2004.
- The organic supplementary measure in REPS 3 was re-designed to provide maximum flexibility to those entering the sector. Many of the changes recommended in the Organic Development Committee Report and various submissions from stakeholders were incorporated in the new Scheme, which was introduced in June 2004.
- A Statutory Instrument was introduced in March last year, which gave full effect to Council Regulation (EEC) No. 2092/91 as amended, and to the additional standards contained in Chapter 7 of the Report of the Organic Development Committee. It gives, *inter alia*, powers to the Department to prosecute those operating illegally.
- Substantial consideration was given during 2004 to the development of a national label and the Steering Group funded some consumer research on the subject. (Subsequently the Steering Group decided to advise against proceeding with the idea for the present.)
- An information leaflet on organic food and farming was published in September 2004, the objective of which was to raise awareness among consumers of what organic food and farming is about. The Guide was distributed through a wide range of outlets, including the major retail supermarkets, health food shops, farmers markets and libraries.
- Substantial progress, in partnership with the existing course providers, has also been made in the establishment of a FETAC accredited course in organic horticulture. This accreditation should be achieved in 2005.
- Teagasc has developed and delivered a number of organic courses to farmers and will expand this area in response to demand. In addition to the rollout of

organic education and advice, Teagasc are currently developing an organic beef research programme.

- Teagasc has also expanded its organic advisory network; it has identified advisers nationwide and their contact details are also available on the Department's website.

## *Future Prospects*

In its report, the Agri-Vision 2015<sup>1</sup> Committee considered that the limited response by Irish farmers to the economic opportunities in organic production was due to the substantial costs of switching to organic production systems and the relatively underdeveloped marketing structures for organic produce in Ireland.

The 2015 Committee's view was that, for as long as price is the principal determinant of choice for the vast majority of consumers, organic production will not offer a feasible, competitive solution for the majority of Irish farmers, but that it will offer profitable opportunities for agricultural production to a small number of farmers.

Despite the best efforts of the stakeholders, the organic sector has remained relatively static. This can be attributed, in part, to the uncertainty in relation to the reform of the CAP. That is now complete and the introduction of the decoupled Single Farm Payment, along with the attractive financial incentives in REPS 3, should make the organic option a real possibility for some farmers. Other developments, particularly the recent growth in direct selling and farmers' markets, should also give some encouragement to the sector. It is too early, however, to spot any trends or make any predictions. Certainly the trend in recent years makes it most unlikely that we will reach the point of 3% of the land area in organics by 2006, which the Organic Development Committee suggested was possible. The National Steering Group has decided, therefore, to advise the Minister that the 3% target is more likely to be reachable by 2010.

The Steering Group has also decided to advise the Minister that the idea of a single national label for organic produce should be put on hold for now. A good deal of work went into researching the concept, but different stakeholders had differing ideas about what the label should signify. While the national label was being discussed, at EU level work was going ahead on the European Action Plan for Organic Food and Farming. The Action Plan includes proposals for a EU information campaign, which will no doubt be aimed at raising consumers' awareness of organic food. In all the circumstances, it seems wisest not to go ahead with an Irish national label at this stage.

Irish farming in general is predominantly grass-based, and the organic sector is the same. We are more than self-sufficient in organic beef and lamb. Where the organic sector is different is that dairying is comparatively under-

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<sup>1</sup> The Agri-Vision 2015 Committee, chaired by Mr Alan Dukes, was established by the then Minister for Agriculture and Food, Mr Joe Walsh TD, in January 2004 with the following terms of reference: "Review the strategy and recommendations contained in the Agri-Food 2010 Report in the context of developments since the report was completed. The Report was published in December 2004.

developed. What holds it up is the fact that the dairy industry can afford to make plant available only if there is an assurance of regular and sufficient quantities. However this is an area with real potential for growth and I hope that both producers and processors will put some creative thinking into it. Again the new CAP regime is likely to create possibilities in this area over the coming years.

While there is a ready supply of organic beef and lamb, it does not always find a market. For that reason, developments in processing and in the production of added-value foods are welcome. One of the achievements of 2004 was the opening by Minister Noel Treacy of a modern processing plant which was built with 40% grant aid from the Department under the Scheme of Grant Aid for the Development of the Organic Sector.

The National Steering Group, the Partnership Expert Working Group and Organic Market Development Group will continue to implement the recommendations contained in the ODC Report along with those that are currently in train. Other priorities have also been identified.

- A communication strategy, informing consumers of the benefits of buying organic food, should be developed - consideration should be given to running an Organic Week nationally
- More market information is required to develop the organic market.
- A dual strategy approach is required to organic market development. While mainstream retailing is important, marketing initiatives and support should be targeted at 2<sup>nd</sup> tier retailing and direct food sellers of organic food
- A more proactive approach from State Agencies is required in promoting organic food at home and abroad
- The Organic Marketing Development Group should produce a leaflet to inform the general public on the difference between free range and organic eggs and poultry
- Horticulture - Conventional growers need to be convinced that organic farming systems work, as do existing organic growers considering large investments to increase scale of production. A supply deficit exists for organic horticultural produce and as such the challenge is one of solving production issues.

- The PEWG will look at the possibility of extending the existing Teagasc discussion groups to incorporate organic discussion groups with Teagasc providing the technical assistance to these groups.