



**Fifth Report  
From  
The National Steering Group  
for the Development of  
the Organic Sector**

**December 2008**

## **Foreword**

This is my fifth time to present this Progress Report as Chairperson of the National Steering Group for the Development of the Organic Sector. Since my last Report, the sector has witnessed major changes including the new Programme for Government, the appointment of a new Minister of State with specific responsibility for organic food and farming and the launch of the Department's Organic Farming Action Plan 2008-2012.

I would like to take this opportunity once again to thank all those who contributed to the further development of the sector since my last Report. I would like to thank the previous Minister for Agriculture, Fisheries and Food, Ms Mary Coughlan T.D., and the current Minister, Mr Brendan Smith TD, for their support. I would particularly like to thank Mr Trevor Sargent TD for the interest, commitment and enthusiasm he has shown since his appointment as Minister of State at the Department of Agriculture, Fisheries and Food. I know that Minister Sargent is particularly committed to achieving the target set out in the Programme for Government and I look forward to working closely with him on this.

I would sincerely like to thank all the members of the National Steering Group (NSG) for their ongoing dedication and hard work in promoting the organic sector. Progress continues to be made and I hope that the launch and implementation of the Organic Farming Action Plan 2008-2012 will be the single most important initiative in driving the sector forward at an accelerated rate into the future. I very much look forward to continuing to work with the stakeholders and members of the NSG in reaching our goals.

I must also convey my sincere appreciation to Teagasc for its commitment to the development of the sector in Ireland, in particular Director Mr Gerry Boyle, former Chairman Mr Tom O'Dwyer and Mr Gerry Scully, Teagasc Rural Development Program Leader. I look forward to working with the new Chairman Mr Noel Cawley. I must also commend the work of the Partnership Expert Working Group chaired by Mr Patrick Barry.

Bord Bia also deserves special mention for co-ordinating the Organic Marketing Plan. In particular Ms Teresa Brophy and Ms Eileen Bentley for their contribution. I would also like to praise the work of the Organic Market Development Group, chaired by Mr Lorcan Bourke.

I would also like to thank the staff in the Organic Unit of the Department of Agriculture, Fisheries & Food (DAFF) for their ongoing support. On behalf of the National Steering Group, I would sincerely like to express thanks to Mr John Fox, Mr Michael O'Donovan, Mr Tony Reid, Mr Donal Coleman, Mr Jim Carew, Mr William Murphy, Ms Johanna Codd, Mr Eddie McAuliffe, Ms Kathleen Walsh, Mr Gerry Naughton, Ms Anne Troy and Mr Tom Farrell. I would also like to thank Mr Niall Ryan, who has moved on to a different area of work, for his contribution. I would also like to thank the Organic Certification Bodies for their professionalism in the inspection and certification of organic operators throughout Ireland.

I look forward to continuing to work with all the various stakeholders in dealing with the challenges that lie ahead. We have set ourselves some very ambitious targets within the Organic Farming Action Plan. There are many impediments to overcome, including the European Commission decision not to allow existing non-organic REPS producers to join the Organic Farming Scheme without having to transform to REPS 4, but with hard work and co-operation, it is possible to achieve our goals.

**John Duggan Chairperson**

### **Background and Current Structures**

The National Steering Group for the Development of the Organic Sector was established on foot of a recommendation in the Report of the Organic Development Committee, published in April 2002. The initial 3-year term of the group finished at the end of 2005. In early 2006, the then Minister for Agriculture, Fisheries & Food, Ms Mary Coughlan TD, gave her approval for the National Steering Group to continue for a further 3-year period under the Chairmanship of Mr John Duggan.

The Minister also agreed to the re-appointment for a three-year period of the two additional sub-groups, the Partnership Expert Working Group (PEWG) and Organic Market Development Group (OMDG), chaired by Teagasc and Bord Bia respectively.

The National Steering Group met 5 times in 2007 and a further 3 times to the end of September 2008, making a total of 24 meetings since it was first established. The Steering Group continues to play a significant role in developing, and implementing, Government policy in this area.

The NSG, PEWG and the OMDG comprise a wide variety of stakeholders from the organic sector, along with DAFF, Teagasc and Bord Bia personnel. The partnership approach has proven to be a very successful element in the development of the sector to date. All three Groups have been very active and have played their part in this development.

The specific areas concentrated on in this Progress Report are the following:

- Programme for Government
- Organic Farming Action Plan 2008-2012
- Organic Marketing Plan 2006-2009
- Update on other Initiatives in 2007 and 2008

### **Programme for Government**

The Programme for Government, published when the new Government was elected in mid-2007, sets a target to convert a minimum 5% of acreage to organic farmland by 2012. This is clearly a very ambitious target. There are, however, encouraging signs of an upward trend in the land area under organic production. At the end of 2006, there were 1,270 organic operators with over 37,000 hectares of land under organic production. This had increased to just over 1,330 and 41,000 hectares by the end of 2007. In fact we passed the 1% land area figure during 2008 with the current land area standing at 44,600 hectares. The size of the organic retail market stands at more than €100 million in 2008, and has grown by 82% in the last 2 years. Despite growth of 30-40% in the past 2 years, there are signs that the growth is slowing down (14% in the past 6 months).

The appointment of Mr Trevor Sargent TD, as Minister for Food and Horticulture, with special responsibility for the development of the organic sector, is a very important factor in the context of the Government target. Minister Sargent personally wrote to all herdowners this year encouraging them to consider the organic option and informing them of the supports available in the sector.

### ***Organic Farming Action Plan 2008-2012***

The Department's Organic Farming Action Plan 2008-2012 was launched by Minister Sargent in April 2008. The Plan was drawn up in conjunction with officials from Bord Bia and Teagasc, along with input from all the stakeholders on the National Steering Group and sub Groups. It has four main objectives — to increase production in line with market trends, increase the knowledge base, develop the organic market home and abroad, and encourage the development of public procurement opportunities for organic products. There are 64 actions listed in the Plan and it will take the commitment of all stakeholders to assist in reaching the Government target.

The National Steering Group will have a crucial role in guiding and overseeing progress on the Action Plan. A report on developments in the various areas of the Action Plan will be presented at each meeting of the Steering Group. The Steering Group will carry out a thorough review of the Plan annually and where changes or amendments are required, the Steering Group will adopt these changes if they feel they are in the interests of the sector as a whole.

The Plan was reviewed at the September meeting and we have already completed some of the 64 actions recommended and made significant progress on a number of others. There remains a lot of work still to be done but at least we are heading in the right direction.

One of the actions identified in the Plan was the proposal to allocate additional milk quota to organic producers. Minister Sargent was pleased to be in a position to announce details of the new Scheme in August 2008 and this should facilitate expansion in the organic dairy sector. Under the Scheme organic milk producers can apply to the Department for up to 45,000 litres of additional quota from the National Reserve, which could potentially release about 750,000 litres of quota to organic producers in the current milk quota year. A strong market already exists and continues to grow both at home and abroad for Irish organic dairy products. The basic raw material – organic milk – is in scarce supply in this country and the provision of this additional quota will allow existing producers to expand and should also encourage new entrants into the sector.

Leaflets targeted at beef, tillage and horticultural producers have been produced and distributed at various events, including the Suckler Cow Scheme information meetings and the Ploughing Championship.

Another important initiative under way is the Ministerial engagement with the stakeholders. This important work has commenced with Minister Sargent meeting one of the retail multiples already. Arrangements are being made to meet other retailers and the farming social partners to outline the Government plans for the sector and to see how the stakeholders can assist regard to the long-term development of the organic strategy.

### ***Organic Marketing Plan 2006-2009***

The Organic Marketing Plan 2006-2009 is co-ordinated by Bord Bia on behalf of the Department of Agriculture, Fisheries and Food. Bord Bia has worked closely with the Organic Market Development Group on the development and implementation of the Plan. The objective of the Organic Marketing Plan is to develop the organic sector in Ireland for existing suppliers and new entrants, and assist them to develop their market potential. National Organic Week has been the central focus for the Plan and is now firmly established as a national event. In 2008 the timing of the event was brought forward to 15-21 September 2008 for a number of reasons; the greater availability of home produced organic produce in September and the fact that it coincided with the second week of “Organic Fortnight” in the UK. The objective of National Organic Week is to raise awareness among consumers and the public in general as to what is meant by organic food, its benefits and where to buy it. As in previous years, Bord Bia organised a media campaign to heighten awareness of the event and it received widespread coverage through the national and local media, with advertising and competitions running throughout the week. We would like to take this opportunity to acknowledge the work done by Bord Bia in this regard.

National Organic Week was preceded this year by the National Organic Food Conference which was held in the Waterford Institute of Technology on September 4<sup>th</sup> 2008. The Conference theme was “Maximising Ireland’s Potential” and was very well attended with many prominent speakers from Ireland, UK and mainland Europe. The Conference brought together many key players from across the industry including producers, processors, manufacturers, distributors, retailers and restaurateurs. It gave a comprehensive overview of the organic sector as it now stands in this country and the various contributions on the day highlighted the opportunities that are available to those who get involved in the organic industry.

Another successful initiative in the Plan has been the National Organic Awards, which were held in 2007 and 2008. This was planned originally as a biennial event, but the Steering Group took a decision to make it an annual event following the success of the event in 2007. The Awards were held at the prestigious SHOP retail event in the Royal Dublin Society

(RDS). The World Cheese Awards were also held at the same event, an indication of the high profile nature of SHOP.

Progress was made during 2008 on the organic school garden initiative. Five Primary Schools have been selected for the project, both rural and urban schools, and progress on developing these gardens will be captured on DVD which will be made available to schools in 2009. The Bloom Garden Festival in the Phoenix Park in June 2008 included a demonstration organic school garden, which received a silver gilt award.

Market research is an essential element of the Plan and Bord Bia completed a number of research projects in 2007 and 2008. Sector and market desk research was carried out in the UK and Italy. Trade and consumer research was also carried out in the UK. The feedback from UK research was positive from an Irish perspective, as at both trade and consumer level, the concept of Irish organic products is more than acceptable in the UK. Reasons for this include proximity, reduction in food miles, Ireland's clean green image etc.

A Farmers' Market Guide was published in 2007. It provides practical information to producers on how to access the markets correctly, e.g. technical/legal requirements, health & safety, costs-insurance stall fees etc. It is also very useful for farmers considering other direct selling options like box-schemes and farm shops.

The Organic Guide to Ireland, a cross border initiative, was published in September 2008. The Guide, and the associated website, should be of great assistance to all who are interested in finding out where to source organic produce.

#### ***Update on Other Initiatives in 2007 and 2008***

The new Organic Farming Scheme, introduced in August 2007 under the Rural Development Programme 2007 to 2013, aims at encouraging producers to respond to the market demand for organic food. One significant change this time round is that organic producers can obtain organic support payments without having to join REPS. This should encourage small-scale horticultural producers to convert to organic production, and also conventional tillage producers to convert part or even all of their holdings. The European Commission decided in 2008 not to allow existing non-organic REPS producers to join the Organic Farming Scheme without having to transform to REPS 4. As quite a number of farmers seem to be opting to see out their existing REPS, this is obviously having a negative impact on new producers coming into the Organic Farming Scheme. While it is undoubtedly an uphill battle, the Department is continuing to pursue this issue with the Commission.

The current capital grant Schemes were launched in June 2007 and they provide grant aid for investments by farmers and processors in equipment and facilities. The Schemes (On and Off-Farm) provide grant aid of 40% of the cost up to a maximum grant of €60,000 in the case

of on-farm investments and €500,000 for investments off-farm. So far this year, we have seen a significant increase in grant aid applications under the Scheme and this is indeed very encouraging.

The demonstration farm project continued to attract further interest in 2007 and was expanded to a total of 19. In keeping with the procedure adopted in previous years and after further consultation between DAFF and Teagasc personnel, further new farms were introduced into the programme to give a greater geographical spread of farms than before. In 2008, the program was expanded to 21 farms. A letter from Minister Sargent to over 100,000 farmers generated a remarkable increase in interest in organic farming, with noticeably bigger numbers attending the farm walks in 2008, especially the autumn dates.

Teagasc published its first Organic Production Business Plan in 2008. A number of the actions were incorporated into the Department's Organic Farming Action Plan. Teagasc appointed an additional three specialist organic advisors in 2007 to strengthen its advisory role. A number of private agricultural consultants are also available to provide the same service. This development, allied to the expanding demonstration farm programme, should further facilitate producers considering the organic option. Teagasc is committed to publishing a series of technical booklets and the first of these (Principles of Organic Farming) was launched in June 2008.

In addition to providing the four dedicated organic advisors, Teagasc has also organised training courses in organic production methods at a number of nationwide centres, and with the National Organic Training Skillnet (N.O.T.S) Programme also up and running, should help address much of the knowledge deficit, which has been a barrier to some producers considering conversion to organic production methods.

In response to a demand from within the sector and in conjunction with Teagasc, the National Steering Group arranged for agronomy expertise for both the pig and poultry sectors to be brought over from the UK in 2007.

On the regulatory front, the national legislation was amended in October 2007 to give Departmental officials stronger powers to take action against operators and retailers contravening the organic Regulations. Extra resources were assigned to the Organic Unit in 2007 and three inspectors now systematically visit retail outlets, including supermarkets, shops and farmers' markets, to ensure that all product identified as organic has been produced fully in accordance with the organic regulations.

Another complementary initiative worthy of mention is the European Union's new Organic Farming Campaign under the campaign slogan: "Organic farming - Good for nature, good for you". The campaign was launched in July 2008 and aims to inform consumers about the

meaning and benefits of organic farming and food production. The web-based campaign will focus on increasing consumer awareness and recognition of organic products, and especially on young people and children to carry the organic idea into the future. The website ([www.organic-farming.europa.eu](http://www.organic-farming.europa.eu)) contains an electronic “toolbox” that provides marketing materials in 22 languages free of charge to professionals throughout the entire food and farming sector in order to promote organic production and farming.

A new Council Regulation (834/2007) on organic food and farming was adopted by the Council of Ministers in June 2007. It aims at simplifying the provisions of the current Regulation (2092/91), improving the free circulation of organic produce and strengthening controls through recourse to the official food and feed control system. It includes aquaculture and wine in the scope of the Regulation for the first time. The Implementing Rules were similarly have also been published – in Commission Regulation (EC) No. 889/2008. The Regulation is due to come into force in January 2009.

In relation to proposed new EU logo, the Commission has decided to hold an EU wide competition, targeting art and design colleges, and that the final choice will be made by the public via an internet poll. The mandatory date for the introduction of the new logo has been moved from 1<sup>st</sup> January 2009 to July 2010 to facilitate this process. The current EU organic logo will continue to be used until the new logo is introduced.

## Appendix 1

### Terms of Reference for National Steering Group for the Development for the Organic Sector

#### 1. Constitution

- The National Steering Group (NSG) is a committee appointed by the Minister for Agriculture, Fisheries and Food

#### 2. Scope

- The NSG will provide a forum for discussion on issues that substantially impact on the organic sector.

#### 3. Objectives

- Increase awareness among consumers of organic food and farming
- Increase the production base in Ireland, with a view to increasing the home market share of Irish organic produce
- Seek to develop sustainable export markets for Irish produce as supplies become available

#### 4. Specific Actions

- Provide a framework for partnership between the organic sector and the other principal essential interests
- Offer advice to the Minister for Agriculture, Fisheries and Food on policy matters relating to the development of the organic sector
- Review progress on the recommendations contained in the Report of the Organic Development Committee

#### 5. Membership/Procedures

- The group shall consist of members appointed by the Minister of Agriculture, Fisheries and Food, to include a Chairperson and representatives of the various stakeholders.
- The Chairperson shall report annually to the Minister.
- The Group will remain in place for 3 years from June 2006
- The group will agree Terms of Reference for the two sub-groups, the Partnership Expert Working Group and the Organic Market Development Group and for any working group that may be appointed from time to time
- The Chairpersons of the sub-groups will provide the NSG with regular updates on progress.
- The Department of Agriculture, Fisheries and Food will provide the Secretariat for the NSG, i.e. produce agendas in consultation with the Chairperson, take minutes for each meeting and circulate all relevant papers to the NSG.
- The Chairperson may arrange for the attendance of a non-member for a specific item on the agenda.

#### 6. Frequency of meetings

- Meetings to be held quarterly where possible

## Appendix 2

### Review of Expenditure 2006 V 2007

|  | 2006         | 2007         |
|--|--------------|--------------|
| Total REPS payments to organic farmers                   | €7,167,611   | €10,254,043  |
| (REPS Supplementary Measure 6 <sup>1</sup> payment only) | (€2,517,893) | (€3,511,383) |
| Grant Scheme   | €195,718     | €594,306     |
| Inspection Costs   | €130,680     | €114,345     |
| Expenditure on Development of the Organic Sector         | €343,640     | €442,171     |
|  |              |              |
| Totals   | €7,837,649   | €11,404,865  |
|  |              |              |
| Total no. of organic operators                           | 1,270        | 1,334        |
| Total no of producers in REPS                            | 773          | 779          |

## Appendix 3

### *National Steering Group - Contact List*

| <b>Name / Address</b>   | <b>Representing</b>                     |
|---|---|
| John Duggan<br>Chairman National Steering Group<br>Newtown<br>Drangan<br>Thurles, Co Tipperary                            | Chairperson                             |
| Patrick Barry<br>Teagasc,<br>Moorepark, Fermoy, Co. Cork  | Teagasc                                 |
| Mr Stiofán Nutty<br>Department of Agriculture, Fisheries & Food<br>Agriculture House<br>Kildare Street, Dublin 2          | Advisor to Minister Of State<br>Sargent |
| Mr George Kearns<br>Irish Co-Operative Organisation Society<br>The Plunkett House<br>Merrion Square, Dublin 2             | ICOS                                    |
| Ms Elaine Farrell<br>Irish Farm Association<br>Irish Farm Centre<br>Bluebell, Dublin 12                                   | IFA                                     |
| Mr Denis Purcell<br>Bauregegaun Cottage<br>Feakle, Co Clare   | ICMSA                                   |
| Mr Joe Fox<br>Head Office<br>Enterprise Ireland, Glasnevin, Dublin 9  | Enterprise Ireland                      |
| Mr Gerry Scully<br>Programme Manager-Rural Development<br>Teagasc<br>Mellows Development Centre<br>Athenry, Co. Galway.   | Teagasc                                 |
| Mr John Purcell<br>Good Herdsmen Ltd<br>Ballybrado House, Cahir, Co Tipperary   | Good Herdsmen                           |
| Mr Lorcan Bourke<br>Bord Bia Head Office<br>Clanwilliam Court<br>Lower Mount Street, Dublin 2                             | Bord Bia                                |
| Mr Michael Kilcoyne<br>Consumers Association of Ireland<br>43-44 Chelmsford Road<br>Ranelagh, Dublin 6                    | Consumers Association of Ireland        |
| Ms Gillian Westbrook<br>Irish Cattle & Sheep Farmers Association<br>9 Lyster House<br>Lyster Square, Portlaoise, Co Laois | ICSA                                    |
| Mr Vincent Cleary<br>Glenisk Ltd<br>Killeigh, Tullamore, Co. Offaly   | Glenisk Ltd                             |

|  |  |
|--|--|
| Mr Michael Miklis<br>Raheen<br>Piltown, Co. Kilkenny   | Demeter Standards                              |
| Urs Tobler<br>Unit 24 Hebron Industrial Estate<br>Kilkenny   | ISME   |
| Jim Carew<br>Department of Agriculture, Fisheries & Food<br>Johnstown Castle Estate, Co. Wexford                         | Dept. of Agriculture and Food                  |
| Ms Bernadette Phelan,<br>Western Development Commission,<br>The Square,<br>Ballaghadereen, Co. Roscommon.                | Western Development Commission                 |
| Grace Maher<br>Augha<br>Nurney, Co. Carlow   | Irish Organic Farmers & Growers<br>Association |
| Mr Pat Lalor<br>Ballard Farm<br>Kilbeggan, Co. Westmeath   | Organic Trust                                  |
| Mr Tim Camon<br>Food Safety Authority of Ireland<br>Abbey Court<br>Lower Abbey Street, Dublin 1                          | Food Safety Authority of Ireland               |
| Mr Robbie Smith<br>Assistant Trading Manager<br>Musgrave Retail Partners Ireland<br>Tramore Road, Cork                   | Musgraves/Supervalu                            |
| Ms Loretta O'Rourke<br>Tesco Ireland<br>Head Office<br>Gresham House, Marine Road<br>Dun Laoghaire, Co Dublin            | Tesco Ireland                                  |
| Mr John Fox<br>Department of Agriculture, Fisheries & Food, Agriculture House<br>Kildare Street, Dublin 2                | Dept of Agriculture, Fisheries and<br>Food     |
| Mr Donal Coleman<br>Department of Agriculture, Fisheries & Food<br>Johnstown Castle Estate, Co. Wexford                  | AES Division                                   |
| Mr Michael O'Donovan<br>Department of Agriculture, Fisheries & Food<br>Johnstown Castle Estate, Co. Wexford              | Agricultural Structures                        |
| Mr Tony Reid<br>Department of Agriculture, Fisheries & Food<br>Johnstown Castle Estate, Co. Wexford                      | Organic Unit                                   |
| Mr William Murphy (Secretariat)<br>Department of Agriculture, Fisheries & Food<br>Johnstown Castle Estate, Co. Wexford   | Organic Unit                                   |
| Mary Cloherty<br>Irish Dairy Board<br>Grattan House, Mount Street Lower, Dublin 2  | Irish Dairy Board                              |
| Neil McGowan<br>Irish Builders and Employers Confederation<br>Confederation House<br>84-86 Lower Baggot Street, Dublin 2 | IBEC   |