

First Report
from
The National Steering Group
for the
Organic Sector

March 2004

Foreword

As the work of the Organic Steering Group is reviewed from 2003, I want to take this opportunity to thank all who contributed during that period. Firstly, sincere thanks to my colleagues on the Steering Group for all their endeavours. A lot was achieved during the year, but a lot more must be done.

So on behalf of the group I want to say thanks to the following bodies and people who contributed so much.

Minister Treacy has been a great source of support and encouragement during the year – thanks Minister.

The officials of the Department of Agriculture & Food who have been so helpful – to John Fox, Tony Reid, Oliver Healy, Michael O'Donovan, Frank Macken, Niall Ryan and Nick Stafford, our appreciation for work well done.

To Teagasc for all the help and in particular Dr. Noel Culleton for all his efforts.

To Bord Bia for its great support. Aisling Gildea worked extremely hard during her time with us and may we wish her well on her decision to take leave of absence from Bord Bia. Her replacement Pdraig Brennan fitted perfectly into the team, so our marketing future is in good hands.

It was a pleasure for me to Chair the group and I look forward to continued support in 2004. Thank to everyone.

John Duggan
Chairperson
National Steering Group for the Organic Sector
March 2004

Introduction

In November 2000 the Organic Development Committee (ODC) was established – on foot of a recommendation in the Agri-Food 2010 Report – with 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".

In April 2002 the Report of the Organic Development Committee was presented and was followed in November 2002 by an Action Plan prepared by the Department of Agriculture and Food, in which the Minister of State with responsibility for the organic sector, Mr Noel Treacy TD, formally supported the recommendations contained therein. These recommendations were categorised under two main headings:

- 1. Creation of new structures to assist the development of the organic sector**
- 2. Actions by various stakeholders**

New Structures

The following additional structures have all been established:

- A National Steering Group to act as a driving force for the development of the organic sector and a basis for advancing partnership between the organic sector and the other principal essential interests.
- A Partnership Expert Working Group to co-ordinate, facilitate and monitor the provision of training, education, advice and research. Dr. Noel Culleton of Teagasc is the Chairperson of this Group.
- An Organic Market Development Group under the co-ordination of Bord Bia with overall responsibility for developing a national marketing strategy for organic food. Ms. Aisling Gildea and Mr. Padraig Brennan of Bord Bia have chaired this Group.

All three Groups have been very active since their establishment and are responsible for progressing a number of the ODC Report recommendations referred to in this Report. Likewise partnership is vital if the organic sector is to reach its full potential and these Groups are also very important in that they bring together the key stakeholders at regular intervals.

Action by various stakeholders

Publication of Census at the National Organic Conference

In October 2003 the *Census of Irish Organic Production 2002* was published at the National Organic Conference, which was held at Portumna, Co. Galway. This was the first attempt at carrying out such a census and provided a lot of useful information on the size of the sector and the scale of output. Some of the main findings are contained in Appendix I.

A National Organic Conference was organised by Bord Bia and the Western Development Commission with assistance and input from the Organic Market Development Group. Financial support for the conference was also provided by the Department of Agriculture and Food, Enterprise Ireland and Tesco Ireland. The general feedback from the conference was that it was very worthwhile and informative.

National Label

The Report of the Organic Development Committee recommended that 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. The *Programme for Government* also refers to the development of a single national label to take advantage both of the “clean green” image of Irish agriculture and the added appeal of organic food.

This matter has been considered and progressed by the Market Development Group. A design company has been appointed to produce design concepts reflecting different options and a market research company will then conduct focus group meetings with consumers. The views of both the production and processing sectors will also be obtained. The findings will then be discussed by the Market Group and a recommendation made to the Steering Group.

Demonstration Farms

Demonstration Farms are another very important development for the organic sector, as they will provide a very useful means of providing information and data to existing and potential organic operators. Seven farms have been established initially on a pilot basis for 2004 and their details are as follows:

Name	Address	Approved for
Mr. Peter D. Quinn	Castleruddery, Donard, Co. Wicklow	Horticulture
Mr. David Notley	Aughamore Organic Farm, Carrick-on-Shannon, Co. Leitrim	Mixed Farming
Mr. Ernest Mackey	Ballinlea, Donard, Co. Wicklow	Mixed Farming
Mr. James Mulhall	Coolanowle, Ballickmoyler, Co. Carlow	Mixed Farming
Mr. & Mrs. Fintan & Valerie Rice	Everardsgrange, Fethard, Co. Tipperary	Dairying
Mr. Stuart Kingston	Forrest House, Farnanes, Co. Cork	Tillage
Mr. & Mrs Ben & Charlotte Colchester	Drumeen, The Islands, Urlingford, Co. Kilkenny	Poultry

The selected farmers will get a payment of €3,000 for facilitating up to four focus visits/farm walks in 2004. Valuable financial and practical production data will be collected, as these farms will participate in the Teagasc National Farm Survey and the Teagasc Monitor Farm Network.

Other recommendations progressed to date

A number of other recommendations have also been implemented or are well advanced and these are as follows:

- Teagasc produced two publications titled "Principles of Successful Organic Farming" and "Guidelines for Organic Farming". The Food Safety Authority of Ireland also published an information leaflet about organic food. Bord Bia has also produced a Report titled "Organic Food Market Developments – An Irish Perspective".
- There is a dedicated section on organic food and farming on the website of the Department of Agriculture and Food. This will be developed further in 2004.
- Teagasc has identified advisers nationwide and contact details are available on the website of the Department of Agriculture and Food.
- 3 Research projects in the areas of Seeds, Poultry and Beef have been identified and are being progressed.
- A review of the REPS organic supplementary measure has been carried out and proposals formulated for approval by the European Commission. The proposals put forward include that the area eligible for payment will go to 55 hectares so the maximum payment for the two-year conversion period will increase to €18,505 and the annual payment after that will be €13,555.
- A Statutory Instrument was signed by the Minister for Agriculture & Food giving full effect to Council Regulation (EEC) 2092/91 as amended, and to the recommendations/additional standards contained in Chapter 7 of the Report of the Organic Development Committee. It gives, *inter alia*, the Department of Agriculture and Food powers to prosecute those operating illegally.
- Funding has been sought by the Organic Centre, Rosinver, Co. Leitrim from the Department of Agriculture and Food to develop a FETAC approved horticultural course. The Department of Agriculture and Food has also been in contact with an t-Ionad Glas, Dromcollogher, Co. Limerick.
- The farming social partners have produced position papers on organic food and farming.

Priorities for 2004

All three structures referred to on page 4 will continue to implement the recommendations contained in the ODC Report along with those that are currently in train. Specific priorities in line with the Report have also been identified as follows:

1) Increase processing capacity and develop export markets.

A delegation from the Steering Group will meet with established conventional processors in the red meat and milk sectors to establish possible interest in the organic sector.

Ireland is a country that exports a considerable amount of food produce. Developing new export markets for organic beef, lamb and milk is important for the further development of the sector here. There appears to be a difficulty in relation to the UK meat market and efforts are necessary in this area along with the development of new European markets.

2) Increased level/volume of supply

Increased level/volume of supply needs to be linked to development on the demand side (home and export). Efforts must be made to ensure that if new markets are identified, produce can be supplied on an all year round basis. Teagasc has a key role to play in this regard. The various state agencies must work closely together to ensure that any markets identified can be supplied.

3) Horticulture

Officials with horticultural responsibilities in Bord Glas, Teagasc and the Department of Agriculture and Food, in liaison with the industry, have been asked to prepare a document prioritising the issues that need addressing in the sector.

4) National Label

Final decision on the National Label to be taken by the Steering Group.

5) Seepage of organic livestock

The seepage of organic livestock to the conventional sector needs addressing and potential solutions to this problem will be examined with a view to maximising the amount of produce finished and sold organically.

6) Feed prices

High feed prices are generally recognised as causing an impediment to the development of the sector. Possibilities for reducing costs will be explored.

7) Farming Social Partners

The position papers produced by the farming social partners will be considered.

8) Partnership Expert Working Group

With the demonstration farms to be up and running shortly, this Group will look at the position in relation to the possibility of extending the existing Teagasc discussion groups to incorporate organic discussion groups with Teagasc providing the technical assistance to these groups.








Likewise the position regarding producer groups and their possible development will also be examined.

9) Organic Market Development Group

This Group should, along with prioritising the recommendations contained in the ODC Marketing Sub-Group report, will explore the further development of farmers markets.

Appendix I

Census of Irish Organic Production 2002

-  Data analysis and the preparation of the report were conducted by Franklin Research Ltd (Dublin).
-  The figures in Section 1 of the report (i.e. number of producers, employment and total area) were adjusted upwards to represent all 923 registered producers with DAF on 31 December 2002. The remaining figures in Sections 2 to 7 are based on the 853 producers for whom data was available.
-  Of the 923 registered organic producers, 747 have attained full organic status with 176 in conversion. Producers are concentrated in the Munster and Connaught regions with Cork accounting for one-sixth of all producers.
-  The sector provides 777 full-time jobs, 993 part-time jobs and approximately 1,800 seasonal jobs.
-  The total land area involved in organic production is 29,850Ha (0.7% of all agricultural land in Ireland) with 23,432Ha fully converted with 6,418Ha in conversion.
-  There are 577 organic bovine producers with just under 18,000 bovine animals. There were over 6,000 suckler cows in Ireland in 2002. In general beef producers were able to sell their animals to organic markets (only 16% lost to the conventional sector). Producers have most difficulty finding outlets for weanlings with 25% lost to the conventional sector. Many Producers expressed concern about prices and profitability. There were only 23 organic dairy farmers with a total of 649 dairy cows.
-  There were 286 organic sheep producers with over 31,000 sheep. Most finished lambs are sold organically but most store lambs (69%) are lost to the conventional sector.

- ✿ There were 64 producers of organic eggs, 34 producers of organic goats and 25 producers of organic pigs.
- ✿ Regarding organic crop production, there were 77 producers growing organic vegetables, 40 growing organic cereals, 30 growing organic potatoes and 22 growing organic fruit.
- ✿ Just over half (53%) of producers have access to the Internet and a quarter (26%) use the Internet for their organic business. The most commonly mentioned specific uses included sourcing certified raw materials (e.g. feed, seed, etc.) and general research on organic matters (often using international websites).
- ✿ 18% of producers are members of producer groups.
- ✿ Over half the producers surveyed rated lack of markets and lack of profitability as big barriers to the future expansion of their business. Producers feel that consumer demand is not strong enough and consumers do not want to pay more for organic products. They said that the prices they receive for their output does not justify the higher cost associated with organic production and access to capital is related to this issue, as banks will not lend money to businesses with low profits.

